



Rep. Franco Coladipietro

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LRB097 18784 JDS 67109 a

1 AMENDMENT TO HOUSE BILL 5189

2 AMENDMENT NO. _____. Amend House Bill 5189 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Comptroller Act is amended by
5 changing Section 9.03 as follows:

6 (15 ILCS 405/9.03) (from Ch. 15, par. 209.03)

7 Sec. 9.03. Direct deposit of State payments.

8 (a) The Comptroller, with the approval of the State
9 Treasurer, may provide by rule or regulation for the direct
10 deposit of any payment lawfully payable from the State Treasury
11 and in accordance with federal banking regulations including
12 but not limited to payments to (i) persons paid from personal
13 services, (ii) persons receiving benefit payments from the
14 Comptroller under the State pension systems, (iii) individuals
15 who receive assistance under Articles III, IV, and VI of the
16 Illinois Public Aid Code, (iv) providers of services under the

1 Mental Health and Developmental Disabilities Administrative
2 Act, (v) providers of community-based mental health services,
3 and (vi) providers of services under programs administered by
4 the State Board of Education, in the accounts of those persons
5 or entities maintained at a bank, savings and loan association,
6 or credit union, where authorized by the payee. The Comptroller
7 also may deposit public aid payments for individuals who
8 receive assistance under Articles III, IV, VI, and X of the
9 Illinois Public Aid Code directly into an electronic benefits
10 transfer account in a financial institution approved by the
11 State Treasurer as prescribed by the Illinois Department of
12 Human Services and in accordance with the rules and regulations
13 of that Department and the rules and regulations adopted by the
14 Comptroller and the State Treasurer. The Comptroller, with the
15 approval of the State Treasurer, may provide by rule for the
16 electronic direct deposit of payments to public agencies and
17 any other payee of the State. The electronic direct deposits
18 may be made to the designated account in those financial
19 institutions specified in this Section for the direct deposit
20 of payments. Within 6 months after the effective date of this
21 amendatory Act of 1994, the Comptroller shall establish a pilot
22 program for the electronic direct deposit of payments to local
23 school districts, municipalities, and units of local
24 government. The payments may be made without the use of the
25 voucher-warrant system, provided that documentation of
26 approval by the Treasurer of each group of payments made by

1 direct deposit shall be retained by the Comptroller. The form
2 and method of the Treasurer's approval shall be established by
3 the rules or regulations adopted by the Comptroller under this
4 Section.

5 (b) Except as provided in subsection (b-5), all ~~All~~ State
6 payments for an employee's payroll or an employee's expense
7 reimbursement must be made through direct deposit. It is the
8 responsibility of the paying State agency to ensure compliance
9 with this mandate. If a State agency pays an employee's payroll
10 or an employee's expense reimbursement without using direct
11 deposit, the Comptroller may charge that employee a processing
12 fee of \$2.50 per paper warrant. The processing fee may be
13 withheld from the employee's payment or reimbursement. The
14 amount collected from the fee shall be deposited into the
15 Comptroller's Administrative Fund.

16 (b-5) If an employee indicates in writing to the paying
17 State agency or the Comptroller that it is his or her desire to
18 have his or her payroll or expense reimbursement deposited to a
19 secure check account, then the Comptroller shall disburse those
20 amounts in that form. For the purposes of this Section, "secure
21 check account" means an account established with a financial
22 institution for the employee that allows the dispensing of the
23 funds in the account through a third party who dispenses to the
24 employee a paper check.

25 (c) All State payments to a vendor that exceed the
26 allowable limit of paper warrants in a fiscal year, by the same

1 agency, must be made through direct deposit. It is the
2 responsibility of the paying State agency to ensure compliance
3 with this mandate. If a State agency pays a vendor more times
4 than the allowable limit in a single fiscal year without using
5 direct deposit, the Comptroller may charge the vendor a
6 processing fee of \$2.50 per paper warrant. The processing fee
7 may be withheld from the vendor's payment. The amount collected
8 from the processing fee shall be deposited into the
9 Comptroller's Administrative Fund. The Office of the
10 Comptroller shall define "allowable limit" in the
11 Comptroller's Statewide Accounting Management System (SAMS)
12 manual, except that the allowable limit shall not be less than
13 30 paper warrants. The Office of the Comptroller shall also
14 provide reasonable notice to all State agencies of the
15 allowable limit of paper warrants.

16 (d) State employees covered by provisions in collective
17 bargaining agreements that do not require direct deposit of
18 paychecks are exempt from this mandate. No later than 60 days
19 after the effective date of this amendatory Act of the 97th
20 General Assembly, all State agencies must provide to the Office
21 of the Comptroller a list of employees that are exempt under
22 this subsection (d) from the direct deposit mandate. In
23 addition, a State employee or vendor may file a hardship
24 petition with the Office of the Comptroller requesting an
25 exemption from the direct deposit mandate under this Section. A
26 hardship petition shall be made available for download on the

1 Comptroller's official Internet website.

2 (e) Notwithstanding any provision of law to the contrary,
3 the direct deposit of State payments under this Section for an
4 employee's payroll, an employee's expense reimbursement, or a
5 State vendor's payment does not authorize the State to
6 automatically withdraw funds from those accounts.

7 (f) For the purposes of this Section, "vendor" means a
8 non-governmental entity with a taxpayer identification number
9 issued by the Social Security Administration or Internal
10 Revenue Service that receives payments through the
11 Comptroller's commercial system. The term does not include
12 State agencies.

13 (g) The requirements of this Section do not apply to the
14 legislative or judicial branches of State government.

15 (Source: P.A. 97-348, eff. 8-12-11.)

16 Section 10. The Department of Employment Security Law of
17 the Civil Administrative Code of Illinois is amended by adding
18 Section 1005-200 as follows:

19 (20 ILCS 1005/1005-200 new)

20 Sec. 1005-200. Benefit payment method.

21 (a) The Department shall provide to each claimant, upon
22 filing a claim for benefits, written notice of benefit payment
23 options, which shall include the following: prepaid debit card,
24 direct deposit, and secure check account. The written notice

1 shall require the claimant's signature to be kept on record by
2 the Department in order to designate his or her benefit payment
3 method as prepaid debit card, direct deposit, or secure check
4 account.

5 (b) The Department shall afford a claimant the opportunity
6 to change, in writing, his or her benefit payment option at any
7 time.

8 (c) Any claimant who has filed a claim for benefit and is
9 either awaiting a determination by the Department or is
10 currently receiving benefits on or after the effective date of
11 this Section shall be provided written notice pursuant to
12 subsection (a) of this Section within 30 days after that date
13 and shall be afforded the opportunity at any time to change his
14 or her benefit payment option pursuant to subsection (b) of
15 this Section.

16 (d) For the purposes of this Section, "secure check
17 account" means an account established with a financial
18 institution for the claimant that allows the dispensing of the
19 funds in the account through a third party who dispenses to the
20 claimant a paper check.

21 Section 99. Effective date. This Act takes effect 30 days
22 after becoming law."