



Rep. Naomi D. Jakobsson

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1 AMENDMENT TO HOUSE BILL 466

2 AMENDMENT NO. _____. Amend House Bill 466 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Uncollected State Claims Act is amended by
5 changing Sections 2 and 2.1 as follows:

6 (30 ILCS 205/2) (from Ch. 15, par. 102)

7 Sec. 2. (a) When any State agency is unable to collect any
8 claim or account receivable of \$1,000 or more due the agency
9 after having pursued the procedure prescribed by law or
10 applicable rules and regulations for the collection thereof or,
11 if no procedure is so prescribed, then after having undertaken
12 all reasonable and appropriate procedures available to the
13 agency to effectuate collection, the State agency shall request
14 the Attorney General to certify the claim or account receivable
15 to be uncollectible.

16 (b) Each request to the Attorney General asking that a

1 claim or account receivable of \$1,000 or more be declared
2 uncollectible shall be in a format prescribed by the Attorney
3 General and shall include at a minimum the following
4 information: debtor's name, debtor's social security number or
5 comparable identifying number, debtor's last known address,
6 nature of the debt, efforts made to collect the debt and the
7 time period covered by those efforts, the age of the debt, the
8 age of the debtor and the specific reason the State agency
9 believes the debt to be uncollectible. Nothing in this
10 provision should be interpreted as a limitation on the
11 authority of the Attorney General to require additional
12 information that he may find to be necessary to evaluate
13 requests sent him pursuant to this provision.

14 (c) Claims or accounts receivable of less than \$1,000 may
15 be certified as uncollectible by the agency when the agency
16 determines that further collection efforts are not in the best
17 economic interest of the State. Such determination shall be
18 made in accordance with rules of the Comptroller.

19 (d) If any item of information required by this provision
20 or any item of additional information required by the Attorney
21 General is not available, the State agency shall specifically
22 so state in its request to the Attorney General asking that the
23 debt be declared uncollectible.

24 (e) A State agency participating in a federal student loan
25 program may remove student loans from its records by assigning
26 or referring such student loans to the federal government for

1 collection pursuant to the procedures prescribed by federal
2 laws and regulations.

3 (f) Claims and receivables due from another State agency
4 may be written off if the agency has pursued all reasonable
5 means of collection and if the amount (1) is payable from an
6 appropriation which has lapsed; (2) may not properly be charged
7 against a current appropriation; and (3) was not originally
8 payable from federal funds, a trust fund or locally held funds.
9 Each agency which writes off claims or receivables pursuant to
10 this subparagraph shall submit a listing of all such write-offs
11 to the Comptroller within 60 days of taking such action.

12 (g) Debts certified as uncollectible may be reopened for
13 collection by an agency upon the approval of the Attorney
14 General.

15 (h) Agencies shall submit a list of debts certified as
16 uncollectible to the Comptroller in the form and manner
17 specified by the Comptroller. The Comptroller shall take
18 reasonable steps to accept information on agency computer
19 tapes.

20 (i) After compliance with all provisions of this Section,
21 an agency may delete from its records debts certified as
22 uncollectible as follows:

23 (1) When the debt is less than \$1,000, immediately upon
24 certification by the agency;

25 (2) For debts of \$1,000 or more that are less than 5
26 years old, when the agency determines pursuant to rules and

1 regulations promulgated by the Comptroller that such
2 deletion is in the best economic interest of the State;

3 (3) For debts of \$1,000 or more, when the debt is more
4 than 5 years old or, in the case of a public university,
5 more than 8 years old.

6 (j) The Attorney General shall report to the General
7 Assembly by February 1 of each year the following:

8 (1) the total number and dollar amount of debts
9 referred to him for collection in the preceding calendar
10 year;

11 (2) the total amount actually collected;

12 (3) the number of cases by agency.

13 (k) Each State agency shall report in its annual report the
14 total amount and the number of claims due and payable to the
15 State. Each agency shall also describe in its annual report the
16 method used in collecting debts, whether by a private
17 collection service or by the Attorney General.

18 (l) The provisions of Section 2505-250 of the Department of
19 Revenue Law (20 ILCS 2505/2505-250) take precedence over the
20 provisions of this Section.

21 (Source: P.A. 91-239, eff. 1-1-00.)

22 (30 ILCS 205/2.1)

23 Sec. 2.1. Sale of debts certified as uncollectible. After
24 accounts have been certified by the Attorney General, or the
25 State agency for accounts of less than \$1,000, as uncollectible

1 pursuant to this Act, the Department of Revenue may sell the
2 debts to one or more outside private vendors. Sales shall be
3 conducted under rules adopted by the Department of Revenue
4 using a request for proposals procedure similar to that
5 procedure under the Illinois Procurement Code. The outside
6 private vendors shall remit to the Department of Revenue the
7 purchase price for debts sold under this Section. The
8 Department of Revenue shall deposit the money received under
9 this Section into the General Revenue Fund. The State
10 Comptroller shall provide the Department of Revenue with any
11 information that the Department requests for the purpose of
12 administering this Section. This Section does not apply to any
13 tax debt owing to the Department of Revenue. This Section does
14 not apply to (i) debts, in the case of a public university,
15 when the debt is less than 8 years old; (ii) child support
16 debts enforced by the Department of Healthcare and Family
17 Services pursuant to Title IV-D of the federal Social Security
18 Act and Article X of the Illinois Public Aid Code; and (iii)
19 debts that are enforced by the Department of Employment
20 Security and owed to any federal account, including but not
21 limited to the Unemployment Trust Fund, and penalties and
22 interest assessed under the Unemployment Insurance Act.

