



Sen. Susan Garrett

Filed: 5/31/2007

09500HB0824sam001

LRB095 10469 JAM 37465 a

1 AMENDMENT TO HOUSE BILL 824

2 AMENDMENT NO. _____. Amend House Bill 824 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. The Illinois Governmental Ethics Act is amended
5 by changing Sections 4A-101, 4A-102, 4A-103, 4A-105, 4A-106,
6 and 4A-107 as follows:

7 (5 ILCS 420/4A-101) (from Ch. 127, par. 604A-101)

8 Sec. 4A-101. Persons required to file. The following
9 persons shall file verified written statements of economic
10 interests, as provided in this Article:

11 (a) Members of the General Assembly and candidates for
12 nomination or election to the General Assembly.

13 (b) Persons holding an elected office in the Executive
14 Branch of this State, and candidates for nomination or
15 election to these offices.

16 (c) Members of a Commission or Board created by the

1 Illinois Constitution, and candidates for nomination or
2 election to such Commission or Board.

3 (d) Persons whose appointment to office is subject to
4 confirmation by the Senate.

5 (e) Holders of, and candidates for nomination or
6 election to, the office of judge or associate judge of the
7 Circuit Court and the office of judge of the Appellate or
8 Supreme Court.

9 (f) Persons who are employed by any branch, agency,
10 authority or board of the government of this State,
11 including but not limited to, the Illinois State Toll
12 Highway Authority, the Illinois Housing Development
13 Authority, the Illinois Community College Board, and
14 institutions under the jurisdiction of the Board of
15 Trustees of the University of Illinois, Board of Trustees
16 of Southern Illinois University, Board of Trustees of
17 Chicago State University, Board of Trustees of Eastern
18 Illinois University, Board of Trustees of Governor's State
19 University, Board of Trustees of Illinois State
20 University, Board of Trustees of Northeastern Illinois
21 University, Board of Trustees of Northern Illinois
22 University, Board of Trustees of Western Illinois
23 University, or Board of Trustees of the Illinois
24 Mathematics and Science Academy, and are compensated for
25 services as employees and not as independent contractors
26 and who:

1 (1) are, or function as, the head of a department,
2 commission, board, division, bureau, authority or
3 other administrative unit within the government of
4 this State, or who exercise similar authority within
5 the government of this State;

6 (2) have direct supervisory authority over, or
7 direct responsibility for the formulation,
8 negotiation, issuance or execution of contracts
9 entered into by the State in the amount of \$5,000 or
10 more;

11 (3) have authority for the issuance or
12 promulgation of rules and regulations within areas
13 under the authority of the State;

14 (4) have authority for the approval of
15 professional licenses;

16 (5) have responsibility with respect to the
17 financial inspection of regulated nongovernmental
18 entities;

19 (6) adjudicate, arbitrate, or decide any judicial
20 or administrative proceeding, or review the
21 adjudication, arbitration or decision of any judicial
22 or administrative proceeding within the authority of
23 the State;

24 (7) have supervisory responsibility for 20 or more
25 employees of the State; or

26 (8) negotiate, assign, authorize, or grant naming

1 rights or sponsorship rights regarding any property or
2 asset of the State, whether real, personal, tangible,
3 or intangible.

4 (g) Persons who are elected to office in a unit of
5 local government, and candidates for nomination or
6 election to that office, including regional
7 superintendents of school districts.

8 (h) Persons appointed to the governing board of a unit
9 of local government, or of a special district, and persons
10 appointed to a zoning board, or zoning board of appeals, or
11 to a regional, county, or municipal plan commission, or to
12 a board of review of any county, and persons appointed to
13 the Board of the Metropolitan Pier and Exposition Authority
14 and any Trustee appointed under Section 22 of the
15 Metropolitan Pier and Exposition Authority Act, and
16 persons appointed to a board or commission of a unit of
17 local government who have authority to authorize the
18 expenditure of public funds. This subsection does not apply
19 to members of boards or commissions who function in an
20 advisory capacity.

21 (i) Persons who are employed by a unit of local
22 government and are compensated for services as employees
23 and not as independent contractors and who:

24 (1) are, or function as, the head of a department,
25 division, bureau, authority or other administrative
26 unit within the unit of local government, or who

1 exercise similar authority within the unit of local
2 government;

3 (2) have direct supervisory authority over, or
4 direct responsibility for the formulation,
5 negotiation, issuance or execution of contracts
6 entered into by the unit of local government in the
7 amount of \$1,000 or greater;

8 (3) have authority to approve licenses and permits
9 by the unit of local government; this item does not
10 include employees who function in a ministerial
11 capacity;

12 (4) adjudicate, arbitrate, or decide any judicial
13 or administrative proceeding, or review the
14 adjudication, arbitration or decision of any judicial
15 or administrative proceeding within the authority of
16 the unit of local government;

17 (5) have authority to issue or promulgate rules and
18 regulations within areas under the authority of the
19 unit of local government; or

20 (6) have supervisory responsibility for 20 or more
21 employees of the unit of local government.

22 (j) Persons on the Board of Trustees of the Illinois
23 Mathematics and Science Academy.

24 (k) Persons employed by a school district in positions
25 that require that person to hold an administrative or a
26 chief school business official endorsement.

1 (1) Special government agents. A "special government
2 agent" is a person who is directed, retained, designated,
3 appointed, or employed, with or without compensation, by or
4 on behalf of a statewide executive branch constitutional
5 officer to make an ex parte communication under Section
6 5-50 of the State Officials and Employees Ethics Act or
7 Section 5-165 of the Illinois Administrative Procedure
8 Act.

9 (m) Members of the board of any pension fund or
10 retirement system established under Article 2, 14, 15, 16,
11 or 18 of the Illinois Pension Code and members of the
12 Illinois State Board of Investment, if not required to file
13 under any other provision of this Section.

14 (n) Members of the board of any pension fund or
15 retirement system established under Article 3, 4, 5, 6, 7,
16 8, 9, 10, 11, 12, 13, 17, 19, or 22 of the Illinois Pension
17 Code, if not required to file under any other provision of
18 this Section.

19 This Section shall not be construed to prevent any unit of
20 local government from enacting financial disclosure
21 requirements that mandate more information than required by
22 this Act.

23 (Source: P.A. 93-617, eff. 12-9-03; 93-816, eff. 7-27-04.)

24 (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

25 Sec. 4A-102. The statement of economic interests required

1 by this Article shall include the economic interests of the
2 person making the statement as provided in this Section. The
3 interest (if constructively controlled by the person making the
4 statement) of a spouse or any other party, shall be considered
5 to be the same as the interest of the person making the
6 statement. Campaign receipts shall not be included in this
7 statement.

8 (a) The following interests shall be listed by all persons
9 required to file:

10 (1) The name, address and type of practice of any
11 professional organization or individual professional
12 practice in which the person making the statement was an
13 officer, director, associate, partner or proprietor, or
14 served in any advisory capacity, from which income in
15 excess of \$1200 was derived during the preceding calendar
16 year;

17 (2) The nature of professional services (other than
18 services rendered to the unit or units of government in
19 relation to which the person is required to file) and the
20 nature of the entity to which they were rendered if fees
21 exceeding \$5,000 were received during the preceding
22 calendar year from the entity for professional services
23 rendered by the person making the statement.

24 (3) The identity (including the address or legal
25 description of real estate) of any capital asset from which
26 a capital gain of \$5,000 or more was realized in the

1 preceding calendar year.

2 (4) The name of any unit of government which has
3 employed the person making the statement during the
4 preceding calendar year other than the unit or units of
5 government in relation to which the person is required to
6 file.

7 (5) The name of any entity from which a gift or gifts,
8 or honorarium or honoraria, valued singly or in the
9 aggregate in excess of \$500, was received during the
10 preceding calendar year.

11 (b) The following interests shall also be listed by persons
12 listed in items (a) through (f), ~~and~~ item (l), and item (m) of
13 Section 4A-101:

14 (1) The name and instrument of ownership in any entity
15 doing business in the State of Illinois, in which an
16 ownership interest held by the person at the date of filing
17 is in excess of \$5,000 fair market value or from which
18 dividends of in excess of \$1,200 were derived during the
19 preceding calendar year. (In the case of real estate,
20 location thereof shall be listed by street address, or if
21 none, then by legal description). No time or demand deposit
22 in a financial institution, nor any debt instrument need be
23 listed;

24 (2) Except for professional service entities, the name
25 of any entity and any position held therein from which
26 income of in excess of \$1,200 was derived during the

1 preceding calendar year, if the entity does business in the
2 State of Illinois. No time or demand deposit in a financial
3 institution, nor any debt instrument need be listed.

4 (3) The identity of any compensated lobbyist with whom
5 the person making the statement maintains a close economic
6 association, including the name of the lobbyist and
7 specifying the legislative matter or matters which are the
8 object of the lobbying activity, and describing the general
9 type of economic activity of the client or principal on
10 whose behalf that person is lobbying.

11 (4) The name of any individual or entity the person
12 making the statement represented seeking action or
13 non-action by any State governmental agency, excluding
14 courts or judges, and the name of each such agency, for
15 which the person received total compensation during the
16 past 12 months in excess of \$1,000, excluding compensation
17 for other services to such individual or entity and
18 representation consisting solely of the filing of
19 mandatory papers and subsequent representation regarding
20 the mandatory papers.

21 (5) The name of any person or entity, with whom the
22 person making the statement has a close economic
23 association (partners, associates, individuals, entities,
24 or others), that represented an individual or entity
25 seeking action or non-action by any State governmental
26 agency, excluding courts or judges, the name of that

1 individual or entity represented, and the name of each such
2 agency, for which the person received total compensation
3 during the past 12 months in excess of \$1,000, excluding
4 compensation for other services to such individual or
5 entity and representation consisting solely of the filing
6 of mandatory papers and subsequent representation
7 regarding the mandatory papers.

8 (c) The following interests shall also be listed by persons
9 listed in items (g), (h), ~~and~~ (i), and (n) of Section 4A-101:

10 (1) The name and instrument of ownership in any entity
11 doing business with a unit of local government in relation
12 to which the person is required to file if the ownership
13 interest of the person filing is greater than \$5,000 fair
14 market value as of the date of filing or if dividends in
15 excess of \$1,200 were received from the entity during the
16 preceding calendar year. (In the case of real estate,
17 location thereof shall be listed by street address, or if
18 none, then by legal description). No time or demand deposit
19 in a financial institution, nor any debt instrument need be
20 listed.

21 (2) Except for professional service entities, the name
22 of any entity and any position held therein from which
23 income in excess of \$1,200 was derived during the preceding
24 calendar year if the entity does business with a unit of
25 local government in relation to which the person is
26 required to file. No time or demand deposit in a financial

1 institution, nor any debt instrument need be listed.

2 (3) The name of any entity and the nature of the
3 governmental action requested by any entity which has
4 applied to a unit of local government in relation to which
5 the person must file for any license, franchise or permit
6 for annexation, zoning or rezoning of real estate during
7 the preceding calendar year if the ownership interest of
8 the person filing is in excess of \$5,000 fair market value
9 at the time of filing or if income or dividends in excess
10 of \$1,200 were received by the person filing from the
11 entity during the preceding calendar year.

12 (Source: P.A. 92-101, eff. 1-1-02; 93-617, eff. 12-9-03.)

13 (5 ILCS 420/4A-103) (from Ch. 127, par. 604A-103)

14 Sec. 4A-103. The statement of economic interests required
15 by this Article to be filed with the Secretary of State shall
16 be filled in by typewriting or hand printing, shall be
17 verified, dated, and signed by the person making the statement
18 and shall contain substantially the following:

19 STATEMENT OF ECONOMIC INTEREST

20 (TYPE OR HAND PRINT)

21

22 (name)

23

24 (each office or position of employment for which this statement
25 is filed)

1
 2 (full post office address to which notification of an
 3 examination of this statement should be sent)

4 GENERAL DIRECTIONS:

5 The interest (if constructively controlled by the person
 6 making the statement) of a spouse or any other party, shall be
 7 considered to be the same as the interest of the person making
 8 the statement.

9 Campaign receipts shall not be included in this statement.

10 If additional space is needed, please attach supplemental
 11 listing.

12 1. List the name and instrument of ownership in any entity
 13 doing business in the State of Illinois, in which the ownership
 14 interest held by the person at the date of filing is in excess
 15 of \$5,000 fair market value or from which dividends in excess
 16 of \$1,200 were derived during the preceding calendar year. (In
 17 the case of real estate, location thereof shall be listed by
 18 street address, or if none, then by legal description.) No time
 19 or demand deposit in a financial institution, nor any debt
 20 instrument need be listed.

21 Business Entity	Instrument of Ownership
22
23
24
25

26 2. List the name, address and type of practice of any

1 professional organization in which the person making the
 2 statement was an officer, director, associate, partner or
 3 proprietor or served in any advisory capacity, from which
 4 income in excess of \$1,200 was derived during the preceding
 5 calendar year.

6	Name	Address	Type of Practice
7
8
9

10 3. List the nature of professional services rendered (other
 11 than to the State of Illinois) to each entity from which income
 12 exceeding \$5,000 was received for professional services
 13 rendered during the preceding calendar year by the person
 14 making the statement.

15

16

17 4. List the name of any individual or entity the person
 18 making the statement represented seeking action or non-action
 19 by any State governmental agency, excluding courts or judges,
 20 and the name of each such agency, for which the person received
 21 total compensation during the past 12 months in excess of
 22 \$1,000, excluding compensation for other services to such
 23 individual or entity and representation consisting solely of
 24 the filing of mandatory papers and subsequent representation
 25 regarding the mandatory papers.

26

1
2

3 5. List the name of any person or entity, with whom the
4 person making the statement has a close economic association
5 (partners, associates, individuals, entities, or others), that
6 represented an individual or entity seeking action or
7 non-action by any State governmental agency, excluding courts
8 or judges, the name of that individual or entity represented,
9 and the name of each such agency, for which the person received
10 total compensation during the past 12 months in excess of
11 \$1,000, excluding compensation for other services to such
12 individual or entity and representation consisting solely of
13 the filing of mandatory papers and subsequent representation
14 regarding the mandatory papers.

14
15

15
16

17 6. ~~4.~~ List the identity (including the address or legal
18 description of real estate) of any capital asset from which a
19 capital gain of \$5,000 or more was realized during the
20 preceding calendar year.

20
21

21
22

23 7. ~~5.~~ List the identity of any compensated lobbyist with
24 whom the person making the statement maintains a close economic
25 association, including the name of the lobbyist and specifying
26 the legislative matter or matters which are the object of the
lobbying activity, and describing the general type of economic

1 activity of the client or principal on whose behalf that person
2 is lobbying.

3 Lobbyist	Legislative Matter	Client or Principal
4
5

6 8. ~~6.~~ List the name of any entity doing business in the
7 State of Illinois from which income in excess of \$1,200 was
8 derived during the preceding calendar year other than for
9 professional services and the title or description of any
10 position held in that entity. (In the case of real estate,
11 location thereof shall be listed by street address, or if none,
12 then by legal description). No time or demand deposit in a
13 financial institution nor any debt instrument need be listed.

14 Entity	Position Held
15
16
17

18 9. ~~7.~~ List the name of any unit of government which
19 employed the person making the statement during the preceding
20 calendar year other than the unit or units of government in
21 relation to which the person is required to file.

22
23

24 10. ~~8.~~ List the name of any entity from which a gift or
25 gifts, or honorarium or honoraria, valued singly or in the
26 aggregate in excess of \$500, was received during the preceding

1 calendar year.

2

3 VERIFICATION:

4 "I declare that this statement of economic interests
5 (including any accompanying schedules and statements) has been
6 examined by me and to the best of my knowledge and belief is a
7 true, correct and complete statement of my economic interests
8 as required by the Illinois Governmental Ethics Act. I
9 understand that the penalty for willfully filing a false or
10 incomplete statement shall be a fine not to exceed \$1,000 or
11 imprisonment in a penal institution other than the penitentiary
12 not to exceed one year, or both fine and imprisonment."

13

14 (date of filing) (signature of person making the statement)

15 (Source: P.A. 92-101, eff. 1-1-02.)

16 (5 ILCS 420/4A-105) (from Ch. 127, par. 604A-105)

17 Sec. 4A-105. Time for filing. Except as provided in
18 Section 4A-106.1, by May 1 of each year a statement must be
19 filed by each person whose position at that time subjects him
20 to the filing requirements of Section 4A-101 unless he has
21 already filed a statement in relation to the same unit of
22 government in that calendar year.

23 Statements must also be filed as follows:

24 (a) A candidate for elective office shall file his
25 statement not later than the end of the period during which

1 he can take the action necessary under the laws of this
2 State to attempt to qualify for nomination, election, or
3 retention to such office if he has not filed a statement in
4 relation to the same unit of government within a year
5 preceding such action.

6 (b) A person whose appointment to office is subject to
7 confirmation by the Senate shall file his statement at the
8 time his name is submitted to the Senate for confirmation.

9 (b-5) A special government agent, as defined in item
10 (1) of Section 4A-101 of this Act, shall file a statement
11 within 60 days after assuming responsibilities as a special
12 government agent ~~30 days after making the first ex parte~~
13 ~~communication~~ and each May 1 thereafter if he or she has
14 made an ex parte communication within the previous 12
15 months.

