

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 5 as follows:

6 (30 ILCS 210/5) (from Ch. 15, par. 155)

7 Sec. 5. Rules; payment plans; offsets.

8 (a) Until July 1, 2004 for the Department of Public Aid and
9 July 1, 2005 for Universities and all other State agencies,
10 State agencies shall adopt rules establishing formal due dates
11 for amounts owing to the State and for the referral of
12 seriously past due accounts to private collection agencies,
13 unless otherwise expressly provided by law or rule, except that
14 on and after July 1, 2005, the Department of Employment
15 Security may continue to refer to private collection agencies
16 past due amounts that are exempt from subsection (g). Such
17 procedures shall be established in accord with sound business
18 practices.

19 (b) Until July 1, 2004 for the Department of Public Aid and
20 July 1, 2005 for Universities and all other State agencies,
21 agencies may enter deferred payment plans for debtors of the
22 agency and documentation of this fact retained by the agency,
23 where the deferred payment plan is likely to increase the net

1 amount collected by the State, except that, on and after July
2 1, 2005, the Department of Employment Security may continue to
3 enter deferred payment plans for debts that are exempt from
4 subsection (g).

5 (c) Until July 1, 2004 for the Department of Public Aid and
6 July 1, 2005 for Universities and all other State agencies,
7 State agencies may use the Comptroller's Offset System provided
8 in Section 10.05 of the State Comptroller Act for the
9 collection of debts owed to the agency, except that, on and
10 after July 1, 2005, the Department of Employment Security may
11 continue to use the Comptroller's offset system to collect
12 amounts that are exempt from subsection (g).

13 (c-1) All debts that exceed \$250 ~~\$1,000~~ and are more than
14 90 days past due shall be placed in the Comptroller's Offset
15 System, unless (i) the State agency shall have entered into a
16 deferred payment plan or demonstrates to the Comptroller's
17 satisfaction that referral for offset is not cost effective; or
18 (ii) the State agency is a university that elects to place in
19 the Comptroller's Offset System only debts that exceed \$1,000
20 and are more than 90 days past due. All debt, and maintenance
21 of that debt, that is placed in the Comptroller's Offset System
22 must be submitted electronically to the office of the
23 Comptroller. Any exception to this requirement must be approved
24 in writing by the Comptroller.

25 (c-2) Upon processing a deduction to satisfy a debt owed to
26 a university or a State agency and placed in the Comptroller's

1 Offset System in accordance with subsection (c-1), the
2 Comptroller shall give written notice to the person subject to
3 the offset. The notice shall inform the person that he or she
4 may make a written protest to the Comptroller within 60 days
5 after the Comptroller has given notice. The protest shall
6 include the reason for contesting the deduction and any other
7 information that will enable the Comptroller to determine the
8 amount due and payable. If the person subject to the offset has
9 not made a written protest within 60 days after the Comptroller
10 has given notice, or if a final disposition is made concerning
11 the deduction, the Comptroller shall pay the deduction to the
12 university or the State agency.

13 (c-3) For a debt owed to a university or a State agency and
14 placed in the Comptroller's Offset System in accordance with
15 subsection (c-1), the Comptroller shall deduct, from a warrant
16 or other payment, its processing charge and the amount
17 certified as necessary to satisfy, in whole or in part, the
18 debt owed to the university or the State agency. The
19 Comptroller shall deduct a processing charge of up to \$15 per
20 transaction for each offset and such charges shall be deposited
21 into the Comptroller Debt Recovery Trust Fund.

22 (d) State agencies shall develop internal procedures
23 whereby agency initiated payments to its debtors may be offset
24 without referral to the Comptroller's Offset System.

25 (e) State agencies or the Comptroller may remove claims
26 from the Comptroller's Offset System, where such claims have

1 been inactive for more than one year.

2 (f) State agencies may use the Comptroller's Offset System
3 to determine if any State agency is attempting to collect debt
4 from a contractor, bidder, or other proposed contracting party.

5 (g) Beginning July 1, 2004 for the Departments of Public
6 Aid (now Healthcare and Family Services) and Employment
7 Security and July 1, 2005 for Universities and other State
8 agencies, State agencies shall refer to the Department of
9 Revenue Debt Collection Bureau (the Bureau) all debt to the
10 State, provided that the debt satisfies the requirements for
11 referral of delinquent debt as established by rule by the
12 Department of Revenue.

13 (h) The Department of Healthcare and Family Services shall
14 be exempt from the requirements of this Section with regard to
15 child support debts, the collection of which is governed by the
16 requirements of Title IV, Part D of the federal Social Security
17 Act. The Department of Healthcare and Family Services may refer
18 child support debts to the Bureau, provided that the debt
19 satisfies the requirements for referral of delinquent debt as
20 established by rule by the Department of Revenue. The Bureau
21 shall use all legal means available to collect child support
22 debt, including those authorizing the Department of Revenue to
23 collect debt and those authorizing the Department of Healthcare
24 and Family Services to collect debt. All such referred debt
25 shall remain an obligation under the Department of Healthcare
26 and Family Services' Child Support Enforcement Program subject

1 to the requirements of Title IV, Part D of the federal Social
2 Security Act, including the continued use of federally mandated
3 enforcement remedies and techniques by the Department of
4 Healthcare and Family Services.

5 (h-1) The Department of Employment Security is exempt from
6 subsection (g) with regard to debts to any federal account,
7 including but not limited to the Unemployment Trust Fund, and
8 penalties and interest assessed under the Unemployment
9 Insurance Act. The Department of Employment Security may refer
10 those debts to the Bureau, provided the debt satisfies the
11 requirements for referral of delinquent debt as established by
12 rule by the Department of Revenue. The Bureau shall use all
13 legal means available to collect the debts, including those
14 authorizing the Department of Revenue to collect debt and those
15 authorizing the Department of Employment Security to collect
16 debt. All referred debt shall remain an obligation to the
17 account to which it is owed.

18 (i) All debt referred to the Bureau for collection shall
19 remain the property of the referring agency. The Bureau shall
20 collect debt on behalf of the referring agency using all legal
21 means available, including those authorizing the Department of
22 Revenue to collect debt and those authorizing the referring
23 agency to collect debt.

24 (j) No debt secured by an interest in real property granted
25 by the debtor in exchange for the creation of the debt shall be
26 referred to the Bureau. The Bureau shall have no obligation to

1 collect debts secured by an interest in real property.

2 (k) Beginning July 1, 2003, each agency shall collect and
3 provide the Bureau information regarding the nature and details
4 of its debt in such form and manner as the Department of
5 Revenue shall require.

6 (l) For all debt accruing after July 1, 2003, each agency
7 shall collect and transmit such debtor identification
8 information as the Department of Revenue shall require.

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

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