



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4171

Introduced 10/28/05, by Rep. William B. Black - Elizabeth Coulson - Renee Kosel - Robert W. Pritchard - Bill Mitchell

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Governmental Ethics Act, the State Officials and Employees Ethics Act, the Election Code, the Lobbyist Registration Act, the Illinois Procurement Code, the State Property Control Act, and the Illinois Pension Code. Makes changes with respect to the following: statements of economic interests; gifts to State officers and employees; ultimate jurisdictional authorities; ethics training; ethics officers; prohibited political activities; revolving door prohibition; public service announcements; collective bargaining; political campaign contributions; lobbying; emergency procurements; contract disclosures; the Illinois Procurement Bulletin; lease renewals; naming and sponsorship rights relating to State property; and investment advisers, dealers, fiduciaries, and prohibited activities relating to pension funds, retirement systems, and the Illinois State Board of Investment. Effective immediately.

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CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning government.

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

4 Section 3. The Illinois Governmental Ethics Act is amended
5 by changing Sections 4A-101, 4A-102, 4A-106, and 4A-107 as
6 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
17 Illinois Constitution, and candidates for nomination or
18 election to such Commission or Board.

19 (d) Persons whose appointment to office is subject to
20 confirmation by the Senate.

21 (e) Holders of, and candidates for nomination or
22 election to, the office of judge or associate judge of the
23 Circuit Court and the office of judge of the Appellate or
24 Supreme Court.

25 (f) Persons who are employed by any branch, agency,
26 authority or board of the government of this State,
27 including but not limited to, the Illinois State Toll
28 Highway Authority, the Illinois Housing Development
29 Authority, the Illinois Community College Board, and
30 institutions under the jurisdiction of the Board of
31 Trustees of the University of Illinois, Board of Trustees
32 of Southern Illinois University, Board of Trustees of

1 Chicago State University, Board of Trustees of Eastern
2 Illinois University, Board of Trustees of Governor's State
3 University, Board of Trustees of Illinois State
4 University, Board of Trustees of Northeastern Illinois
5 University, Board of Trustees of Northern Illinois
6 University, Board of Trustees of Western Illinois
7 University, or Board of Trustees of the Illinois
8 Mathematics and Science Academy, and are compensated for
9 services as employees and not as independent contractors
10 and who:

11 (1) are, or function as, the head of a department,
12 commission, board, division, bureau, authority or
13 other administrative unit within the government of
14 this State, or who exercise similar authority within
15 the government of this State;

16 (2) have direct supervisory authority over, or
17 direct responsibility for the formulation,
18 negotiation, issuance or execution of contracts
19 entered into by the State in the amount of \$5,000 or
20 more;

21 (3) have authority for the issuance or
22 promulgation of rules and regulations within areas
23 under the authority of the State;

24 (4) have authority for the approval of
25 professional licenses;

26 (5) have responsibility with respect to the
27 financial inspection of regulated nongovernmental
28 entities;

29 (6) adjudicate, arbitrate, or decide any judicial
30 or administrative proceeding, or review the
31 adjudication, arbitration or decision of any judicial
32 or administrative proceeding within the authority of
33 the State;

34 (7) have supervisory responsibility for 20 or more
35 employees of the State; or

36 (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
27 exercise similar authority within the unit of local
28 government;

29 (2) have direct supervisory authority over, or
30 direct responsibility for the formulation,
31 negotiation, issuance or execution of contracts
32 entered into by the unit of local government in the
33 amount of \$1,000 or greater;

34 (3) have authority to approve licenses and permits
35 by the unit of local government; this item does not
36 include employees who function in a ministerial

1 capacity;

2 (4) adjudicate, arbitrate, or decide any judicial
3 or administrative proceeding, or review the
4 adjudication, arbitration or decision of any judicial
5 or administrative proceeding within the authority of
6 the unit of local government;

7 (5) have authority to issue or promulgate rules and
8 regulations within areas under the authority of the
9 unit of local government; or

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

12 (j) Persons on the Board of Trustees of the Illinois
13 Mathematics and Science Academy.

