

AN ACT concerning finance.

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

Section 5. The Illinois State Collection Act of 1986 is amended by changing Section 10 as follows:

(30 ILCS 210/10)

Sec. 10. Department of Revenue Debt Collection Bureau to assume collection duties.

(a) The Department of Revenue's Debt Collection Bureau shall serve as the primary debt collecting entity for the State and in that role shall collect debts on behalf of agencies of the State. All debts owed the State of Illinois shall be referred to the Bureau, subject to such limitations as the Department of Revenue shall by rule establish. The Bureau shall utilize the Comptroller's offset system and private collection agencies, as well as its own collections personnel. The Bureau shall collect debt using all legal authority available to the Department of Revenue to collect debt and all legal authority available to the referring agency.

(b) The Bureau shall have the sole authority to let contracts with persons specializing in debt collection for the collection of debt referred to and accepted by the Bureau. Any contract with the debt collector shall specify that the

collector's fee shall be on a contingency basis and that the debt collector shall not be entitled to collect a contingency fee for any debt collected through the efforts of any State offset system.

(c) The Department of Revenue shall adopt rules for the certification of debt from referring agencies and shall adopt rules for the certification of collection specialists to be employed by the Bureau.

(d) The Department of Revenue shall adopt rules for determining when a debt referred by an agency shall be deemed by the Bureau to be uncollectible.

(e) Once an agency's debt is deemed by the Bureau to be uncollectible, the Bureau shall return the debt to the referring agency which shall then write the debt off as uncollectible in accordance with the requirements of the Uncollected State Claims Act or return the debt to the Bureau for additional collection efforts. The Bureau shall refuse to accept debt that has been deemed uncollectible absent factual assertions from the referring agency that due to circumstances not known at the time the debt was deemed uncollectible that the debt is worthy of additional collection efforts.

(f) For each debt referred, the State agency shall retain all documents and records relating to or supporting the debt. In the event a debtor shall raise a reasonable doubt as to the validity of the debt, the Bureau may in its discretion refer the debt back to the referring agency for further review and

recommendation.

(g) The Department of Healthcare and Family Services shall be exempt from the requirements of this Section with regard to child support debts, the collection of which is governed by the requirements of Title IV, Part D of the federal Social Security Act. The Department of Healthcare and Family Services may refer child support debts to the Bureau, provided that the debt satisfies the requirements for referral of delinquent debt as established by rule by the Department of Revenue. The Bureau shall use all legal means available to collect child support debt, including those authorizing the Department of Revenue to collect debt and those authorizing the Department of Healthcare and Family Services to collect debt. All such referred debt shall remain an obligation under the Department of Healthcare and Family Services' Child Support Enforcement Program subject to the requirements of Title IV, Part D of the federal Social Security Act, including the continued use of federally mandated enforcement remedies and techniques by the Department of Healthcare and Family Services.

(g-1) The Department of Employment Security is exempt from subsection (a) with regard to debts to any federal account, including but not limited to the Unemployment Trust Fund, and penalties and interest assessed under the Unemployment Insurance Act. The Department of Employment Security may refer those debts to the Bureau, provided the debt satisfies the requirements for referral of delinquent debt as established by

rule by the Department of Revenue. The Bureau shall use all legal means available to collect the debts, including those authorizing the Department of Revenue to collect debt and those authorizing the Department of Employment Security to collect debt. All referred debt shall remain an obligation to the account to which it is owed.

(h) The Debt Collection Fund is created as a special fund in the State treasury. Debt collection contractors under this Act shall receive a contingency fee as provided by the terms of their contracts with the Department of Revenue. Thereafter, 20% of all amounts collected by the Bureau, excluding amounts collected on behalf of the Departments of Healthcare and Family Services (formerly Public Aid) and Revenue, shall be deposited into the Debt Collection Fund, except that the Bureau shall not impose the 20% collection fee on any accounts referred by the General Assembly, the Supreme Court and several courts of this State, and the State executive branch constitutional officers. All remaining amounts collected shall be deposited into the General Revenue Fund unless the funds are owed to any State fund or funds other than the General Revenue Fund. Moneys in the Debt Collection Fund shall be appropriated only for the administrative costs of the Bureau. On the last day of each fiscal year, unappropriated moneys and moneys otherwise deemed unneeded for the next fiscal year remaining in the Debt Collection Fund may be transferred into the General Revenue Fund at the Governor's reasonable discretion. The provisions of

