

1 AN ACT concerning State government.

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

4 Section 5. The State Budget Law of the Civil Administrative
5 Code of Illinois is amended by changing Section 50-10 as
6 follows:

7 (15 ILCS 20/50-10) (was 15 ILCS 20/38.1)

8 Sec. 50-10. Budget contents. The budget shall be submitted
9 by the Governor with line item and program data. The budget
10 shall also contain performance data presenting an estimate for
11 the current fiscal year, projections for the budget year, and
12 information for the 3 prior fiscal years comparing department
13 objectives with actual accomplishments, formulated according
14 to the various functions and activities, and, wherever the
15 nature of the work admits, according to the work units, for
16 which the respective departments, offices, and institutions of
17 the State government (including the elective officers in the
18 executive department and including the University of Illinois
19 and the judicial department) are responsible.

20 For the fiscal year beginning July 1, 1992 and for each
21 fiscal year thereafter, the budget shall include the
22 performance measures of each department's accountability
23 report.

1 For the fiscal year beginning July 1, 1997 and for each
2 fiscal year thereafter, the budget shall include one or more
3 line items appropriating moneys to the Department of Human
4 Services to fund participation in the Home-Based Support
5 Services Program for Adults with Mental Disabilities under the
6 Developmental Disability and Mental Disability Services Act by
7 persons described in Section 2-17 of that Act.

8 For the fiscal year beginning July 1, 2019, and for each
9 fiscal year thereafter, the budget shall include a separate
10 line item request appropriating moneys to each State agency
11 for: (1) estimated costs for each fund under the State Prompt
12 Payment Act; and (2) estimated costs for each fund under
13 Sections 368a and 370a of the Illinois Insurance Code.

14 The budget shall contain a capital development section in
15 which the Governor will present (1) information on the capital
16 projects and capital programs for which appropriations are
17 requested, (2) the capital spending plans, which shall document
18 the first and subsequent years cash requirements by fund for
19 the proposed bonded program, and (3) a statement that shall
20 identify by year the principal and interest costs until
21 retirement of the State's general obligation debt. In addition,
22 the principal and interest costs of the budget year program
23 shall be presented separately, to indicate the marginal cost of
24 principal and interest payments necessary to retire the
25 additional bonds needed to finance the budget year's capital
26 program. In 2004 only, the capital development section of the

1 State budget shall be submitted by the Governor not later than
2 the fourth Tuesday of March (March 23, 2004).

3 The budget shall contain a section indicating whether there
4 is a projected budget surplus or a projected budget deficit for
5 general funds in the current fiscal year, or whether the
6 current fiscal year's general funds budget is projected to be
7 balanced, based on estimates prepared by the Governor's Office
8 of Management and Budget using actual figures available on the
9 date the budget is submitted. That section shall present this
10 information in both a numerical table format and by way of a
11 narrative description, and shall include information for the
12 proposed upcoming fiscal year, the current fiscal year, and the
13 2 years prior to the current fiscal year. These estimates must
14 specifically and separately identify any non-recurring
15 revenues, including, but not limited to, borrowed money, money
16 derived by borrowing or transferring from other funds, or any
17 non-operating financial source. None of these specifically and
18 separately identified non-recurring revenues may include any
19 revenue that cannot be realized without a change to law. The
20 table shall show accounts payable at the end of each fiscal
21 year in a manner that specifically and separately identifies
22 any general funds liabilities accrued during the current and
23 prior fiscal years that may be paid from future fiscal years'
24 appropriations, including, but not limited to, costs that may
25 be paid beyond the end of the lapse period as set forth in
26 Section 25 of the State Finance Act and costs incurred by the

1 Department on Aging. The section shall also include an estimate
2 of individual and corporate income tax overpayments that will
3 not be refunded before the close of the fiscal year.

4 For the budget year, the current year, and 3 prior fiscal
5 years, the Governor shall also include in the budget estimates
6 of or actual values for the assets and liabilities for General
7 Assembly Retirement System, State Employees' Retirement System
8 of Illinois, State Universities Retirement System, Teachers'
9 Retirement System of the State of Illinois, and Judges
10 Retirement System of Illinois.