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

17 (l) Special government agents. A "special government
18 agent" is a person who is directed, retained, designated,
19 appointed, or employed, with or without compensation, by or
20 on behalf of a statewide executive branch constitutional
21 officer to make an ex parte communication under Section
22 5-50 of the State Officials and Employees Ethics Act or
23 Section 5-165 of the Illinois Administrative Procedure
24 Act.

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

30 (n) Members of the board of any pension fund or
31 retirement system established under Article 3, 4, 5, 6, 7,
32 8, 9, 10, 11, 12, 13, 17, 19, or 22 of the Illinois Pension
33 Code, if not required to file under any other provision of
34 this Section.

35 This Section shall not be construed to prevent any unit of
36 local government from enacting financial disclosure

1 requirements that mandate more information than required by
2 this Act.

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

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

5 Sec. 4A-102. The statement of economic interests required
6 by this Article shall include the economic interests of the
7 person making the statement as provided in this Section. The
8 interest (if constructively controlled by the person making the
9 statement) of a spouse or any other party, shall be considered
10 to be the same as the interest of the person making the
11 statement. Campaign receipts shall not be included in this
12 statement.

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

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

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

29 (3) The identity (including the address or legal
30 description of real estate) of any capital asset from which
31 a capital gain of \$5,000 or more was realized in the
32 preceding calendar year.

33 (4) The name of any unit of government which has
34 employed the person making the statement during the
35 preceding calendar year other than the unit or units of

1 government in relation to which the person is required to
2 file.

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

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

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

20 (2) Except for professional service entities, the name
21 of any entity and any position held therein from which
22 income of in excess of \$1,200 was derived during the
23 preceding calendar year, if the entity does business in the
24 State of Illinois. No time or demand deposit in a financial
25 institution, nor any debt instrument need be listed.

26 (3) The identity of any compensated lobbyist with whom
27 the person making the statement maintains a close economic
28 association, including the name of the lobbyist and
29 specifying the legislative matter or matters which are the
30 object of the lobbying activity, and describing the general
31 type of economic activity of the client or principal on
32 whose behalf that person is lobbying.

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

35 (1) The name and instrument of ownership in any entity
36 doing business with a unit of local government in relation

1 to which the person is required to file if the ownership
2 interest of the person filing is greater than \$5,000 fair
3 market value as of the date of filing or if dividends in
4 excess of \$1,200 were received from the entity during the
5 preceding calendar year. (In the case of real estate,
6 location thereof shall be listed by street address, or if
7 none, then by legal description). No time or demand deposit
8 in a financial institution, nor any debt instrument need be
9 listed.

10 (2) Except for professional service entities, the name
11 of any entity and any position held therein from which
12 income in excess of \$1,200 was derived during the preceding
13 calendar year if the entity does business with a unit of
14 local government in relation to which the person is
15 required to file. No time or demand deposit in a financial
16 institution, nor any debt instrument need be listed.

17 (3) The name of any entity and the nature of the
18 governmental action requested by any entity which has
19 applied to a unit of local government in relation to which
20 the person must file for any license, franchise or permit
21 for annexation, zoning or rezoning of real estate during
22 the preceding calendar year if the ownership interest of
23 the person filing is in excess of \$5,000 fair market value
24 at the time of filing or if income or dividends in excess
25 of \$1,200 were received by the person filing from the
26 entity during the preceding calendar year.