this subsection do not apply to debt that is exempt from subsection (a) pursuant to subsection (g-1) or child support debt referred to the Bureau by the Department of Healthcare and Family Services (formerly Department of Public Aid) pursuant to this amendatory Act of the 93rd General Assembly. Collections arising from referrals from the Department of Healthcare and Family Services (formerly Department of Public Aid) shall be deposited into such fund or funds as the Department of Healthcare and Family Services shall direct, in accordance with the requirements of Title IV, Part D of the federal Social Security Act, applicable provisions of State law, and the rules of the Department of Healthcare and Family Services. Collections arising from referrals from the Department of Employment Security shall be deposited into the fund or funds that the Department of Employment Security shall direct, in accordance with the requirements of Section 3304(a)(3) of the federal Unemployment Tax Act, Section 303(a)(4) of the federal Social Security Act, and the Unemployment Insurance Act.

(i) The Attorney General and the State Comptroller may assist in the debt collection efforts of the Bureau, as requested by the Department of Revenue.

(j) The Director of Revenue shall report annually to the General Assembly and State Comptroller upon the debt collection efforts of the Bureau. Each report shall include an analysis of the overdue debts owed to the State.

(k) The Department of Revenue shall adopt rules and

procedures for the administration of this amendatory Act of the 93rd General Assembly. The rules shall be adopted under the Department of Revenue's emergency rulemaking authority within 90 days following the effective date of this amendatory Act of the 93rd General Assembly due to the budget crisis threatening the public interest.

(1) The Department of Revenue's Debt Collection Bureau's obligations under this Section 10 shall be subject to appropriation by the General Assembly.

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

(30 ILCS 210/8 rep.)

Section 10. The Illinois State Collection Act of 1986 is amended by repealing Section 8.

Section 15. The Illinois Procurement Code is amended by changing Sections 50-11 and 50-60 as follows:

(30 ILCS 500/50-11)

Sec. 50-11. Debt delinquency.

(a) No person shall submit a bid for or enter into a contract with a State agency under this Code if that person knows or should know that he or she or any affiliate is delinquent in the payment of any debt to the State, unless the person or affiliate has entered into a deferred payment plan to pay off the debt. For purposes of this Section, the phrase

"delinquent in the payment of any debt" shall be determined by the Debt Collection Bureau ~~Board~~. For purposes of this Section, the term "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes of this subsection (a), a person controls an entity if the person owns, directly or individually, more than 10% of the voting securities of that entity. As used in this subsection (a), the term "voting security" means a security that (1) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.

(b) Every bid submitted to and contract executed by the State shall contain a certification by the bidder or contractor that the contractor and its affiliate is not barred from being awarded a contract under this Section and that the contractor acknowledges that the contracting State agency may declare the contract void if the certification completed pursuant to this subsection (b) is false.

(Source: P.A. 92-404, eff. 7-1-02; 93-25, eff. 6-20-03.)

Sec. 50-60. Voidable contracts.

(a) If any contract is entered into or purchase or expenditure of funds is made in violation of this Code or any other law, the contract may be declared void by the chief procurement officer or may be ratified and affirmed, provided the chief procurement officer determines that ratification is in the best interests of the State. If the contract is ratified and affirmed, it shall be without prejudice to the State's rights to any appropriate damages.

(b) If, during the term of a contract, the contracting agency determines that the contractor is delinquent in the payment of debt as set forth in Section 50-11 of this Code, the State agency may declare the contract void if it determines that voiding the contract is in the best interests of the State. The Debt Collection Bureau ~~Board~~ shall adopt rules for the implementation of this subsection (b).

(c) If, during the term of a contract, the contracting agency determines that the contractor is in violation of Section 50-10.5 of this Code, the contracting agency shall declare the contract void.

(Source: P.A. 92-404, eff. 7-1-02; 93-600, eff. 1-1-04.)