



Rep. John E. Bradley

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LRB095 07952 AMC 48739 a

1 AMENDMENT TO HOUSE BILL 562

2 AMENDMENT NO. _____. Amend House Bill 562 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by adding
5 Section 1A-108.5 and by changing Section 15-167 as follows:

6 (40 ILCS 5/1A-108.5 new)

7 Sec. 1A-108.5. Economic opportunity investments.

8 (a) For the purposes of this Section:

9 "Economic opportunity investment" means a qualified
10 investment, managed passively or actively by the pension fund,
11 that promotes economic development within the State of Illinois
12 by providing financially prudent investment opportunities in
13 or through the use of (a) Illinois businesses or (b)
14 Illinois-based projects that promote the economy of the State
15 or a region of the State, including without limitation
16 promotion of venture capital programs, coal and other natural

1 resource development, tourism development, infrastructure
2 development, real estate development, and job development
3 within the State of Illinois, while producing a competitive
4 rate of return commensurate with the risk of investment.

5 "Illinois business" means a business, including an
6 investment adviser, that is headquartered in Illinois.

7 "Illinois-based project" means an individual project of a
8 business, including the provision of products and investment
9 and other services to the pension fund, that will result in the
10 conduct of business within the State, the employment of
11 individuals within the State, or the acquisition of real
12 property located within the State.

13 (b) It is the public policy of the State of Illinois to
14 encourage the pension funds, and any State entity investing
15 funds on behalf of pension funds, to promote the economy of
16 Illinois through the use of economic opportunity investments to
17 the greatest extent feasible within the bounds of financial and
18 fiduciary prudence.

19 (c) Each pension fund, except pension funds created under
20 Articles 3 and 4 of this Code, shall submit a report to the
21 Governor and the General Assembly by September 1 of each year,
22 beginning in 2009, that identifies the economic opportunity
23 investments made by the fund, the primary location of the
24 business or project, the percentage of the fund's assets in
25 economic opportunity investments, the actions that the fund has
26 undertaken to increase the use of economic opportunity

1 investments.

2 (d) Pension funds created under Articles 2, 14, 15, 16, and
3 18 of this Act, and any State agency investing funds on behalf
4 of those pension funds, must make reasonable efforts to invest
5 in economic opportunity investments.

6 (e) In making economic opportunity investments, trustees
7 and fiduciaries must comply with the relevant requirements and
8 restrictions set forth in Sections 1-109, 1-109.1, 1-109.2,
9 1-110, and 1-111 of this Code. Economic opportunity investments
10 that otherwise comply with this Code shall not be deemed
11 imprudent solely because they are investments in an Illinois
12 business or Illinois-based project.

13 (40 ILCS 5/15-167) (from Ch. 108 1/2, par. 15-167)

14 Sec. 15-167. To invest money. To invest the funds of the
15 system, subject to the requirements and restrictions set forth
16 in Sections 1-108.5, 1-109, 1-109.1, 1-109.2, 1-110, 1-111,
17 1-114, 1-115, and 15-158.2(d) of this Code and to invest in
18 real estate acquired by purchase, gift, condemnation or
19 otherwise, and any office building or buildings existing or to
20 be constructed thereon, including any additions thereto or
21 expansions thereof, for the use of the system. The board may
22 lease surplus space in any of the buildings and use rental
23 proceeds for operation, maintenance, improving, expanding and
24 furnishing of the buildings or for any other lawful system
25 purpose.

1 No bank or savings and loan association shall receive
2 investment funds as permitted by this Section, unless it has
3 complied with the requirements established pursuant to Section
4 6 of "An Act relating to certain investments of public funds by
5 public agencies", approved July 23, 1943, as now or hereafter
6 amended. The limitations set forth in such Section 6 shall be
7 applicable only at the time of investment and shall not require
8 the liquidation of any investment at any time.

9 The board shall have the authority to enter into such
10 agreements and to execute such documents as it determines to be
11 necessary to complete any investment transaction.

12 All investments shall be clearly held and accounted for to
13 indicate ownership by the board. The board may direct the
14 registration of securities in its own name or in the name of a
15 nominee created for the express purpose of registration of
16 securities by a national or state bank or trust company
17 authorized to conduct a trust business in the State of
18 Illinois.

19 Investments shall be carried at cost or at a value
20 determined in accordance with generally accepted accounting
21 principles and accounting procedures approved by the Board.

22 All additions to assets from income, interest, and
23 dividends from investments shall be used to pay benefits,
24 operating and administrative expenses of the system, debt
25 service, including any redemption premium, on any bonds issued
26 by the board, expenses incurred or deposits required in

1 connection with such bonds, and such other costs as may be
2 provided in accordance with this Article.

3 (Source: P.A. 90-19, eff. 6-20-97; 90-766, eff. 8-14-98.)

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