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

28 (5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

29 Sec. 4A-106. The statements of economic interests required
30 of persons listed in items (a) through (f), item (j), ~~and~~ item
31 (l), and item (m) of Section 4A-101 shall be filed with the
32 Secretary of State. The statements of economic interests
33 required of persons listed in items (g), (h), (i), ~~and~~ (k), and
34 (n) of Section 4A-101 shall be filed with the county clerk of
35 the county in which the principal office of the unit of local

1 government with which the person is associated is located. If
2 it is not apparent which county the principal office of a unit
3 of local government is located, the chief administrative
4 officer, or his or her designee, has the authority, for
5 purposes of this Act, to determine the county in which the
6 principal office is located. On or before February 1 annually,
7 (1) the chief administrative officer of any State agency in the
8 executive, legislative, or judicial branch employing persons
9 required to file under item (f) or item (l) of Section 4A-101
10 and the chief administrative officer of a board described in
11 item (m) of Section 4A-101 shall certify to the Secretary of
12 State the names and mailing addresses of ~~those~~ persons required
13 to file under those items, and (2) the chief administrative
14 officer, or his or her designee, of each unit of local
15 government with persons described in items (h), (i), ~~and~~ (k),
16 and (n) of Section 4A-101 shall certify to the appropriate
17 county clerk a list of names and addresses of persons described
18 in items (h), (i), ~~and~~ (k), and (n) of Section 4A-101 that are
19 required to file. In preparing the lists, each chief
20 administrative officer, or his or her designee, shall set out
21 the names in alphabetical order.

22 On or before April 1 annually, the Secretary of State shall
23 notify (1) all persons whose names have been certified to him
24 under items (f), ~~and~~ (l), and (m) of Section 4A-101, and (2)
25 all persons described in items (a) through (e) and item (j) of
26 Section 4A-101, other than candidates for office who have filed
27 their statements with their nominating petitions, of the
28 requirements for filing statements of economic interests. A
29 person required to file with the Secretary of State by virtue
30 of more than one item among items (a) through (f) and items
31 (j), ~~and~~ (l), and (m) shall be notified of and is required to
32 file only one statement of economic interests relating to all
33 items under which the person is required to file with the
34 Secretary of State.

35 On or before April 1 annually, the county clerk of each
36 county shall notify all persons whose names have been certified

1 to him under items (g), (h), (i), ~~and~~ (k), and (n) of Section
2 4A-101, other than candidates for office who have filed their
3 statements with their nominating petitions, of the
4 requirements for filing statements of economic interests. A
5 person required to file with a county clerk by virtue of more
6 than one item among items (g), (h), (i), ~~and~~ (k), and (n) shall
7 be notified of and is required to file only one statement of
8 economic interests relating to all items under which the person
9 is required to file with that county clerk.

10 Except as provided in Section 4A-106.1, the notices
11 provided for in this Section shall be in writing and deposited
12 in the U.S. Mail, properly addressed, first class postage
13 prepaid, on or before the day required by this Section for the
14 sending of the notice. A certificate executed by the Secretary
15 of State or county clerk attesting that he has mailed the
16 notice constitutes prima facie evidence thereof.

17 From the lists certified to him under this Section of
18 persons described in items (g), (h), (i), ~~and~~ (k), and (n) of
19 Section 4A-101, the clerk of each county shall compile an
20 alphabetical listing of persons required to file statements of
21 economic interests in his office under any of those items. As
22 the statements are filed in his office, the county clerk shall
23 cause the fact of that filing to be indicated on the
24 alphabetical listing of persons who are required to file
25 statements. Within 30 days after the due dates, the county
26 clerk shall mail to the State Board of Elections a true copy of
27 that listing showing those who have filed statements.

28 The county clerk of each county shall note upon the
29 alphabetical listing the names of all persons required to file
30 a statement of economic interests who failed to file a
31 statement on or before May 1. It shall be the duty of the
32 several county clerks to give notice as provided in Section
33 4A-105 to any person who has failed to file his or her
34 statement with the clerk on or before May 1.

35 Any person who files or has filed a statement of economic
36 interest under this Act is entitled to receive from the

1 Secretary of State or county clerk, as the case may be, a
2 receipt indicating that the person has filed such a statement,
3 the date of such filing, and the identity of the governmental
4 unit or units in relation to which the filing is required.

