



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5189

Introduced 2/8/2012, by Rep. Franco Coladipietro

SYNOPSIS AS INTRODUCED:

15 ILCS 405/9.03

from Ch. 15, par. 209.03

20 ILCS 1005/1005-200 new

Amends the State Comptroller Act. Provides that, if an employee indicates in writing to the paying State agency that it is his or her desire to have his or her payroll or expense reimbursement in the form of a paper check, then the Comptroller shall disburse those amounts in that form. Amends the Department of Employment Security Law of the Civil Administrative Code of Illinois. Requires the Department to provide each claimant with written notice of benefit payment options, which must include: prepaid debit card, direct deposit, and paper check. Requires the Department to afford a claimant the opportunity to change his or her benefit payment option at any time.

LRB097 18784 JDS 64020 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 9.03 as follows:

6 (15 ILCS 405/9.03) (from Ch. 15, par. 209.03)

7 Sec. 9.03. Direct deposit of State payments.

8 (a) The Comptroller, with the approval of the State
9 Treasurer, may provide by rule or regulation for the direct
10 deposit of any payment lawfully payable from the State Treasury
11 and in accordance with federal banking regulations including
12 but not limited to payments to (i) persons paid from personal
13 services, (ii) persons receiving benefit payments from the
14 Comptroller under the State pension systems, (iii) individuals
15 who receive assistance under Articles III, IV, and VI of the
16 Illinois Public Aid Code, (iv) providers of services under the
17 Mental Health and Developmental Disabilities Administrative
18 Act, (v) providers of community-based mental health services,
19 and (vi) providers of services under programs administered by
20 the State Board of Education, in the accounts of those persons
21 or entities maintained at a bank, savings and loan association,
22 or credit union, where authorized by the payee. The Comptroller
23 also may deposit public aid payments for individuals who

1 receive assistance under Articles III, IV, VI, and X of the
2 Illinois Public Aid Code directly into an electronic benefits
3 transfer account in a financial institution approved by the
4 State Treasurer as prescribed by the Illinois Department of
5 Human Services and in accordance with the rules and regulations
6 of that Department and the rules and regulations adopted by the
7 Comptroller and the State Treasurer. The Comptroller, with the
8 approval of the State Treasurer, may provide by rule for the
9 electronic direct deposit of payments to public agencies and
10 any other payee of the State. The electronic direct deposits
11 may be made to the designated account in those financial
12 institutions specified in this Section for the direct deposit
13 of payments. Within 6 months after the effective date of this
14 amendatory Act of 1994, the Comptroller shall establish a pilot
15 program for the electronic direct deposit of payments to local
16 school districts, municipalities, and units of local
17 government. The payments may be made without the use of the
18 voucher-warrant system, provided that documentation of
19 approval by the Treasurer of each group of payments made by
20 direct deposit shall be retained by the Comptroller. The form
21 and method of the Treasurer's approval shall be established by
22 the rules or regulations adopted by the Comptroller under this
23 Section.

24 (b) Except as provided in subsection (b-5), all ~~All~~ State
25 payments for an employee's payroll or an employee's expense
26 reimbursement must be made through direct deposit. It is the

1 responsibility of the paying State agency to ensure compliance
2 with this mandate. If a State agency pays an employee's payroll
3 or an employee's expense reimbursement without using direct
4 deposit, the Comptroller may charge that employee a processing
5 fee of \$2.50 per paper warrant. The processing fee may be
6 withheld from the employee's payment or reimbursement. The
7 amount collected from the fee shall be deposited into the
8 Comptroller's Administrative Fund.

9 (b-5) If an employee indicates in writing to the paying
10 State agency that it is his or her desire to have his or her
11 payroll or expense reimbursement in the form of a paper check,
12 then the Comptroller shall disburse those amounts in that form.

13 (c) All State payments to a vendor that exceed the
14 allowable limit of paper warrants in a fiscal year, by the same
15 agency, must be made through direct deposit. It is the
16 responsibility of the paying State agency to ensure compliance
17 with this mandate. If a State agency pays a vendor more times
18 than the allowable limit in a single fiscal year without using
19 direct deposit, the Comptroller may charge the vendor a
20 processing fee of \$2.50 per paper warrant. The processing fee
21 may be withheld from the vendor's payment. The amount collected
22 from the processing fee shall be deposited into the
23 Comptroller's Administrative Fund. The Office of the
24 Comptroller shall define "allowable limit" in the
25 Comptroller's Statewide Accounting Management System (SAMS)
26 manual, except that the allowable limit shall not be less than

1 30 paper warrants. The Office of the Comptroller shall also
2 provide reasonable notice to all State agencies of the
3 allowable limit of paper warrants.

4 (d) State employees covered by provisions in collective
5 bargaining agreements that do not require direct deposit of
6 paychecks are exempt from this mandate. No later than 60 days
7 after the effective date of this amendatory Act of the 97th
8 General Assembly, all State agencies must provide to the Office
9 of the Comptroller a list of employees that are exempt under
10 this subsection (d) from the direct deposit mandate. In
11 addition, a State employee or vendor may file a hardship
12 petition with the Office of the Comptroller requesting an
13 exemption from the direct deposit mandate under this Section. A
14 hardship petition shall be made available for download on the
15 Comptroller's official Internet website.

16 (e) Notwithstanding any provision of law to the contrary,
17 the direct deposit of State payments under this Section for an
18 employee's payroll, an employee's expense reimbursement, or a
19 State vendor's payment does not authorize the State to
20 automatically withdraw funds from those accounts.

21 (f) For the purposes of this Section, "vendor" means a
22 non-governmental entity with a taxpayer identification number
23 issued by the Social Security Administration or Internal
24 Revenue Service that receives payments through the
25 Comptroller's commercial system. The term does not include
26 State agencies.

1 (g) The requirements of this Section do not apply to the
2 legislative or judicial branches of State government.

3 (Source: P.A. 97-348, eff. 8-12-11.)

4 Section 10. The Department of Employment Security Law of
5 the Civil Administrative Code of Illinois is amended by adding
6 Section 1005-200 as follows:

7 (20 ILCS 1005/1005-200 new)

8 Sec. 1005-200. Benefit payment method.

9 (a) The Department shall provide to each claimant, upon
10 filing a claim for benefits, written notice of benefit payment
11 options, which shall include: prepaid debit card, direct
12 deposit, and paper check. The written notice shall require the
13 claimant's signature to be kept on record by the Department in
14 order to designate his or her benefit payment method as prepaid
15 debit card, direct deposit, or paper check.

16 (b) The Department shall afford a claimant the opportunity
17 to change, in writing, his or her benefit payment option at any
18 time.

19 (c) Any claimant who has filed a claim for benefit and is
20 either awaiting a determination by the Department or is
21 currently receiving benefits on the effective date of this
22 Section shall be provided written notice pursuant to subsection
23 (a) of this Section within 30 days after that date and shall be
24 afforded the opportunity to change his or her benefit payment

1 option pursuant to subsection (b) of this Section.