

SB2367



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB2367

Introduced 2/14/2008, by Sen. Pamela J. Althoff - Frank C. Watson

SYNOPSIS AS INTRODUCED:

30 ILCS 210/10

Amends the Illinois State Collection Act of 1986. Authorizes the State Board of Elections to refer fines imposed on State and local political committees to the Department of Revenue Debt Collection Bureau. Requires the Board to adopt rules for evaluating which fines to refer and to notify a committee in writing of a referral. Requires the Bureau to attempt to collect referred fines.

LRB095 19188 JAM 45430 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning 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 10 as follows:

6 (30 ILCS 210/10)

7 Sec. 10. Department of Revenue Debt Collection Bureau to
8 assume collection duties.

9 (a) The Department of Revenue's Debt Collection Bureau
10 shall serve as the primary debt collecting entity for the State
11 and in that role shall collect debts on behalf of agencies of
12 the State. All debts owed the State of Illinois shall be
13 referred to the Bureau, subject to such limitations as the
14 Department of Revenue shall by rule establish. The Bureau shall
15 utilize the Comptroller's offset system and private collection
16 agencies, as well as its own collections personnel. The Bureau
17 shall collect debt using all legal authority available to the
18 Department of Revenue to collect debt and all legal authority
19 available to the referring agency.

20 (b) The Bureau shall have the sole authority to let
21 contracts with persons specializing in debt collection for the
22 collection of debt referred to and accepted by the Bureau. Any
23 contract with the debt collector shall specify that the

1 collector's fee shall be on a contingency basis and that the
2 debt collector shall not be entitled to collect a contingency
3 fee for any debt collected through the efforts of any State
4 offset system.

5 (c) The Department of Revenue shall adopt rules for the
6 certification of debt from referring agencies and shall adopt
7 rules for the certification of collection specialists to be
8 employed by the Bureau.

9 (d) The Department of Revenue shall adopt rules for
10 determining when a debt referred by an agency shall be deemed
11 by the Bureau to be uncollectible.

12 (e) Once an agency's debt is deemed by the Bureau to be
13 uncollectible, the Bureau shall return the debt to the
14 referring agency which shall then write the debt off as
15 uncollectible or return the debt to the Bureau for additional
16 collection efforts. The Bureau shall refuse to accept debt that
17 has been deemed uncollectible absent factual assertions from
18 the referring agency that due to circumstances not known at the
19 time the debt was deemed uncollectible that the debt is worthy
20 of additional collection efforts.

21 (f) For each debt referred, the State agency shall retain
22 all documents and records relating to or supporting the debt.
23 In the event a debtor shall raise a reasonable doubt as to the
24 validity of the debt, the Bureau may in its discretion refer
25 the debt back to the referring agency for further review and
26 recommendation.

1 (g) The Department of Healthcare and Family Services shall
2 be exempt from the requirements of this Section with regard to
3 child support debts, the collection of which is governed by the
4 requirements of Title IV, Part D of the federal Social Security
5 Act. The Department of Healthcare and Family Services may refer
6 child support debts to the Bureau, provided that the debt
7 satisfies the requirements for referral of delinquent debt as
8 established by rule by the Department of Revenue. The Bureau
9 shall use all legal means available to collect child support
10 debt, including those authorizing the Department of Revenue to
11 collect debt and those authorizing the Department of Healthcare
12 and Family Services to collect debt. All such referred debt
13 shall remain an obligation under the Department of Healthcare
14 and Family Services' Child Support Enforcement Program subject
15 to the requirements of Title IV, Part D of the federal Social
16 Security Act, including the continued use of federally mandated
17 enforcement remedies and techniques by the Department of
18 Healthcare and Family Services.

19 (g-1) The Department of Employment Security is exempt from
20 subsection (a) with regard to debts to any federal account,
21 including but not limited to the Unemployment Trust Fund, and
22 penalties and interest assessed under the Unemployment
23 Insurance Act. The Department of Employment Security may refer
24 those debts to the Bureau, provided the debt satisfies the
25 requirements for referral of delinquent debt as established by
26 rule by the Department of Revenue. The Bureau shall use all

1 legal means available to collect the debts, including those
2 authorizing the Department of Revenue to collect debt and those
3 authorizing the Department of Employment Security to collect
4 debt. All referred debt shall remain an obligation to the
5 account to which it is owed.

6 (h) The Debt Collection Fund is created as a special fund
7 in the State treasury. Debt collection contractors under this
8 Act shall receive a contingency fee as provided by the terms of
9 their contracts with the Department of Revenue. Thereafter, 20%
10 of all amounts collected by the Bureau, excluding amounts
11 collected on behalf of the Departments of Healthcare and Family
12 Services (formerly Public Aid) and Revenue, shall be deposited
13 into the Debt Collection Fund. All remaining amounts collected
14 shall be deposited into the General Revenue Fund unless the
15 funds are owed to any State fund or funds other than the
16 General Revenue Fund. Moneys in the Debt Collection Fund shall
17 be appropriated only for the administrative costs of the
18 Bureau. On the last day of each fiscal year, unappropriated
19 moneys and moneys otherwise deemed unneeded for the next fiscal
20 year remaining in the Debt Collection Fund may be transferred
21 into the General Revenue Fund at the Governor's reasonable
22 discretion. The provisions of this subsection do not apply to
23 debt that is exempt from subsection (a) pursuant to subsection
24 (g-1) or child support debt referred to the Bureau by the
25 Department of Healthcare and Family Services (formerly
26 Department of Public Aid) pursuant to this amendatory Act of

1 the 93rd General Assembly. Collections arising from referrals
2 from the Department of Healthcare and Family Services (formerly
3 Department of Public Aid) shall be deposited into such fund or
4 funds as the Department of Healthcare and Family Services shall
5 direct, in accordance with the requirements of Title IV, Part D
6 of the federal Social Security Act, applicable provisions of
7 State law, and the rules of the Department of Healthcare and
8 Family Services. Collections arising from referrals from the
9 Department of Employment Security shall be deposited into the
10 fund or funds that the Department of Employment Security shall
11 direct, in accordance with the requirements of Section
12 3304(a)(3) of the federal Unemployment Tax Act, Section
13 303(a)(4) of the federal Social Security Act, and the
14 Unemployment Insurance Act.

15 (i) The Attorney General and the State Comptroller may
16 assist in the debt collection efforts of the Bureau, as
17 requested by the Department of Revenue.

18 (j) The Director of Revenue shall report annually to the
19 General Assembly and State Comptroller upon the debt collection
20 efforts of the Bureau. Each report shall include an analysis of
21 the overdue debts owed to the State.

22 (k) The Department of Revenue shall adopt rules and
23 procedures for the administration of this amendatory Act of the
24 93rd General Assembly. The rules shall be adopted under the
25 Department of Revenue's emergency rulemaking authority within
26 90 days following the effective date of this amendatory Act of

1 the 93rd General Assembly due to the budget crisis threatening
2 the public interest.

3 (1) The Department of Revenue's Debt Collection Bureau's
4 obligations under this Section 10 shall be subject to
5 appropriation by the General Assembly.

6 (m) Any fines imposed on a State or local political
7 committee by the State Board of Elections may be referred to
8 the Department of Revenue based upon the Board's evaluation and
9 upon written notification to the committee. The State Board of
10 Elections shall adopt rules governing the factors under which
11 debt may be referred. The Bureau shall attempt to collect the
12 debts referred by the State Board of Elections.

13 (Source: P.A. 95-331, eff. 8-21-07.)