5 The Secretary of State may employ such employees and
6 consultants as he considers necessary to carry out his duties
7 hereunder, and may prescribe their duties, fix their
8 compensation, and provide for reimbursement of their expenses.

9 All statements of economic interests filed under this
10 Section shall be available for examination and copying by the
11 public at all reasonable times. Not later than 12 months after
12 the effective date of this amendatory Act of the 93rd General
13 Assembly, beginning with statements filed in calendar year
14 2004, the Secretary of State shall make statements of economic
15 interests filed with the Secretary available for inspection and
16 copying via the Secretary's website.

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

18 (5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

19 Sec. 4A-107. Any person required to file a statement of
20 economic interests under this Article who willfully files a
21 false or incomplete statement shall be guilty of a Class A
22 misdemeanor.

23 Failure to file a statement within the time prescribed
24 shall result in ineligibility for, or forfeiture of, office or
25 position of employment, as the case may be; provided, however,
26 that if the notice of failure to file a statement of economic
27 interests provided in Section 4A-105 of this Act is not given
28 by the Secretary of State or the county clerk, as the case may
29 be, no forfeiture shall result if a statement is filed within
30 30 days of actual notice of the failure to file.

31 The Attorney General, with respect to offices or positions
32 described in items (a) through (f) and items (j), ~~and~~ (l), and
33 (m) of Section 4A-101 of this Act, or the State's Attorney of
34 the county of the entity for which the filing of statements of
35 economic interests is required, with respect to offices or

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

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

6 Section 5. The State Officials and Employees Ethics Act is
7 amended by changing Sections 1-5, 5-10, 5-15, 5-20, 5-45,
8 10-15, 20-5, 20-23, 20-40, 25-5, 25-10, and 25-23 and by adding
9 Section 10-15.5 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
25 otherwise in furtherance of the person's official State duties.

26 "Candidate" means a person who has filed nominating papers
27 or petitions for nomination or election to an elected State
28 office, or who has been appointed to fill a vacancy in
29 nomination, and who remains eligible for placement on the
30 ballot at either a general primary election or general
31 election.

32 "Collective bargaining" has the same meaning as that term
33 is defined in Section 3 of the Illinois Public Labor Relations
34 Act.

1 "Commission" means an ethics commission created by this
2 Act.

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

8 "Compensatory time off" means authorized time off earned by
9 or awarded to a State employee to compensate in whole or in
10 part for time worked in excess of the minimum work time
11 required of that employee as a condition of employment with a
12 State agency.

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

15 "Employee" means (i) any person employed full-time,
16 part-time, or pursuant to a contract and whose employment
17 duties are subject to the direction and control of an employer
18 with regard to the material details of how the work is to be
19 performed, ~~or~~ (ii) any appointed or elected commissioner,
20 trustee, director, or board member of a board of a State
21 agency, or (iii) any other appointee.

22 "Executive branch constitutional officer" means the
23 Governor, Lieutenant Governor, Attorney General, Secretary of
24 State, Comptroller, and Treasurer.

25 "Gift" means any gratuity, discount, entertainment,
26 hospitality, loan, forbearance, or other tangible or
27 intangible item having monetary value including, but not
28 limited to, cash, food and drink, and honoraria for speaking
29 engagements related to or attributable to government
30 employment or the official position of an employee, member, or
31 officer.

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

34 "Leave of absence" means any period during which a State
35 employee does not receive (i) compensation for State
36 employment, (ii) service credit towards State pension

1 benefits, and (iii) health insurance benefits paid for by the
2 State.

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

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

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

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

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

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

27 "Prohibited political activity" means:

28 (1) Preparing for, organizing, or participating in any
29 political meeting, political rally, political
30 demonstration, or other political event.

31 (2) Soliciting contributions, including but not
32 limited to the purchase of, selling, distributing, or
33 receiving payment for tickets for any political
34 fundraiser, political meeting, or other political event.

35 (3) Soliciting, planning the solicitation of, or
36 preparing any document or report regarding any thing of

1 value intended as a campaign contribution.