11 The budget submitted by the Governor shall contain, in
12 addition, in a separate book, a tabulation of all position and
13 employment titles in each such department, office, and
14 institution, the number of each, and the salaries for each,
15 formulated according to divisions, bureaus, sections, offices,
16 departments, boards, and similar subdivisions, which shall
17 correspond as nearly as practicable to the functions and
18 activities for which the department, office, or institution is
19 responsible.

20 Together with the budget, the Governor shall transmit the
21 estimates of receipts and expenditures, as received by the
22 Director of the Governor's Office of Management and Budget, of
23 the elective officers in the executive and judicial departments
24 and of the University of Illinois.

25 An applicable appropriations committee of each chamber of
26 the General Assembly, for fiscal year 2012 and thereafter, must

1 review individual line item appropriations and the total budget
2 for each State agency, as defined in the Illinois State
3 Auditing Act.

4 (Source: P.A. 98-460, eff. 1-1-14; 99-143, eff. 7-27-15.)

5 Section 10. The State Finance Act is amended by changing
6 Section 13.2 as follows:

7 (30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

8 Sec. 13.2. Transfers among line item appropriations.

9 (a) Transfers among line item appropriations from the same
10 treasury fund for the objects specified in this Section may be
11 made in the manner provided in this Section when the balance
12 remaining in one or more such line item appropriations is
13 insufficient for the purpose for which the appropriation was
14 made.

15 (a-1) No transfers may be made from one agency to another
16 agency, nor may transfers be made from one institution of
17 higher education to another institution of higher education
18 except as provided by subsection (a-4).

19 (a-2) Except as otherwise provided in this Section,
20 transfers may be made only among the objects of expenditure
21 enumerated in this Section, except that no funds may be
22 transferred from any appropriation for personal services, from
23 any appropriation for State contributions to the State
24 Employees' Retirement System, from any separate appropriation

1 for employee retirement contributions paid by the employer, nor
2 from any appropriation for State contribution for employee
3 group insurance. During State fiscal year 2005, an agency may
4 transfer amounts among its appropriations within the same
5 treasury fund for personal services, employee retirement
6 contributions paid by employer, and State Contributions to
7 retirement systems; notwithstanding and in addition to the
8 transfers authorized in subsection (c) of this Section, the
9 fiscal year 2005 transfers authorized in this sentence may be
10 made in an amount not to exceed 2% of the aggregate amount
11 appropriated to an agency within the same treasury fund. During
12 State fiscal year 2007, the Departments of Children and Family
13 Services, Corrections, Human Services, and Juvenile Justice
14 may transfer amounts among their respective appropriations
15 within the same treasury fund for personal services, employee
16 retirement contributions paid by employer, and State
17 contributions to retirement systems. During State fiscal year
18 2010, the Department of Transportation may transfer amounts
19 among their respective appropriations within the same treasury
20 fund for personal services, employee retirement contributions
21 paid by employer, and State contributions to retirement
22 systems. During State fiscal years 2010 and 2014 only, an
23 agency may transfer amounts among its respective
24 appropriations within the same treasury fund for personal
25 services, employee retirement contributions paid by employer,
26 and State contributions to retirement systems.

1 Notwithstanding, and in addition to, the transfers authorized
2 in subsection (c) of this Section, these transfers may be made
3 in an amount not to exceed 2% of the aggregate amount
4 appropriated to an agency within the same treasury fund.

5 (a-2.5) During State fiscal year 2015 only, the State's
6 Attorneys Appellate Prosecutor may transfer amounts among its
7 respective appropriations contained in operational line items
8 within the same treasury fund. Notwithstanding, and in addition
9 to, the transfers authorized in subsection (c) of this Section,
10 these transfers may be made in an amount not to exceed 4% of
11 the aggregate amount appropriated to the State's Attorneys
12 Appellate Prosecutor within the same treasury fund.

13 (a-3) Further, if an agency receives a separate
14 appropriation for employee retirement contributions paid by
15 the employer, any transfer by that agency into an appropriation
16 for personal services must be accompanied by a corresponding
17 transfer into the appropriation for employee retirement
18 contributions paid by the employer, in an amount sufficient to
19 meet the employer share of the employee contributions required
20 to be remitted to the retirement system.