16 (c) Any other person required by this Article to file
17 the statement shall file a statement at the time of his or
18 her initial appointment or employment in relation to that
19 unit of government if appointed or employed by May 1.

20 If any person who is required to file a statement of
21 economic interests fails to file such statement by May 1 of any
22 year, the officer with whom such statement is to be filed under
23 Section 4A-106 of this Act shall, within 7 days after May 1,
24 notify such person by certified mail of his or her failure to
25 file by the specified date. Except as may be prescribed by rule
26 of the Secretary of State, such person shall file his or her

1 statement of economic interests on or before May 15 with the
2 appropriate officer, together with a \$15 late filing fee. Any
3 such person who fails to file by May 15 shall be subject to a
4 penalty of \$100 for each day from May 16 to the date of filing,
5 which shall be in addition to the \$15 late filing fee specified
6 above. Failure to file by May 31 shall result in a forfeiture
7 in accordance with Section 4A-107 of this Act.

8 Any person who takes office or otherwise becomes required
9 to file a statement of economic interests within 30 days prior
10 to May 1 of any year may file his or her statement at any time
11 on or before May 31 without penalty. If such person fails to
12 file such statement by May 31, the officer with whom such
13 statement is to be filed under Section 4A-106 of this Act
14 shall, within 7 days after May 31, notify such person by
15 certified mail of his or her failure to file by the specified
16 date. Such person shall file his or her statement of economic
17 interests on or before June 15 with the appropriate officer,
18 together with a \$15 late filing fee. Any such person who fails
19 to file by June 15 shall be subject to a penalty of \$100 per day
20 for each day from June 16 to the date of filing, which shall be
21 in addition to the \$15 late filing fee specified above. Failure
22 to file by June 30 shall result in a forfeiture in accordance
23 with Section 4A-107 of this Act.

24 All late filing fees and penalties collected pursuant to
25 this Section shall be paid into the General Revenue Fund in the
26 State treasury, if the Secretary of State receives such

1 statement for filing, or into the general fund in the county
2 treasury, if the county clerk receives such statement for
3 filing. The Attorney General, with respect to the State, and
4 the several State's Attorneys, with respect to counties, shall
5 take appropriate action to collect the prescribed penalties.

6 Failure to file a statement of economic interests within
7 the time prescribed shall not result in a fine or ineligibility
8 for, or forfeiture of, office or position of employment, as the
9 case may be; provided that the failure to file results from not
10 being included for notification by the appropriate agency,
11 clerk, secretary, officer or unit of government, as the case
12 may be, and that a statement is filed within 30 days of actual
13 notice of the failure to file.

14 (Source: P.A. 93-617, eff. 12-9-03.)

15 (5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

16 Sec. 4A-106. The statements of economic interests required
17 of persons listed in items (a) through (f), item (j), ~~and~~ item
18 (l), and item (m) of Section 4A-101 shall be filed with the
19 Secretary of State. The statements of economic interests
20 required of persons listed in items (g), (h), (i), ~~and~~ (k), and
21 (n) of Section 4A-101 shall be filed with the county clerk of
22 the county in which the principal office of the unit of local
23 government with which the person is associated is located. If
24 it is not apparent which county the principal office of a unit
25 of local government is located, the chief administrative

1 officer, or his or her designee, has the authority, for
2 purposes of this Act, to determine the county in which the
3 principal office is located. On or before February 1 annually,
4 (1) the chief administrative officer of any State agency in the
5 executive, legislative, or judicial branch employing persons
6 required to file under item (f) or item (l) of Section 4A-101
7 and the chief administrative officer of a board described in
8 item (m) of Section 4A-101 shall certify to the Secretary of
9 State the names and mailing addresses of ~~those~~ persons required
10 to file under those items, and (2) the chief administrative
11 officer, or his or her designee, of each unit of local
12 government with persons described in items (h), (i), ~~and~~ (k),
13 and (n) of Section 4A-101 shall certify to the appropriate
14 county clerk a list of names and addresses of persons described
15 in items (h), (i), ~~and~~ (k), and (n) of Section 4A-101 that are
16 required to file. In preparing the lists, each chief
17 administrative officer, or his or her designee, shall set out
18 the names in alphabetical order.

19 On or before April 1 annually, the Secretary of State shall
20 notify (1) all persons whose names have been certified to him
21 under items (f), ~~and~~ (l), and (m) of Section 4A-101, and (2)
22 all persons described in items (a) through (e) and item (j) of
23 Section 4A-101, other than candidates for office who have filed
24 their statements with their nominating petitions, of the
25 requirements for filing statements of economic interests. A
26 person required to file with the Secretary of State by virtue

1 of more than one item among items (a) through (f) and items
2 (j), ~~and~~ (l), and (m) shall be notified of and is required to
3 file only one statement of economic interests relating to all
4 items under which the person is required to file with the
5 Secretary of State.

6 On or before April 1 annually, the county clerk of each
7 county shall notify all persons whose names have been certified
8 to him under items (g), (h), (i), ~~and~~ (k), and (n) of Section
9 4A-101, other than candidates for office who have filed their
10 statements with their nominating petitions, of the
11 requirements for filing statements of economic interests. A
12 person required to file with a county clerk by virtue of more
13 than one item among items (g), (h), (i), ~~and~~ (k), and (n) shall
14 be notified of and is required to file only one statement of
15 economic interests relating to all items under which the person
16 is required to file with that county clerk.

17 Except as provided in Section 4A-106.1, the notices
18 provided for in this Section shall be in writing and deposited
19 in the U.S. Mail, properly addressed, first class postage
20 prepaid, on or before the day required by this Section for the
21 sending of the notice. A certificate executed by the Secretary
22 of State or county clerk attesting that he has mailed the
23 notice constitutes prima facie evidence thereof.

24 From the lists certified to him under this Section of
25 persons described in items (g), (h), (i), ~~and~~ (k), and (n) of
26 Section 4A-101, the clerk of each county shall compile an

1 alphabetical listing of persons required to file statements of
2 economic interests in his office under any of those items. As
3 the statements are filed in his office, the county clerk shall
4 cause the fact of that filing to be indicated on the
5 alphabetical listing of persons who are required to file
6 statements. Within 30 days after the due dates, the county
7 clerk shall mail to the State Board of Elections a true copy of
8 that listing showing those who have filed statements.

9 The county clerk of each county shall note upon the
10 alphabetical listing the names of all persons required to file
11 a statement of economic interests who failed to file a
12 statement on or before May 1. It shall be the duty of the
13 several county clerks to give notice as provided in Section
14 4A-105 to any person who has failed to file his or her
15 statement with the clerk on or before May 1.

16 Any person who files or has filed a statement of economic
17 interest under this Act is entitled to receive from the
18 Secretary of State or county clerk, as the case may be, a
19 receipt indicating that the person has filed such a statement,
20 the date of such filing, and the identity of the governmental
21 unit or units in relation to which the filing is required.

22 The Secretary of State may employ such employees and
23 consultants as he considers necessary to carry out his duties
24 hereunder, and may prescribe their duties, fix their
25 compensation, and provide for reimbursement of their expenses.

26 All statements of economic interests filed under this

1 Section shall be available for examination and copying by the
2 public at all reasonable times. Not later than 12 months after
3 the effective date of this amendatory Act of the 93rd General
4 Assembly, beginning with statements filed in calendar year
5 2004, the Secretary of State shall make statements of economic
6 interests filed with the Secretary available for inspection and
7 copying via the Secretary's website.

8 (Source: P.A. 93-617, eff. 12-9-03; 94-603, eff. 8-16-05.)

9 (5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

10 Sec. 4A-107. Any person required to file a statement of
11 economic interests under this Article who willfully files a
12 false or incomplete statement shall be guilty of a Class A
13 misdemeanor.

14 Failure to file a statement within the time prescribed
15 shall result in ineligibility for, or forfeiture of, office or
16 position of employment, as the case may be; provided, however,
17 that if the notice of failure to file a statement of economic
18 interests provided in Section 4A-105 of this Act is not given
19 by the Secretary of State or the county clerk, as the case may
20 be, no forfeiture shall result if a statement is filed within
21 30 days of actual notice of the failure to file.

22 The Attorney General, with respect to offices or positions
23 described in items (a) through (f) and items (j), ~~and~~ (l), and
24 (m) of Section 4A-101 of this Act, or the State's Attorney of
25 the county of the entity for which the filing of statements of

1 economic interests is required, with respect to offices or
2 positions described in items (g) through (i), ~~and~~ item (k), and
3 item (n) of Section 4A-101 of this Act, shall bring an action
4 in quo warranto against any person who has failed to file by
5 either May 31 or June 30 of any given year.

6 (Source: P.A. 93-617, eff. 12-9-03.)

7 Section 2. The State Officials and Employees Ethics Act is
8 amended by changing Sections 1-5, 5-10, 5-20, 5-45, 20-5,
9 20-23, 20-40, 20-50, 25-5, 25-10, and 25-23 as follows:

10 (5 ILCS 430/1-5)

11 Sec. 1-5. Definitions. As used in this Act:

12 "Appointee" means a person appointed to a position in or
13 with a State agency, regardless of whether the position is
14 compensated.

15 "Campaign for elective office" means any activity in
16 furtherance of an effort to influence the selection,
17 nomination, election, or appointment of any individual to any
18 federal, State, or local public office or office in a political
19 organization, or the selection, nomination, or election of
20 Presidential or Vice-Presidential electors, but does not
21 include activities (i) relating to the support or opposition of
22 any executive, legislative, or administrative action (as those
23 terms are defined in Section 2 of the Lobbyist Registration
24 Act), (ii) relating to collective bargaining, or (iii) that are

1 otherwise in furtherance of the person's official State duties.

2 "Candidate" means a person who has filed nominating papers
3 or petitions for nomination or election to an elected State
4 office, or who has been appointed to fill a vacancy in
5 nomination, and who remains eligible for placement on the
6 ballot at either a general primary election or general
7 election.

8 "Collective bargaining" has the same meaning as that term
9 is defined in Section 3 of the Illinois Public Labor Relations
10 Act.

11 "Commission" means an ethics commission created by this
12 Act.

13 "Compensated time" means any time worked by or credited to
14 a State employee that counts toward any minimum work time
15 requirement imposed as a condition of employment with a State
16 agency, but does not include any designated State holidays or
17 any period when the employee is on a leave of absence.

18 "Compensatory time off" means authorized time off earned by
19 or awarded to a State employee to compensate in whole or in
20 part for time worked in excess of the minimum work time
21 required of that employee as a condition of employment with a
22 State agency.

23 "Contribution" has the same meaning as that term is defined
24 in Section 9-1.4 of the Election Code.

25 "Employee" means (i) any person employed full-time,
26 part-time, or pursuant to a contract and whose employment

1 duties are subject to the direction and control of an employer
2 with regard to the material details of how the work is to be
3 performed, ~~or~~ (ii) any appointed or elected commissioner,
4 trustee, director, or board member of a board of a State
5 agency, or (iii) any other appointee.

6 "Executive branch constitutional officer" means the
7 Governor, Lieutenant Governor, Attorney General, Secretary of
8 State, Comptroller, and Treasurer.

9 "Gift" means any gratuity, discount, entertainment,
10 hospitality, loan, forbearance, or other tangible or
11 intangible item having monetary value including, but not
12 limited to, cash, food and drink, and honoraria for speaking
13 engagements related to or attributable to government
14 employment or the official position of an employee, member, or
15 officer. "Gift", however, does not include anything of value
16 solicited from a prohibited source by an officer, member, or
17 employee and given by the prohibited source to a not-for-profit
18 organization organized under Section 501(c)(3) of the Internal
19 Revenue Code of 1986, as now or hereafter amended, renumbered,
20 or succeeded. The amendment to the definition of "gift" made by
21 this amendatory Act of the 95th General Assembly is declarative
22 of existing law.

23 "Governmental entity" means a unit of local government or a
24 school district but not a State agency.

25 "Leave of absence" means any period during which a State
26 employee does not receive (i) compensation for State

1 employment, (ii) service credit towards State pension
2 benefits, and (iii) health insurance benefits paid for by the
3 State.

4 "Legislative branch constitutional officer" means a member
5 of the General Assembly and the Auditor General.

6 "Legislative leader" means the President and Minority
7 Leader of the Senate and the Speaker and Minority Leader of the
8 House of Representatives.

9 "Member" means a member of the General Assembly.

10 "Officer" means an executive branch constitutional officer
11 or a legislative branch constitutional officer.

12 "Political" means any activity in support of or in
13 connection with any campaign for elective office or any
14 political organization, but does not include activities (i)
15 relating to the support or opposition of any executive,
16 legislative, or administrative action (as those terms are
17 defined in Section 2 of the Lobbyist Registration Act), (ii)
18 relating to collective bargaining, or (iii) that are otherwise
19 in furtherance of the person's official State duties or
20 governmental and public service functions.

21 "Political organization" means a party, committee,
22 association, fund, or other organization (whether or not
23 incorporated) that is required to file a statement of
24 organization with the State Board of Elections or a county
25 clerk under Section 9-3 of the Election Code, but only with
26 regard to those activities that require filing with the State

1 Board of Elections or a county clerk.

2 "Prohibited political activity" means:

3 (1) Preparing for, organizing, or participating in any
4 political meeting, political rally, political
5 demonstration, or other political event.

6 (2) Soliciting contributions, including but not
7 limited to the purchase of, selling, distributing, or
8 receiving payment for tickets for any political
9 fundraiser, political meeting, or other political event.

10 (3) Soliciting, planning the solicitation of, or
11 preparing any document or report regarding any thing of
12 value intended as a campaign contribution.

13 (4) Planning, conducting, or participating in a public
14 opinion poll in connection with a campaign for elective
15 office or on behalf of a political organization for
16 political purposes or for or against any referendum
17 question.

18 (5) Surveying or gathering information from potential
19 or actual voters in an election to determine probable vote
20 outcome in connection with a campaign for elective office
21 or on behalf of a political organization for political
22 purposes or for or against any referendum question.

23 (6) Assisting at the polls on election day on behalf of
24 any political organization or candidate for elective
25 office or for or against any referendum question.

26 (7) Soliciting votes on behalf of a candidate for

1 elective office or a political organization or for or
2 against any referendum question or helping in an effort to
3 get voters to the polls.

4 (8) Initiating for circulation, preparing,
5 circulating, reviewing, or filing any petition on behalf of
6 a candidate for elective office or for or against any
7 referendum question.

8 (9) Making contributions on behalf of any candidate for
9 elective office in that capacity or in connection with a
10 campaign for elective office.

11 (10) Preparing or reviewing responses to candidate
12 questionnaires in connection with a campaign for elective
13 office or on behalf of a political organization for
14 political purposes.

15 (11) Distributing, preparing for distribution, or
16 mailing campaign literature, campaign signs, or other
17 campaign material on behalf of any candidate for elective
18 office or for or against any referendum question.

19 (12) Campaigning for any elective office or for or
20 against any referendum question.

21 (13) Managing or working on a campaign for elective
22 office or for or against any referendum question.

23 (14) Serving as a delegate, alternate, or proxy to a
24 political party convention.

25 (15) Participating in any recount or challenge to the
26 outcome of any election, except to the extent that under

1 subsection (d) of Section 6 of Article IV of the Illinois
2 Constitution each house of the General Assembly shall judge
3 the elections, returns, and qualifications of its members.

4 "Prohibited source" means any person or entity who:

5 (1) is seeking official action (i) by the member or
6 officer or (ii) in the case of an employee, by the employee
7 or by the member, officer, State agency, or other employee
8 directing the employee;

9 (2) does business or seeks to do business (i) with the
10 member or officer or (ii) in the case of an employee, with
11 the employee or with the member, officer, State agency, or
12 other employee directing the employee;

13 (3) conducts activities regulated (i) by the member or
14 officer or (ii) in the case of an employee, by the employee
15 or by the member, officer, State agency, or other employee
16 directing the employee;

17 (4) has interests that may be substantially affected by
18 the performance or non-performance of the official duties
19 of the member, officer, or employee; or

20 (5) is registered or required to be registered with the
21 Secretary of State under the Lobbyist Registration Act,
22 except that an entity not otherwise a prohibited source
23 does not become a prohibited source merely because a
24 registered lobbyist is one of its members or serves on its
25 board of directors.

26 "State agency" includes all officers, boards, commissions

1 and agencies created by the Constitution, whether in the
2 executive or legislative branch; all officers, departments,
3 boards, commissions, agencies, institutions, authorities,
4 public institutions of higher learning as defined in Section 2
5 of the Higher Education Cooperation Act, and bodies politic and
6 corporate of the State; and administrative units or corporate
7 outgrowths of the State government which are created by or
8 pursuant to statute, other than units of local government and
9 their officers, school districts, and boards of election
10 commissioners; and all administrative units and corporate
11 outgrowths of the above and as may be created by executive
12 order of the Governor. "State agency" includes the General
13 Assembly, the Senate, the House of Representatives, the
14 President and Minority Leader of the Senate, the Speaker and
15 Minority Leader of the House of Representatives, the Senate
16 Operations Commission, and the legislative support services
17 agencies. "State agency" includes the Office of the Auditor
18 General. "State agency" does not include the judicial branch.