2 (4) Planning, conducting, or participating in a public
3 opinion poll in connection with a campaign for elective
4 office or on behalf of a political organization for
5 political purposes or for or against any referendum
6 question.

7 (5) Surveying or gathering information from potential
8 or actual voters in an election to determine probable vote
9 outcome in connection with a campaign for elective office
10 or on behalf of a political organization for political
11 purposes or for or against any referendum question.

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

15 (7) Soliciting votes on behalf of a candidate for
16 elective office or a political organization or for or
17 against any referendum question or helping in an effort to
18 get voters to the polls.

19 (8) Initiating for circulation, preparing,
20 circulating, reviewing, or filing any petition on behalf of
21 a candidate for elective office or for or against any
22 referendum question.

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

26 (10) Preparing or reviewing responses to candidate
27 questionnaires in connection with a campaign for elective
28 office or on behalf of a political organization for
29 political purposes.

30 (11) Distributing, preparing for distribution, or
31 mailing campaign literature, campaign signs, or other
32 campaign material on behalf of any candidate for elective
33 office or for or against any referendum question.

34 (12) Campaigning for any elective office or for or
35 against any referendum question.

36 (13) Managing or working on a campaign for elective

1 office or for or against any referendum question.

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

4 (15) Participating in any recount or challenge to the
5 outcome of any election, except to the extent that under
6 subsection (d) of Section 6 of Article IV of the Illinois
7 Constitution each house of the General Assembly shall judge
8 the elections, returns, and qualifications of its members.

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

10 (1) is seeking official action (i) by the member or
11 officer or (ii) in the case of an employee, by the employee
12 or by the member, officer, State agency, or other employee
13 directing the employee;

14 (2) does business or seeks to do business (i) with the
15 member or officer or (ii) in the case of an employee, with
16 the employee or with the member, officer, State agency, or
17 other employee directing the employee;

18 (3) conducts activities regulated (i) by the member or
19 officer or (ii) in the case of an employee, by the employee
20 or by the member, officer, State agency, or other employee
21 directing the employee;

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

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

31 "State agency" includes all officers, boards, commissions
32 and agencies created by the Constitution, whether in the
33 executive or legislative branch; all officers, departments,
34 boards, commissions, agencies, institutions, authorities,
35 public institutions of higher learning as defined in Section 2
36 of the Higher Education Cooperation Act, and bodies politic and

1 corporate of the State; and administrative units or corporate
2 outgrowths of the State government which are created by or
3 pursuant to statute, other than units of local government and
4 their officers, school districts, and boards of election
5 commissioners; and all administrative units and corporate
6 outgrowths of the above and as may be created by executive
7 order of the Governor. "State agency" includes the General
8 Assembly, the Senate, the House of Representatives, the
9 President and Minority Leader of the Senate, the Speaker and
10 Minority Leader of the House of Representatives, the Senate
11 Operations Commission, and the legislative support services
12 agencies. "State agency" includes the Office of the Auditor
13 General. "State agency" does not include the judicial branch.

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

15 "Ultimate jurisdictional authority" means the following:

16 (1) For members, legislative partisan staff, and
17 legislative secretaries, the appropriate legislative
18 leader: President of the Senate, Minority Leader of the
19 Senate, Speaker of the House of Representatives, or
20 Minority Leader of the House of Representatives.

21 (2) For State employees who are professional staff or
22 employees of the Senate and not covered under item (1), the
23 Senate Operations Commission.

24 (3) For State employees who are professional staff or
25 employees of the House of Representatives and not covered
26 under item (1), the Speaker of the House of
27 Representatives.

28 (4) For State employees who are employees of the
29 legislative support services agencies, the Joint Committee
30 on Legislative Support Services.

31 (5) For State employees of the Auditor General, the
32 Auditor General.

33 (6) For State employees of public institutions of
34 higher learning as defined in Section 2 of the Higher
35 Education Cooperation Act, the board of trustees of the
36 appropriate public institution of higher learning.