21 (a-4) Long-Term Care Rebalancing. The Governor may
22 designate amounts set aside for institutional services
23 appropriated from the General Revenue Fund or any other State
24 fund that receives monies for long-term care services to be
25 transferred to all State agencies responsible for the
26 administration of community-based long-term care programs,

1 including, but not limited to, community-based long-term care
2 programs administered by the Department of Healthcare and
3 Family Services, the Department of Human Services, and the
4 Department on Aging, provided that the Director of Healthcare
5 and Family Services first certifies that the amounts being
6 transferred are necessary for the purpose of assisting persons
7 in or at risk of being in institutional care to transition to
8 community-based settings, including the financial data needed
9 to prove the need for the transfer of funds. The total amounts
10 transferred shall not exceed 4% in total of the amounts
11 appropriated from the General Revenue Fund or any other State
12 fund that receives monies for long-term care services for each
13 fiscal year. A notice of the fund transfer must be made to the
14 General Assembly and posted at a minimum on the Department of
15 Healthcare and Family Services website, the Governor's Office
16 of Management and Budget website, and any other website the
17 Governor sees fit. These postings shall serve as notice to the
18 General Assembly of the amounts to be transferred. Notice shall
19 be given at least 30 days prior to transfer.

20 (b) In addition to the general transfer authority provided
21 under subsection (c), the following agencies have the specific
22 transfer authority granted in this subsection:

23 The Department of Healthcare and Family Services is
24 authorized to make transfers representing savings attributable
25 to not increasing grants due to the births of additional
26 children from line items for payments of cash grants to line

1 items for payments for employment and social services for the
2 purposes outlined in subsection (f) of Section 4-2 of the
3 Illinois Public Aid Code.

4 The Department of Children and Family Services is
5 authorized to make transfers not exceeding 2% of the aggregate
6 amount appropriated to it within the same treasury fund for the
7 following line items among these same line items: Foster Home
8 and Specialized Foster Care and Prevention, Institutions and
9 Group Homes and Prevention, and Purchase of Adoption and
10 Guardianship Services.

11 The Department on Aging is authorized to make transfers not
12 exceeding 2% of the aggregate amount appropriated to it within
13 the same treasury fund for the following Community Care Program
14 line items among these same line items: purchase of services
15 covered by the Community Care Program and Comprehensive Case
16 Coordination.

17 The State Treasurer is authorized to make transfers among
18 line item appropriations from the Capital Litigation Trust
19 Fund, with respect to costs incurred in fiscal years 2002 and
20 2003 only, when the balance remaining in one or more such line
21 item appropriations is insufficient for the purpose for which
22 the appropriation was made, provided that no such transfer may
23 be made unless the amount transferred is no longer required for
24 the purpose for which that appropriation was made.

25 The State Board of Education is authorized to make
26 transfers from line item appropriations within the same

1 treasury fund for General State Aid, General State Aid - Hold
2 Harmless, and Evidence-Based Funding, provided that no such
3 transfer may be made unless the amount transferred is no longer
4 required for the purpose for which that appropriation was made,
5 to the line item appropriation for Transitional Assistance when
6 the balance remaining in such line item appropriation is
7 insufficient for the purpose for which the appropriation was
8 made.

9 The State Board of Education is authorized to make
10 transfers between the following line item appropriations
11 within the same treasury fund: Disabled Student
12 Services/Materials (Section 14-13.01 of the School Code),
13 Disabled Student Transportation Reimbursement (Section
14 14-13.01 of the School Code), Disabled Student Tuition -
15 Private Tuition (Section 14-7.02 of the School Code),
16 Extraordinary Special Education (Section 14-7.02b of the
17 School Code), Reimbursement for Free Lunch/Breakfast Program,
18 Summer School Payments (Section 18-4.3 of the School Code), and
19 Transportation - Regular/Vocational Reimbursement (Section
20 29-5 of the School Code). Such transfers shall be made only
21 when the balance remaining in one or more such line item
22 appropriations is insufficient for the purpose for which the
23 appropriation was made and provided that no such transfer may
24 be made unless the amount transferred is no longer required for
25 the purpose for which that appropriation was made.

26 The Department of Healthcare and Family Services is

1 authorized to make transfers not exceeding 4% of the aggregate
2 amount appropriated to it, within the same treasury fund, among
3 the various line items appropriated for Medical Assistance.