19 "State employee" means any employee of a State agency.

20 "Ultimate jurisdictional authority" means the following:

21 (1) For members, legislative partisan staff, and
22 legislative secretaries, the appropriate legislative
23 leader: President of the Senate, Minority Leader of the
24 Senate, Speaker of the House of Representatives, or
25 Minority Leader of the House of Representatives.

26 (2) For State employees who are professional staff or

1 employees of the Senate and not covered under item (1), the
2 Senate Operations Commission.

3 (3) For State employees who are professional staff or
4 employees of the House of Representatives and not covered
5 under item (1), the Speaker of the House of
6 Representatives.

7 (4) For State employees who are employees of the
8 legislative support services agencies, the Joint Committee
9 on Legislative Support Services.

10 (5) For State employees of the Auditor General, the
11 Auditor General.

12 (6) For State employees of public institutions of
13 higher learning as defined in Section 2 of the Higher
14 Education Cooperation Act, the board of trustees of the
15 appropriate public institution of higher learning.

16 (7) For State employees of an executive branch
17 constitutional officer other than those described in
18 paragraph (6), the appropriate executive branch
19 constitutional officer.

20 (8) For State employees not under the jurisdiction of
21 paragraph (1), (2), (3), (4), (5), (6), ~~or~~ (7), or (9), the
22 Governor.

23 (9) For the Legislative Inspector General, State
24 employees of the Office of the Legislative Inspector
25 General, commissioners of the Legislative Ethics
26 Commission, and State employees of the Legislative Ethics

1 Commission, the Legislative Ethics Commission.

2 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
3 93-685, eff. 7-8-04.)

4 (5 ILCS 430/5-10)

5 Sec. 5-10. Ethics training. Each officer, member, and
6 employee must complete, at least annually beginning in 2004, an
7 ethics training program conducted by the appropriate State
8 agency. Each ultimate jurisdictional authority must implement
9 an ethics training program for its officers, members, and
10 employees. ~~These ethics training programs shall be overseen by~~
11 ~~the appropriate Ethics Commission and Inspector General~~
12 ~~appointed pursuant to this Act in consultation with the Office~~
13 ~~of the Attorney General.~~

14 Each Executive Inspector General and each ultimate
15 jurisdictional authority for the legislative branch shall set
16 standards and determine the hours and frequency of training
17 necessary for each position or category of positions. A person
18 who fills a vacancy in an elective or appointed position that
19 requires training and a person employed in a position that
20 requires training must complete his or her initial ethics
21 training within 6 months after commencement of his or her
22 office or employment.

23 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)

24 (5 ILCS 430/5-20)

1 Sec. 5-20. Public service announcements; other promotional
2 material.

3 (a) ~~No Beginning January 1, 2004, no~~ public service
4 announcement or advertisement that identifies any specific
5 program administered by a State agency is on behalf of any
6 ~~State administered program~~ and contains the proper name, image,
7 or voice of any executive branch constitutional officer or
8 member of the General Assembly shall be broadcast or aired on
9 radio or television or printed in a commercial newspaper or a
10 commercial magazine at any time.

11 (b) The proper name or image of any executive branch
12 constitutional officer or member of the General Assembly may
13 not appear on any (i) bumper stickers, (ii) commercial
14 billboards, (iii) lapel pins or buttons, (iv) magnets, (v)
15 stickers, and (vi) other similar promotional items, that are
16 not in furtherance of the person's official State duties or
17 governmental and public service functions, if designed, paid
18 for, prepared, or distributed using public dollars. This
19 subsection does not apply to stocks of items existing on the
20 effective date of this amendatory Act of the 93rd General
21 Assembly.

22 (c) This Section does not apply to communications funded
23 through expenditures required to be reported under Article 9 of
24 the Election Code.

25 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
26 93-685, eff. 7-8-04.)

1 (5 ILCS 430/5-45)

2 Sec. 5-45. Procurement; revolving door prohibition.

3 (a) No current or former officer, member, or State
4 employee, or spouse or immediate family member living with such
5 person, shall, during the period of State employment or within
6 a period of one year immediately after termination of State
7 employment, knowingly accept employment or receive
8 compensation or fees for services from a person or entity if
9 the officer, member, or State employee, during the immediately
10 preceding 2 years of State employment with respect to a current
11 officer, member, or State employee, or during the year
12 immediately preceding termination of State employment with
13 respect to a former officer, member, or State employee,
14 participated personally and substantially in the decision to
15 award State contracts with a cumulative value of over \$25,000
16 to the person or entity, or its parent or subsidiary.

17 (b) No current or former officer of the executive branch or
18 State employee of the executive branch with regulatory or
19 licensing authority, or spouse or immediate family member
20 living with such person, shall, during the period of State
21 employment or within a period of one year immediately after
22 termination of State employment, knowingly accept employment
23 or receive compensation of fees for services from a person or
24 entity if the officer or State employee, during the immediately
25 preceding 2 years of State employment with respect to a current

1 officer, member, or State employee, or during the year
2 immediately preceding termination of State employment with
3 respect to a former officer, member, or State employee, made a
4 regulatory or licensing decision that directly applied to the
5 person or entity, or its parent or subsidiary.

6 (c) The requirements of this Section may be waived (i) for
7 the executive branch, in writing by the Executive Ethics
8 Commission, (ii) for the legislative branch, in writing by the
9 Legislative Ethics Commission, and (iii) for the Auditor
10 General, in writing by the Auditor General. During the time
11 period from the effective date of this amendatory Act of the
12 93rd General Assembly until the Executive Ethics Commission
13 first meets, the requirements of this Section may be waived in
14 writing by the appropriate ultimate jurisdictional authority.
15 During the time period from the effective date of this
16 amendatory Act of the 93rd General Assembly until the
17 Legislative Ethics Commission first meets, the requirements of
18 this Section may be waived in writing by the appropriate
19 ultimate jurisdictional authority. The waiver shall be granted
20 upon the person seeking the waiver proving by clear and
21 convincing evidence ~~a showing~~ that the prospective employment
22 or relationship did not affect the decisions referred to in
23 sections (a) and (b).

24 (d) With respect to former officers, members, State
25 employees, spouses, and family members, this ~~This~~ Section
26 applies only with respect to persons who terminate an affected

1 position on or after December 19, 2003 (the effective date of
2 Public ~~this amendatory~~ Act 93-617 ~~of the 93rd General~~
3 ~~Assembly~~).

4 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)

5 (5 ILCS 430/20-5)

6 Sec. 20-5. Executive Ethics Commission.

7 (a) The Executive Ethics Commission is created.

8 (b) The Executive Ethics Commission shall consist of 9
9 commissioners. The Governor shall appoint 5 commissioners, and
10 the Attorney General, Secretary of State, Comptroller, and
11 Treasurer shall each appoint one commissioner. Appointments
12 shall be made by and with the advice and consent of the Senate
13 by three-fifths of the elected members concurring by record
14 vote. Any nomination not acted upon by the Senate within 60
15 session days of the receipt thereof shall be deemed to have
16 received the advice and consent of the Senate. If, during a
17 recess of the Senate, there is a vacancy in an office of
18 commissioner, the appointing authority shall make a temporary
19 appointment until the next meeting of the Senate when the
20 appointing authority shall make a nomination to fill that
21 office. No person rejected for an office of commissioner shall,
22 except by the Senate's request, be nominated again for that
23 office at the same session of the Senate or be appointed to
24 that office during a recess of that Senate. No more than 5
25 commissioners may be of the same political party.

1 The terms of the initial commissioners shall commence upon
2 qualification. Four initial appointees of the Governor, as
3 designated by the Governor, shall serve terms running through
4 June 30, 2007. One initial appointee of the Governor, as
5 designated by the Governor, and the initial appointees of the
6 Attorney General, Secretary of State, Comptroller, and
7 Treasurer shall serve terms running through June 30, 2008. The
8 initial appointments shall be made within 60 days after the
9 effective date of this Act.

10 After the initial terms, commissioners shall serve for
11 4-year terms commencing on July 1 of the year of appointment
12 and running through June 30 of the fourth following year.
13 Commissioners may be reappointed to one or more subsequent
14 terms.

15 Vacancies occurring other than at the end of a term shall
16 be filled by the appointing authority only for the balance of
17 the term of the commissioner whose office is vacant.

18 Terms shall run regardless of whether the position is
19 filled.

20 (c) The appointing authorities shall appoint commissioners
21 who have experience holding governmental office or employment
22 and shall appoint commissioners from the general public. A
23 person is not eligible to serve as a commissioner if that
24 person (i) has been convicted of a felony or a crime of
25 dishonesty or moral turpitude, (ii) is, or was within the
26 preceding 12 months, engaged in activities that require

1 registration under the Lobbyist Registration Act, (iii) is
2 related to the appointing authority, or (iv) is a State officer
3 or employee.

4 (d) The Executive Ethics Commission shall have
5 jurisdiction over all officers and employees of State agencies
6 other than the General Assembly, the Senate, the House of
7 Representatives, the President and Minority Leader of the
8 Senate, the Speaker and Minority Leader of the House of
9 Representatives, the Senate Operations Commission, the
10 legislative support services agencies, the Legislative Ethics
11 Commission, the Office of the Legislative Inspector General,
12 and the Office of the Auditor General. The jurisdiction of the
13 Commission is limited to matters arising under this Act.

14 (e) The Executive Ethics Commission must meet, either in
15 person or by other technological means, at least monthly and as
16 often as necessary. At the first meeting of the Executive
17 Ethics Commission, the commissioners shall choose from their
18 number a chairperson and other officers that they deem
19 appropriate. The terms of officers shall be for 2 years
20 commencing July 1 and running through June 30 of the second
21 following year. Meetings shall be held at the call of the
22 chairperson or any 3 commissioners. Official action by the
23 Commission shall require the affirmative vote of 5
24 commissioners, and a quorum shall consist of 5 commissioners.
25 Commissioners shall receive compensation in an amount equal to
26 the compensation of members of the State Board of Elections and

1 may be reimbursed for their reasonable expenses actually
2 incurred in the performance of their duties.

3 (f) No commissioner or employee of the Executive Ethics
4 Commission may during his or her term of appointment or
5 employment:

6 (1) become a candidate for any elective office;

7 (2) hold any other elected or appointed public office
8 except for appointments on governmental advisory boards or
9 study commissions or as otherwise expressly authorized by
10 law;

11 (3) be actively involved in the affairs of any
12 political party or political organization; or

13 (4) actively participate in any campaign for any
14 elective office.

15 (g) An appointing authority may remove a commissioner only
16 for cause.

17 (h) The Executive Ethics Commission shall appoint an
18 Executive Director. The compensation of the Executive Director
19 shall be as determined by the Commission or by the Compensation
20 Review Board, whichever amount is higher. The Executive
21 Director of the Executive Ethics Commission may employ and
22 determine the compensation of staff, as appropriations permit.

23 (Source: P.A. 93-617, eff. 12-9-03.)

24 (5 ILCS 430/20-23)

25 Sec. 20-23. Ethics Officers. Each officer and the head of

1 each State agency under the jurisdiction of the Executive
2 Ethics Commission, including without limitation the Executive
3 Ethics Commission and each Executive Inspector General, shall
4 designate an Ethics Officer for the office or State agency.
5 Ethics Officers shall:

6 (1) act as liaisons between the State agency and the
7 appropriate Executive Inspector General and between the
8 State agency and the Executive Ethics Commission;

9 (2) review statements of economic interest and
10 disclosure forms of officers, senior employees, and
11 contract monitors before they are filed with the Secretary
12 of State; and

13 (3) provide guidance to officers and employees in the
14 interpretation and implementation of this Act, which the
15 officer or employee may in good faith rely upon. Such
16 guidance shall be based, wherever possible, upon legal
17 precedent in court decisions, opinions of the Attorney
18 General, and the findings and opinions of the Executive
19 Ethics Commission.

20 (Source: P.A. 93-617, eff. 12-9-03.)

21 (5 ILCS 430/20-40)

22 Sec. 20-40. Collective bargaining agreements. Any
23 investigation or inquiry by an Executive Inspector General or
24 any agent or representative of an Executive Inspector General
25 must be conducted with awareness of the provisions of a

1 collective bargaining agreement that applies to the employees
2 of the relevant State agency and with an awareness of the
3 rights of the employees as set forth by State and federal law
4 and applicable judicial decisions. In implementing any ~~Any~~
5 recommendation for discipline or in taking any action ~~taken~~
6 against any State employee pursuant to this Act, the ultimate
7 jurisdictional authority must comply with the provisions of the
8 collective bargaining agreement that applies to the State
9 employee.

10 (Source: P.A. 93-617, eff. 12-9-03.)

11 (5 ILCS 430/20-50)

12 Sec. 20-50. Investigation reports; complaint procedure.

13 (a) If an Executive Inspector General, upon the conclusion
14 of an investigation, determines that reasonable cause exists to
15 believe that a violation has occurred, then the Executive
16 Inspector General shall issue a summary report of the
17 investigation. The report shall be delivered to the appropriate
18 ultimate jurisdictional authority and to the head of each State
19 agency affected by or involved in the investigation, if
20 appropriate. In the event that the head of the State agency or
21 the ultimate jurisdictional authority agrees with the
22 Executive Inspector General, on the basis of the investigation,
23 to impose discipline on a State employee, then within 30 days
24 after that agreement the Executive Inspector General shall
25 deliver to the Executive Ethics Commission the summary report

1 of the investigation, provided that all confidential
2 information has been redacted. Discipline means discharge,
3 suspension, demotion, change in duties or job description, or
4 denial of promotion or transfer. A redacted report must not
5 contain the names of, or other identifying information about,
6 the employing State agency and any person. A redacted report
7 may contain only factual information, the provision, if any, of
8 Article 5, 10, or 15 or Section 20-70 or 20-90 of this Act
9 allegedly violated, the history or background of the alleged
10 violation, and the discipline recommended, if any. Within 5
11 days, the Commission shall provide the State employee subject
12 to the agreed discipline with the redacted report and allow the
13 State employee 30 days in which to provide in writing any
14 reason why the redacted report should not be released to the
15 public. Within the same period, the Executive Inspector General
16 who issued the report may also provide in writing a
17 recommendation to the Commission about whether or not the
18 redacted report should be released to the public. Within 21
19 days after the expiration of the 30-day period for response by
20 the State employee and Executive Inspector General, the
21 Commission shall either: (1) make a written finding that
22 release of the redacted report is fair and in the public
23 interest and release the report; or (2) make a written finding
24 that release of the report is not fair, or not in the public
25 interest, and return the redacted report to the Executive
26 Inspector General. The Commission may also require further

1 redactions prior to the release of the report or may delay its
2 finding pending the conclusion of related judicial or
3 administrative proceedings.

4 (b) The summary report of the investigation shall include
5 the following:

6 (1) A description of any allegations or other
7 information received by the Executive Inspector General
8 pertinent to the investigation.

9 (2) A description of any alleged misconduct discovered
10 in the course of the investigation.

11 (3) Recommendations for any corrective or disciplinary
12 action to be taken in response to any alleged misconduct
13 described in the report, including but not limited to
14 discharge.

15 (4) Other information the Executive Inspector General
16 deems relevant to the investigation or resulting
17 recommendations.

18 (c) Not less than 30 days after delivery of the summary
19 report of an investigation under subsection (a), if the
20 Executive Inspector General desires to file a petition for
21 leave to file a complaint, the Executive Inspector General
22 shall notify the Commission and the Attorney General. If the
23 Attorney General determines that reasonable cause exists to
24 believe that a violation has occurred, then the Executive
25 Inspector General, represented by the Attorney General, may
26 file with the Executive Ethics Commission a petition for leave

1 to file a complaint. The petition shall set forth the alleged
2 violation and the grounds that exist to support the petition.
3 The petition for leave to file a complaint must be filed with
4 the Commission within 18 months after the most recent act of
5 the alleged violation or of a series of alleged violations
6 except where there is reasonable cause to believe that
7 fraudulent concealment has occurred. To constitute fraudulent
8 concealment sufficient to toll this limitations period, there
9 must be an affirmative act or representation calculated to
10 prevent discovery of the fact that a violation has occurred. If
11 a petition for leave to file a complaint is not filed with the
12 Commission within 6 months after notice by the Inspector
13 General to the Commission and the Attorney General, then the
14 Commission may set a meeting of the Commission at which the
15 Attorney General shall appear and provide a status report to
16 the Commission.

17 (d) A copy of the petition must be served on all
18 respondents named in the complaint and on each respondent's
19 ultimate jurisdictional authority in the same manner as process
20 is served under the Code of Civil Procedure.

21 (e) A respondent may file objections to the petition for
22 leave to file a complaint within 30 days after notice of the
23 petition has been served on the respondent.

