

# HB2872



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB2872

by Rep. Celina Villanueva

#### SYNOPSIS AS INTRODUCED:

805 ILCS 5/8.12 new

Amends the Business Corporation Act of 1983. Requires publicly held domestic or foreign corporation whose principal executive office is located in Illinois to have a minimum of one female director on its board of directors by December 31, 2020. Provides for an increase in the number of female directors beginning in 2022. Provides for regulation by the Secretary of State. Effective immediately.

LRB101 07661 JLS 52709 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning business.

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

4 Section 5. The Business Corporation Act of 1983 is amended  
5 by adding Section 8.12 as follows:

6 (805 ILCS 5/8.12 new)

7 Sec. 8.12. Female directors required.

8 (a) No later than December 31, 2020, a publicly held  
9 domestic or foreign corporation whose principal executive  
10 offices, according to the corporation's SEC 10-K form, are  
11 located in Illinois shall have a minimum of one female director  
12 on its board. A corporation may increase the number of  
13 directors on its board to comply with this Section.

14 (b) No later than the close of the 2022 calendar year, a  
15 publicly held domestic or foreign corporation whose principal  
16 executive offices, according to the corporation's SEC 10-K  
17 form, are located in Illinois shall comply with the following:

18 (1) If its number of directors is 6 or more, the  
19 corporation shall have a minimum of 3 female directors.

20 (2) If its number of directors is 5, the corporation  
21 shall have a minimum of 2 female directors.

22 (3) If its number of directors is 4 or fewer, the  
23 corporation shall have a minimum of one female director.

1       (c) No later than July 1, 2020, the Secretary of State  
2 shall publish a report on its Internet Web site documenting the  
3 number of domestic and foreign corporations whose principal  
4 executive offices, according to the corporation's SEC 10-K  
5 form, are located in Illinois and who have at least one female  
6 director.

7       (d) No later than March 1, 2022, and annually thereafter,  
8 the Secretary of State shall publish a report on its Internet  
9 Web site regarding, at a minimum, all of the following:

10           (1) The number of corporations subject to this Section  
11 that were in compliance with the requirements of this  
12 Section during at least one point during the preceding  
13 calendar year.

14           (2) The number of publicly held corporations that moved  
15 their United States headquarters to Illinois from another  
16 state or out of Illinois into another state during the  
17 preceding calendar year.

18           (3) The number of publicly held corporations that were  
19 subject to this Section during the preceding year, but are  
20 no longer publicly traded.

21       (e) (1) The Secretary of State may adopt rules to implement  
22 this Section. The Secretary of State may impose fines for  
23 violations of this Section as follows:

24           (A) For failure to timely file board member  
25 information with the Secretary of State pursuant to a  
26 rule adopted pursuant to this subparagraph, the amount

1 of \$100,000.

2 (B) For a first violation of this Section, the  
3 amount of \$100,000.

4 (C) For a second or subsequent violation, the  
5 amount of \$300,000.

6 (2) For the purposes of this subsection, each director  
7 seat required by this Section to be held by a female, which  
8 is not held by a female during at least a portion of a  
9 calendar year, shall count as a violation.

10 (3) For purposes of this subsection, a female director  
11 having held a seat for at least a portion of the year shall  
12 not be a violation.

13 (4) Fines collected pursuant to this Section shall be  
14 available, upon appropriation for use by the Secretary of  
15 State to offset the cost of administering this Section.

16 (f) This Section applies to a foreign corporation that is a  
17 publicly held corporation to the exclusion of the law of the  
18 jurisdiction in which the foreign corporation is incorporated.

19 (g) As used in this Section:

20 (1) "Female" means an individual who self-identifies  
21 her gender as a woman, without regard to the individual's  
22 designated sex at birth.

23 (2) "Publicly held corporation" means a corporation  
24 with outstanding shares listed on a major United States  
25 stock exchange.

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

1 becoming law.