Sen. Javier L. Cervantes

Filed: 5/15/2026

AMENDMENT TO HOUSE BILL 4728

AMENDMENT NO. ______. Amend House Bill 4728 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Health Facilities Planning Act is amended by adding Section 5.7 as follows:

(20 ILCS 3960/5.7 new)

Sec. 5.7. Developmental disability facility ownership disclosures.

(a) This Section applies to the following entities and facilities:

(1) providers of adult developmental training services required to be licensed under the Mental Health and Developmental Disabilities Administrative Act;

(2) community living facilities required to be licensed under the Community Living Facilities Licensing Act;

(3) facilities required to be licensed under the MC/DD Act;

(4) facilities required to be licensed under the ID/DD Community Care Act;

(5) community developmental services agencies required to be licensed under the Community-Integrated Living Arrangements Licensure and Certification Act; and

(6) institutions and group homes for children required to be licensed under the Child Care Act of 1969.

(b) As used in this Section:

"Asset management company" means any business primarily engaged in managing and investing client funds in assets, including, but not limited to, securities, equities, stocks, bonds, real estate, investment funds, mutual funds, exchange-traded funds, hedge funds, private equity funds, and venture capital.

"Financially distressed" means any time at which an entity subject to this Section, its subsidiaries, its affiliates, its parent companies, or any contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies are owned, managed, or contained within a fund that is owned or managed by an asset management company and:

(1) fail to timely meet payroll obligations for a period of more than 90 days;

(2) initiate dissolution or close;

(3) are behind on rent payments for a period of more than 90 days;

(4) have defaulted on a loan for a period of more than 90 days;

(5) are the subject of either (i) an order for relief under Title 11 of the United States Code on behalf of the facility, its subsidiaries, its its affiliates, its parent companies, or contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies or (ii) the commencement of any other insolvency proceeding;

(6) have their ratio of total liabilities to earnings before interest, taxes, depreciation, and amortization (EBITDA) either:

(A) increase over 4 consecutive quarters to a debt-to-EBITDA ratio greater than 4; or

(B) experience an increase over 3 consecutive quarters if its initial debt-to-EBITDA ratio was greater than 4.

(c)(1) Each entity subject to this Section shall, upon the effective date of this amendatory Act of the 104th General Assembly and upon application for initial licensure or certification under its respective regulatory Act thereafter, certify to the Board, on a form provided by the Board, whether the entity, its subsidiaries, its affiliates, its parent companies, or any contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies are owned, managed, or contained within a fund owned or managed by an asset management company. Additionally, each entity subject to this Section that is subject to a pending transaction that would result in the entity, its subsidiaries, its affiliates, its parent companies, or any contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies being owned, managed, or contained within a fund owned or managed by an asset management company, must notify the Board of the transaction not less than 90 days prior to the transaction taking effect.

(2) Each entity subject to this Section, its subsidiaries, its affiliates, its parent companies, or any contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies that are owned, managed, or contained within a fund owned or managed by an asset management company shall be required to disclose, on a quarterly basis and on forms prescribed by the Board: (i) the name of the asset management company, the address of its headquarters, relevant general partners, portfolio or fund managers, or board members or directors administering, managing, or overseeing the entity, and the name of the fund, where applicable; (ii) the size of the asset management company's assets under management; (iii) individuals and institutions with interests in the entity, its subsidiaries,

its affiliates, its parent companies, contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies, and the fund containing the same; (iv) total liabilities held, individually, by the entity, its subsidiaries, its affiliates, its parent companies, and contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies; (v) the quarterly EBITDA, individually, of the entity, its subsidiaries, its affiliates, its parent companies, and contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies; (vi) fees and payments, and rates for the same, collected by the asset management company, its subsidiaries, its affiliates, its parent companies, partners, contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies for goods or services provided to the entity, its subsidiaries, its affiliates, its parent companies, contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies, and the fund containing the same; and (vii) the number of full-time and part-time employees and contractors, grouped by job classification, employed or under contract with the entity, its subsidiaries, its affiliates, its parent companies, contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies and, where applicable, labor organizations representing the same.

(3) Entities subject to this Section that are owned, managed, or contained within a fund owned or managed by an asset management company, shall, not less than 90 days prior to entering into the transaction or agreement, provide the Board with written notice of transactions, and copies of agreements, that would (i) sell, transfer, lease, exchange, option, encumber, convey, or otherwise dispose of a material amount of the assets of the entity, its subsidiaries, its affiliates, its parent companies, or contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies, to one or more entities or (ii) transfer control, responsibility, or governance of a material amount of the assets or operations of the entity, its subsidiaries, its affiliates, its parent companies, or contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies, to one or more entities. The actions subject to this subsection include, but are not limited to, issuing debt-funded dividends, paying management fees or similar fees or costs, and issuing dividends.

(4) An entity subject to this Section that is owned, managed, or contained within a fund owned or managed by an asset management company, its parent companies, or an asset management company that owns or manages the provider, its subsidiaries, affiliated entities, parent companies,

contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies, or a fund containing the same, when providing notice to the Board as required under paragraph (3) shall certify to the Board that the transaction or agreement will not cause the entity, its subsidiaries, affiliated entities, parent companies, contractual service providers under control of the entity, its subsidiaries, its affiliates, or its parent companies, or the fund containing the same, to become financially distressed.

(d) The Board shall publish disclosures, written notices, and copies of agreements submitted in accordance with this Section, upon receipt, on its website for public viewing. The Board shall not assume any liability for any information disclosed or not disclosed by the entity under this Section.

(e) An entity subject to this Section that fails to provide any of the above required information to the Board as required by this Section, or knowingly provides false information, shall be subject to a penalty not to exceed $50,000 per violation plus an additional amount not to exceed $50,000 for each 30-day period, or fraction thereof, that the violation continues.

(f) If an entity subject to this Section is found to have violated the requirements of this Section as provided in subsection (e), the Board shall notify that entity's respective licensing agencies.

Section 99. Effective date. This Act takes effect July 1, 2027.".