24 (f) The Commission shall meet, either in person or by
25 telephone, in a closed session to review the sufficiency of the
26 complaint. If the Commission finds that complaint is

1 sufficient, the Commission shall grant the petition for leave
2 to file the complaint. The Commission shall issue notice to the
3 Executive Inspector General and all respondents of the
4 Commission's ruling on the sufficiency of the complaint. If the
5 complaint is deemed to sufficiently allege a violation of this
6 Act, then the Commission shall notify the parties and shall
7 include a hearing date scheduled within 4 weeks after the date
8 of the notice, unless all of the parties consent to a later
9 date. If the complaint is deemed not to sufficiently allege a
10 violation, then the Commission shall send by certified mail,
11 return receipt requested, a notice to the parties of the
12 decision to dismiss the complaint.

13 (g) On the scheduled date the Commission shall conduct a
14 closed meeting, either in person or, if the parties consent, by
15 telephone, on the complaint and allow all parties the
16 opportunity to present testimony and evidence. All such
17 proceedings shall be transcribed.

18 (h) Within an appropriate time limit set by rules of the
19 Executive Ethics Commission, the Commission shall (i) dismiss
20 the complaint or (ii) issue a recommendation of discipline to
21 the respondent and the respondent's ultimate jurisdictional
22 authority or impose an administrative fine upon the respondent,
23 or both.

24 (i) The proceedings on any complaint filed with the
25 Commission shall be conducted pursuant to rules promulgated by
26 the Commission.

1 (j) The Commission may designate hearing officers to
2 conduct proceedings as determined by rule of the Commission.

3 (k) In all proceedings before the Commission, the standard
4 of proof is by a preponderance of the evidence.

5 (l) When the Inspector General concludes that there is
6 insufficient evidence that a violation has occurred, the
7 Inspector General shall close the investigation. At the request
8 of the subject of the investigation, the Inspector General
9 shall provide a written statement to the subject of the
10 investigation and to the Commission of the Inspector General's
11 decision to close the investigation. Closure by the Inspector
12 General does not bar the Inspector General from resuming the
13 investigation if circumstances warrant.

14 (Source: P.A. 93-617, eff. 12-9-03.)

15 (5 ILCS 430/25-5)

16 Sec. 25-5. Legislative Ethics Commission.

17 (a) The Legislative Ethics Commission is created.

18 (b) The Legislative Ethics Commission shall consist of 8
19 commissioners appointed 2 each by the President and Minority
20 Leader of the Senate and the Speaker and Minority Leader of the
21 House of Representatives.

22 The terms of the initial commissioners shall commence upon
23 qualification. Each appointing authority shall designate one
24 appointee who shall serve for a 2-year term running through
25 June 30, 2005. Each appointing authority shall designate one

1 appointee who shall serve for a 4-year term running through
2 June 30, 2007. The initial appointments shall be made within 60
3 days after the effective date of this Act.

4 After the initial terms, commissioners shall serve for
5 4-year terms commencing on July 1 of the year of appointment
6 and running through June 30 of the fourth following year.
7 Commissioners may be reappointed to one or more subsequent
8 terms.

9 Vacancies occurring other than at the end of a term shall
10 be filled by the appointing authority only for the balance of
11 the term of the commissioner whose office is vacant.

12 Terms shall run regardless of whether the position is
13 filled.

14 (c) The appointing authorities shall appoint commissioners
15 who have experience holding governmental office or employment
16 and may appoint commissioners who are members of the General
17 Assembly as well as commissioners from the general public. A
18 commissioner who is a member of the General Assembly must
19 recuse himself or herself from participating in any matter
20 relating to any investigation or proceeding in which he or she
21 is the subject. A person is not eligible to serve as a
22 commissioner if that person (i) has been convicted of a felony
23 or a crime of dishonesty or moral turpitude, (ii) is, or was
24 within the preceding 12 months, engaged in activities that
25 require registration under the Lobbyist Registration Act,
26 (iii) is a relative of the appointing authority, or (iv) is a

1 State officer or employee other than a member of the General
2 Assembly.

3 (d) The Legislative Ethics Commission shall have
4 jurisdiction over members of the General Assembly and all State
5 employees whose ultimate jurisdictional authority is (i) a
6 legislative leader, (ii) the Senate Operations Commission, ~~or~~
7 (iii) the Joint Committee on Legislative Support Services, or
8 (iv) the Legislative Ethics Commission. The jurisdiction of the
9 Commission is limited to matters arising under this Act.

10 (e) The Legislative Ethics Commission must meet, either in
11 person or by other technological means, monthly or as often as
12 necessary. At the first meeting of the Legislative Ethics
13 Commission, the commissioners shall choose from their number a
14 chairperson and other officers that they deem appropriate. The
15 terms of officers shall be for 2 years commencing July 1 and
16 running through June 30 of the second following year. Meetings
17 shall be held at the call of the chairperson or any 3
18 commissioners. Official action by the Commission shall require
19 the affirmative vote of 5 commissioners, and a quorum shall
20 consist of 5 commissioners. Commissioners shall receive no
21 compensation but may be reimbursed for their reasonable
22 expenses actually incurred in the performance of their duties.

23 (f) No commissioner, other than a commissioner who is a
24 member of the General Assembly, or employee of the Legislative
25 Ethics Commission may during his or her term of appointment or
26 employment:

1 (1) become a candidate for any elective office;

2 (2) hold any other elected or appointed public office
3 except for appointments on governmental advisory boards or
4 study commissions or as otherwise expressly authorized by
5 law;

6 (3) be actively involved in the affairs of any
7 political party or political organization; or

8 (4) actively participate in any campaign for any
9 elective office.

10 (g) An appointing authority may remove a commissioner only
11 for cause.

12 (h) The Legislative Ethics Commission shall appoint an
13 Executive Director subject to the approval of at least 3 of the
14 4 legislative leaders. The compensation of the Executive
15 Director shall be as determined by the Commission or by the
16 Compensation Review Board, whichever amount is higher. The
17 Executive Director of the Legislative Ethics Commission may
18 employ, subject to the approval of at least 3 of the 4
19 legislative leaders, and determine the compensation of staff,
20 as appropriations permit.

21 (Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

22 (5 ILCS 430/25-10)

23 Sec. 25-10. Office of Legislative Inspector General.

24 (a) The independent Office of the Legislative Inspector
25 General is created. The Office shall be under the direction and

1 supervision of the Legislative Inspector General and shall be a
2 fully independent office with its own appropriation.

3 (b) The Legislative Inspector General shall be appointed
4 without regard to political affiliation and solely on the basis
5 of integrity and demonstrated ability. The Legislative Ethics
6 Commission shall diligently search out qualified candidates
7 for Legislative Inspector General and shall make
8 recommendations to the General Assembly.

9 The Legislative Inspector General shall be appointed by a
10 joint resolution of the Senate and the House of
11 Representatives, which may specify the date on which the
12 appointment takes effect. A joint resolution, or other document
13 as may be specified by the Joint Rules of the General Assembly,
14 appointing the Legislative Inspector General must be certified
15 by the Speaker of the House of Representatives and the
16 President of the Senate as having been adopted by the
17 affirmative vote of three-fifths of the members elected to each
18 house, respectively, and be filed with the Secretary of State.
19 The appointment of the Legislative Inspector General takes
20 effect on the day the appointment is completed by the General
21 Assembly, unless the appointment specifies a later date on
22 which it is to become effective.

23 The Legislative Inspector General shall have the following
24 qualifications:

25 (1) has not been convicted of any felony under the laws
26 of this State, another state, or the United States;

1 (2) has earned a baccalaureate degree from an
2 institution of higher education; and

3 (3) has 5 or more years of cumulative service (A) with
4 a federal, State, or local law enforcement agency, at least
5 2 years of which have been in a progressive investigatory
6 capacity; (B) as a federal, State, or local prosecutor; (C)
7 as a senior manager or executive of a federal, State, or
8 local agency; (D) as a member, an officer, or a State or
9 federal judge; or (E) representing any combination of (A)
10 through (D).

11 The Legislative Inspector General may not be a relative of
12 a commissioner.

13 The term of the initial Legislative Inspector General shall
14 commence upon qualification and shall run through June 30,
15 2008.

16 After the initial term, the Legislative Inspector General
17 shall serve for 5-year terms commencing on July 1 of the year
18 of appointment and running through June 30 of the fifth
19 following year. The Legislative Inspector General may be
20 reappointed to one or more subsequent terms.

21 A vacancy occurring other than at the end of a term shall
22 be filled in the same manner as an appointment only for the
23 balance of the term of the Legislative Inspector General whose
24 office is vacant.

25 Terms shall run regardless of whether the position is
26 filled.

1 (c) The Legislative Inspector General shall have
2 jurisdiction over the members of the General Assembly and all
3 State employees whose ultimate jurisdictional authority is (i)
4 a legislative leader, (ii) the Senate Operations Commission, ~~or~~
5 (iii) the Joint Committee on Legislative Support Services, or
6 (iv) the Legislative Ethics Commission.

7 The jurisdiction of each Legislative Inspector General is
8 to investigate allegations of fraud, waste, abuse,
9 mismanagement, misconduct, nonfeasance, misfeasance,
10 malfeasance, or violations of this Act or violations of other
11 related laws and rules.

12 (d) The compensation of the Legislative Inspector General
13 shall be the greater of an amount (i) determined by the
14 Commission or (ii) by joint resolution of the General Assembly
15 passed by a majority of members elected in each chamber.
16 Subject to Section 25-45 of this Act, the Legislative Inspector
17 General has full authority to organize the Office of the
18 Legislative Inspector General, including the employment and
19 determination of the compensation of staff, such as deputies,
20 assistants, and other employees, as appropriations permit.
21 Employment of staff is subject to the approval of at least 3 of
22 the 4 legislative leaders.

23 (e) No Legislative Inspector General or employee of the
24 Office of the Legislative Inspector General may, during his or
25 her term of appointment or employment:

26 (1) become a candidate for any elective office;

1 (2) hold any other elected or appointed public office
2 except for appointments on governmental advisory boards or
3 study commissions or as otherwise expressly authorized by
4 law;

5 (3) be actively involved in the affairs of any
6 political party or political organization; or

7 (4) actively participate in any campaign for any
8 elective office.

9 In this subsection an appointed public office means a
10 position authorized by law that is filled by an appointing
11 authority as provided by law and does not include employment by
12 hiring in the ordinary course of business.

13 (e-1) No Legislative Inspector General or employee of the
14 Office of the Legislative Inspector General may, for one year
15 after the termination of his or her appointment or employment:

16 (1) become a candidate for any elective office;

17 (2) hold any elected public office; or

18 (3) hold any appointed State, county, or local judicial
19 office.

20 (e-2) The requirements of item (3) of subsection (e-1) may
21 be waived by the Legislative Ethics Commission.

22 (f) The Commission may remove the Legislative Inspector
23 General only for cause. At the time of the removal, the
24 Commission must report to the General Assembly the
25 justification for the removal.

26 (Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

1 (5 ILCS 430/25-23)

2 Sec. 25-23. Ethics Officers. The President and Minority
3 Leader of the Senate and the Speaker and Minority Leader of the
4 House of Representatives shall each appoint an ethics officer
5 for the members and employees of his or her legislative caucus.
6 The commissioners of the Legislative Ethics Commission shall
7 designate an ethics officer for the Legislative Ethics
8 Commission. The Legislative Inspector General shall designate
9 an ethics officer for the Office of the Legislative Inspector
10 General. No later than January 1, 2004, the head of each other
11 State agency under the jurisdiction of the Legislative Ethics
12 Commission, other than the General Assembly, shall designate an
13 ethics officer for the State agency. Ethics Officers shall:

14 (1) act as liaisons between the State agency and the
15 Legislative Inspector General and between the State agency
16 and the Legislative Ethics Commission;

17 (2) review statements of economic interest and
18 disclosure forms of officers, senior employees, and
19 contract monitors before they are filed with the Secretary
20 of State; and

21 (3) provide guidance to officers and employees in the
22 interpretation and implementation of this Act, which the
23 officer or employee may in good faith rely upon. Such
24 guidance shall be based, wherever possible, upon legal
25 precedent in court decisions, opinions of the Attorney

1 General, and the findings and opinions of the Legislative
2 Ethics Commission.

3 (Source: P.A. 93-617, eff. 12-9-03.)

4 Section 5. The Election Code is amended by changing
5 Sections 9-15 and 9-28 as follows:

6 (10 ILCS 5/9-15) (from Ch. 46, par. 9-15)

7 Sec. 9-15. It shall be the duty of the Board-

8 (1) to develop prescribed forms for notice to political
9 committees of their obligations under this Article and for
10 identification of persons examining statements or reports
11 filed under this Article, and to supply such forms, and the
12 forms for filing statements of organization, reports of
13 campaign contributions, and annual reports of campaign
14 contributions and expenditures to the appropriate persons and
15 election authorities;

16 (2) to prepare, publish, and furnish to the appropriate
17 persons and election authorities a manual of instructions
18 setting forth recommended uniform methods of bookkeeping and
19 reporting under this Article;

20 (3) to prescribe suitable rules and regulations to carry
21 out the provisions of this Article. Such rules and regulations
22 shall be published and made available to the public at
23 reasonable cost. The Board may determine which of its
24 prescribed rules and regulations shall be binding on the county

1 clerks in carrying out their duties under this Article;

2 (4) to send by first class mail, after the general primary
3 election in even numbered years, to the chairman of each
4 regularly constituted State central committee, county central
5 committee and, in counties with a population of more than
6 3,000,000, to the committeemen of each township and ward
7 organization of each political party notice of their
8 obligations under this Article, along with a form for filing
9 the statement of organization; and

10 (5) to accept any disclosure of political contributions
11 report filed with the Board, pursuant to Section 50-37 of the
12 Illinois Procurement Code, and to provide a notification of
13 receipt of such report to each responsive bidder or offeror
14 filing a report; and

15 (6) to submit to the appropriate chief procurement officer
16 the disclosure of political contributions report for any
17 successful bidder or offeror after receiving notification of an
18 award by the chief procurement officer.

19 (Source: P.A. 86-873.)

20 (10 ILCS 5/9-28)

21 Sec. 9-28. Electronic filing and availability. The Board
22 shall by rule provide for the electronic filing of expenditure
23 and contribution reports as follows:

24 Beginning July 1, 1999, or as soon thereafter as the Board
25 has provided adequate software to the political committee,

1 electronic filing is required for all political committees that
2 during the reporting period (i) had at any time a balance or an
3 accumulation of contributions of \$25,000 or more, (ii) made
4 aggregate expenditures of \$25,000 or more, or (iii) received
5 loans of an aggregate of \$25,000 or more.

6 Beginning July 1, 2003, electronic filing is required for
7 all political committees that during the reporting period (i)
8 had at any time a balance or an accumulation of contributions
9 of \$10,000 or more, (ii) made aggregate expenditures of \$10,000
10 or more, or (iii) received loans of an aggregate of \$10,000 or
11 more.

12 The Board may provide by rule for the optional electronic
13 filing of expenditure and contribution reports for all other
14 political committees. The Board shall promptly make all reports
15 filed under this Article by all political committees and all
16 disclosure of political contribution reports submitted under
17 item (6) of Section 9-15 publicly available by means of a
18 searchable database that is accessible through the World Wide
19 Web.

20 The Board shall provide all software necessary to comply
21 with this Section to candidates, public officials, political
22 committees, and election authorities.

23 The Board shall implement a plan to provide computer access
24 and assistance to candidates, public officials, political
25 committees, and election authorities with respect to
26 electronic filings required under this Article.

1 For the purposes of this Section, "political committees"
2 includes entities required to report to the Board under Section
3 9-7.5.

4 (Source: P.A. 90-495, eff. 8-18-97; 90-737, eff. 1-1-99.)

5 Section 10. The Lobbyist Registration Act is amended by
6 changing Section 2 as follows:

7 (25 ILCS 170/2) (from Ch. 63, par. 172)

8 Sec. 2. Definitions. As used in this Act, unless the
9 context otherwise requires:

10 (a) "Person" means any individual, firm, partnership,
11 committee, association, corporation, or any other organization
12 or group of persons.

13 (b) "Expenditure" means a payment, distribution, loan,
14 advance, deposit, or gift of money or anything of value, and
15 includes a contract, promise, or agreement, whether or not
16 legally enforceable, to make an expenditure, for the ultimate
17 purpose of influencing executive, legislative, or
18 administrative action, other than compensation as defined in
19 subsection (d).

20 (c) "Official" means:

21 (1) the Governor, Lieutenant Governor, Secretary of
22 State, Attorney General, State Treasurer, and State
23 Comptroller;

24 (2) Chiefs of Staff for officials described in item

1 (1);

2 (3) Cabinet members of any elected constitutional
3 officer, including Directors, Assistant Directors and
4 Chief Legal Counsel or General Counsel;

5 (4) Members of the General Assembly.

6 (d) "Compensation" means any money, thing of value or
7 financial benefits received or to be received in return for
8 services rendered or to be rendered, for lobbying as defined in
9 subsection (e).

10 Monies paid to members of the General Assembly by the State
11 as remuneration for performance of their Constitutional and
12 statutory duties as members of the General Assembly shall not
13 constitute compensation as defined by this Act.

14 (e) "Lobbying" means any communication with (i) an official
15 of the executive or legislative branch of State government as
16 defined in subsection (c) or (ii) a State employee as defined
17 in this Section, for the ultimate purpose of influencing
18 executive, legislative, or administrative action.

