

1 AN ACT concerning 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 changing Sections 1 and 3-2 as follows:

6 (30 ILCS 540/1) (from Ch. 127, par. 132.401)

7 Sec. 1. This Act applies to any State official or agency  
8 authorized to provide for payment from State funds, by virtue  
9 of any appropriation of the General Assembly, for goods or  
10 services furnished to the State.

11 For purposes of this Act, "goods or services furnished to  
12 the State" include but are not limited to (i) covered health  
13 care provided to eligible members and their covered dependents  
14 in accordance with the State Employees Group Insurance Act of  
15 1971, including coverage through a physician-owned health  
16 maintenance organization under Section 6.1 of that Act, and  
17 (ii) prevention, intervention, or treatment services and  
18 supports for persons with developmental disabilities, mental  
19 health services, alcohol and substance abuse services,  
20 rehabilitation services, and early intervention services  
21 provided by a vendor. For the purposes of item (ii), a vendor  
22 includes but is not limited to sellers of goods and services,  
23 including community-based organizations that are licensed to

1 provide prevention, intervention, or treatment services and  
2 supports for persons with developmental disabilities, mental  
3 illness, and substance abuse problems.

4 For the purposes of this Act, "appropriate State official  
5 or agency" is defined as the Director or Chief Executive or his  
6 designee of that State agency or department or facility of such  
7 agency or department. With respect to covered health care  
8 provided to eligible members and their dependents in accordance  
9 with the State Employees Group Insurance Act of 1971,  
10 "appropriate State official or agency" also includes an  
11 administrator of a program of health benefits under that Act.

12 As used in this Act, "eligible member" means a member who  
13 is eligible for health benefits under the State Employees Group  
14 Insurance Act of 1971, and "member" and "dependent" have the  
15 meanings ascribed to those terms in that Act.

16 As used in this Act, "a proper bill or invoice" means a  
17 bill or invoice that includes the information necessary for  
18 processing the payment as may be specified by a State agency  
19 and in rules adopted in accordance with this Act.

20 (Source: P.A. 91-266, eff. 7-23-99; 92-384, eff. 7-1-02.)

21 (30 ILCS 540/3-2) (from Ch. 127, par. 132.403-2)

22 Sec. 3-2. Beginning July 1, 1993, in any instance where a  
23 State official or agency is late in payment of a vendor's bill  
24 or invoice for goods or services furnished to the State, as  
25 defined in Section 1, properly approved in accordance with

1 rules promulgated under Section 3-3, the State official or  
2 agency shall pay interest to the vendor in accordance with the  
3 following:

4 (1) Any bill, except a bill submitted under Article V  
5 of the Illinois Public Aid Code, approved for payment under  
6 this Section must be paid or the payment issued to the  
7 payee within 60 days of receipt of a proper bill or  
8 invoice. If payment is not issued to the payee within this  
9 60 day period, an interest penalty of 1.0% of any amount  
10 approved and unpaid shall be added for each month or  
11 fraction thereof after the end of this 60 day period, until  
12 final payment is made. Any bill submitted under Article V  
13 of the Illinois Public Aid Code approved for payment under  
14 this Section must be paid or the payment issued to the  
15 payee within 60 days after receipt of a proper bill or  
16 invoice, and, if payment is not issued to the payee within  
17 this 60-day period, an interest penalty of 2.0% of any  
18 amount approved and unpaid shall be added for each month or  
19 fraction thereof after the end of this 60-day period, until  
20 final payment is made.

21 (1.1) A State agency shall review in a timely manner  
22 each bill or invoice after its receipt. If the State agency  
23 determines that the bill or invoice contains a defect  
24 making it unable to process the payment request, the agency  
25 shall notify the vendor requesting payment as soon as  
26 possible after discovering the defect pursuant to rules

1 promulgated under Section 3-3; provided, however, that the  
2 notice for construction related bills or invoices must be  
3 given not later than 30 days after the bill or invoice was  
4 first submitted. The notice shall identify the defect and  
5 any additional information necessary to correct the  
6 defect. If one or more items on a construction related bill  
7 or invoice are disapproved, but not the entire bill or  
8 invoice, then the portion that is not disapproved shall be  
9 paid.

10 (2) Where a State official or agency is late in payment  
11 of a vendor's bill or invoice properly approved in  
12 accordance with this Act, and different late payment terms  
13 are not reduced to writing as a contractual agreement, the  
14 State official or agency shall automatically pay interest  
15 penalties required by this Section amounting to \$50 or more  
16 to the appropriate vendor. Each agency shall be responsible  
17 for determining whether an interest penalty is owed and for  
18 paying the interest to the vendor. For interest of at least  
19 \$5 but less than \$50, the vendor must initiate a written  
20 request for the interest penalty when such interest is due  
21 and payable. The Department of Central Management Services  
22 and the State Comptroller shall jointly promulgate rules  
23 establishing the conditions under which interest of less  
24 than \$5 may be claimed and paid. In the event an individual  
25 has paid a vendor for services in advance, the provisions  
26 of this Section shall apply until payment is made to that

1 individual.

2 (Source: P.A. 94-972, eff. 7-1-07.)