23 (Source: P.A. 96-1435, eff. 8-16-10.)

24 Section 10. The Illinois State Collection Act of 1986 is
25 amended by renumbering and changing Section 9 added by Public

1 Act 96-1383 and Section 9 added by Public Act 96-1435 as
2 follows:

3 (30 ILCS 210/10.1)

4 Sec. 10.1 ~~9~~. Collection agency fees. Except where
5 prohibited by federal law or regulation, in the case of any
6 liability referred to a collection agency on or after July 1,
7 2010, any fee charged to the State by the collection agency (i)
8 may not exceed 25% for a first placement of the underlying
9 liability referred to the collection agency unless the
10 liability is for a tax debt, (ii) is considered an additional
11 liability owed to the State, (iii) is immediately subject to
12 all collection procedures applicable to the liability referred
13 to the collection agency, and (iv) must be separately stated in
14 any statement or notice of the liability issued by the
15 collection agency to the debtor. The fee limitations of this
16 Section do not apply to a second, third, or subsequent
17 placement or to litigation activities.

18 (Source: P.A. 96-1383, eff. 1-1-11; revised 9-7-10.)

19 (30 ILCS 210/10.2)

20 Sec. 10.2 ~~9~~. Deferral and compromise of past due debt.

21 (a) In this Section, "past due debt" means any debt owed to
22 the State that has been outstanding for more than 12 months.
23 "Past due debt" does not include any debt if any of the actions
24 required under this Section would violate federal law or

1 regulation.

2 (b) State agencies may enter into a deferred payment plan
3 for the purpose of satisfying a past due debt. Except for a
4 deferred payment plan entered into by any Illinois public
5 university, as defined in Section 10 of the Illinois Prepaid
6 Tuition Act, or by the Illinois Department of Transportation or
7 for debts owed to the Illinois Department of Transportation for
8 deposit into the Road Fund, the ~~The~~ deferred payment plan must
9 meet the following requirements:

10 (1) The term of the deferred payment plan may not
11 exceed 2 years.

12 (2) The first payment of the deferred payment plan must
13 be at least 10% of the total amount due.

14 (3) All subsequent monthly payments for the deferred
15 payment plan must be assessed as equal monthly principal
16 payments, together with interest.

17 (4) The deferred payment plan must include interest at
18 a rate that is the same as the interest required under the
19 State Prompt Payment Act.

20 (5) The deferred payment plan must be approved by the
21 Secretary or Director of the State agency.

22 (c) State agencies may compromise past due debts. Any
23 action taken by a State agency to compromise a past due debt,
24 other than an action taken by an Illinois public university, as
25 defined in Section 10 of the Illinois Prepaid Tuition Act, to
26 compromise past due debt, must meet the following requirements:

1 (1) The amount of the compromised debt shall be no less
2 than 80% of the total of the past due debt.

3 (2) Once a past due debt has been compromised, the
4 debtor must remit to the State agency the total amount of
5 the compromised debt. However, the State agency may collect
6 the compromised debt through a payment plan not to exceed 6
7 months. If the State agency accepts the compromised debt
8 through a payment plan, then the compromised debt shall be
9 subject to the same rate of interest as required under the
10 State Prompt Payment Act.

11 (3) Before a State agency accepts a compromised debt,
12 the amount of the compromised debt must be approved by the
13 Secretary or Director of the agency ~~Department of Revenue~~.

14 (d) State agencies may sell a past due debt to one or more
15 outside private vendors. Sales shall be conducted under rules
16 adopted by the Department of Revenue using a request for
17 proposals procedure similar to that procedure under the
18 Illinois Procurement Code. The outside private vendors shall
19 remit to the State agency the purchase price for debts sold
20 under this subsection.

21 (e) The State agency shall deposit all amounts received
22 under this Section into the General Revenue Fund. For Illinois
23 public universities, as defined in Section 10 of the Illinois
24 Prepaid Tuition Act, the requirement of this subsection (e)
25 applies to amounts received from the sale of past due debt and
26 does not apply to amounts received under a deferred payment

1 plan or a compromised debt payment plan.

2 (f) This Section does not apply to any tax debt owing to
3 the Department of Revenue.

4 (g) This Section does not apply to child support debts
5 enforced by the Department of Healthcare and Family Services
6 pursuant to Title IV-D of the federal Social Security Act and
7 Article X of the Illinois Public Aid Code.

8 (h) This Section does not apply to debts that are enforced
9 by the Department of Employment Security and owed to any
10 federal account, including but not limited to the Unemployment
11 Trust Fund, and penalties and interest assessed under the
12 Unemployment Insurance Act.

13 (Source: P.A. 96-1435, eff. 8-16-10; revised 9-7-10.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law."