19 (f) "Influencing" means any communication, action,
20 reportable expenditure as prescribed in Section 6 or other
21 means used to promote, support, affect, modify, oppose or delay
22 any executive, legislative or administrative action or to
23 promote goodwill with officials as defined in subsection (c).

24 (g) "Executive action" means the proposal, drafting,
25 development, consideration, amendment, adoption, approval,
26 promulgation, issuance, modification, rejection or

1 postponement by a State entity of a rule, regulation, order,
2 decision, determination, contractual arrangement, purchasing
3 agreement or other quasi-legislative or quasi-judicial action
4 or proceeding.

5 (h) "Legislative action" means the development, drafting,
6 introduction, consideration, modification, adoption,
7 rejection, review, enactment, or passage or defeat of any bill,
8 amendment, resolution, report, nomination, administrative rule
9 or other matter by either house of the General Assembly or a
10 committee thereof, or by a legislator. Legislative action also
11 means the action of the Governor in approving or vetoing any
12 bill or portion thereof, and the action of the Governor or any
13 agency in the development of a proposal for introduction in the
14 legislature.

15 (i) "Administrative action" means the execution or
16 rejection of any rule, regulation, legislative rule, standard,
17 fee, rate, contractual arrangement, purchasing agreement or
18 other delegated legislative or quasi-legislative action to be
19 taken or withheld by any executive agency, department, board or
20 commission of the State.

21 (j) "Lobbyist" means any person who undertakes to lobby
22 State government as provided in subsection (e).

23 (k) "State employee" is defined as that term is defined in
24 Section 1-5 of the State Officials and Employees Ethics Act.

25 (l) "Employee", with respect to a State employee, is
26 defined as that term is defined in Section 1-5 of the State

1 Officials and Employees Ethics Act.

2 (m) "State agency" is defined as that term is defined in
3 Section 1-5 of the State Officials and Employees Ethics Act.

4 (Source: P.A. 88-187.)

5 Section 25. The Illinois Procurement Code is amended by
6 changing Sections 1-15.15, 1-15.100, 15-25, 20-10, 20-30,
7 35-15, 35-20, 35-25, 35-30, 35-35, 35-40, 40-15, 40-25, 50-13,
8 and 50-20 and by adding Sections 20-43, 50-21, 50-37, and 50-38
9 as follows:

10 (30 ILCS 500/1-15.15)

11 Sec. 1-15.15. Chief Procurement Officer. "Chief
12 Procurement Officer" means:

13 (1) for procurements for construction and
14 construction-related services committed by law to the
15 jurisdiction or responsibility of the Capital Development
16 Board, the executive director of the Capital Development Board.

17 (2) for procurements for all construction,
18 construction-related services, operation of any facility, and
19 the provision of any service or activity committed by law to
20 the jurisdiction or responsibility of the Illinois Department
21 of Transportation, including the direct or reimbursable
22 expenditure of all federal funds for which the Department of
23 Transportation is responsible or accountable for the use
24 thereof in accordance with federal law, regulation, or

1 procedure, the Secretary of Transportation.

2 (3) for all procurements made by a public institution of
3 higher education, (i) a representative designated by the
4 Governor for procurements made before July 1, 2007, and (ii)
5 for procurements made on or after July 1, 2007, an employee of
6 the Board of Higher Education designated by the Board of Higher
7 Education. The higher education chief procurement officer
8 designated by the Board of Higher Education shall not be a
9 trustee, officer, or employee of a public institution of higher
10 education.

11 (4) for the selection and appointment of consultants by a
12 pension fund or retirement system created under Article 2, 14,
13 15, 16, or 18 of the Illinois Pension Code or an investment
14 board created under Article 22A of the Illinois Pension Code,
15 as the term "consultant" is defined in subsection (a-5) of
16 Section 1-113.5 or subsection (e) of Section 22A-111,
17 respectively, of the Illinois Pension Code, a representative
18 designated by the board of trustees of that pension fund or
19 retirement system or by the Illinois State Board of Investment,
20 as the case may be, for a total of 6 pension chiefs of
21 procurement.

22 (5) ~~(4)~~ for all other procurements, the Director of the
23 Department of Central Management Services.

24 (Source: P.A. 90-572, eff. 2-6-98.)

1 Sec. 1-15.100. State agency. "State agency" means and
2 includes all boards, commissions, agencies, institutions,
3 authorities, and bodies politic and corporate of the State,
4 created by or in accordance with the constitution or statute,
5 of the executive branch of State government and does include
6 colleges, universities, and institutions under the
7 jurisdiction of the governing boards of the University of
8 Illinois, Southern Illinois University, Illinois State
9 University, Eastern Illinois University, Northern Illinois
10 University, Western Illinois University, Chicago State
11 University, Governor State University, Northeastern Illinois
12 University, and the Board of Higher Education. However, this
13 term applies ~~does not apply~~ to public employee pension funds,
14 retirement systems, or investment boards that are subject to
15 fiduciary duties imposed by the Illinois Pension Code only to
16 the extent and for the purpose of procurements required under
17 Sections 1-113.5 and 22A-111 of the Illinois Pension Code to be
18 made in accordance with Article 35 of this Code. The term
19 "State agency" does not apply ~~or~~ to the University of Illinois
20 Foundation. "State agency" does not include units of local
21 government, school districts, community colleges under the
22 Public Community College Act, and the Illinois Comprehensive
23 Health Insurance Board.

24 (Source: P.A. 90-572, eff. 2-6-98.)

1 Sec. 15-25. Bulletin content.

2 (a) Invitations for bids. Notice of each and every contract
3 that is offered, including renegotiated contracts and change
4 orders, shall be published in the Bulletin. The applicable
5 chief procurement officer may provide by rule an organized
6 format for the publication of this information, but in any case
7 it must include at least the date first offered, the date
8 submission of offers is due, the location that offers are to be
9 submitted to, the purchasing State agency, the responsible
10 State purchasing officer, a brief purchase description, the
11 method of source selection, information of how to obtain a
12 comprehensive purchase description and any disclosure and
13 contract forms, and encouragement to prospective vendors to
14 hire qualified veterans, as defined by Section 45-67 of this
15 Code, and Illinois residents discharged from any Illinois adult
16 correctional center.

17 (b) Contracts let or awarded. Notice of each and every
18 contract that is let or awarded, including renegotiated
19 contracts and change orders, shall be published in the next
20 available subsequent Bulletin, and the applicable chief
21 procurement officer may provide by rule an organized format for
22 the publication of this information, but in any case it must
23 include at least all of the information specified in subsection
24 (a) as well as the name of the successful responsible bidder or
25 offeror, the contract price, the number of unsuccessful
26 responsive bidders, and any other disclosure specified in any

1 Section of this Code. This notice shall include the disclosures
2 under Section 50-37, if those disclosures are required. In
3 addition, the notice shall summarize the outreach efforts
4 undertaken by the agency to make potential bidders or offerors
5 aware of any contract offer other than publication in the
6 Bulletin. This notice must be posted in the online electronic
7 Bulletin no later than 10 business days after services or goods
8 are first provided.

9 (c) Emergency purchase disclosure. Any chief procurement
10 officer, State purchasing officer, or designee exercising
11 emergency purchase authority under this Code shall publish a
12 written description and reasons and the total cost, if known,
13 or an estimate if unknown and the name of the responsible chief
14 procurement officer and State purchasing officer, and the
15 business or person contracted with for all emergency purchases
16 in the next timely, practicable Bulletin. This notice must be
17 posted in the online electronic Bulletin within 10 business
18 days after the earlier of (i) execution of the contract or (ii)
19 whenever services or goods begin to be provided under the
20 contract and, in any event, prior to any payment by the State
21 under the contract.

22 (c-5) Each State agency shall post in the online electronic
23 Bulletin a copy of its annual report of utilization of
24 businesses owned by minorities, females, and persons with
25 disabilities as submitted to the Business Enterprise Council
26 for Minorities, Females, and Persons with Disabilities

1 pursuant to Section 6(c) of the Business Enterprise for
2 Minorities, Females, and Persons with Disabilities Act within
3 10 business days of its submission of its report to the
4 Council.

5 (c-10) Renewals. Notice of each contract renewal shall be
6 posted online on the Procurement Bulletin. The Procurement
7 Policy Board by rule shall specify the information to be
8 included in the notice, and the applicable chief procurement
9 officer by rule may provide a format for the information.

10 (d) Other required disclosure. The applicable chief
11 procurement officer shall provide by rule for the organized
12 publication of all other disclosure required in other Sections
13 of this Code in a timely manner.

14 (e) The changes to subsections (b), (c), and (c-5) of this
15 Section made by this amendatory Act of the 95th General
16 Assembly apply to reports submitted, offers made, and notices
17 on contracts executed on or after its effective date.

18 (Source: P.A. 94-1067, eff. 8-1-06.)

19 (30 ILCS 500/20-10)

20 Sec. 20-10. Competitive sealed bidding.

21 (a) Conditions for use. All contracts shall be awarded by
22 competitive sealed bidding except as otherwise provided in
23 Section 20-5.

24 (b) Invitation for bids. An invitation for bids shall be
25 issued and shall include a purchase description and the

1 material contractual terms and conditions applicable to the
2 procurement.

3 (c) Public notice. Public notice of the invitation for bids
4 shall be published in the Illinois Procurement Bulletin at
5 least 14 days before the date set in the invitation for the
6 opening of bids.

7 (d) Bid opening. Bids shall be opened publicly in the
8 presence of one or more witnesses at the time and place
9 designated in the invitation for bids. The name of each bidder,
10 the amount of each bid, and other relevant information as may
11 be specified by rule shall be recorded. After the award of the
12 contract, the winning bid and the record of each unsuccessful
13 bid shall be open to public inspection.

14 (e) Bid acceptance and bid evaluation. Bids shall be
15 unconditionally accepted without alteration or correction,
16 except as authorized in this Code. Bids shall be evaluated
17 based on the requirements set forth in the invitation for bids,
18 which may include criteria to determine acceptability such as
19 inspection, testing, quality, workmanship, delivery, and
20 suitability for a particular purpose. Those criteria that will
21 affect the bid price and be considered in evaluation for award,
22 such as discounts, transportation costs, and total or life
23 cycle costs, shall be objectively measurable. The invitation
24 for bids shall set forth the evaluation criteria to be used.

25 (f) Correction or withdrawal of bids. Correction or
26 withdrawal of inadvertently erroneous bids before or after

1 award, or cancellation of awards of contracts based on bid
2 mistakes, shall be permitted in accordance with rules. After
3 bid opening, no changes in bid prices or other provisions of
4 bids prejudicial to the interest of the State or fair
5 competition shall be permitted. All decisions to permit the
6 correction or withdrawal of bids based on bid mistakes shall be
7 supported by written determination made by a State purchasing
8 officer.

9 (g) Award. The contract shall be awarded with reasonable
10 promptness by written notice to the lowest responsible and
11 responsive bidder whose bid meets the requirements and criteria
12 set forth in the invitation for bids, except when a State
13 purchasing officer determines it is not in the best interest of
14 the State and by written explanation determines another bidder
15 shall receive the award. The explanation shall appear in the
16 appropriate volume of the Illinois Procurement Bulletin. The
17 written explanation must include:

18 (1) a description of the agency's needs;

19 (2) a determination that the anticipated cost will be
20 fair and reasonable;

21 (3) a listing of all responsible and responsive
22 bidders; and

23 (4) the name of the bidder selected, pricing, and the
24 reasons for selecting that bidder instead of the lowest
25 responsible and responsive bidder.

26 Each agency may adopt rules to implement the requirements

1 of this subsection (g).

2 The written explanation shall be filed with the Legislative
3 Audit Commission and the Procurement Policy Board and be made
4 available for inspection by the public within 30 days after the
5 agency's decision to award the contract.

6 (h) Multi-step sealed bidding. When it is considered
7 impracticable to initially prepare a purchase description to
8 support an award based on price, an invitation for bids may be
9 issued requesting the submission of unpriced offers to be
10 followed by an invitation for bids limited to those bidders
11 whose offers have been qualified under the criteria set forth
12 in the first solicitation.

13 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

14 (30 ILCS 500/20-30)

15 Sec. 20-30. Emergency purchases.

16 (a) Conditions for use. In accordance with standards set by
17 rule, a purchasing agency may make emergency procurements
18 without competitive sealed bidding or prior notice when there
19 exists a threat to public health or public safety, or when
20 immediate expenditure is necessary for repairs to State
21 property in order to protect against further loss of or damage
22 to State property, to prevent or minimize serious disruption in
23 critical State services that affect health, safety, or
24 collections of substantial State revenue, or to ensure the
25 integrity of State records; provided, however, that the term of

1 the emergency purchase shall be limited to the time reasonably
2 needed for a competitive procurement, not to exceed 6 months.

3 Emergency procurements shall be made with as much competition
4 as is practicable under the circumstances. A written
5 description of the basis for the emergency and reasons for the
6 selection of the particular contractor shall be included in the
7 contract file.

8 (b) Notice. Before the next appropriate volume of the
9 Illinois Procurement Bulletin, the purchasing agency shall
10 publish in the Illinois Procurement Bulletin a copy of each
11 written description and reasons and the total cost of each
12 emergency procurement made during the previous month. When only
13 an estimate of the total cost is known at the time of
14 publication, the estimate shall be identified as an estimate
15 and published. When the actual total cost is determined, it
16 shall also be published in like manner before the 10th day of
17 the next succeeding month.

18 (c) Affidavits. A purchasing agency making a procurement
19 under this Section shall file affidavits with the chief
20 procurement officer and the Auditor General within 10 days
21 after the procurement setting forth the amount expended, the
22 name of the contractor involved, and the conditions and
23 circumstances requiring the emergency procurement. When only
24 an estimate of the cost is available within 10 days after the
25 procurement, the actual cost shall be reported immediately
26 after it is determined. At the end of each fiscal quarter, the

1 Auditor General shall file with the Legislative Audit
2 Commission and the Governor a complete listing of all emergency
3 procurements reported during that fiscal quarter. The
4 Legislative Audit Commission shall review the emergency
5 procurements so reported and, in its annual reports, advise the
6 General Assembly of procurements that appear to constitute an
7 abuse of this Section.

8 (d) Quick purchases. The chief procurement officer may
9 promulgate rules extending the circumstances by which a
10 purchasing agency may make purchases under this Section,
11 including but not limited to the procurement of items available
12 at a discount for a limited period of time.

13 (e) The changes to this Section made by this amendatory Act
14 of the 95th General Assembly apply to procurements executed on
15 or after its effective date.

16 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

17 (30 ILCS 500/20-43 new)

18 Sec. 20-43. Bidder or offeror authorized to do business in
19 Illinois. In addition to meeting any other requirement of law
20 or rule, a person (other than an individual acting as a sole
21 proprietor) may qualify as a bidder or offeror under this Code
22 only if the person is a legal entity authorized to do business
23 in Illinois prior to submitting the bid, offer, or proposal.

24 (30 ILCS 500/35-15)

1 Sec. 35-15. Prequalification.

2 (a) The Director of Central Management Services, the
3 pension chief procurement officers, and the higher education
4 chief procurement officer shall each develop appropriate and
5 reasonable prequalification standards and categories of
6 professional and artistic services.

7 (b) The prequalifications and categorizations shall be
8 submitted to the Procurement Policy Board and published for
9 public comment prior to their submission to the Joint Committee
10 on Administrative Rules for approval.

11 (c) The Director of Central Management Services, the
12 pension chief procurement officers, and the higher education
13 chief procurement officer shall each also assemble and maintain
14 a comprehensive list of prequalified and categorized
15 businesses and persons.

16 (d) Prequalification shall not be used to bar or prevent
17 any qualified business or person for bidding or responding to
18 invitations for bid or proposal.

19 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

20 (30 ILCS 500/35-20)

21 Sec. 35-20. Uniformity in procurement.

22 (a) The Director of Central Management Services, the
23 pension chief procurement officers, and the higher education
24 chief procurement officer shall each develop, cause to be
25 printed, and distribute uniform documents for the

1 solicitation, review, and acceptance of all professional and
2 artistic services.

3 (b) All chief procurement officers, State purchasing
4 officers, and their designees shall use the appropriate uniform
5 procedures and forms specified in this Code for all
6 professional and artistic services.

7 (c) These forms shall include in detail, in writing, at
8 least:

9 (1) a description of the goal to be achieved;

10 (2) the services to be performed;

11 (3) the need for the service;

12 (4) the qualifications that are necessary; and

13 (5) a plan for post-performance review.

14 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

15 (30 ILCS 500/35-25)

16 Sec. 35-25. Uniformity in contract.

17 (a) The Director of Central Management Services, the
18 pension chief procurement officers, and the higher education
19 chief procurement officer shall each develop, cause to be
20 printed, and distribute uniform documents for the contracting
21 of professional and artistic services.

22 (b) All chief procurement officers, State purchasing
23 officers, and their designees shall use the appropriate uniform
24 contracts and forms in contracting for all professional and
25 artistic services.

1 (c) These contracts and forms shall include in detail, in
2 writing, at least:

3 (1) the detail listed in subsection (c) of Section
4 35-20;

5 (2) the duration of the contract, with a schedule of
6 delivery, when applicable;

7 (3) the method for charging and measuring cost (hourly,
8 per day, etc.);

9 (4) the rate of remuneration; and

10 (5) the maximum price.

