



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5480

by Rep. Pam Roth

SYNOPSIS AS INTRODUCED:

5 ILCS 340/3

from Ch. 15, par. 503

Amends the Voluntary Payroll Deductions Act of 1983. Reduces the number of designations that must be made on behalf of an organization by employees or State annuitants in order for that organization to qualify to receive payments through payroll deductions under the Act. Authorizes the designations to be submitted electronically or in writing (now, the designations must be submitted in writing).

LRB097 20382 JDS 65854 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning government.

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

4 Section 5. The Voluntary Payroll Deductions Act of 1983 is
5 amended by changing Section 3 as follows:

6 (5 ILCS 340/3) (from Ch. 15, par. 503)

7 Sec. 3. Definitions. As used in this Act unless the context
8 otherwise requires:

9 (a) "Employee" means any regular officer or employee who
10 receives salary or wages for personal services rendered to the
11 State of Illinois, and includes an individual hired as an
12 employee by contract with that individual.

13 (b) "Qualified organization" means an organization
14 representing one or more benefiting agencies, which
15 organization is designated by the State Comptroller as
16 qualified to receive payroll deductions under this Act. An
17 organization desiring to be designated as a qualified
18 organization shall:

19 (1) Submit written or electronic designations on forms
20 approved by the State Comptroller by 500 ~~4,000~~ or more
21 employees or State annuitants, in which such employees or
22 State annuitants indicate that the organization is one for
23 which the employee or State annuitant intends to authorize

1 withholding. The forms shall require the name, last 4
2 digits only of the social security number, and employing
3 State agency for each employee. Upon notification by the
4 Comptroller that such forms have been approved, the
5 organization shall, within 30 days, notify in writing the
6 Governor or his or her designee of its intention to obtain
7 the required number of designations. Such organization
8 shall have 12 months from that date to obtain the necessary
9 designations and return to the State Comptroller's office
10 the completed designations, which shall be subject to
11 verification procedures established by the State
12 Comptroller;

13 (2) Certify that all benefiting agencies are tax exempt
14 under Section 501(c)(3) of the Internal Revenue Code;

15 (3) Certify that all benefiting agencies are in
16 compliance with the Illinois Human Rights Act;

17 (4) Certify that all benefiting agencies are in
18 compliance with the Charitable Trust Act and the
19 Solicitation for Charity Act;

20 (5) Certify that all benefiting agencies actively
21 conduct health or welfare programs and provide services to
22 individuals directed at one or more of the following common
23 human needs within a community: service, research, and
24 education in the health fields; family and child care
25 services; protective services for children and adults;
26 services for children and adults in foster care; services

1 related to the management and maintenance of the home; day
2 care services for adults; transportation services;
3 information, referral and counseling services; services to
4 eliminate illiteracy; the preparation and delivery of
5 meals; adoption services; emergency shelter care and
6 relief services; disaster relief services; safety
7 services; neighborhood and community organization
8 services; recreation services; social adjustment and
9 rehabilitation services; health support services; or a
10 combination of such services designed to meet the special
11 needs of specific groups, such as children and youth, the
12 ill and infirm, and the physically handicapped; and that
13 all such benefiting agencies provide the above described
14 services to individuals and their families in the community
15 and surrounding area in which the organization conducts its
16 fund drive, or that such benefiting agencies provide relief
17 to victims of natural disasters and other emergencies on a
18 where and as needed basis;

19 (6) Certify that the organization has disclosed the
20 percentage of the organization's total collected receipts
21 from employees or State annuitants that are distributed to
22 the benefiting agencies and the percentage of the
23 organization's total collected receipts from employees or
24 State annuitants that are expended for fund-raising and
25 overhead costs. These percentages shall be the same
26 percentage figures annually disclosed by the organization

1 to the Attorney General. The disclosure shall be made to
2 all solicited employees and State annuitants and shall be
3 in the form of a factual statement on all petitions and in
4 the campaign's brochures for employees and State
5 annuitants;

6 (7) Certify that all benefiting agencies receiving
7 funds which the employee or State annuitant has requested
8 or designated for distribution to a particular community
9 and surrounding area use a majority of such funds
10 distributed for services in the actual provision of
11 services in that community and surrounding area;

12 (8) Certify that neither it nor its member
13 organizations will solicit State employees for
14 contributions at their workplace, except pursuant to this
15 Act and the rules promulgated thereunder. Each qualified
16 organization, and each participating United Fund, is
17 encouraged to cooperate with all others and with all State
18 agencies and educational institutions so as to simplify
19 procedures, to resolve differences and to minimize costs;

20 (9) Certify that it will pay its share of the campaign
21 costs and will comply with the Code of Campaign Conduct as
22 approved by the Governor or other agency as designated by
23 the Governor; and

24 (10) Certify that it maintains a year-round office, the
25 telephone number, and person responsible for the
26 operations of the organization in Illinois. That

1 information shall be provided to the State Comptroller at
2 the time the organization is seeking participation under
3 this Act.

