

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 Comptroller Act is amended by changing
5 Section 10.05 and by adding Section 10.05d as follows:

6 (15 ILCS 405/10.05) (from Ch. 15, par. 210.05)

7 Sec. 10.05. Deductions from warrants; statement of reason
8 for deduction. Whenever any person shall be entitled to a
9 warrant or other payment from the treasury or other funds held
10 by the State Treasurer, on any account, against whom there
11 shall be any then due and payable account or claim in favor of
12 the State, ~~or to~~ the United States upon certification by the
13 Secretary of the Treasury of the United States, or his or her
14 delegate, pursuant to a reciprocal offset agreement under
15 subsection (i-1) of Section 10 of the Illinois State Collection
16 Act of 1986, or a unit of local government, a school district,
17 or a public institution of higher education, as defined in
18 Section 1 of the Board of Higher Education Act, upon
19 certification by that entity ~~then due and payable~~, the
20 Comptroller, upon notification thereof, shall ascertain the
21 amount due and payable to the State, ~~or to~~ the United States,
22 the unit of local government, the school district, or the
23 public institution of higher education, as aforesaid, and draw

1 a warrant on the treasury or on other funds held by the State
2 Treasurer, stating the amount for which the party was entitled
3 to a warrant or other payment, the amount deducted therefrom,
4 and on what account, and directing the payment of the balance;
5 which warrant or payment as so drawn shall be entered on the
6 books of the Treasurer, and such balance only shall be paid.
7 The Comptroller may deduct any one or more of the following:
8 (i) the entire amount due and payable to the State or ~~may~~
9 ~~deduct~~ a portion of the amount due and payable to the State in
10 accordance with the request of the notifying agency; (ii) ~~and~~
11 ~~may deduct~~ the entire amount due and payable to the United
12 States, or ~~may deduct~~ a portion of the amount due and payable
13 to the United States, in accordance with a reciprocal offset
14 agreement under subsection (i-1) of Section 10 of the Illinois
15 State Collection Act of 1986; or (iii) the entire amount due
16 and payable to the unit of local government, school district,
17 or public institution of higher education or a portion of the
18 amount due and payable to that entity in accordance with an
19 intergovernmental agreement authorized under this Section and
20 Section 10.05d. No request from a notifying agency, ~~or from~~ the
21 Secretary of the Treasury of the United States, a unit of local
22 government, a school district, or a public institution of
23 higher education for an amount to be deducted under this
24 Section from a wage or salary payment, or from a contractual
25 payment to an individual for personal services, shall exceed
26 25% of the net amount of such payment. "Net amount" means that

1 part of the earnings of an individual remaining after deduction
2 of any amounts required by law to be withheld. For purposes of
3 this provision, wage, salary or other payments for personal
4 services shall not include final compensation payments for the
5 value of accrued vacation, overtime or sick leave. Whenever the
6 Comptroller draws a warrant or makes a payment involving a
7 deduction ordered under this Section, the Comptroller shall
8 notify the payee and the State agency that submitted the
9 voucher of the reason for the deduction and he or she shall
10 retain a record of such statement in his or her records. As
11 used in this Section, an "account or claim in favor of the
12 State" includes all amounts owing to "State agencies" as
13 defined in Section 7 of this Act. However, the Comptroller
14 shall not be required to accept accounts or claims owing to
15 funds not held by the State Treasurer, where such accounts or
16 claims do not exceed \$50, nor shall the Comptroller deduct from
17 funds held by the State Treasurer under the Senior Citizens and
18 Disabled Persons Property Tax Relief and Pharmaceutical
19 Assistance Act or for payments to institutions from the
20 Illinois Prepaid Tuition Trust Fund (unless the Trust Fund
21 moneys are used for child support). The Comptroller and the
22 Department of Revenue shall enter into an interagency agreement
23 to establish responsibilities ~~responsibility~~, duties, and
24 procedures relating to deductions from lottery prizes awarded
25 under Section 20.1 of the Illinois Lottery Law. The Comptroller
26 may enter into an intergovernmental agreement with the

1 Department of Revenue and the Secretary of the Treasury of the
2 United States, or his or her delegate, to establish
3 responsibilities, duties, and procedures relating to
4 reciprocal offset of delinquent State and federal obligations
5 pursuant to subsection (i-1) of Section 10 of the Illinois
6 State Collection Act of 1986. The Comptroller may enter into
7 intergovernmental agreements with any unit of local
8 government, school district, or public institution of higher
9 education to establish responsibilities, duties, and
10 procedures to provide for the offset, by the Comptroller, of
11 obligations owed to those entities.

