



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5268

Introduced 2/9/2024, by Rep. Will Guzzardi

SYNOPSIS AS INTRODUCED:

110 ILCS 305/180 new

Amends the University of Illinois Act. Provides that the Board of Trustees shall direct the University of Illinois Foundation, in accordance with sound investment criteria and consistent with fiduciary obligations, to not invest the assets of any endowment fund in the stocks, securities, or other obligations of any fossil fuel company or any subsidiary, affiliate, or parent of any fossil fuel company. Provides that this does not preclude the de minimis exposure of any funds held by the endowment fund to the stocks, securities, or other obligations of any fossil fuel company or any subsidiary, affiliate, or parent of any fossil fuel company. Requires the Board of Trustees to direct the University of Illinois Foundation to not invest in any prime commercial paper or corporate bonds issued by a fossil fuel company. Provides that, beginning one year after the effective date of the amendatory Act, the Board of Trustees, subject to an affirmative determination of prudence and in accordance with sound investment criteria and consistent with its fiduciary obligations, shall direct the University of Illinois Foundation to ensure that any endowment fund does not have any indirect investments; defines "indirect investment". Provides that the Board of Trustees shall direct the University of Illinois Foundation to adopt updates to its written investment policies, if necessary, to meet the requirements of these provisions and publish a copy of those updated policies within 90 days after the adoption of the updated policies. Effective immediately.

LRB103 36358 RJT 66457 b

1 AN ACT concerning education.

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

4 Section 5. Findings. The General Assembly finds that:

5 (1) climate change poses a serious threat to the
6 health, wealth, and safety of the people of this State;
7 and

8 (2) continuing to invest in fossil fuel companies is
9 contrary to the mission of the University of Illinois
10 system and as such, the University of Illinois should not
11 invest in these industries through its endowments.

12 Section 10. The University of Illinois Act is amended by
13 adding Section 180 as follows:

14 (110 ILCS 305/180 new)

15 Sec. 180. University of Illinois Foundation; fossil fuel
16 company divestment.

17 (a) In this Section:

18 "Fossil fuel company" means any company that:

19 (1) is among the 200 publicly traded companies with
20 the largest fossil fuel reserves in the world;

21 (2) is among the 30 largest public company owners in
22 the world of coal-fired power plants;

1 (3) has as its core business the construction or
2 operation of fossil fuel infrastructure;

3 (4) has as its core business the exploration,
4 extraction, refining, processing, or distribution of
5 fossil fuels; or

6 (5) receives more than 20% of its gross revenue from
7 companies that are described in paragraph (1), (2), (3),
8 or (4) of this definition.

9 "Indirect investment" means a holding in an investment
10 vehicle that directly or indirectly owns a more than 1%
11 interest in one or more individual fossil fuel companies.

12 (b) The Board of Trustees shall direct the University of
13 Illinois Foundation, in accordance with sound investment
14 criteria and consistent with fiduciary obligations, to not
15 invest the assets of any endowment fund in the stocks,
16 securities, or other obligations of any fossil fuel company or
17 any subsidiary, affiliate, or parent of any fossil fuel
18 company. Nothing in this subsection (b) precludes the de
19 minimis exposure of any funds held by the endowment fund to the
20 stocks, securities, or other obligations of any fossil fuel
21 company or any subsidiary, affiliate, or parent of any fossil
22 fuel company.

23 The Board of Trustees shall direct the University of
24 Illinois Foundation to not invest in any prime commercial
25 paper or corporate bonds issued by a fossil fuel company.

26 (c) Beginning one year after the effective date of this

1 amendatory Act of the 103rd General Assembly, the Board of
2 Trustees, subject to an affirmative determination of prudence
3 and in accordance with sound investment criteria and
4 consistent with its fiduciary obligations, shall direct the
5 University of Illinois Foundation to ensure that any endowment
6 fund does not have any indirect investments.

7 (d) The Board of Trustees shall direct the University of
8 Illinois Foundation to adopt updates to its written investment
9 policies, if necessary, to meet the requirements of this
10 Section and publish a copy of those updated policies within 90
11 days after the adoption of the updated policies.

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