1 (7) For State employees of an executive branch
2 constitutional officer other than those described in
3 paragraph (6), the appropriate executive branch
4 constitutional officer.

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

8 (9) For the Legislative Inspector General, State
9 employees of the Office of the Legislative Inspector
10 General, commissioners of the Legislative Ethics
11 Commission, and State employees of the Legislative Ethics
12 Commission, the Legislative Ethics Commission.

13 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
14 93-685, eff. 7-8-04.)

15 (5 ILCS 430/5-10)

16 Sec. 5-10. Ethics training. Each officer, member, and
17 employee must complete, at least annually beginning in 2004, an
18 ethics training program conducted by the appropriate State
19 agency. Each ultimate jurisdictional authority must implement
20 an ethics training program for its officers, members, and
21 employees. ~~These ethics training programs shall be overseen by~~
22 ~~the appropriate Ethics Commission and Inspector General~~
23 ~~appointed pursuant to this Act in consultation with the Office~~
24 ~~of the Attorney General.~~

25 Each Executive Inspector General and each ultimate
26 jurisdictional authority for the legislative branch shall set
27 standards and determine the hours and frequency of training
28 necessary for each position or category of positions. A person
29 who fills a vacancy in an elective or appointed position that
30 requires training and a person employed in a position that
31 requires training must complete his or her initial ethics
32 training within 6 months after commencement of his or her
33 office or employment.

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

1 (5 ILCS 430/5-15)

2 Sec. 5-15. Prohibited political activities.

3 (a) State employees shall not intentionally perform any
4 prohibited political activity during any compensated time
5 (other than vacation, personal, or compensatory time off).
6 State employees shall not intentionally misappropriate any
7 State property or resources by engaging in any prohibited
8 political activity for the benefit of any campaign for elective
9 office or any political organization. The mere presence on
10 State property or an incidental use of State property or
11 resources does not necessarily amount to a misappropriation for
12 purposes of this Section.

13 (b) At no time shall any executive or legislative branch
14 constitutional officer or any official, director, supervisor,
15 or State employee intentionally misappropriate the services of
16 any State employee by requiring that State employee to perform
17 any prohibited political activity (i) as part of that
18 employee's State duties, (ii) as a condition of State
19 employment, or (iii) during any time off that is compensated by
20 the State (such as vacation, personal, or compensatory time
21 off).

22 (c) A State employee shall not be required at any time to
23 participate in any prohibited political activity in
24 consideration for that State employee being awarded any
25 additional compensation or employee benefit, in the form of a
26 salary adjustment, bonus, compensatory time off, continued
27 employment, or otherwise.

28 (d) A State employee shall not be awarded any additional
29 compensation or employee benefit, in the form of a salary
30 adjustment, bonus, compensatory time off, continued
31 employment, or otherwise, in consideration for the State
32 employee's participation in any prohibited political activity.

33 (e) Nothing in this Section prohibits activities that are
34 otherwise appropriate for a State employee to engage in as a
35 part of his or her official State employment duties or
36 activities that are undertaken by a State employee on a

1 voluntary basis as permitted by law.

2 (f) No person either (i) in a position that is subject to
3 recognized merit principles of public employment or (ii) in a
4 position the salary for which is paid in whole or in part by
5 federal funds and that is subject to the Federal Standards for
6 a Merit System of Personnel Administration applicable to
7 grant-in-aid programs, shall be denied or deprived of State
8 employment or tenure solely because he or she is a member or an
9 officer of a political committee, of a political party, or of a
10 political organization or club.

11 (Source: P.A. 93-615, eff. 11-19-03.)

12 (5 ILCS 430/5-20)

13 Sec. 5-20. Public service announcements; other promotional
14 material.

15 (a) ~~No Beginning January 1, 2004, no~~ public service
16 announcement or advertisement that identifies any specific
17 program administered by a State agency is on behalf of any
18 ~~State administered program~~ and contains the proper name, image,
19 or voice of any executive branch constitutional officer or
20 member of the General Assembly shall be broadcast or aired on
21 radio or television or printed in a commercial newspaper or a
22 commercial magazine at any time.