12 (Source: P.A. 97-269, eff. 1-1-12.)

13 (15 ILCS 405/10.05d new)

14 Sec. 10.05d. Deductions for delinquent obligations owed to
15 units of local government, school districts, and public
16 institutions of higher education. Pursuant to Section 10.05 and
17 this Section, the Comptroller may enter into intergovernmental
18 agreements with a unit of local government, a school district,
19 or a public institution of higher education in order to provide
20 for (i) the use of the Comptroller's offset system to collect
21 delinquent obligations owed to that entity and (ii) the payment
22 to the Comptroller of a processing charge of up to \$15 per
23 transaction for such offsets. The Comptroller shall deduct,
24 from a warrant or other payment described in Section 10.05, in
25 accordance with the procedures provided therein, its

1 processing charge and the amount certified as necessary to
2 satisfy, in whole or in part, the delinquent obligation owed to
3 the unit of local government, school district, or public
4 institution of higher education, as applicable. The
5 Comptroller shall provide the unit of local government, school
6 district, or public institution of higher education, as
7 applicable, with the address to which the warrant or other
8 payment was to be mailed and any other information pertaining
9 to each person from whom a deduction is made pursuant to this
10 Section. All deductions ordered under this Section and
11 processing charges imposed under this Section shall be
12 deposited into the Comptroller Debt Recovery Trust Fund, a
13 special fund that the Comptroller shall use for the collection
14 of deductions and processing charges, as provided by law, and
15 the payment of deductions and administrative expenses, as
16 provided by law.

17 Upon processing a deduction, the Comptroller shall give
18 written notice to the person subject to the offset. The notice
19 shall inform the person that he or she may make a written
20 protest to the Comptroller within 60 days after the Comptroller
21 has given notice. The protest shall include the reason for
22 contesting the deduction and any other information that will
23 enable the Comptroller to determine the amount due and payable.
24 The intergovernmental agreement entered into under Section
25 10.05 and this Section shall establish procedures through which
26 the Comptroller shall determine the validity of the protest and

1 shall make a final disposition concerning the deduction. If the
2 person subject to the offset has not made a written protest
3 within 60 days after the Comptroller has given notice or if a
4 final disposition is made concerning the deduction, the
5 Comptroller shall pay the deduction to the unit of local
6 government, school district, or public institution of higher
7 education, as applicable, from the Comptroller Debt Recovery
8 Trust Fund.

9 Section 10. The Illinois Income Tax Act is amended by
10 changing Section 911.3 as follows:

11 (35 ILCS 5/911.3)

12 Sec. 911.3. Refunds withheld; order of honoring requests.
13 The Department shall honor refund withholding requests in the
14 following order:

15 (1) a refund withholding request to collect an unpaid
16 State tax;

17 (2) a refund withholding request to collect certified
18 past due child support amounts under Section 2505-650 of
19 the Department of Revenue Law of the Civil Administrative
20 Code of Illinois;

21 (3) a refund withholding request to collect any debt
22 owed to the State;

23 (4) a refund withholding request made by the Secretary
24 of the Treasury of the United States, or his or her

1 delegate, to collect any tax liability arising from Title
2 26 of the United States Code;

3 (4.5) a refund withholding request made by the
4 Secretary of the Treasury of the United States, or his or
5 her delegate, to collect any nontax debt owed to the United
6 States as authorized under subsection (i-1) of Section 10
7 of the Illinois State Collection Act of 1986;

8 (4.6) a refund withholding request to collect any debt
9 owed to a unit of local government, school district, or
10 public institution of higher education collected under an
11 intergovernmental agreement entered into under Sections
12 10.05 and 10.05d of the State Comptroller Act;

13 (5) a refund withholding request pursuant to Section
14 911.2 of this Act; and

15 (6) a refund withholding request to collect certified
16 past due fees owed to the Clerk of the Circuit Court as
17 authorized under Section 2505-655 of the Department of
18 Revenue Law of the Civil Administrative Code of Illinois.

19 (Source: P.A. 97-269, eff. 1-1-12.)

20 Section 15. "An Act concerning State government", approved
21 August 8, 2011, Public Act 97-269, is amended by adding Section
22 99 as follows:

23 (P.A. 97-269, Sec. 99 new)

24 Sec. 99. Effective date. This Act (Public Act 97-269) takes

1 effect on the effective date of this amendatory Act of the 97th
2 General Assembly or January 1, 2012, whichever is earlier.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.