

1 AMENDMENT TO HOUSE BILL 40

2 AMENDMENT NO. _____. Amend House Bill 40 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 State Loan Act.

6 Section 5. Definitions. As used in this Act:

7 "State loan" means any loan of \$50,000 or more made by
8 the State of Illinois or any State agency to any person for
9 any purpose except for participation loans or financial
10 transactions through statutorily-authorized financial
11 intermediaries in support of small business loans and
12 investments.

13 "State agencies" has the meaning ascribed to that term in
14 Section 1-7 of the Illinois State Auditing Act.

15 "Person" means any individual, corporation, partnership,
16 unincorporated association, limited liability company,
17 limited liability partnership, or other entity.

18 "Designated individuals" means:

19 (i) In the case of a partnership, all general and
20 limited partners of the partnership.

21 (ii) In the case of a corporation, all shareholders
22 with 10% or more equity or ownership interest in the

1 corporation.

2 (iii) In the case of one or more individuals, all
3 of the individuals.

4 (iv) In the case of any other entity, all
5 individuals with any equity or ownership interest in the
6 entity.

7 Section 10. Disclosure. Each contract providing for a
8 State loan shall contain a disclosure setting forth the names
9 and addresses of each designated individual of the person
10 receiving the loan. The contract must state that this
11 disclosure is a public record and is not subject to any
12 exemptions or exceptions under the Freedom of Information
13 Act. A State agency making, renegotiating, or renewing a
14 State loan shall maintain a publicly-available record of the
15 names and addresses of each person and each designated
16 individual of the person receiving, renegotiating, or
17 renewing a State loan.

18 Section 15. Guarantee. Before any State loan may be
19 made to any person or renewed or renegotiated, each
20 designated individual of the person must personally guarantee
21 repayment of the loan. A guarantee remains in effect until
22 the loan has been repaid in full. A guarantee may not be
23 rescinded or abrogated under any circumstances. Any
24 agreement that purports to rescind or abrogate a guarantee is
25 null and void.

26 Section 20. Certain contracts prohibited. No State
27 agency may enter into any contract with any person if the
28 person or any designated individual of the person is in
29 default on any State loan. The person and each designated
30 individual of the person receiving a State loan must certify
31 to the State agency that he or she is not delinquent in the

1 payment of any debt to the State. The contract must provide
2 that the contract may be declared void if the certification
3 is false or the contractor later becomes delinquent and has
4 not entered into a deferred payment plan to pay off the debt.

5 Section 25. Disclosure of contributions. No State
6 agency shall make, renew or renegotiate a State Loan unless
7 the person and each designated individual of the person
8 discloses all contributions, in excess of \$20, made by the
9 person and each designated individual of the person
10 receiving, renewing, or renegotiating a State loan. This
11 disclosure shall be made for the 2-year period preceding the
12 submission of an application for a State Loan.
13 "Contributions" has the same meaning set forth in Section
14 9-1.4 of the Election Code, and the disclosure shall include
15 contributions made to a political committee as defined in
16 Section 9-1.9 of the Election Code. The contract must state
17 that this disclosure is a public record and is not subject to
18 any exemptions or exceptions under the Freedom of Information
19 Act. A State agency making, renegotiating, or renewing a
20 State loan shall maintain a publicly-available record of
21 these contributions.

22 Section 30. Default; Attorney General investigation. In
23 the case of any default on a State loan, the State agency
24 making the loan shall notify the Attorney General. The
25 Attorney General shall investigate the circumstances of the
26 default. Unless the Attorney General determines that the
27 loan is uncollectible, the Attorney General shall take
28 appropriate action to collect any amount owing to the State
29 and enforce the State's rights under the loan agreement.

30 Section 35. Uncollected State Claims Act and the
31 Illinois State Collection Act of 1986. Any renegotiation of

1 a State Loan resulting in acceptance of an offer in
2 compromise for an amount less than the total amount due and
3 owing on the loan shall require the approval of the Attorney
4 General and must be in compliance with the provisions of the
5 Uncollected State Claims Act and the Illinois State
6 Collection Act of 1986 regarding the reporting and recording
7 of debt collections and the writing off of debts.

8 Section 40. Report. The Attorney General shall report to
9 the General Assembly by February 1 of each year the
10 following:

11 (1) the total number and dollar amount of loans about
12 which the Attorney General was notified in accordance with
13 this Act in the preceding calendar year;

14 (2) the total amount actually collected;

15 (3) the number of cases by agency; and

16 (4) the names and addresses of all designated
17 individuals of any person that is a party to a State loan
18 about which the Attorney General was notified in accordance
19 with this Act in the preceding calendar year.

