

1 AN ACT concerning State finances.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois State Collection Act of 1986 is
5 amended by changing Section 5 as follows:

6 (30 ILCS 210/5) (from Ch. 15, par. 155)

7 Sec. 5. Rules; payment plans; offsets.

8 (a) State agencies shall adopt rules establishing formal
9 due dates for amounts owing to the State and for the referral
10 of seriously past due accounts to private collection
11 agencies, unless otherwise expressly provided by law or rule.
12 Such procedures shall be established in accord with sound
13 business practices.

14 (b) Agencies may enter deferred payment plans for
15 debtors of the agency and documentation of this fact retained
16 by the agency, where the deferred payment plan is likely to
17 increase the net amount collected by the State.

18 (c) State agencies may use the Comptroller's Offset
19 System provided in Section 10.05 of the State Comptroller Act
20 for the collection of debts owed to the agency. All debts
21 that exceed \$1,000 and are more than 90 days past due shall
22 be placed in the Comptroller's Offset System, unless the
23 State agency shall have entered into a deferred payment plan
24 or demonstrates to the Comptroller's satisfaction that
25 referral for offset is not cost effective.

26 (d) State agencies shall develop internal procedures
27 whereby agency initiated payments to its debtors may be
28 offset without referral to the Comptroller's Offset System.

29 (e) State agencies or the Comptroller may remove claims
30 from the Comptroller's Offset System, where such claims have
31 been inactive for more than one year.

1 (f) State agencies may use the Comptroller's Offset
 2 System to determine if any State agency is attempting to
 3 collect debt from a contractor, bidder, or other proposed
 4 contracting party.

5 (Source: P.A. 90-332, eff. 1-1-98.)

6 Section 10. The Illinois Procurement Code is amended by
 7 changing Section 50-60 and by adding Section 50-11 as
 8 follows:

9 (30 ILCS 500/50-11 new)

10 Sec. 50-11. Debt delinquency.

11 (a) No person shall submit a bid for or enter into a
 12 contract with a State agency under this Code if that person
 13 knows or should know that he or she is delinquent in the
 14 payment of any debt to the State, unless the person has
 15 entered into a deferred payment plan to pay off the debt.
 16 For purposes of this Section, the phrase "delinquent in the
 17 payment of any debt" shall be determined by the Debt
 18 Collection Board.

19 (b) Every bid submitted to and contract executed by the
 20 State shall contain a certification by the bidder or
 21 contractor that the contractor is not barred from being
 22 awarded a contract under this Section and that the contractor
 23 acknowledges that the contracting State agency may declare
 24 the contract void if the certification completed pursuant to
 25 this subsection (b) is false.

26 (30 ILCS 500/50-60)

27 Sec. 50-60. Voidable contracts.

28 (a) If any contract is entered into or purchase or
 29 expenditure of funds is made in violation of this Code or any
 30 other law, the contract may be declared void by the chief
 31 procurement officer or may be ratified and affirmed, provided

1 the chief procurement officer determines that ratification is
2 in the best interests of the State. If the contract is
3 ratified and affirmed, it shall be without prejudice to the
4 State's rights to any appropriate damages.

5 (b) If, during the term of a contract, the contracting
6 agency determines that the contractor is delinquent in the
7 payment of debt as set forth in Section 50-11 of this Code,
8 the State agency may declare the contract void if it
9 determines that voiding the contract is in the best interests
10 of the State. The Debt Collection Board shall adopt rules
11 for the implementation of this subsection (b).

12 (Source: P.A. 90-572, eff. 2-6-98.)

13 Section 99. Effective date. This Act takes effect on
14 July 1, 2002.