11 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

12 (30 ILCS 500/35-30)

13 Sec. 35-30. Awards.

14 (a) All State contracts for professional and artistic
15 services, except as provided in this Section, shall be awarded
16 using the competitive request for proposal process outlined in
17 this Section.

18 (b) For each contract offered, the chief procurement
19 officer, State purchasing officer, or his or her designee shall
20 use the appropriate standard solicitation forms available from
21 the Department of Central Management Services, the appropriate
22 pension chief procurement officer, or the higher education
23 chief procurement officer.

24 (c) Prepared forms shall be submitted to the Department of
25 Central Management Services, a pension chief procurement

1 officer, or the higher education chief procurement officer,
2 whichever is appropriate, for publication in its Illinois
3 Procurement Bulletin and circulation to the Department of
4 Central Management Services', the pension chief procurement
5 officer's, or the higher education chief procurement officer's
6 list of prequalified vendors. Notice of the offer or request
7 for proposal shall appear at least 14 days before the response
8 to the offer is due.

9 (d) All interested respondents shall return their
10 responses to the Department of Central Management Services, the
11 pension chief procurement officer, or the higher education
12 chief procurement officer, whichever is appropriate, which
13 shall open and record them. The Department, the pension chief
14 procurement officer, or higher education chief procurement
15 officer then shall forward the responses, together with any
16 information it has available about the qualifications and other
17 State work of the respondents.

18 (e) After evaluation, ranking, and selection, the
19 responsible chief procurement officer, State purchasing
20 officer, or his or her designee shall notify the Department of
21 Central Management Services, the pension chief procurement
22 officer, or the higher education chief procurement officer,
23 whichever is appropriate, of the successful respondent and
24 shall forward a copy of the signed contract for the
25 Department's, pension chief procurement officer's, or higher
26 education chief procurement officer's file. The Department,

1 the pension chief procurement officer, or higher education
2 chief procurement officer shall publish the names of the
3 responsible procurement decision-maker, the agency letting the
4 contract, the successful respondent, a contract reference, and
5 value of the let contract in the next appropriate volume of the
6 Illinois Procurement Bulletin.

7 (f) For all professional and artistic contracts with
8 annualized value that exceeds \$25,000, evaluation and ranking
9 by price are required. Any chief procurement officer or State
10 purchasing officer, but not their designees, may select an
11 offeror other than the lowest bidder by price. In any case,
12 when the contract exceeds the \$25,000 threshold ~~threshold~~ and
13 the lowest bidder is not selected, the chief procurement
14 officer or the State purchasing officer shall forward together
15 with the contract notice of who the low bidder was and a
16 written decision as to why another was selected to the
17 Department of Central Management Services, the pension chief
18 procurement officer, or the higher education chief procurement
19 officer, whichever is appropriate. The Department, the pension
20 chief procurement officer, or higher education chief
21 procurement officer shall publish as provided in subsection (e)
22 of Section 35-30, but shall include notice of the chief
23 procurement officer's or State purchasing officer's written
24 decision.

25 (g) The Department of Central Management Services, the
26 pension chief procurement officers, and higher education chief

1 procurement officer may each refine, but not contradict, this
2 Section by promulgating rules for submission to the Procurement
3 Policy Board and then to the Joint Committee on Administrative
4 Rules. Any refinement shall be based on the principles and
5 procedures of the federal Architect-Engineer Selection Law,
6 Public Law 92-582 Brooks Act, and the Architectural,
7 Engineering, and Land Surveying Qualifications Based Selection
8 Act; except that pricing shall be an integral part of the
9 selection process.

10 (Source: P.A. 90-572, eff. date - See Sec. 99-5; revised
11 10-19-05.)

12 (30 ILCS 500/35-35)

13 Sec. 35-35. Exceptions.

14 (a) Exceptions to Section 35-30 are allowed for sole source
15 procurements, emergency procurements, and at the discretion of
16 the chief procurement officer or the State purchasing officer,
17 but not their designees, for professional and artistic
18 contracts that are nonrenewable, one year or less in duration,
19 and have a value of less than \$20,000.

20 (b) All exceptions granted under this Article must still be
21 submitted to the Department of Central Management Services, the
22 appropriate pension chief procurement officer, or the higher
23 education chief procurement officer, whichever is appropriate,
24 and published as provided for in subsection (f) of Section
25 35-30, shall name the authorizing chief procurement officer or

1 State purchasing officer, and shall include a brief explanation
2 of the reason for the exception.

3 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

4 (30 ILCS 500/35-40)

5 Sec. 35-40. Subcontractors.

6 (a) Any contract granted under this Article shall state
7 whether the services of a subcontractor will be used. The
8 contract shall include the names and addresses of all
9 subcontractors and the expected amount of money each will
10 receive under the contract.

11 (b) If at any time during the term of a contract, a
12 contractor adds or changes any subcontractors, he or she shall
13 promptly notify, in writing, the Department of Central
14 Management Services, the appropriate pension chief procurement
15 officer, or the higher education chief procurement officer,
16 whichever is appropriate, and the responsible chief
17 procurement officer, State purchasing officer, or their
18 designee of the names and addresses and the expected amount of
19 money each new or replaced subcontractor will receive.

20 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

21 (30 ILCS 500/40-15)

22 Sec. 40-15. Method of source selection.

23 (a) Request for information. Except as provided in
24 subsections (b) and (c), all State contracts for leases of real

1 property or capital improvements shall be awarded by a request
2 for information process in accordance with Section 40-20.

3 (b) Other methods. A request for information process need
4 not be used in procuring any of the following leases:

5 (1) Property of less than 10,000 square feet.

6 (2) Rent of less than \$100,000 per year.

7 (3) Duration of less than one year that cannot be
8 renewed.

9 (4) Specialized space available at only one location.

10 (5) Renewal or extension of a lease ~~in effect before~~
11 ~~July 1, 2002~~; provided that: (i) the chief procurement
12 officer determines in writing that the renewal or extension
13 is in the best interest of the State; (ii) the chief
14 procurement officer submits his or her written
15 determination and the renewal or extension to the Board;
16 (iii) the Board does not object in writing to the renewal
17 or extension within 30 days after its submission; and (iv)
18 the chief procurement officer publishes the renewal or
19 extension in the appropriate volume of the Procurement
20 Bulletin.

21 (c) Leases with governmental units. Leases with other
22 governmental units may be negotiated without using the request
23 for information process when deemed by the chief procurement
24 officer to be in the best interest of the State.

25 (Source: P.A. 93-133, eff. 1-1-04; 93-839, eff. 7-30-04.)

1 (30 ILCS 500/40-25)

2 Sec. 40-25. Length of leases.

3 (a) Maximum term. Leases shall be for a term not to exceed
4 10 years and shall include a termination option in favor of the
5 State after 5 years.

6 (b) Renewal. Leases may include a renewal option. An option
7 to renew may be exercised only when a State purchasing officer
8 determines in writing that renewal is in the best interest of
9 the State and notice of the exercise of the option is published
10 in the appropriate volume of the Procurement Bulletin at least
11 60 days prior to the exercise of the option.

12 (c) Subject to appropriation. All leases shall recite that
13 they are subject to termination and cancellation in any year
14 for which the General Assembly fails to make an appropriation
15 to make payments under the terms of the lease.

16 (d) Holdover. No lease may continue on a month-to-month or
17 other holdover basis for a total of more than 6 months.

18 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

19 (30 ILCS 500/50-13)

20 Sec. 50-13. Conflicts of interest.

21 (a) Prohibition. It is unlawful for any person holding an
22 elective office in this State, holding a seat in the General
23 Assembly, or appointed to or employed in any of the offices or
24 agencies of State government ~~and who receives compensation for~~
25 ~~such employment in excess of 60% of the salary of the Governor~~

1 ~~of the State of Illinois~~, or who is an officer or employee of
2 the Capital Development Board or the Illinois Toll Highway
3 Authority, or who is the spouse or minor child of any such
4 person to have or acquire any contract, or any direct pecuniary
5 interest in any contract therein, whether for stationery,
6 printing, paper, or any services, materials, or supplies, that
7 will be wholly or partially satisfied by the payment of funds
8 appropriated by the General Assembly of the State of Illinois
9 or in any contract of the Capital Development Board or the
10 Illinois Toll Highway Authority.

11 (b) Interests. It is unlawful for any firm, partnership,
12 association, or corporation, in which any person listed in
13 subsection (a) is entitled to receive (i) more than 7 1/2% of
14 the total distributable income or (ii) an amount in excess of
15 the salary of the Governor, to have or acquire any such
16 contract or direct pecuniary interest therein.

17 (b-5) Notwithstanding any other provision of law, no person
18 listed in subsection (a) may receive a legal, banking,
19 consulting, or other fee, or any compensation for services
20 provided in relation to the award of a contract, including
21 contracts related to the issuance of bonds, by the State or by
22 any agency or other entity of State government if the person,
23 by using his or her official position, could have influenced
24 the State or such agency or entity in any way. This subsection
25 (b-5) does not apply to any contract awarded pursuant to a
26 competitive selection process.

1 (c) Combined interests. It is unlawful for any firm,
2 partnership, association, or corporation, in which any person
3 listed in subsection (a) together with his or her spouse or
4 minor children is entitled to receive (i) more than 15%, in the
5 aggregate, of the total distributable income or (ii) an amount
6 in excess of 2 times the salary of the Governor, to have or
7 acquire any such contract or direct pecuniary interest therein.

8 (c-5) Appointees and firms. In addition to any provisions
9 of this Code, the interests of certain appointees and their
10 firms are subject to Section 3A-35 of the Illinois Governmental
11 Ethics Act.

12 (d) Securities. Nothing in this Section invalidates the
13 provisions of any bond or other security previously offered or
14 to be offered for sale or sold by or for the State of Illinois.

15 (e) Prior interests. This Section does not affect the
16 validity of any contract made between the State and an officer
17 or employee of the State or member of the General Assembly, his
18 or her spouse, minor child, or other immediate family member
19 living in his or her residence or any combination of those
20 persons if that contract was in existence before his or her
21 election or employment as an officer, member, or employee. The
22 contract is voidable, however, if it cannot be completed within
23 365 days after the officer, member, or employee takes office or
24 is employed.

25 (f) Exceptions.

26 (1) Public aid payments. This Section does not apply to

1 payments made for a public aid recipient.

2 (2) Teaching. This Section does not apply to a contract
3 for personal services as a teacher or school administrator
4 between a member of the General Assembly or his or her
5 spouse, or a State officer or employee or his or her
6 spouse, and any school district, public community college
7 district, the University of Illinois, Southern Illinois
8 University, Illinois State University, Eastern Illinois
9 University, Northern Illinois University, Western Illinois
10 University, Chicago State University, Governor State
11 University, or Northeastern Illinois University.

12 (3) Ministerial duties. This Section does not apply to
13 a contract for personal services of a wholly ministerial
14 character, including but not limited to services as a
15 laborer, clerk, typist, stenographer, page, bookkeeper,
16 receptionist, or telephone switchboard operator, made by a
17 spouse or minor child of an elective or appointive State
18 officer or employee or of a member of the General Assembly.

19 (4) Child and family services. This Section does not
20 apply to payments made to a member of the General Assembly,
21 a State officer or employee, his or her spouse or minor
22 child acting as a foster parent, homemaker, advocate, or
23 volunteer for or in behalf of a child or family served by
24 the Department of Children and Family Services.

25 (5) Licensed professionals. Contracts with licensed
26 professionals, provided they are competitively bid or part

1 of a reimbursement program for specific, customary goods
2 and services through the Department of Children and Family
3 Services, the Department of Human Services, the Department
4 of Healthcare and Family Services ~~Public Aid~~, the
5 Department of Public Health, or the Department on Aging.

6 (g) Penalty. A person convicted of a violation of this
7 Section is guilty of a business offense and shall be fined not
8 less than \$1,000 nor more than \$5,000.

9 (Source: P.A. 93-615, eff. 11-19-03; revised 12-15-05.)

10 (30 ILCS 500/50-20)

11 Sec. 50-20. Exemptions. With the approval of the
12 appropriate chief procurement officer involved, the Governor,
13 or an executive ethics board or commission he or she
14 designates, may exempt named individuals from the prohibitions
15 of Section 50-13, except the prohibitions set forth in
16 subsection (b-5) of Section 50-13, when, in his, her, or its
17 judgment, the public interest in having the individual in the
18 service of the State outweighs the public policy evidenced in
19 that Section. An exemption is effective only when it is filed
20 with the Secretary of State and the Comptroller within 60 days
21 after its issuance or when performance of the contract begins,
22 whichever is earlier, and includes a statement setting forth
23 the name of the individual and all the pertinent facts that
24 would make that Section applicable, setting forth the reason
25 for the exemption, and declaring the individual exempted from

1 that Section. Exemptions must be filed with the Secretary of
2 State and Comptroller prior to execution of any contracts. A
3 copy of ~~Notice of~~ each exemption shall be published in the
4 Illinois Procurement Bulletin in its electronic form prior to
5 execution of the contract. The changes to this Section made by
6 this amendatory Act of the 95th General Assembly apply to
7 exemptions granted on or after its effective date.

8 A contract for which a waiver has been issued but has not
9 been filed in accordance with this Section is voidable.

10 (Source: P.A. 90-572, eff. 2-6-98.)

11 (30 ILCS 500/50-21 new)

12 Sec. 50-21. Bond issuances.

13 (a) A State agency shall not enter into a contract with
14 respect to the issuance of bonds or other securities by the
15 State or a State agency with any entity that uses an
16 independent consultant.

17 As used in this subsection, "independent consultant" means
18 a person used by the entity to obtain or retain securities
19 business through direct or indirect communication by the person
20 with a State official or employee on behalf of the entity when
21 the communication is undertaken by the person in exchange for
22 or with the understanding of receiving payment from the entity
23 or another person. "Independent consultant" does not include
24 (i) a finance professional employed by the entity or (ii) a
25 person whose sole basis of compensation from the entity is the

1 actual provision of legal, accounting, or engineering advice,
2 services, or assistance in connection with the securities
3 business that the entity seeks to obtain or retain.

4 (b) Each contract entered into by a State agency with
5 respect to the issuance of bonds or other securities by the
6 State or a State agency shall include a certification by any
7 contracting party subject to the Municipal Securities
8 Rulemaking Board's Rule G-38, or a successor rule, that the
9 contracting entity is and shall remain for the duration of the
10 contract in compliance with the Rule's requirements for
11 reporting political contributions. Violation of the
12 certification makes the contract voidable by the State and
13 shall bar the awarding of a State agency contract with respect
14 to the issuance of bonds or other securities to the violator
15 for a period of 10 years after the determination of the
16 violation.

17 (c) Any entity convicted of violating the Municipal
18 Securities Rulemaking Board's Rule G-37 or Rule G-38, or any
19 successor rules, with respect to the prohibitions of those
20 rules against obtaining or retaining municipal securities
21 business and the making of political contributions or payments
22 is permanently barred from participating in any State agency
23 contract with respect to the issuance of bonds or other
24 securities.

1 Sec. 50-37. Contract award disclosure.

2 (a) For the purposes of this Section:

3 "Contracting entity" means an entity that would execute any
4 contract with a State agency.

5 "Key persons" means any persons who (i) have an ownership
6 or distributive income share in the contracting entity that is
7 in excess of 5%, or an amount greater than 60% of the annual
8 salary of the Governor, or (ii) serve as executive officers of
9 the contracting entity.

10 (b) For contracts with an annual value of \$50,000 or more,
11 all offers from responsive bidders or offerors shall be
12 accompanied by disclosure of the names and addresses of the
13 following:

14 (1) The contracting entity.

15 (2) Any entity that is a parent of, or owns a
16 controlling interest in, the contracting entity.

17 (3) Any entity that is a subsidiary of, or in which a
18 controlling interest is owned by, the contracting entity.

19 (4) The contracting entity's key persons.

20 (c) Notices of contracts let or awarded published in the
21 Procurement Bulletin pursuant to Section 15-25 shall include as
22 part of the notice posted online the names disclosed by the
23 winning bidder or offeror pursuant to subsection (b).

24 (d) The changes made to this Section made by this
25 amendatory Act of the 95th General Assembly apply to contracts
26 first offered on or after its effective date.

1 (30 ILCS 500/50-38 new)

2 Sec. 50-38. Disclosure of political contributions.

3 (a) All offers from responsive bidders or offerors with an
4 annual value of more than \$10,000 shall be accompanied by a
5 notification of receipt of the disclosure of political
6 contributions report, as identified in Section 9-15 of the
7 Election Code, of the contractor, bidder, or proposer as
8 provided in this Section. The appropriate chief procurement
9 officer shall notify the State Board of Elections after an
10 award has been made and request a copy of the disclosure of
11 political contributions report for each successful bidder or
12 offeror. The disclosure of political contributions report of
13 each successful bidder or offeror shall become part of the
14 publicly available contract or procurement file maintained by
15 the appropriate chief procurement officer and shall also be
16 filed with the Comptroller as part of the filing required
17 pursuant to Section 20-80 of this Code.

