



STATE OF ILLINOIS  
COMPTROLLER  
SUSANA A. MENDOZA

**FOR IMMEDIATE RELEASE:**

April 28, 2017

**CONTACT:**

Abdon Pallasch 312-835-3317

Abdon.Pallasch@illinoiscomptroller.gov

**Debt Transparency Act, which would reveal the real cost of the bill backlog, passes in the House with bipartisan backing**

SPRINGFIELD – Taxpayers bear the cost of hidden interest on Illinois’ enormous bill backlog with no real clarity about how deeply in debt the state is, how much interest is accruing on overdue bills and how long it will take to pay off the penalties.

Illinois Comptroller Susana Mendoza is working with Representative Fred Crespo, D-Hoffman Estates, to change that with the Debt Transparency Act (House Bill 3649), which passed in the House Friday with bipartisan support.

“Illinois is facing unprecedented fiscal challenges, and in order to overcome them we must know how much debt state agencies are actually holding,” Crespo said. “This is a common-sense reform that will ensure government is being transparent with its taxpayers, and I am happy that it passed the House with bipartisan support.”

The measure requires more accountability from state agencies regarding Illinois’ bill backlog, which reached a high of \$13.3 billion last week. An estimated \$4.9 billion of that is being held by agencies because of lack of appropriation or processing delays, and the Comptroller’s office projects that Illinois will owe at least \$800 million in interest and penalties on its overdue bills by the end of the current fiscal year.

“That’s \$800 million of taxpayer money we are just throwing away – it’s not helping kids get day care or go to college. It’s not helping seniors get meals on wheels or keep their home health care,” Mendoza said. “Just think how many sick people could get timely health care if we had \$800 million to pay our past-due medical bills. Think how many more low-income Illinois students could get scholarships to attend college with that money.”

The state’s bill backlog has doubled in the past two years, making it all the more urgent that policymakers receive timely reporting of the consequence of not having a budget — at an increasing cost to taxpayers. But without accurate reporting on what the state owes, it’s impossible for the Comptroller to precisely report interest charges. The Debt Transparency Act would require state agencies to report monthly to the Comptroller the bills they are holding and estimate the amount of interest that will be paid on those bills.

Sen. Andy Manar, D-Bunker Hill, is the sponsor of the Senate version of the legislation, Senate Bill 1652. “There are consequences when anyone fails to clear out old debts, whether they’re overdue credit card payments, student loans or medical bills,” Manar said. “When state government builds up billions in unpaid bills and interest, the consequences are devastating and affect generations. Taxpayers deserve accurate, timely information from the state and straight answers about what they’re being asked to kick in and why.”

The state’s Prompt Payment Act, which assigns a 1 percent per month penalty to bills that are 90 days past due, applies to a currently unknown number of bills being held by state agencies. Some bills, including claims from health care providers, accrue interest at 9 percent a year after 30 days. State law only requires agencies to report



STATE OF ILLINOIS  
COMPTROLLER  

---

SUSANA A. MENDOZA

on Oct. 1 of each year the aggregate amount of bills being held on the previous June 30. The information is outdated by the time it is received, Mendoza said.

###