



# ACCOUNTING BULLETIN

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TO: Fiscal Officers of All State Agencies

FROM: Steven L. Valasek, Director of State Accounting

DATE: March 25, 2002

SUBJECT: Contract Debt Certification Legislation – Public Act 92-0404

NUMBER: 98

Public Act 92-0404 amends the current procedures for a vendor bidding or entering into a contract with a State Agency. This amendment takes effect July 1, 2002. For the purpose of bids, all bids submitted after June 30, 2002, must comply with the new legislation. The date of the bid submission is evidenced by the receipt date of the bid. For the purpose of contracts, all new contracts that are executed after June 30, 2002, must comply with the new legislation. The date of the execution is evidenced by the date of the last signature on the contract.

The following section of the Illinois State Collection Act of 1986 (30 ILCS 210/5) has been amended:

30 ILCS 210/5  
(addition)

Sec. 5 Rules: payment plans; offsets.

(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.

The following sections of The Illinois Procurement Code (30 ILCS 500) have been amended:

30 ILCS 500/50-11  
(addition)

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 is delinquent in the payment of any debt to the State, unless the person 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 Board.

(b) Every bid submitted to and contract executed by the State shall contain a certification by the bidder or contractor that the contractor 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.

(30 ILCS 500/50-60)  
(addition)

Sec. 50-60 Voidable Contracts.

(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 Board shall adopt rules for the implementation of this subsection (b).

The Debt Collection Board is currently working on administrative rules for the implementation of this Act. Once they are finalized, the IOC will publish an Accounting Bulletin with the associated administrative rules and IOC guidance on contract filing.

If you have any questions pertaining to this bulletin, please contact Paula Kitchen at (217) 782-3608. Agencies may access this and other Payroll, SAMS and Accounting Bulletins on the Comptroller’s website at [www.ioc.state.il.us](http://www.ioc.state.il.us) under Reference Library.