

1 AMENDMENT TO HOUSE BILL 1728

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1728, by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Prompt Payment Act is amended by  
5 changing Sections 1, 3-2, 3-3, 4, and 5 and by adding Section  
6 3-4 as follows:

7 (30 ILCS 540/1) (from Ch. 127, par. 132.401)

8 Sec. 1. This Act applies to any State official or agency  
9 authorized to provide for payment from State funds, by virtue  
10 of any appropriation of the General Assembly, for goods or  
11 services furnished to the State.

12 ~~Except--as--provided--in--Section--2-17~~, For purposes of this  
13 Act, "goods or services furnished to the State" include but  
14 are not limited to covered health care provided to eligible  
15 members and their covered dependents in accordance with the  
16 State Employees Group Insurance Act of 1971, including  
17 coverage through a physician-owned health maintenance  
18 organization under Section 6.1 of that Act.

19 For the purposes of this Act, "appropriate State official  
20 or agency" is defined as the Director or Chief Executive or  
21 his designee of that State agency or department or facility  
22 of such agency or department. With respect to covered health

1 care provided to eligible members and their dependents in  
2 accordance with the State Employees Group Insurance Act of  
3 1971, "appropriate State official or agency" also includes an  
4 administrator of a program of health benefits under that Act.

5 As used in this Act, "eligible member" means a member who  
6 is eligible for health benefits under the State Employees  
7 Group Insurance Act of 1971, and "member" and "dependent"  
8 have the meanings ascribed to those terms in that Act.

9 As used in this Act, "a proper bill or invoice" means a  
10 bill or invoice that includes the information necessary for  
11 processing the payment as may be specified by a State agency  
12 and in rules adopted in accordance with this Act.

13 (Source: P.A. 91-266, eff. 7-23-99.)

14 (30 ILCS 540/3-2) (from Ch. 127, par. 132.403-2)

15 Sec. 3-2. Beginning July 1, 1993, in any instance where  
16 a State official or agency is late in payment of a vendor's  
17 bill or invoice for goods or services furnished to the State,  
18 as defined in Section 1, properly approved in accordance with  
19 rules promulgated under Section 3-3, the State official or  
20 agency shall pay interest to the vendor in accordance with  
21 the following:

22 (1) Any bill approved for payment under this  
23 Section must be paid or the payment issued mailed to the  
24 payee within 60 days of receipt of a proper bill or  
25 invoice ~~the--date-of-approval~~. If payment is not issued  
26 ~~made-or-mailed~~ to the payee within this 60 day period, an  
27 interest penalty of 1.0% of any amount approved and  
28 unpaid shall be added for each month or fraction thereof  
29 after the end of this 60 day period, until final payment  
30 is made.

31 (1.1) Unless otherwise provided by rules adopted  
32 under Section 3-3 of this Act, a State agency shall  
33 review each bill or invoice within 21 days after its

1 receipt. If the State agency determines that the bill or  
2 invoice contains a defect, the agency shall notify the  
3 vendor requesting payment within 21 days after receipt of  
4 the bill or invoice. The notice shall identify the  
5 defect and any additional information necessary to  
6 correct the defect. If, within 5 business days after  
7 receiving the notice, a vendor provides the information  
8 necessary to correct the defect, then the required  
9 payment date shall be 60 days from the date of the State  
10 agency's original receipt of the bill or invoice. If the  
11 vendor fails to provide the necessary information within  
12 the 5 business days, the required payment date shall be  
13 calculated 60 days after the agency receives a proper  
14 bill or invoice.

15 (2) Where a State official or agency is late in  
16 payment of a vendor's bill or invoice properly approved  
17 in accordance with this Act, and different late payment  
18 terms are not reduced to writing as a contractual  
19 agreement, the State official or agency shall  
20 automatically pay interest penalties required by this  
21 Section amounting to \$50 or more to the appropriate  
22 vendor. Each agency shall be responsible for determining  
23 whether an interest penalty is owed and for paying the  
24 interest to the vendor. For interest of at least \$5 but  
25 less than \$50, the vendor must initiate a written request  
26 for the interest penalty when such interest is due and  
27 payable. The Department of Central Management Services  
28 and the State Comptroller shall jointly promulgate rules  
29 establishing the conditions under which interest of less  
30 than \$5 may be claimed and paid. In the event an  
31 individual has paid a vendor for services in advance, the  
32 provisions of this Section shall apply until payment is  
33 made to that individual.

34 (Source: P.A. 87-1232; 88-494.)

(30 ILCS 540/3-3) (from Ch. 127, par. 132.403-3)

Sec. 3-3. The State Comptroller and the Department of Central Management Services shall jointly promulgate rules and policies to govern the uniform application of this Act. These rules and policies shall include procedures and time frames for approving a bill or invoice from a vendor for goods or services furnished to the State. These rules and policies shall provide for procedures and time frames applicable to payment plans as may be agreed upon between State agencies and vendors. These rules and policies shall be binding on all officials and agencies under this Act's jurisdiction. These rules and policies may be made effective no earlier than July 1, 1993.

(Source: P.A. 88-554, eff. 7-26-94; 89-21, eff. 7-1-95.)

(30 ILCS 540/3-4 new)

Sec. 3-4. The State Comptroller must specify the manner in which State agencies shall record interest penalty payments made under this Act. The State Comptroller may require vouchers submitted for payment, including submission by electronic or other means approved by the Comptroller, to indicate the appropriate date from which interest penalties may be calculated as required under this Act.

(30 ILCS 540/4) (from Ch. 127, par. 132.404)

Sec. 4. Nothing in this Act ~~Neither--Section--2--nor Section--3~~ shall be construed to deprive the Comptroller of his power to examine vouchers as specified in the State Comptroller Act.

(Source: P.A. 86-1475.)

(30 ILCS 540/5) (from Ch. 127, par. 132.405)

Sec. 5. The State remittance invoice--or--voucher shall indicate that payment of interest may be available for

- 1 failure to comply with this Act.
- 2 (Source: P.A. 85-1159.)".