20 Section 800. The Uncollected State Claims Act is amended
21 by changing Section 2 as follows:

22 (30 ILCS 205/2) (from Ch. 15, par. 102)

23 Sec. 2. (a) When any State agency is unable to collect
24 any claim or account receivable of \$1,000 or more due the
25 agency after having pursued the procedure prescribed by law
26 or applicable rules and regulations for the collection
27 thereof or, if no procedure is so prescribed, then after
28 having undertaken all reasonable and appropriate procedures
29 available to the agency to effectuate collection, the State
30 agency shall request the Attorney General to certify the
31 claim or account receivable to be uncollectible.

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

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

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

25 (e) A State agency participating in a federal student
26 loan program may remove student loans from its records by
27 assigning or referring such student loans to the federal
28 government for collection pursuant to the procedures
29 prescribed by federal laws and regulations.

30 (f) Claims and receivables due from another State agency
31 may be written off if the agency has pursued all reasonable
32 means of collection and if the amount (1) is payable from an
33 appropriation which has lapsed; (2) may not properly be
34 charged against a current appropriation; and (3) was not

1 originally payable from federal funds, a trust fund or
2 locally held funds. Each agency which writes off claims or
3 receivables pursuant to this subparagraph shall submit a
4 listing of all such write-offs to the Comptroller within 60
5 days of taking such action.

6 (g) Debts certified as uncollectible may be reopened for
7 collection by an agency upon the approval of the Attorney
8 General.

9 (h) Agencies shall submit a list of debts certified as
10 uncollectible to the Comptroller in the form and manner
11 specified by the Comptroller. The Comptroller shall take
12 reasonable steps to accept information on agency computer
13 tapes.

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

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

19 (2) For debts of \$1,000 or more that are less than
20 5 years old, when the agency determines pursuant to rules
21 and regulations promulgated by the Comptroller that such
22 deletion is in the best economic interest of the State;

23 (3) For debts of \$1,000 or more when, the debt is
24 more than 5 years old.

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

27 (1) the total number and dollar amount of debts
28 referred to him for collection in the preceding calendar
29 year;

30 (2) the total amount actually collected;

31 (3) the number of cases by agency.

32 (k) Each State agency shall report in its annual report
33 the total amount and the number of claims due and payable to
34 the State. Each agency shall also describe in its annual

1 report the method used in collecting debts, whether by a
2 private collection service or by the Attorney General.

3 (1) The provisions of Section 2505-250 of the Department
4 of Revenue Law (20 ILCS 2505/2505-250) take precedence over
5 the provisions of this Section.

6 (m) Any renegotiation of a State Loan, resulting in
7 acceptance of an offer in comprise for an amount less than
8 the total amount due and owing on the loan shall require the
9 approval of the Attorney General and shall comply with the
10 reporting and uncollectible certification requirements of
11 this Act.

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

13 Section 900. The Illinois State Collection Act of 1986
14 is amended by changing Section 4 as follows:

15 (30 ILCS 210/4) (from Ch. 15, par. 154)

16 Sec. 4. (a) The Comptroller shall provide by rule
17 appropriate procedures for State agencies to follow in
18 establishing and recording within the State accounting system
19 records of amounts owed to the State of Illinois. The rules
20 of the Comptroller shall include, but are not limited to:

21 (1) the manner by which State agencies shall recognize
22 debts;

23 (2) systems to age accounts receivable of State
24 agencies;

25 (3) standards by which State agencies' claims may be
26 entered and removed from the Comptroller's Offset System
27 authorized by Section 10.05 of the State Comptroller Act;

28 (4) accounting procedures for estimating the amount of
29 uncollectible receivables of State agencies; and

30 (5) accounting procedures for writing off bad debts and
31 uncollectible claims.

32 (b) State agencies shall report to the Comptroller

1 information concerning their accounts receivable and
2 uncollectible claims in accordance with the rules of the
3 Comptroller, which may provide for summary reporting.

4 (c) The rules of the Comptroller authorized by this
5 Section shall may specify varying procedures and forms of
6 reporting dependent upon the nature and amount of the account
7 receivable or uncollectible claim, the age of the debt, the
8 probability of collection and such other factors that will
9 increase the net benefit to the State of the collection
10 effort.

11 (d) The Comptroller shall report annually by March 14,
12 to the Governor and the General Assembly, the amount of all
13 delinquent debt owed to each State agency as of December 31
14 of the previous calendar year.

15 (e) Any renegotiation of a State Loan resulting in
16 acceptance of an offer in compromise for an amount less than
17 the total amount due and owing on the loan shall require the
18 approval of the Attorney General and shall comply with the
19 reporting and uncollectible certification requirements of
20 this Act.

21 (Source: P.A. 86-515.)

22 Section 999. Effective date. This Act takes effect upon
23 becoming law."