Sen. Ira I. Silverstein

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09700SB3694sam002   LRB097 19031 PJG 67526 a

1   AMENDMENT TO SENATE BILL 3694

2   AMENDMENT NO. _____. Amend Senate Bill 3694, AS AMENDED,

3   by replacing everything after the enacting clause with the

4   following:

5   "Section 5. The Illinois State Collection Act of 1986 is

6   amended by changing Section 5 as follows:

7   (30 ILCS 210/5) (from Ch. 15, par. 155)

8   Sec. 5. Rules; payment plans; offsets.

9   (a) Until July 1, 2004 for the Department of Public Aid and

10   July 1, 2005 for Universities and all other State agencies,

11   State agencies shall adopt rules establishing formal due dates

12   for amounts owing to the State and for the referral of

13   seriously past due accounts to private collection agencies,

14   unless otherwise expressly provided by law or rule, except that

15   on and after July 1, 2005, the Department of Employment

16   Security may continue to refer to private collection agencies

1   past due amounts that are exempt from subsection (g). Such

2   procedures shall be established in accord with sound business

3   practices.

4   (b) Until July 1, 2004 for the Department of Public Aid and

5   July 1, 2005 for Universities and all other State agencies,

6   agencies may enter deferred payment plans for debtors of the

7   agency and documentation of this fact retained by the agency,

8   where the deferred payment plan is likely to increase the net

9   amount collected by the State, except that, on and after July

10   1, 2005, the Department of Employment Security may continue to

11   enter deferred payment plans for debts that are exempt from

12   subsection (g).

13   (c) Until July 1, 2004 for the Department of Public Aid and

14   July 1, 2005 for Universities and all other State agencies,

15   State agencies may use the Comptroller's Offset System provided

16   in Section 10.05 of the State Comptroller Act for the

17   collection of debts owed to the agency, except that, on and

18   after July 1, 2005, the Department of Employment Security may

19   continue to use the Comptroller's offset system to collect

20   amounts that are exempt from subsection (g).

21   (c-1) All debts that exceed $250 $1,000 and are more than

22   90 days past due shall be placed in the Comptroller's Offset

23   System, unless (i) the State agency shall have entered into a

24   deferred payment plan or demonstrates to the Comptroller's

25   satisfaction that referral for offset is not cost effective; or

26   (ii) the State agency is a university that elects to place in

1   the Comptroller's Offset System only debts that exceed $1,000

2   and are more than 90 days past due. All debt, and maintenance

3   of that debt, that is placed in the Comptroller's Offset System

4   must be submitted electronically to the office of the

5   Comptroller. Any exception to this requirement must be approved

6   in writing by the Comptroller.

7   (c-2) Upon processing a deduction to satisfy a debt owed to

8   a university or a State agency and placed in the Comptroller's

9   Offset System in accordance with subsection (c-1), the

10   Comptroller shall give written notice to the person subject to

11   the offset. The notice shall inform the person that he or she

12   may make a written protest to the Comptroller within 60 days

13   after the Comptroller has given notice. The protest shall

14   include the reason for contesting the deduction and any other

15   information that will enable the Comptroller to determine the

16   amount due and payable. If the person subject to the offset has

17   not made a written protest within 60 days after the Comptroller

18   has given notice, or if a final disposition is made concerning

19   the deduction, the Comptroller shall pay the deduction to the

20   university or the State agency.

21   (c-3) For a debt owed to a university or a State agency and

22   placed in the Comptroller's Offset System in accordance with

23   subsection (c-1), the Comptroller shall deduct, from a warrant

24   or other payment, its processing charge and the amount

25   certified as necessary to satisfy, in whole or in part, the

26   debt owed to the university or the State agency. The

1   Comptroller shall deduct a processing charge of up to $15 per

2   transaction for each offset and such charges shall be deposited

3   into the Comptroller Debt Recovery Trust Fund.

4   (d) State agencies shall develop internal procedures

5   whereby agency initiated payments to its debtors may be offset

6   without referral to the Comptroller's Offset System.

7   (e) State agencies or the Comptroller may remove claims

8   from the Comptroller's Offset System, where such claims have

9   been inactive for more than one year.

10   (f) State agencies may use the Comptroller's Offset System

11   to determine if any State agency is attempting to collect debt

12   from a contractor, bidder, or other proposed contracting party.

13   (g) Beginning July 1, 2004 for the Departments of Public

14   Aid (now Healthcare and Family Services) and Employment

15   Security and July 1, 2005 for Universities and other State

16   agencies, State agencies shall refer to the Department of

17   Revenue Debt Collection Bureau (the Bureau) all debt to the

18   State, provided that the debt satisfies the requirements for

19   referral of delinquent debt as established by rule by the

20   Department of Revenue.

21   (h) The Department of Healthcare and Family Services shall

22   be exempt from the requirements of this Section with regard to

23   child support debts, the collection of which is governed by the

24   requirements of Title IV, Part D of the federal Social Security

25   Act. The Department of Healthcare and Family Services may refer

26   child support debts to the Bureau, provided that the debt

1   satisfies the requirements for referral of delinquent debt as
2   established by rule by the Department of Revenue. The Bureau
3   shall use all legal means available to collect child support
4   debt, including those authorizing the Department of Revenue to
5   collect debt and those authorizing the Department of Healthcare
6   and Family Services to collect debt. All such referred debt
7   shall remain an obligation under the Department of Healthcare
8   and Family Services' Child Support Enforcement Program subject
9   to the requirements of Title IV, Part D of the federal Social
10 Security Act, including the continued use of federally mandated
11 enforcement remedies and techniques by the Department of
12 Healthcare and Family Services.

13   (h-1) The Department of Employment Security is exempt from
14 subsection (g) with regard to debts to any federal account,
15 including but not limited to the Unemployment Trust Fund, and
16 penalties and interest assessed under the Unemployment
17 Insurance Act. The Department of Employment Security may refer
18 those debts to the Bureau, provided the debt satisfies the
19 requirements for referral of delinquent debt as established by
20 rule by the Department of Revenue. The Bureau shall use all
21 legal means available to collect the debts, including those
22 authorizing the Department of Revenue to collect debt and those
23 authorizing the Department of Employment Security to collect
24 debt. All referred debt shall remain an obligation to the
25 account to which it is owed.

26   (i) All debt referred to the Bureau for collection shall

1   remain the property of the referring agency. The Bureau shall

2   collect debt on behalf of the referring agency using all legal

3   means available, including those authorizing the Department of

4   Revenue to collect debt and those authorizing the referring

5   agency to collect debt.

6   (j) No debt secured by an interest in real property granted

7   by the debtor in exchange for the creation of the debt shall be

8   referred to the Bureau. The Bureau shall have no obligation to

9   collect debts secured by an interest in real property.

10   (k) Beginning July 1, 2003, each agency shall collect and

11   provide the Bureau information regarding the nature and details

12   of its debt in such form and manner as the Department of

13   Revenue shall require.

14   (l) For all debt accruing after July 1, 2003, each agency

15   shall collect and transmit such debtor identification

16   information as the Department of Revenue shall require.

17   (Source: P.A. 95-331, eff. 8-21-07.)

18   Section 99. Effective date. This Act takes effect upon

19   becoming law.".