



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB1188

Introduced 2/8/2005, by Rep. Robert S. Molaro

SYNOPSIS AS INTRODUCED:

50 ILCS 5/7-195.2 new

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. Provides that the Board shall have the power and duty to use emerging investment managers, minority-owned investment businesses, female-owned businesses, and businesses owned by persons with disabilities in managing the Fund's assets. Declares that it is the public policy of the State to encourage the use of those managers and businesses. Requires the Fund to submit an annual report to the General Assembly that identifies the emerging investment managers, minority-owned businesses, female-owned businesses, and businesses owned by persons with disabilities used by the Fund, the percentage of the Fund's assets under the control of those managers and businesses, and the actions the Fund has taken to increase the use of those managers and businesses. Effective immediately.

LRB094 04143 AMC 34164 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT in relation to public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by adding
5 Section 7-195.2 as follows:

6 (50 ILCS 5/7-195.2 new)

7 Sec. 7-195.2. To use emerging investment managers,
8 minority-owned businesses, female-owned businesses, and
9 businesses owned by persons with disabilities in managing the
10 Fund's assets.

11 (a) For the purposes of this Section:

12 "Emerging investment manager" means a qualified investment
13 adviser that manages an investment portfolio of at least
14 \$10,000,000 but less than \$500,000,000 and is a minority-owned
15 business, female-owned business, or business owned by a person
16 with a disability, as those terms are defined in this Section.

17 "Minority-owned business" means a business concern that is
18 at least 51% owned by one or more minority persons or, in the
19 case of a corporation, at least 51% of the stock in which is
20 owned by one or more minority persons; and the management and
21 daily business operations of which are controlled by one or
22 more of the minority persons who own it.

23 "Female owned business" means a business concern that is at
24 least 51% owned by one or more females or, in the case of a
25 corporation, at least 51% of the stock in which is owned by one
26 or more females; and the management and daily business
27 operations of which are controlled by one or more of the
28 females who own it.

29 "Business owned by a person with a disability" means a
30 business concern that is at least 51% owned by one or more
31 persons with disabilities and the management and daily business
32 operations of which are controlled by one or more of the

1 persons with disabilities who own it.

2 "Minority person", "female", and "person with a
3 disability" have the meanings given them in the Business
4 Enterprise for Minorities, Females, and Persons with
5 Disabilities Act.

6 (b) It is hereby declared to be the public policy of the
7 State of Illinois to encourage the trustees of the Fund to use
8 emerging investment managers, minority-owned businesses,
9 female-owned businesses, and businesses owned by persons with
10 disabilities in managing the Fund's assets to the greatest
11 extent feasible within the bounds of financial and fiduciary
12 prudence, and to take affirmative steps to remove any barriers
13 to the full participation of emerging investment managers,
14 minority-owned businesses, female-owned businesses, and
15 businesses owned by persons with disabilities in investment
16 opportunities afforded by the Fund.

17 (c) The Fund shall prepare a report to be submitted to the
18 Governor and the General Assembly by September 1 of each year.
19 The report shall identify the emerging investment managers,
20 minority-owned businesses, female-owned businesses, and
21 businesses owned by persons with disabilities used by the Fund,
22 the percentage of the Fund's assets under the investment
23 control of those managers and businesses, and the actions the
24 Fund has undertaken to increase the use of those managers and
25 businesses, including encouraging other investment managers to
26 use emerging investment managers, minority-owned businesses,
27 female-owned businesses, and businesses owned by persons with
28 disabilities as subcontractors when the opportunity arises.

29 (d) With respect to this Fund, this Section supersedes the
30 provisions of subsection (4) of Section 1-109.1 of this Code.

31 Section 99. Effective date. This Act takes effect upon
32 becoming law.