



Rep. David Harris

Filed: 4/4/2016

09900HB4981ham001

LRB099 20182 HLH 46954 a

1 AMENDMENT TO HOUSE BILL 4981

2 AMENDMENT NO. _____. Amend House Bill 4981 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Prompt Payment Act is amended by
5 changing Section 3-2 as follows:

6 (30 ILCS 540/3-2)

7 Sec. 3-2. Beginning July 1, 1993, in any instance where a
8 State official or agency is late in payment of a vendor's bill
9 or invoice for goods or services furnished to the State, as
10 defined in Section 1, properly approved in accordance with
11 rules promulgated under Section 3-3, the State official or
12 agency shall pay interest to the vendor in accordance with the
13 following:

14 (1) Any bill, except a bill submitted under Article V
15 of the Illinois Public Aid Code and except as provided
16 under paragraph (1.05) of this Section, approved for

1 payment under this Section must be paid or the payment
2 issued to the payee within 60 days of receipt of a proper
3 bill or invoice. If payment is not issued to the payee
4 within this 60-day period, an interest penalty of 1.0% of
5 any amount approved and unpaid shall be added for each
6 month or fraction thereof after the end of this 60-day
7 period, until final payment is made. Any bill, except a
8 bill for pharmacy or nursing facility services or goods,
9 and except as provided under paragraph (1.05) of this
10 Section, submitted under Article V of the Illinois Public
11 Aid Code approved for payment under this Section must be
12 paid or the payment issued to the payee within 60 days
13 after receipt of a proper bill or invoice, and, if payment
14 is not issued to the payee within this 60-day period, an
15 interest penalty of 2.0% of any amount approved and unpaid
16 shall be added for each month or fraction thereof after the
17 end of this 60-day period, until final payment is made. Any
18 bill for pharmacy or nursing facility services or goods
19 submitted under Article V of the Illinois Public Aid Code,
20 except as provided under paragraph (1.05) of this Section,
21 and approved for payment under this Section must be paid or
22 the payment issued to the payee within 60 days of receipt
23 of a proper bill or invoice. If payment is not issued to
24 the payee within this 60-day period, an interest penalty of
25 1.0% of any amount approved and unpaid shall be added for
26 each month or fraction thereof after the end of this 60-day

1 period, until final payment is made.

2 (1.05) For State fiscal year 2012 and future fiscal
3 years, any bill approved for payment under this Section
4 must be paid or the payment issued to the payee within 90
5 days of receipt of a proper bill or invoice. If payment is
6 not issued to the payee within this 90-day period, then,
7 (i) for bills or invoices submitted prior to the effective
8 date of this amendatory Act of the 99th General Assembly,
9 an interest penalty of 1.0% of any amount approved and
10 unpaid shall be added for each month, or 0.033%
11 (one-thirtieth of one percent) of any amount approved and
12 unpaid for each day, after the end of this 90-day period,
13 until final payment is made, and (ii) for bills or invoices
14 submitted on or after the effective date of this amendatory
15 Act of the 99th General Assembly, an interest penalty of
16 0.75% of any amount approved and unpaid shall be added for
17 each month, or 0.025% (one-thirtieth of 0.75%) of any
18 amount approved and unpaid for each day, after the end of
19 this 90-day period until final payment is made.

20 (1.1) A State agency shall review in a timely manner
21 each bill or invoice after its receipt. If the State agency
22 determines that the bill or invoice contains a defect
23 making it unable to process the payment request, the agency
24 shall notify the vendor requesting payment as soon as
25 possible after discovering the defect pursuant to rules
26 promulgated under Section 3-3; provided, however, that the

1 notice for construction related bills or invoices must be
2 given not later than 30 days after the bill or invoice was
3 first submitted. The notice shall identify the defect and
4 any additional information necessary to correct the
5 defect. If one or more items on a construction related bill
6 or invoice are disapproved, but not the entire bill or
7 invoice, then the portion that is not disapproved shall be
8 paid.

9 (2) Where a State official or agency is late in payment
10 of a vendor's bill or invoice properly approved in
11 accordance with this Act, and different late payment terms
12 are not reduced to writing as a contractual agreement, the
13 State official or agency shall automatically pay interest
14 penalties required by this Section amounting to \$50 or more
15 to the appropriate vendor. Each agency shall be responsible
16 for determining whether an interest penalty is owed and for
17 paying the interest to the vendor. Except as provided in
18 paragraph (4), an individual interest payment amounting to
19 \$5 or less shall not be paid by the State. Interest due to
20 a vendor that amounts to greater than \$5 and less than \$50
21 shall not be paid but shall be accrued until all interest
22 due the vendor for all similar warrants exceeds \$50, at
23 which time the accrued interest shall be payable and
24 interest will begin accruing again, except that interest
25 accrued as of the end of the fiscal year that does not
26 exceed \$50 shall be payable at that time. In the event an

1 individual has paid a vendor for services in advance, the
2 provisions of this Section shall apply until payment is
3 made to that individual.

4 (3) The provisions of Public Act 96-1501 reducing the
5 interest rate on pharmacy claims under Article V of the
6 Illinois Public Aid Code to 1.0% per month shall apply to
7 any pharmacy bills for services and goods under Article V
8 of the Illinois Public Aid Code received on or after the
9 date 60 days before January 25, 2011 (the effective date of
10 Public Act 96-1501) except as provided under paragraph
11 (1.05) of this Section.

12 (4) Interest amounting to less than \$5 shall not be
13 paid by the State, except for claims (i) to the Department
14 of Healthcare and Family Services or the Department of
15 Human Services, (ii) pursuant to Article V of the Illinois
16 Public Aid Code, the Covering ALL KIDS Health Insurance
17 Act, or the Children's Health Insurance Program Act, and
18 (iii) made (A) by pharmacies for prescriptive services or
19 (B) by any federally qualified health center for
20 prescriptive services or any other services.

21 (Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10;
22 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff.
23 1-25-11; 96-1530, eff. 2-16-11; 97-72, eff. 7-1-11; 97-74, eff.
24 6-30-11; 97-348, eff. 8-12-11; 97-813, eff. 7-13-12; 97-932,
25 eff. 8-10-12; 97-1142, eff. 12-28-12.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".