4 Each qualified organization shall submit to the State
5 Comptroller between January 1 and March 1 of each year, a
6 statement that the organization is in compliance with all of
7 the requirements set forth in paragraphs (2) through (10). The
8 State Comptroller shall exclude any organization that fails to
9 submit the statement from the next solicitation period.

10 In order to be designated as a qualified organization, the
11 organization shall have existed at least 2 years prior to
12 submitting the written or electronic designation forms
13 required in paragraph (1) and shall certify to the State
14 Comptroller that such organization has been providing services
15 described in paragraph (5) in Illinois. If the organization
16 seeking designation represents more than one benefiting
17 agency, it need not have existed for 2 years but shall certify
18 to the State Comptroller that each of its benefiting agencies
19 has existed for at least 2 years prior to submitting the
20 written or electronic designation forms required in paragraph
21 (1) and that each has been providing services described in
22 paragraph (5) in Illinois.

23 Organizations which have met the requirements of this Act
24 shall be permitted to participate in the State and Universities
25 Combined Appeal as of January 1st of the year immediately
26 following their approval by the Comptroller.

1 Where the certifications described in paragraphs (2), (3),
2 (4), (5), (6), (7), (8), (9), and (10) above are made by an
3 organization representing more than one benefiting agency they
4 shall be based upon the knowledge and belief of such qualified
5 organization. Any qualified organization shall immediately
6 notify the State Comptroller in writing if the qualified
7 organization receives information or otherwise believes that a
8 benefiting agency is no longer in compliance with the
9 certification of the qualified organization. A qualified
10 organization representing more than one benefiting agency
11 shall thereafter withhold and refrain from distributing to such
12 benefiting agency those funds received pursuant to this Act
13 until the benefiting agency is again in compliance with the
14 qualified organization's certification. The qualified
15 organization shall immediately notify the State Comptroller of
16 the benefiting agency's resumed compliance with the
17 certification, based upon the qualified organization's
18 knowledge and belief, and shall pay over to the benefiting
19 agency those funds previously withheld.

20 In order to qualify, a qualified organization must receive
21 250 deduction pledges from the immediately preceding
22 solicitation period as set forth in Section 6. The Comptroller
23 shall, by February 1st of each year, so notify any qualified
24 organization that failed to receive the minimum deduction
25 requirement. The notification shall give such qualified
26 organization until March 1st to provide the Comptroller with

1 documentation that the minimum deduction requirement has been
2 met. On the basis of all the documentation, the Comptroller
3 shall, by March 15th of each year, submit to the Governor or
4 his or her designee, or such other agency as may be determined
5 by the Governor, a list of all organizations which have met the
6 minimum payroll deduction requirement. Only those
7 organizations which have met such requirements, as well as the
8 other requirements of this Section, shall be permitted to
9 solicit State employees or State annuitants for voluntary
10 contributions, and the Comptroller shall discontinue
11 withholding for any such organization which fails to meet these
12 requirements, except qualified organizations that received
13 deduction pledges during the 2004 solicitation period are
14 deemed to be qualified for the 2005 solicitation period.

15 (c) "United Fund" means the organization conducting the
16 single, annual, consolidated effort to secure funds for
17 distribution to agencies engaged in charitable and public
18 health, welfare and services purposes, which is commonly known
19 as the United Fund, or the organization which serves in place
20 of the United Fund organization in communities where an
21 organization known as the United Fund is not organized.

22 In order for a United Fund to participate in the State and
23 Universities Employees Combined Appeal, it shall comply with
24 the provisions of paragraph (9) of subsection (b).

25 (d) "State and Universities Employees Combined Appeal",
26 otherwise known as "SECA", means the State-directed joint

1 effort of all of the qualified organizations, together with the
2 United Funds, for the solicitation of voluntary contributions
3 from State and University employees and State annuitants.

4 (e) "Retirement system" means any or all of the following:
5 the General Assembly Retirement System, the State Employees'
6 Retirement System of Illinois, the State Universities
7 Retirement System, the Teachers' Retirement System of the State
8 of Illinois, and the Judges Retirement System.

9 (f) "State annuitant" means a person receiving an annuity
10 or disability benefit under Article 2, 14, 15, 16, or 18 of the
11 Illinois Pension Code.

12 (Source: P.A. 94-537, eff. 8-10-05.)