4 (c) The sum of such transfers for an agency in a fiscal
5 year shall not exceed 2% of the aggregate amount appropriated
6 to it within the same treasury fund for the following objects:
7 Personal Services; Extra Help; Student and Inmate
8 Compensation; State Contributions to Retirement Systems; State
9 Contributions to Social Security; State Contribution for
10 Employee Group Insurance; Contractual Services; Travel;
11 Commodities; Printing; Equipment; Electronic Data Processing;
12 Operation of Automotive Equipment; Telecommunications
13 Services; Travel and Allowance for Committed, Paroled and
14 Discharged Prisoners; Library Books; Federal Matching Grants
15 for Student Loans; Refunds; Workers' Compensation,
16 Occupational Disease, and Tort Claims; Late Interest Penalties
17 under the State Prompt Payment Act and Sections 368a and 370a
18 of the Illinois Insurance Code; and, in appropriations to
19 institutions of higher education, Awards and Grants.
20 Notwithstanding the above, any amounts appropriated for
21 payment of workers' compensation claims to an agency to which
22 the authority to evaluate, administer and pay such claims has
23 been delegated by the Department of Central Management Services
24 may be transferred to any other expenditure object where such
25 amounts exceed the amount necessary for the payment of such
26 claims.

1 (c-1) Special provisions for State fiscal year 2003.
2 Notwithstanding any other provision of this Section to the
3 contrary, for State fiscal year 2003 only, transfers among line
4 item appropriations to an agency from the same treasury fund
5 may be made provided that the sum of such transfers for an
6 agency in State fiscal year 2003 shall not exceed 3% of the
7 aggregate amount appropriated to that State agency for State
8 fiscal year 2003 for the following objects: personal services,
9 except that no transfer may be approved which reduces the
10 aggregate appropriations for personal services within an
11 agency; extra help; student and inmate compensation; State
12 contributions to retirement systems; State contributions to
13 social security; State contributions for employee group
14 insurance; contractual services; travel; commodities;
15 printing; equipment; electronic data processing; operation of
16 automotive equipment; telecommunications services; travel and
17 allowance for committed, paroled, and discharged prisoners;
18 library books; federal matching grants for student loans;
19 refunds; workers' compensation, occupational disease, and tort
20 claims; and, in appropriations to institutions of higher
21 education, awards and grants.

22 (c-2) Special provisions for State fiscal year 2005.
23 Notwithstanding subsections (a), (a-2), and (c), for State
24 fiscal year 2005 only, transfers may be made among any line
25 item appropriations from the same or any other treasury fund
26 for any objects or purposes, without limitation, when the

1 balance remaining in one or more such line item appropriations
2 is insufficient for the purpose for which the appropriation was
3 made, provided that the sum of those transfers by a State
4 agency shall not exceed 4% of the aggregate amount appropriated
5 to that State agency for fiscal year 2005.

6 (c-3) Special provisions for State fiscal year 2015.
7 Notwithstanding any other provision of this Section, for State
8 fiscal year 2015, transfers among line item appropriations to a
9 State agency from the same State treasury fund may be made for
10 operational or lump sum expenses only, provided that the sum of
11 such transfers for a State agency in State fiscal year 2015
12 shall not exceed 4% of the aggregate amount appropriated to
13 that State agency for operational or lump sum expenses for
14 State fiscal year 2015. For the purpose of this subsection,
15 "operational or lump sum expenses" includes the following
16 objects: personal services; extra help; student and inmate
17 compensation; State contributions to retirement systems; State
18 contributions to social security; State contributions for
19 employee group insurance; contractual services; travel;
20 commodities; printing; equipment; electronic data processing;
21 operation of automotive equipment; telecommunications
22 services; travel and allowance for committed, paroled, and
23 discharged prisoners; library books; federal matching grants
24 for student loans; refunds; workers' compensation,
25 occupational disease, and tort claims; lump sum and other
26 purposes; and lump sum operations. For the purpose of this

1 subsection (c-3), "State agency" does not include the Attorney
2 General, the Secretary of State, the Comptroller, the
3 Treasurer, or the legislative or judicial branches.

