



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB1357

Introduced 2/18/2005, by Sen. Chris Lauzen

SYNOPSIS AS INTRODUCED:

30 ILCS 210/8

from Ch. 15, par. 158

Amends the Illinois State Collection Act of 1986. Provides that after accounts have been certified by the Debt Collection Board or the Attorney General as uncollectible, the State Comptroller may sell the debts to outside private vendors or enter into one or more contracts with outside private vendors for the purpose of pursuing a last-call collection effort to collect these debts for a contingent fee. Provides that beginning on the effective date of this amendatory Act, the outside private vendors shall remit to the State Comptroller either (i) all amounts collected under a contract, net of contingent fees (now, remitted to the respective State agencies to whom the money is owed) or (ii) the purchase price for debts sold. Provides that the State Comptroller shall deposit the money received under these provisions into the Budget Stabilization Fund. Effective immediately.

LRB094 10985 BDD 41588 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning State finance.

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 8 as follows:

6 (30 ILCS 210/8) (from Ch. 15, par. 158)

7 Sec. 8. Debt Collection Board.

8 (a) There is created a Debt Collection Board consisting of
9 the Director of Central Management Services as chairman, the
10 State Comptroller, and the Attorney General, or their
11 respective designees. The Board shall establish a centralized
12 collections service to undertake further collection efforts on
13 delinquent accounts or claims of the State which have not been
14 collected through the reasonable efforts of the respective
15 State agencies. The Board shall promulgate rules and
16 regulations pursuant to the Illinois Administrative Procedure
17 Act with regard to the establishment of timetables and the
18 assumption of responsibility for agency accounts receivable
19 that have not been collected by the agency, are not subject to
20 a current repayment plan, or have not been certified as
21 uncollectible as of the date specified by the Board. The Board
22 shall make a final evaluation of those accounts and either (i)
23 direct or conduct further collection activities when further
24 collection efforts are in the best economic interest of the
25 State or (ii) in accordance with Section 2 of the Uncollected
26 State Claims Act, certify the receivable as uncollectible or
27 submit the account to the Attorney General for that
28 certification.

29 The Board is empowered to adopt rules and regulations
30 subject to the provisions of the Illinois Administrative
31 Procedure Act.

32 The Board is empowered to enter into one or more contracts

1 with outside private vendors with demonstrated capabilities in
2 the area of account collection for the collection of the
3 delinquent accounts. The contracts shall be let on the basis of
4 competitive proposals secured from responsible proposers. The
5 Board may require that vendors be prequalified. All contracts
6 shall provide for a contingent fee based on the age, nature,
7 amount and type of delinquent account. The Board may adopt a
8 reasonable classification schedule for the various
9 receivables. ~~The contractor shall remit the amount collected,~~
10 ~~net of the contingent fee, to the respective State agency which~~
11 ~~shall deposit the net amount received into the fund that would~~
12 ~~have received the receipt had it been collected by the State~~
13 ~~agency.~~ No portion of the collections shall be deposited into
14 an Accounts Receivable Fund established under Section 6 of this
15 Act. The Board shall act only upon the unanimous vote of its
16 members.

17 The authority granted the Debt Collection Board under this
18 Section shall be limited to the administration of debt not
19 otherwise required by the provisions of this amendatory Act of
20 the 93rd General Assembly to be referred to the Department of
21 Revenue's Debt Collection Bureau. Upon referral to and
22 acceptance of any debt by the Bureau, the provisions of this
23 Section shall be rendered null and void as to that debt and the
24 Board shall promptly deliver its entire file and all records
25 relating to such debt to the Bureau, together with a status
26 report describing all action taken by the Board or any entity
27 on its behalf to collect the debt, and including an accounting
28 of all payments received.

29 (b) After accounts have been certified by the Board or the
30 Attorney General as uncollectible under this Section, the State
31 Comptroller may sell the debts to one or more outside private
32 vendors or may enter into one or more contracts with outside
33 private vendors for the purpose of pursuing a last-call
34 collection effort to collect these debts. All contracts with
35 outside private vendors for the purpose of pursuing a last-call
36 collection effort to collect the debts shall provide for a

1 contingent fee.

2 Beginning on the effective date of this amendatory Act of
3 the 94th General Assembly, the outside private vendors shall
4 remit to the State Comptroller either (i) all amounts collected
5 under a contract, net of any contingent fees, or (ii) the
6 purchase price for debts sold. Beginning on the effective date
7 of this amendatory Act of the 94th General Assembly, the State
8 Comptroller shall deposit the money received under this
9 subsection (b) into the Budget Stabilization Fund.

10 (Source: P.A. 93-570, eff. 8-20-03.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.