



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

**HB6911**

by Rep. Michael G. Connelly

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/5 from Ch. 127, par. 141  
30 ILCS 105/5.780 new  
30 ILCS 105/5.781 new  
30 ILCS 105/50 new

Amends the State Finance Act. Creates the Pay Your Bills Fund and the Pension First-Priority Fund as special funds in the State Treasury. Provides for the distribution of specified portions of any incremental non-dedicated State revenue into the General Revenue Fund, the Pay Your Bills Fund, and the Pension First-Priority Fund. Provides that moneys in the Pension First-Priority Fund shall be distributed by the Comptroller to each State-funded pension or retirement system. Provides that moneys in the Pay Your Bills Fund shall be used by the Comptroller to pay vendors and reduce State obligations attributable to the provision of goods and services to the State. Provides that the Pay Your Bills Fund may become inactive if certain conditions are met. Requires the retransfer of funds if it is later determined that incremental non-dedicated State revenue does not exist. Defines "full accrual" and "incremental non-dedicated State revenue". Authorizes the Comptroller to adopt rules necessary to implement and administer these provisions. Effective immediately.

LRB096 23812 JDS 43197 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning finance, which may be referred to as the  
2 Illinois Long and Short Term Liabilities Restricted Funds Law.

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

5 Section 5. The State Finance Act is amended by changing  
6 Section 5 and adding Sections 5.780, 5.781, and 50 as follows:

7 (30 ILCS 105/5) (from Ch. 127, par. 141)

8 Sec. 5. Special funds.

9 (a) There are special funds in the State Treasury  
10 designated as specified in the Sections which succeed this  
11 Section 5 and precede Section 6.

12 (b) Except as provided in the Illinois Motor Vehicle Theft  
13 Prevention Act, when any special fund in the State Treasury is  
14 discontinued by an Act of the General Assembly, any balance  
15 remaining therein on the effective date of such Act shall be  
16 transferred to the General Revenue Fund, or to such other fund  
17 as such Act shall provide. Warrants outstanding against such  
18 discontinued fund at the time of the transfer of any such  
19 balance therein shall be paid out of the fund to which the  
20 transfer was made.

21 (c) When any special fund in the State Treasury other than  
22 the Pay Your Bills Fund has been inactive for 18 months or  
23 longer, the fund is automatically terminated by operation of

1 law and the balance remaining in such fund shall be transferred  
2 by the Comptroller to the General Revenue Fund. When a special  
3 fund has been terminated by operation of law as provided in  
4 this Section, the General Assembly shall repeal or amend all  
5 Sections of the statutes creating or otherwise referring to  
6 that fund.

7 The Comptroller shall be allowed the discretion to maintain  
8 or dissolve any federal trust fund which has been inactive for  
9 18 months or longer.

10 (d) (Blank).

11 (e) (Blank).

12 (Source: P.A. 90-372, eff. 7-1-98.)

13 (30 ILCS 105/5.780 new)

14 Sec. 5.780. The Pay Your Bills Fund.

15 (30 ILCS 105/5.781 new)

16 Sec. 5.781. The Pension First-Priority Fund.

17 (30 ILCS 105/50 new)

18 Sec. 50. Distribution of State's incremental non-dedicated  
19 revenue.

20 (a) Notwithstanding any provision of law to the contrary,  
21 if, on or after the effective date of this amendatory Act of  
22 the 96th General Assembly, non-dedicated State revenue exceeds  
23 the non-dedicated State revenue reported by the Comptroller as

1 having been received in fiscal year 2011, then the Comptroller  
2 shall, from time to time, identify the State funds in which  
3 that incremental non-dedicated State revenue exists and order  
4 transferred from those funds the following amounts, which shall  
5 then be transferred by the Treasurer, as follows:

6 (1) Of the incremental non-dedicated State revenue in  
7 the General Revenue Fund,

8 (A) 50% of that amount shall remain in the General  
9 Revenue Fund;

10 (B) 25% of that amount shall be transferred into  
11 the Pay Your Bills Fund; and

12 (C) 25% of that amount shall be transferred into  
13 the Pension First-Priority Fund.

14 (2) Of the incremental non-dedicated State revenue in  
15 any other State fund,

16 (A) 50% of that amount shall be transferred into  
17 the General Revenue Fund;

18 (B) 25% of that amount shall be transferred into  
19 the Pay Your Bills Fund; and

20 (C) 25% of that amount shall be transferred into  
21 the Pension First-Priority Fund.

22 (b) The Pension First-Priority Fund is created as a special  
23 fund in the State Treasury. Subject to appropriation, amounts  
24 in the Fund shall be used by the Comptroller to pay pension  
25 obligations. The Comptroller shall distribute moneys in the  
26 Pension First-Priority Fund to each State-funded pension or

1 retirement system by multiplying the amount to be distributed  
2 in total by the proportion that results from dividing the  
3 number of beneficiaries and vested claimants in that  
4 State-funded pension or retirement system on the date of the  
5 distribution by the total number of beneficiaries and vested  
6 claimants in all State-funded pension and retirement systems on  
7 the date of the distribution. Interest attributable to amounts  
8 in the Fund shall be returned to the Fund.

9 (c) The Pay Your Bills Fund is created as a special fund in  
10 the State Treasury. Subject to appropriation, amounts in the  
11 Fund shall be used by the Comptroller to pay vendors and reduce  
12 State obligations attributable to the provision of goods and  
13 services to the State. Interest attributable to amounts in the  
14 Fund shall be returned to the Fund.

15 (d) If the Comptroller finds that the State's fiscal  
16 backlog of unpaid bills for goods and services has been reduced  
17 to a level where unpaid State bills can be paid within 30 days  
18 or less, then the Comptroller shall report that finding to the  
19 Governor, the Director of the Governor's Office of Management  
20 and Budget, the Speaker of the House of Representatives, the  
21 President of the Senate, the Minority Leader of the House of  
22 Representatives, and the Minority Leader of the Senate; and if  
23 this determination is made, the Pay Your Bills Fund shall  
24 become inactive; money shall not be deposited into it; and the  
25 Fund shall remain inactive until such time as the aforesaid  
26 backlog of bills again rises over the 30-day mark, at which

1 time the Fund shall again become active and 25% of all  
2 incremental non-dedicated State revenue shall once again be  
3 deposited in that Fund as described under subsection (a). If  
4 the Pay Your Bills Fund becomes inactive, the Comptroller shall  
5 distribute any amounts remaining in the Fund to creditors of  
6 the State as he or she sees fit.

7 (e) If incremental non-dedicated State revenue is found not  
8 to exist after a transfer has been made under subsection (a) of  
9 this Section, then the Comptroller, in order to offset any  
10 discrepancy, shall order transferred, and the Treasurer shall  
11 transfer, from the receiving fund to the originating fund the  
12 amount necessary to correct the discrepancy with respect to the  
13 originating fund.

14 (f) For the purposes of this Section:

15 "Full accrual" has the meaning given to that phrase by  
16 Governmental Accounting Standards Board Statement 34.

17 "Incremental non-dedicated State revenue" means the  
18 sum of non-dedicated State revenue that exceeds the sum of  
19 non-dedicated State revenue reported by the Comptroller as  
20 having been received in fiscal year 2011.

21 (g) The Comptroller may adopt rules as necessary to  
22 implement and administer the requirements of this Section.

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.