

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 5 as follows:

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

Sec. 5. Rules; payment plans; offsets.

(a) Until July 1, 2004 for the Department of Public Aid and July 1, 2005 for Universities and all other State agencies, State agencies shall adopt rules establishing formal due dates for amounts owing to the State and for the referral of seriously past due accounts to private collection agencies, unless otherwise expressly provided by law or rule, except that on and after July 1, 2005, the Department of Employment Security may continue to refer to private collection agencies past due amounts that are exempt from subsection (g). Such procedures shall be established in accord with sound business practices.

(b) Until July 1, 2004 for the Department of Public Aid and July 1, 2005 for Universities and all other State agencies, agencies may enter deferred payment plans for debtors of the agency and documentation of this fact retained by the agency, where the deferred payment plan is likely to increase the net

amount collected by the State, except that, on and after July 1, 2005, the Department of Employment Security may continue to enter deferred payment plans for debts that are exempt from subsection (g).

(c) Until July 1, 2004 for the Department of Public Aid and July 1, 2005 for Universities and all other State agencies, State agencies may use the Comptroller's Offset System provided in Section 10.05 of the State Comptroller Act for the collection of debts owed to the agency, except that, on and after July 1, 2005, the Department of Employment Security may continue to use the Comptroller's offset system to collect amounts that are exempt from subsection (g).

(c-1) All debts that exceed \$250 ~~\$1,000~~ and are more than 90 days past due shall be placed in the Comptroller's Offset System, unless (i) the State agency shall have entered into a deferred payment plan or demonstrates to the Comptroller's satisfaction that referral for offset is not cost effective; or (ii) the State agency is a university that elects to place in the Comptroller's Offset System only debts that exceed \$1,000 and are more than 90 days past due. All debt, and maintenance of that debt, that is placed in the Comptroller's Offset System must be submitted electronically to the office of the Comptroller. Any exception to this requirement must be approved in writing by the Comptroller.

(c-2) Upon processing a deduction to satisfy a debt owed to a university or a State agency and placed in the Comptroller's

Offset System in accordance with subsection (c-1), the Comptroller shall give written notice to the person subject to the offset. The notice shall inform the person that he or she may make a written protest to the Comptroller within 60 days after the Comptroller has given notice. The protest shall include the reason for contesting the deduction and any other information that will enable the Comptroller to determine the amount due and payable. If the person subject to the offset has not made a written protest within 60 days after the Comptroller has given notice, or if a final disposition is made concerning the deduction, the Comptroller shall pay the deduction to the university or the State agency.

(c-3) For a debt owed to a university or a State agency and placed in the Comptroller's Offset System in accordance with subsection (c-1), the Comptroller shall deduct, from a warrant or other payment, its processing charge and the amount certified as necessary to satisfy, in whole or in part, the debt owed to the university or the State agency. The Comptroller shall deduct a processing charge of up to \$15 per transaction for each offset and such charges shall be deposited into the Comptroller Debt Recovery Trust Fund.

(d) State agencies shall develop internal procedures whereby agency initiated payments to its debtors may be offset without referral to the Comptroller's Offset System.

(e) State agencies or the Comptroller may remove claims from the Comptroller's Offset System, where such claims have

been inactive for more than one year.

(f) State agencies may use the Comptroller's Offset System to determine if any State agency is attempting to collect debt from a contractor, bidder, or other proposed contracting party.

(g) Beginning July 1, 2004 for the Departments of Public Aid (now Healthcare and Family Services) and Employment Security and July 1, 2005 for Universities and other State agencies, State agencies shall refer to the Department of Revenue Debt Collection Bureau (the Bureau) all debt to the State, provided that the debt satisfies the requirements for referral of delinquent debt as established by rule by the Department of Revenue.

(h) 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.

(h-1) The Department of Employment Security is exempt from subsection (g) 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.

(i) All debt referred to the Bureau for collection shall remain the property of the referring agency. The Bureau shall collect debt on behalf of the referring agency using all legal means available, including those authorizing the Department of Revenue to collect debt and those authorizing the referring agency to collect debt.

(j) No debt secured by an interest in real property granted by the debtor in exchange for the creation of the debt shall be referred to the Bureau. The Bureau shall have no obligation to

collect debts secured by an interest in real property.

(k) Beginning July 1, 2003, each agency shall collect and provide the Bureau information regarding the nature and details of its debt in such form and manner as the Department of Revenue shall require.

(l) For all debt accruing after July 1, 2003, each agency shall collect and transmit such debtor identification information as the Department of Revenue shall require.

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

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