18 (b) The disclosure of political contributions report by the
19 responsive bidders or offerors shall include at least the names
20 and addresses of the contributors and the dollar amounts of any
21 contributions to the officeholder or candidate for the office
22 responsible for awarding the contract or to any political
23 committees established to promote the candidacy of such
24 officeholder or candidate for that office made within the
25 previous 2 years by the responsive bidders or offerors and any

1 affiliated persons or entities.

2 (c) As used in this Section:

3 "Contribution" means contribution as defined in Section
4 9-1.4 of the Election Code.

5 "Officeholder" means the Governor, Lieutenant Governor,
6 Attorney General, Secretary of State, Comptroller, or
7 Treasurer. The Governor shall be considered the officeholder
8 responsible for awarding all contracts by all officers and
9 employees of, and vendors and others doing business with,
10 executive branch State agencies under the jurisdiction of the
11 Executive Ethics Commission and not within the jurisdiction of
12 the Attorney General, the Secretary of State, the Comptroller,
13 or the Treasurer.

14 "Sponsoring entity" means sponsoring entity as defined in
15 Section 9-3 of the Election Code.

16 "Affiliated person" means (i) any person with any ownership
17 interest or distributive share of the bidding or contracting
18 entity in excess of 5%, or any person with any ownership
19 interest or distributive share in excess of 5% in any entity
20 that provides legal, professional, consulting, or other
21 services, or subcontracts with the bidding or contracting
22 entity and has or will receive a fee or payment from the
23 bidding or contracting entity related to the award to, or
24 performance of the contract by, the bidding or contracting
25 entity; (ii) executive employees of the bidding or contracting
26 entity, or executive employees of any entity that provides

1 legal, professional, consulting, or other services, or
2 subcontracts with the bidding or contracting entity that has or
3 will receive a fee or payment from the bidding or contracting
4 entity related to the award to, or performance of the contract
5 by, the bidding or contracting entity; and (iii) the spouse and
6 minor children of any such persons.

7 "Affiliated entity" means (i) any subsidiary of the bidding
8 or contracting entity; (ii) any member of the same unitary
9 business group; (iii) any entity that provides legal,
10 professional, consulting, or other services, or subcontracts
11 with the bidding or contracting entity that has or will receive
12 a fee or payment from the bidding or contracting entity related
13 to the award to, or the performance of the contract by, the
14 bidding or contracting entity; (iv) any political committee for
15 which the bidding or contracting entity is the sponsoring
16 entity.

17 "Executive employee" means the chairman of the board,
18 president, vice president, secretary, treasurer, or other
19 person holding an executive office.

20 (d) Pursuant to Section 9 of the State Comptroller Act, the
21 Comptroller may refuse to draw a warrant for payment on any
22 voucher based on the obligation of any contract if the
23 disclosures required by this Section are not filed with the
24 Comptroller.

25 (e) Notwithstanding subsection (b), contributions to any
26 candidate that in the aggregate do not exceed \$500 within the

1 previous 2 years do not need to be disclosed.

2 (f) Any business whose contracts with State agencies, in
3 the aggregate, annually total more than \$25,000 is prohibited
4 from making any contributions to the officeholder or candidate
5 for the office responsible for awarding the contracts or to any
6 political committees established to promote the candidacy of
7 that officeholder or candidate for that office. This
8 prohibition shall be effective for the current term of office
9 of the incumbent awarding the contracts or for a period of 2
10 years following the conclusion of the contracts, whichever is
11 longer. This prohibition shall also apply to contributions from
12 any affiliated persons or entities.

13 (f-5) During the period beginning on the date the
14 invitation for bids or request for proposals is issued and
15 ending on the day after the date the contract is awarded, any
16 business whose aggregate pending bids and proposals on State
17 contracts total more than \$25,000, or whose aggregate pending
18 bids and proposals on State contracts combined with the
19 business' aggregate annual total value of State contracts
20 exceed \$25,000, is prohibited from making any contributions to
21 the officeholder or candidate for the office responsible for
22 awarding the contract on which the business has submitted a bid
23 or proposal, or to any political committee established to
24 promote the candidacy of that officeholder or candidate for
25 that office. This prohibition shall also apply to contributions
26 from any affiliated persons or entities.

1 (g) All contracts between State agencies and a business
2 that violates subsection (f) or (f-5) shall be voidable under
3 Section 50-60.

4 If a business violates subsection (f) 3 or more times
5 within a 36-month period, then all contracts between State
6 agencies and that business shall be void, and that business
7 shall not bid or respond to any invitation to bid or request
8 for proposals from any State agency or otherwise enter into any
9 contract with any State agency for 3 years from the date of the
10 last violation.

11 A notice of each violation and the penalty imposed shall be
12 published in both the Procurement Bulletin and the Illinois
13 Register.

14 (h) Any political committee that has received a
15 contribution in violation of subsection (f) or (f-5) shall pay
16 an amount equal to the value of the contribution to the State
17 no more than 30 days after notice of the violation concerning
18 the contribution appears in the Illinois Register. Payments
19 received by the State pursuant to this subsection shall be
20 deposited into the general revenue fund.

21 Section 35. The Illinois Pension Code is amended by
22 changing Sections 1-101.2, 1-101.4, 1-109.1, 1-110, 1-113.5,
23 1-113.12, 1A-113, 22A-108.1, and 22A-111 and by adding Sections
24 1-125, 1-130, 1-135, and 1-140 as follows:

1 (40 ILCS 5/1-101.2)

2 Sec. 1-101.2. Fiduciary. A person is a "fiduciary" with
3 respect to a pension fund or retirement system established
4 under this Code to the extent that the person:

5 (1) exercises any discretionary authority or
6 discretionary control respecting management of the pension
7 fund or retirement system, or exercises any authority or
8 control respecting management or disposition of its
9 assets;

10 (2) renders investment advice, or advice with respect
11 to the selection of other fiduciaries, for a fee or other
12 compensation, direct or indirect, with respect to any
13 moneys or other property of the pension fund or retirement
14 system, or has any authority or responsibility to do so; or

15 (3) has any discretionary authority or discretionary
16 responsibility in the administration of the pension fund or
17 retirement system.

18 (Source: P.A. 90-507, eff. 8-22-97.)

19 (40 ILCS 5/1-101.4)

20 Sec. 1-101.4. Investment adviser. A person is an
21 "investment adviser", "investment advisor", or "investment
22 manager" with respect to a pension fund or retirement system
23 established under this Code if the ~~the~~ person:

24 (1) is a fiduciary appointed by the board of trustees
25 of the pension fund or retirement system in accordance with

1 Section 1-109.1;

2 (2) has the power to manage, acquire, or dispose of any
3 asset of the retirement system or pension fund;

4 (3) has acknowledged in writing that he or she is a
5 fiduciary with respect to the pension fund or retirement
6 system; and

7 (4) is at least one of the following: (i) registered as
8 an investment adviser under the federal Investment
9 Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.); (ii)
10 registered as an investment adviser under the Illinois
11 Securities Law of 1953; (iii) a bank, as defined in the
12 Investment Advisers Act of 1940; or (iv) an insurance
13 company authorized to transact business in this State.

14 (Source: P.A. 90-507, eff. 8-22-97.)

15 (40 ILCS 5/1-109.1) (from Ch. 108 1/2, par. 1-109.1)

16 Sec. 1-109.1. Allocation and Delegation of Fiduciary
17 Duties.

18 (1) Subject to the provisions of Section 22A-113 of this
19 Code and subsections (2) and (3) of this Section, the board of
20 trustees of a retirement system or pension fund established
21 under this Code may:

22 (a) Appoint one or more investment managers as
23 fiduciaries to manage (including the power to acquire and
24 dispose of) any assets of the retirement system or pension
25 fund; and

1 (b) Allocate duties among themselves and designate
2 others as fiduciaries to carry out specific fiduciary
3 activities other than the management of the assets of the
4 retirement system or pension fund.

5 (2) The board of trustees of a pension fund established
6 under Article 5, 6, 8, 9, 10, 11, 12 or 17 of this Code may not
7 transfer its investment authority, nor transfer the assets of
8 the fund to any other person or entity for the purpose of
9 consolidating or merging its assets and management with any
10 other pension fund or public investment authority, unless the
11 board resolution authorizing such transfer is submitted for
12 approval to the contributors and pensioners of the fund at
13 elections held not less than 30 days after the adoption of such
14 resolution by the board, and such resolution is approved by a
15 majority of the votes cast on the question in both the
16 contributors election and the pensioners election. The
17 election procedures and qualifications governing the election
18 of trustees shall govern the submission of resolutions for
19 approval under this paragraph, insofar as they may be made
20 applicable.

21 (3) Pursuant to subsections (h) and (i) of Section 6 of
22 Article VII of the Illinois Constitution, the investment
23 authority of boards of trustees of retirement systems and
24 pension funds established under this Code is declared to be a
25 subject of exclusive State jurisdiction, and the concurrent
26 exercise by a home rule unit of any power affecting such

1 investment authority is hereby specifically denied and
2 preempted.

3 (4) For the purposes of this Code, "emerging investment
4 manager" means a qualified investment adviser that manages an
5 investment portfolio of at least \$10,000,000 but less than
6 \$2,000,000,000 and is a "minority owned business" or "female
7 owned business" as those terms are defined in the Business
8 Enterprise for Minorities, Females, and Persons with
9 Disabilities Act.

10 It is hereby declared to be the public policy of the State
11 of Illinois to encourage the trustees of public employee
12 retirement systems to use emerging investment managers in
13 managing their system's assets to the greatest extent feasible
14 within the bounds of financial and fiduciary prudence, and to
15 take affirmative steps to remove any barriers to the full
16 participation of emerging investment managers in investment
17 opportunities afforded by those retirement systems.

18 On or before July 1, 2007 each system or fund subject to
19 Article 2, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, or 18 of
20 this Code and the Illinois State Board of Investment shall
21 adopt a policy including quantifiable goals for the utilization
22 of emerging investment managers. This policy shall also include
23 quantifiable goals for the management of assets in specific
24 classes by emerging investment managers, including but not
25 limited to: large cap domestic equity, small and medium cap
26 domestic equity, international equity, fixed income

1 investments, and private equity.

2 Each retirement system subject to this Code shall prepare a
3 report to be submitted to the Governor and the General Assembly
4 by September 1 of each year. The report shall identify the
5 emerging investment managers used by the system, the percentage
6 of the system's assets under the investment control of emerging
7 investment managers, and the actions it has undertaken to
8 increase the use of emerging investment managers, including
9 encouraging other investment managers to use emerging
10 investment managers as subcontractors when the opportunity
11 arises.

12 The use of an emerging investment manager does not
13 constitute a transfer of investment authority for the purposes
14 of subsection (2) of this Section.

15 (Source: P.A. 94-471, eff. 8-4-05.)

16 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

17 Sec. 1-110. Prohibited Transactions.

18 (a) A fiduciary with respect to a retirement system or
19 pension fund shall not cause the retirement system or pension
20 fund to engage in a transaction if he or she knows or should
21 know that such transaction constitutes a direct or indirect:

22 (1) Sale or exchange, or leasing of any property from
23 the retirement system or pension fund to a party in
24 interest for less than adequate consideration, or from a
25 party in interest to a retirement system or pension fund

1 for more than adequate consideration.

2 (2) Lending of money or other extension of credit from
3 the retirement system or pension fund to a party in
4 interest without the receipt of adequate security and a
5 reasonable rate of interest, or from a party in interest to
6 a retirement system or pension fund with the provision of
7 excessive security or an unreasonably high rate of
8 interest.

9 (3) Furnishing of goods, services or facilities from
10 the retirement system or pension fund to a party in
11 interest for less than adequate consideration, or from a
12 party in interest to a retirement system or pension fund
13 for more than adequate consideration.

14 (4) Transfer to, or use by or for the benefit of, a
15 party in interest of any assets of a retirement system or
16 pension fund for less than adequate consideration.

17 (b) A fiduciary with respect to a retirement system or
18 pension fund established under this Code shall not:

19 (1) Deal with the assets of the retirement system or
20 pension fund in his own interest or for his own account;

21 (2) In his individual or any other capacity act in any
22 transaction involving the retirement system or pension
23 fund on behalf of a party whose interests are adverse to
24 the interests of the retirement system or pension fund or
25 the interests of its participants or beneficiaries; or

26 (3) Receive any consideration for his own personal

1 account from any party dealing with the retirement system
2 or pension fund in connection with a transaction involving
3 the assets of the retirement system or pension fund.

4 (c) Nothing in this Section shall be construed to prohibit
5 any trustee from:

6 (1) Receiving any benefit to which he may be entitled
7 as a participant or beneficiary in the retirement system or
8 pension fund.

9 (2) Receiving any reimbursement of expenses properly
10 and actually incurred in the performance of his duties with
11 the retirement system or pension fund.

12 (3) Serving as a trustee in addition to being an
13 officer, employee, agent or other representative of a party
14 in interest.

15 (d) A fiduciary with respect to a retirement system or
16 pension fund shall not knowingly cause or advise the retirement
17 system or pension fund to engage in an investment transaction
18 when the fiduciary (i) has any direct interest in the income,
19 gains, or profits of the investment advisor through which the
20 investment transaction is made or (ii) has a business
21 relationship with that investment advisor that would result in
22 a pecuniary benefit to the fiduciary as a result of the
23 investment transaction.

24 Whoever violates the provisions of this subsection (d) is
25 guilty of a Class 3 felony.

26 (Source: P.A. 88-535.)

1 (40 ILCS 5/1-113.5)

2 Sec. 1-113.5. Investment advisers; consultants; and
3 investment services.

4 (a) The board of trustees of a pension fund or retirement
5 system may appoint investment advisers as defined in Section
6 1-101.4. The board of any pension fund investing in common or
7 preferred stock under Section 1-113.4 shall appoint an
8 investment adviser before making such investments.

9 The investment adviser shall be a fiduciary, as defined in
10 Section 1-101.2, with respect to the pension fund or retirement
11 system and shall be one of the following:

12 (1) an investment adviser registered under the federal
13 Investment Advisers Act of 1940 and the Illinois Securities
14 Law of 1953;

15 (2) a bank or trust company authorized to conduct a
16 trust business in Illinois;

17 (3) a life insurance company authorized to transact
18 business in Illinois; or

19 (4) an investment company as defined and registered
20 under the federal Investment Company Act of 1940 and
21 registered under the Illinois Securities Law of 1953.

22 (a-5) Notwithstanding any other provision of law, a person
23 or entity that provides consulting services (referred to as a
24 "consultant" in this Section) to a pension fund or retirement
25 system with respect to the selection of fiduciaries may not be

1 awarded a contract to provide those consulting services that is
2 more than 5 years in duration. No contract to provide such
3 consulting services may be renewed or extended. At the end of
4 the term of a contract, however, the contractor is eligible to
5 compete for a new contract as provided in subsection (a-10). No
6 pension fund, retirement system, or consultant shall attempt to
7 avoid or contravene the restrictions of this subsection by any
8 means.

9 (a-10) For the board of trustees of a pension fund or
10 retirement system created under Article 2, 14, 15, 16, or 18,
11 the selection and appointment of a consultant, and the
12 contracting for investment services from a consultant,
13 constitute procurements of professional and artistic services
14 under the Illinois Procurement Code that must be made and
15 awarded in accordance with and through the use of the method of
16 selection required by Article 35 of that Code. For the board of
17 trustees of a pension fund or retirement system created under
18 any other Article of this Code, the selection and appointment
19 of a consultant, and the contracting for investment services by
20 a consultant, constitute procurements that must be made and
21 awarded in a manner substantially similar to the method of
22 selection required for the procurement of professional and
23 artistic services under Article 35 of the Illinois Procurement
24 Code. All offers from responsive offerors shall be accompanied
25 by disclosure of the names and addresses of the following:

26 (1) The offeror.

1 (2) Any entity that is a parent of, or owns a
2 controlling interest in, the offeror.

3 (3) Any entity that is a subsidiary of, or in which a
4 controlling interest is owned by, the offeror.

5 (4) The offeror's key persons.

6 "Key persons" means any persons who (i) have an ownership
7 or distributive income share in the offeror that is in excess
8 of 5%, or an amount greater than 60% of the annual salary of
9 the Governor, or (ii) serve as executive officers of the
10 offeror.

11 Beginning on July 1, 2007, a person, other than a trustee
12 or an employee of a pension fund or retirement system, may not
13 act as a consultant under this Section unless that person is at
14 least one of the following: (i) registered as an investment
15 adviser under the federal Investment Advisers Act of 1940 (15
16 U.S.C. 80b-1, et seq.); (ii) registered as an investment
17 adviser under the Illinois Securities Law of 1953; (iii) a
18 bank, as defined in the Investment Advisers Act of 1940; or
19 (iv) an insurance company authorized to transact business in
20 this State.

21 (b) All investment advice and services provided by an
22 investment adviser or a consultant appointed under this Section
23 shall be (i) rendered pursuant to a written contract between
24 the investment adviser or consultant and the board, awarded as
25 provided in subsection (a-10), and (ii) in accordance with the
26 board's investment policy.