4 (c-4) Special provisions for State fiscal year 2018.
5 Notwithstanding any other provision of this Section, for State
6 fiscal year 2018, transfers among line item appropriations to a
7 State agency from the same State treasury fund may be made for
8 operational or lump sum expenses only, provided that the sum of
9 such transfers for a State agency in State fiscal year 2018
10 shall not exceed 4% of the aggregate amount appropriated to
11 that State agency for operational or lump sum expenses for
12 State fiscal year 2018. For the purpose of this subsection
13 (c-4), "operational or lump sum expenses" includes the
14 following objects: personal services; extra help; student and
15 inmate compensation; State contributions to retirement
16 systems; State contributions to social security; State
17 contributions for employee group insurance; contractual
18 services; travel; commodities; printing; equipment; electronic
19 data processing; operation of automotive equipment;
20 telecommunications services; travel and allowance for
21 committed, paroled, and discharged prisoners; library books;
22 federal matching grants for student loans; refunds; workers'
23 compensation, occupational disease, and tort claims; lump sum
24 and other purposes; and lump sum operations. For the purpose of
25 this subsection (c-4), "State agency" does not include the
26 Attorney General, the Secretary of State, the Comptroller, the

1 Treasurer, or the legislative or judicial branches.

2 (d) Transfers among appropriations made to agencies of the
3 Legislative and Judicial departments and to the
4 constitutionally elected officers in the Executive branch
5 require the approval of the officer authorized in Section 10 of
6 this Act to approve and certify vouchers. Transfers among
7 appropriations made to the University of Illinois, Southern
8 Illinois University, Chicago State University, Eastern
9 Illinois University, Governors State University, Illinois
10 State University, Northeastern Illinois University, Northern
11 Illinois University, Western Illinois University, the Illinois
12 Mathematics and Science Academy and the Board of Higher
13 Education require the approval of the Board of Higher Education
14 and the Governor. Transfers among appropriations to all other
15 agencies require the approval of the Governor.

16 The officer responsible for approval shall certify that the
17 transfer is necessary to carry out the programs and purposes
18 for which the appropriations were made by the General Assembly
19 and shall transmit to the State Comptroller a certified copy of
20 the approval which shall set forth the specific amounts
21 transferred so that the Comptroller may change his records
22 accordingly. The Comptroller shall furnish the Governor with
23 information copies of all transfers approved for agencies of
24 the Legislative and Judicial departments and transfers
25 approved by the constitutionally elected officials of the
26 Executive branch other than the Governor, showing the amounts

1 transferred and indicating the dates such changes were entered
2 on the Comptroller's records.

3 (e) The State Board of Education, in consultation with the
4 State Comptroller, may transfer line item appropriations for
5 General State Aid or Evidence-Based Funding between the Common
6 School Fund and the Education Assistance Fund. With the advice
7 and consent of the Governor's Office of Management and Budget,
8 the State Board of Education, in consultation with the State
9 Comptroller, may transfer line item appropriations between the
10 General Revenue Fund and the Education Assistance Fund for the
11 following programs:

12 (1) Disabled Student Personnel Reimbursement (Section
13 14-13.01 of the School Code);

14 (2) Disabled Student Transportation Reimbursement
15 (subsection (b) of Section 14-13.01 of the School Code);

16 (3) Disabled Student Tuition - Private Tuition
17 (Section 14-7.02 of the School Code);

18 (4) Extraordinary Special Education (Section 14-7.02b
19 of the School Code);

20 (5) Reimbursement for Free Lunch/Breakfast Programs;

21 (6) Summer School Payments (Section 18-4.3 of the
22 School Code);

23 (7) Transportation - Regular/Vocational Reimbursement
24 (Section 29-5 of the School Code);

25 (8) Regular Education Reimbursement (Section 18-3 of
26 the School Code); and

1 (9) Special Education Reimbursement (Section 14-7.03
2 of the School Code).
3 (Source: P.A. 99-2, eff. 3-26-15; 100-23, eff. 7-6-17; 100-465,
4 eff. 8-31-17; revised 10-4-17.)

