

1 AN ACT concerning State finance.

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

4 Section 5. The State Prompt Payment Act is amended by  
5 adding Section 8 as follows:

6 (30 ILCS 540/8 new)

7 Sec. 8. Payment of vendor's debt service costs as a  
8 result of late payment. If a State official or agency is more  
9 than 60 days late in payment of a vendor's bill or invoice  
10 for goods or services furnished to the State, properly  
11 approved in accordance with rules adopted under Section 3-3,  
12 and the vendor is forced to borrow money to make up for the  
13 late payment from the State, in addition to any other payment  
14 the State is required to make to the vendor, the State must  
15 pay the vendor an amount equal to the vendor's debt service  
16 costs related to the money the vendor borrowed as a result of  
17 the late payment. The vendor's debt service costs can be no  
18 greater than the prime rate less any interest penalties the  
19 State is required to make to the vendor under other  
20 provisions of this Act. For purposes of this Section, "prime  
21 rate" means the prime rate as from time to time is publicly  
22 announced by the largest commercial banking institution in  
23 this State, measured in terms of total assets.