1 The contract shall include all of the following:

2 (1) acknowledgement in writing by the investment
3 adviser or consultant that he or she is a fiduciary with
4 respect to the pension fund or retirement system;

5 (2) the board's investment policy;

6 (3) full disclosure of direct and indirect fees,
7 commissions, penalties, and any other compensation that
8 may be received by the investment adviser or consultant,
9 including reimbursement for expenses; and

10 (4) a requirement that the investment adviser or
11 consultant submit periodic written reports, on at least a
12 quarterly basis, for the board's review at its regularly
13 scheduled meetings. All returns on investment shall be
14 reported as net returns after payment of all fees,
15 commissions, and any other compensation.

16 (b-5) Each contract described in subsection (b) shall also
17 include (i) full disclosure of direct and indirect fees,
18 commissions, penalties, and other compensation, including
19 reimbursement for expenses, that may be paid by or on behalf of
20 the investment adviser or consultant in connection with the
21 provision of services to the pension fund or retirement system
22 and (ii) a requirement that the investment adviser or
23 consultant update the disclosure promptly after a modification
24 of those payments or an additional payment.

25 Within 30 days after the effective date of this amendatory
26 Act of the 95th General Assembly, each investment adviser and

1 consultant currently providing services or subject to an
2 existing contract for the provision of services must disclose
3 to the board of trustees all direct and indirect fees,
4 commissions, penalties, and other compensation paid by or on
5 behalf of the investment adviser or consultant in connection
6 with the provision of those services and shall update that
7 disclosure promptly after a modification of those payments or
8 an additional payment.

9 A person required to make a disclosure under subsection (d)
10 is also required to disclose direct and indirect fees,
11 commissions, penalties, or other compensation that shall or may
12 be paid by or on behalf of the person in connection with the
13 rendering of those services. The person shall update the
14 disclosure promptly after a modification of those payments or
15 an additional payment.

16 The disclosures required by this subsection shall be in
17 writing and shall include the date and amount of each payment
18 and the name and address of each recipient of a payment.

19 (c) Within 30 days after appointing an investment adviser
20 or consultant, the board shall submit a copy of the contract to
21 the Division Department of Insurance of the Department of
22 Financial and Professional Regulation.

23 (d) Investment services provided by a person other than an
24 investment adviser appointed under this Section, including but
25 not limited to services provided by the kinds of persons listed
26 in items (1) through (4) of subsection (a), shall be rendered

1 only after full written disclosure of direct and indirect fees,
2 commissions, penalties, and any other compensation that shall
3 or may be received by the person rendering those services.

4 (e) The board of trustees of each pension fund or
5 retirement system shall retain records of investment
6 transactions in accordance with the rules of the Department of
7 Financial and Professional Regulation Insurance.

8 (f) This subsection applies to the board of trustees of a
9 pension fund or retirement system created under Article 2, 14,
10 15, 16, or 18. Notwithstanding any other provision of law, a
11 board of trustees shall comply with the Business Enterprise for
12 Minorities, Females, and Persons with Disabilities Act. The
13 board of trustees shall post upon its website the percentage of
14 its contracts awarded under this Section currently and during
15 the preceding 5 fiscal years that were awarded to "minority
16 owned businesses", "female owned businesses", and "businesses
17 owned by a person with a disability", as those terms are
18 defined in the Business Enterprise for Minorities, Females, and
19 Persons with Disabilities Act.

20 (g) This Section is a denial and limitation of home rule
21 powers and functions in accordance with subsection (i) of
22 Section 6 of Article VII of the Illinois Constitution. A home
23 rule unit may not regulate investment adviser and consultant
24 contracts in a manner that is less restrictive than the
25 provisions of this Section.

26 (Source: P.A. 90-507, eff. 8-22-97.)

1 (40 ILCS 5/1-113.12)

2 Sec. 1-113.12. Application. Sections 1-113.1 through
3 1-113.10 apply only to pension funds established under Article
4 3 or 4 of this Code, except that Section 1-113.5 applies to all
5 pension funds and retirement systems established under this
6 Code.

7 (Source: P.A. 90-507, eff. 8-22-97.)

8 (40 ILCS 5/1-125 new)

9 Sec. 1-125. No monetary gain on investments. No trustee or
10 employee of the board of any retirement system or pension fund
11 or of the Illinois State Board of Investment shall have any
12 direct interest in the income, gains, or profits of any
13 investments made in behalf of the retirement system or pension
14 fund or of the Illinois State Board of Investment, nor receive
15 any pay or emolument for services in connection with any
16 investment. No trustee or employee of the board of any
17 retirement system or pension fund or the Illinois State Board
18 of Investment shall become an endorser or surety, or in any
19 manner an obligor for money loaned or borrowed from the
20 retirement system or pension fund or the Illinois State Board
21 of Investment. Whoever violates any of the provisions of this
22 Section is guilty of a Class 3 felony.

23 (40 ILCS 5/1-130 new)

1 Sec. 1-130. Fraud. Any person who knowingly makes any false
2 statement, or falsifies or permits to be falsified any record
3 of a retirement system or pension fund or of the Illinois State
4 Board of Investment, in an attempt to defraud the retirement
5 system or pension fund or the Illinois State Board of
6 Investment, is guilty of a Class 3 felony.

7 (40 ILCS 5/1-135 new)

8 Sec. 1-135. Prohibition on gifts.

9 (a) For the purposes of this Section:

10 (1) "Board" means (i) the board of trustees of a
11 pension fund or retirement system created under this Code
12 or (ii) the Illinois State Board of Investment created
13 under Article 22A of this Code.

14 (2) "Gift" means a gift as defined in Section 1-5 of
15 the State Officials and Employees Ethics Act.

16 (3) "Prohibited source" is a person or entity who:

17 (i) is seeking official action (A) by the board,
18 (B) by a board member, or (C) in the case of a board
19 employee, by the employee, the board, a board member,
20 or another employee directing the employee;

21 (ii) does business or seeks to do business (A) with
22 the board, (B) with a board member, or (C) in the case
23 of a board employee, with the employee, the board, a
24 board member, or another employee directing the
25 employee;

1 (iii) has interests that may be substantially
2 affected by the performance or non-performance of the
3 official duties of the board member or employee; or

4 (iv) is registered or required to be registered
5 with the Secretary of State under the Lobbyist
6 Registration Act, except that an entity not otherwise a
7 prohibited source does not become a prohibited source
8 merely because a registered lobbyist is one of its
9 members or serves on its board of directors.

10 (b) No board member or employee shall solicit or accept any
11 gift from a prohibited source or from an officer, agent, or
12 employee of a prohibited source. No prohibited source or
13 officer, agent, or employee of a prohibited source shall offer
14 to a board member or employee any gift.

15 (c) Violation of this Section is a Class A misdemeanor.

16 (40 ILCS 5/1-140 new)

17 Sec. 1-140. Contingent fees. No person shall retain or
18 employ another to attempt to influence the outcome of an
19 investment decision of or the procurement of investment advice
20 or services by a board of a pension fund or retirement system
21 or the Illinois State Board of Investment for compensation
22 contingent in whole or in part upon the decision or
23 procurement, and no person shall accept any such retainer or
24 employment for compensation contingent in whole or in part upon
25 the decision or procurement. Any person who violates this

1 Section is guilty of a business offense and shall be fined not
2 more than \$10,000. In addition, any person convicted of a
3 violation of this Section is prohibited for a period of 3 years
4 from conducting such activities.

5 (40 ILCS 5/1A-113)

6 Sec. 1A-113. Penalties.

7 (a) A pension fund that fails, without just cause, to file
8 its annual statement within the time prescribed under Section
9 1A-109 shall pay to the Department a penalty to be determined
10 by the Department, which shall not exceed \$100 for each day's
11 delay.

12 (b) A pension fund that fails, without just cause, to file
13 its actuarial statement within the time prescribed under
14 Section 1A-110 or 1A-111 shall pay to the Department a penalty
15 to be determined by the Department, which shall not exceed \$100
16 for each day's delay.

17 (c) A pension fund that fails to pay a fee within the time
18 prescribed under Section 1A-112 shall pay to the Department a
19 penalty of 5% of the amount of the fee for each month or part of
20 a month that the fee is late. The entire penalty shall not
21 exceed 25% of the fee due.

22 (d) This subsection applies to any governmental unit, as
23 defined in Section 1A-102, that is subject to any law
24 establishing a pension fund or retirement system for the
25 benefit of employees of the governmental unit.

1 Whenever the Division determines by examination,
2 investigation, or in any other manner that the governing body
3 or any elected or appointed officer or official of a
4 governmental unit has failed to comply with any provision of
5 that law:

6 (1) The Director shall notify in writing the governing
7 body, officer, or official of the specific provision or
8 provisions of the law with which the person has failed to
9 comply.

10 (2) Upon receipt of the notice, the person notified
11 shall take immediate steps to comply with the provisions of
12 law specified in the notice.

13 (3) If the person notified fails to comply within a
14 reasonable time after receiving the notice, the Director
15 may hold a hearing at which the person notified may show
16 cause for noncompliance with the law.

17 (4) If upon hearing the Director determines that good
18 and sufficient cause for noncompliance has not been shown,
19 the Director may order the person to submit evidence of
20 compliance within a specified period of not less than 30
21 days.

22 (5) If evidence of compliance has not been submitted to
23 the Director within the period of time prescribed in the
24 order and no administrative appeal from the order has been
25 initiated, the Director may assess a civil penalty of up to
26 \$2,000 against the governing body, officer, or official for

1 each noncompliance with an order of the Director.

2 The Director shall develop by rule, with as much
3 specificity as practicable, the standards and criteria to be
4 used in assessing penalties and their amounts. The standards
5 and criteria shall include, but need not be limited to,
6 consideration of evidence of efforts made in good faith to
7 comply with applicable legal requirements. This rulemaking is
8 subject to the provisions of the Illinois Administrative
9 Procedure Act.

10 If a penalty is not paid within 30 days of the date of
11 assessment, the Director without further notice shall report
12 the act of noncompliance to the Attorney General of this State.
13 It shall be the duty of the Attorney General or, if the
14 Attorney General so designates, the State's Attorney of the
15 county in which the governmental unit is located to apply
16 promptly by complaint on relation of the Director of Insurance
17 in the name of the people of the State of Illinois, as
18 plaintiff, to the circuit court of the county in which the
19 governmental unit is located for enforcement of the penalty
20 prescribed in this subsection or for such additional relief as
21 the nature of the case and the interest of the employees of the
22 governmental unit or the public may require.

23 (e) Whoever knowingly makes a false certificate, entry, or
24 memorandum upon any of the books or papers pertaining to any
25 pension fund or upon any statement, report, or exhibit filed or
26 offered for file with the Division or the Director of Insurance

1 in the course of any examination, inquiry, or investigation,
2 with intent to deceive the Director, the Division, or any of
3 its employees is guilty of a Class 3 felony ~~A misdemeanor~~.

4 (Source: P.A. 90-507, eff. 8-22-97.)

5 (40 ILCS 5/22A-108.1) (from Ch. 108 1/2, par. 22A-108.1)

6 Sec. 22A-108.1. Investment Advisor: Any person or business
7 entity which provides investment advice to the ~~the~~ Board on a
8 personalized basis and with an understanding of the policies
9 and goals of the Board. "Investment Advisor" shall not include
10 any person or business entity which provides statistical or
11 general market research data available for purchase or use by
12 others.

13 (Source: P.A. 79-1171.)

14 (40 ILCS 5/22A-111) (from Ch. 108 1/2, par. 22A-111)

15 Sec. 22A-111. Duties and responsibilities.

16 (a) The Board shall manage the investments of any pension
17 fund, retirement system or education fund for the purpose of
18 obtaining a total return on investments for the long term. It
19 also shall perform such other functions as may be assigned or
20 directed by the General Assembly.

21 (b) The authority of the board to manage pension fund
22 investments and the liability shall begin when there has been a
23 physical transfer of the pension fund investments to the board
24 and placed in the custody of the State Treasurer.

1 (c) The authority of the board to manage monies from the
2 education fund for investment and the liability of the board
3 shall begin when there has been a physical transfer of
4 education fund investments to the board and placed in the
5 custody of the State Treasurer.

6 (d) The board may not delegate its management functions but
7 it may arrange to compensate for personalized investment
8 advisory service for any or all investments under its control,
9 with any national or state bank or trust company authorized to
10 do a trust business and domiciled in Illinois, or other
11 financial institution organized under the laws of Illinois, or
12 an investment advisor who is qualified under Federal Investment
13 Advisors Act of 1940 and is registered under the Illinois
14 Securities Law of 1953. Nothing contained herein shall prevent
15 the Board from subscribing to general investment research
16 services available for purchase or use by others. The Board
17 shall also have the authority to compensate for accounting
18 services.

19 (e) Notwithstanding any other provision of law, a person or
20 entity that provides consulting services (referred to as a
21 "consultant" in this Section) to the board with respect to the
22 selection of fiduciaries may not be awarded a contract to
23 provide those consulting services that is more than 5 years in
24 duration. No contract to provide such consulting services may
25 be renewed or extended. At the end of the term of a contract,
26 however, the contractor is eligible to compete for a new

1 contract as provided in subsection (f). Neither the board nor a
2 consultant shall attempt to avoid or contravene the
3 restrictions of this subsection by any means.

4 (f) The selection of a consultant, and the contracting for
5 investment services from a consultant, constitute procurements
6 of professional and artistic services under the Illinois
7 Procurement Code that must be made and awarded in accordance
8 with and through the use of the method of selection required by
9 Article 35 of that Code. All offers from responsive offerors
10 shall be accompanied by disclosure of the names and addresses
11 of the following:

12 (1) The offeror.

13 (2) Any entity that is a parent of, or owns a
14 controlling interest in, the offeror.

15 (3) Any entity that is a subsidiary of, or in which a
16 controlling interest is owned by, the offeror.

17 (4) The offeror's key persons.

18 "Key persons" means any persons who (i) have an ownership
19 or distributive income share in the offeror that is in excess
20 of 5%, or an amount greater than 60% of the annual salary of
21 the Governor, or (ii) serve as executive officers of the
22 offeror.

23 Beginning on July 1, 2007, a person, other than a trustee
24 or an employee of the board, may not act as a consultant under
25 this Section unless that person is at least one of the
26 following: (i) registered as an investment adviser under the

1 federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et
2 seq.); (ii) registered as an investment adviser under the
3 Illinois Securities Law of 1953; (iii) a bank, as defined in
4 the Investment Advisers Act of 1940; or (iv) an insurance
5 company authorized to transact business in this State.

6 In addition to any other requirement, each contract between
7 the Board and an investment advisor or consultant shall include
8 (i) full disclosure of direct and indirect fees, commissions,
9 penalties, and other compensation, including reimbursement for
10 expenses, that may be paid by or on behalf of the investment
11 advisor or consultant in connection with the provision of
12 services to the pension fund or retirement system and (ii) a
13 requirement that the investment advisor or consultant update
14 the disclosure promptly after a modification of those payments
15 or an additional payment.

16 Within 30 days after the effective date of this amendatory
17 Act of the 95th General Assembly, each investment advisor and
18 consultant currently providing services or subject to an
19 existing contract for the provision of services must disclose
20 to the Board all direct and indirect fees, commissions,
21 penalties, and other compensation paid by or on behalf of the
22 investment advisor or consultant in connection with the
23 provision of those services and shall update that disclosure
24 promptly after a modification of those payments or an
25 additional payment.

26 The disclosures required by this subsection shall be in

1 writing and shall include the date and amount of each payment
2 and the name and address of each recipient of a payment.

3 Notwithstanding any other provision of law, the Board shall
4 comply with the Business Enterprise for Minorities, Females,
5 and Persons with Disabilities Act. The Board shall post upon
6 its website the percentage of its contracts awarded under this
7 subsection currently and during the preceding 5 fiscal years
8 that were awarded to "minority owned businesses", "female owned
9 businesses", and "businesses owned by a person with a
10 disability", as those terms are defined in the Business
11 Enterprise for Minorities, Females, and Persons with
12 Disabilities Act.

13 (Source: P.A. 84-1127.)

14 (40 ILCS 5/2-152 rep.)

15 (40 ILCS 5/2-155 rep.)

16 (40 ILCS 5/12-190.3 rep.)

17 (40 ILCS 5/13-806 rep.)

18 (40 ILCS 5/14-148 rep.)

19 (40 ILCS 5/15-186 rep.)

20 (40 ILCS 5/15-189 rep.)

21 (40 ILCS 5/16-191 rep.)

22 (40 ILCS 5/16-198 rep.)

23 (40 ILCS 5/18-159 rep.)

24 (40 ILCS 5/18-162 rep.)

25 Section 40. The Illinois Pension Code is amended by

1 repealing Sections 2-152, 2-155, 12-190.3, 13-806, 14-148,
2 15-186, 15-189, 16-191, 16-198, 18-159, and 18-162.

3 Section 90. The State Mandates Act is amended by adding
4 Section 8.31 as follows:

5 (30 ILCS 805/8.31 new)

6 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
7 of this Act, no reimbursement by the State is required for the
8 implementation of any mandate created by this amendatory Act of
9 the 95th General Assembly.

10 Section 98. Severability. The provisions of this Act are
11 severable under Section 1.31 of the Statute on Statutes.

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