5 Section 15. The Governor's Office of Management and Budget
6 Act is amended by changing Section 7.3 as follows:

7 (20 ILCS 3005/7.3)

8 Sec. 7.3. Annual economic and fiscal policy report. No
9 later than November 15 of each year, the Governor's Office of
10 Management and Budget shall submit an economic and fiscal
11 policy report to the General Assembly. The report must outline
12 the long-term economic and fiscal policy objectives of the
13 State, the economic and fiscal policy intentions for the
14 upcoming fiscal year, and the economic and fiscal policy
15 intentions for the following 4 fiscal years. The report must
16 highlight the total level of revenue, expenditure, deficit or
17 surplus, and debt with respect to each of the reporting
18 categories. The report must include any assumptions concerning
19 tax rates and fees used to determine revenue and expenditures
20 for future fiscal years. The report must include a comparison
21 of the enacted current fiscal year budget to the current fiscal
22 year outlook, and, if applicable, must outline any budgetary
23 shortfalls and fiscal and policy options that the Office will
24 pursue to remedy those budgetary shortfalls. If the projected

1 expenditures for any of the following 4 fiscal years exceeds
2 the corresponding fiscal year projected revenues, then the
3 report must outline fiscal and policy options that the Office
4 will pursue to remedy the budgetary shortfall. The report must
5 include: (1) an estimate of Late Interest Penalties under the
6 State Prompt Payment Act for the upcoming fiscal year and
7 projections of the same for each of the following 4 fiscal
8 years; and (2) an estimate of interest penalties under Sections
9 368a and 370a of the Illinois Insurance Code for the upcoming
10 fiscal year and projections of the same for each of the
11 following 4 fiscal years. The report must include an agency
12 categorization key for the reporting categories. The report
13 must be posted on the Office's Internet website and allow
14 members of the public to post comments concerning the report.

15 (Source: P.A. 98-692, eff. 7-1-14; 99-854, eff. 8-19-16.)

16 Section 20. The State Prompt Payment Act is amended by
17 changing Section 3-2 as follows:

18 (30 ILCS 540/3-2)

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

1 following:

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

1 of a proper bill or invoice. If payment is not issued to
2 the payee within this 60-day period, an interest penalty of
3 1.0% of any amount approved and unpaid shall be added for
4 each month or fraction thereof after the end of this 60-day
5 period, until final payment is made.

6 (1.05) For State fiscal year 2012 and future fiscal
7 years, any bill approved for payment under this Section
8 must be paid or the payment issued to the payee within 90
9 days of receipt of a proper bill or invoice. If payment is
10 not issued to the payee within this 90-day period, an
11 interest penalty of 1.0% of any amount approved and unpaid
12 shall be added for each month, or 0.033% (one-thirtieth of
13 one percent) of any amount approved and unpaid for each
14 day, after the end of this 90-day period, until final
15 payment is made.

16 (1.1) A State agency shall review in a timely manner
17 each bill or invoice after its receipt. If the State agency
18 determines that the bill or invoice contains a defect
19 making it unable to process the payment request, the agency
20 shall notify the vendor requesting payment as soon as
21 possible after discovering the defect pursuant to rules
22 promulgated under Section 3-3; provided, however, that the
23 notice for construction related bills or invoices must be
24 given not later than 30 days after the bill or invoice was
25 first submitted. The notice shall identify the defect and
26 any additional information necessary to correct the

1 defect. If one or more items on a construction related bill
2 or invoice are disapproved, but not the entire bill or
3 invoice, then the portion that is not disapproved shall be
4 paid.

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

26 (3) The provisions of Public Act 96-1501 reducing the

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

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

17 Notwithstanding any provision to the contrary, interest
18 may not be paid under this Act when: (1) a Chief Procurement
19 Officer has voided the underlying contract for goods or
20 services under Article 50 of the Illinois Procurement Code; or
21 (2) the Auditor General is conducting a performance or program
22 audit and the Comptroller has held or is holding for review a
23 related contract or vouchers for payment of goods or services
24 in the exercise of duties under Section 9 of the State
25 Comptroller Act. In such event, interest shall not accrue
26 during the pendency of the Auditor General's review.

1 (Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10;
2 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff.
3 1-25-11; 96-1530, eff. 2-16-11; 97-72, eff. 7-1-11; 97-74, eff.
4 6-30-11; 97-348, eff. 8-12-11; 97-813, eff. 7-13-12; 97-932,
5 eff. 8-10-12; 97-1142, eff. 12-28-12.)

6 Section 99. Effective date. This Act takes effect July 1,
7 2018.