23 (b) The proper name or image of any executive branch
24 constitutional officer or member of the General Assembly may
25 not appear on any (i) bumper stickers, (ii) commercial
26 billboards, (iii) lapel pins or buttons, (iv) magnets, (v)
27 stickers, and (vi) other similar promotional items, that are
28 not in furtherance of the person's official State duties or
29 governmental and public service functions, if designed, paid
30 for, prepared, or distributed using public dollars. This
31 subsection does not apply to stocks of items existing on the
32 effective date of this amendatory Act of the 93rd General
33 Assembly.

34 (c) This Section does not apply to communications funded
35 through expenditures required to be reported under Article 9 of

1 the Election Code.

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 430/5-45)

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

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

20 (b) No current or former officer of the executive branch or
21 State employee of the executive branch with regulatory or
22 licensing authority, or spouse or immediate family member
23 living with such person, shall, during the period of State
24 employment or within a period of one year immediately after
25 termination of State employment, knowingly accept employment
26 or receive compensation of fees for services from a person or
27 entity if the officer or State employee, during the immediately
28 preceding 2 years of State employment with respect to a current
29 officer, member, or State employee, or during the year
30 immediately preceding termination of State employment with
31 respect to a former officer, member, or State employee, made a
32 regulatory or licensing decision that directly applied to the
33 person or entity, or its parent or subsidiary.

34 (c) The requirements of this Section may be waived (i) for
35 the executive branch, in writing by the Executive Ethics

1 Commission, (ii) for the legislative branch, in writing by the
2 Legislative Ethics Commission, and (iii) for the Auditor
3 General, in writing by the Auditor General. During the time
4 period from the effective date of this amendatory Act of the
5 93rd General Assembly until the Executive Ethics Commission
6 first meets, the requirements of this Section may be waived in
7 writing by the appropriate ultimate jurisdictional authority.
8 During the time period from the effective date of this
9 amendatory Act of the 93rd General Assembly until the
10 Legislative Ethics Commission first meets, the requirements of
11 this Section may be waived in writing by the appropriate
12 ultimate jurisdictional authority. The waiver shall be granted
13 upon the person seeking the waiver proving by clear and
14 convincing evidence ~~a showing~~ that the prospective employment
15 or relationship did not affect the decisions referred to in
16 sections (a) and (b).

17 (d) With respect to former officers, members, State
18 employees, spouses, and family members, this ~~This~~ Section
19 applies only with respect to persons who terminate an affected
20 position on or after December 19, 2003 (the effective date of
21 Public ~~this amendatory~~ Act 93-617) ~~of the 93rd General~~
22 ~~Assembly.~~

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

24 (5 ILCS 430/10-15)

25 Sec. 10-15. Gift ban; exceptions. The restriction in
26 Section 10-10 does not apply to the following:

27 (1) Opportunities, benefits, and services that are
28 available on the same conditions as for the general public.

29 (2) Anything for which the officer, member, or State
30 employee pays the market value.

31 (3) Any (i) contribution that is lawfully made under
32 the Election Code or under this Act or (ii) activities
33 associated with a fundraising event in support of a
34 political organization or candidate.

35 (4) Educational materials and missions. Subject to

1 Section 10-15.5, this ~~This~~ exception may be further defined
2 by rules adopted by the appropriate ethics commission or by
3 the Auditor General for the Auditor General and employees
4 of the Office of the Auditor General.

5 (5) Travel expenses for a meeting to discuss State
6 business. Subject to Section 10-15.5, this ~~This~~ exception
7 may be further defined by rules adopted by the appropriate
8 ethics commission or by the Auditor General for the Auditor
9 General and employees of the Office of the Auditor General.

10 (6) A gift from a relative, meaning those people
11 related to the individual as father, mother, son, daughter,
12 brother, sister, uncle, aunt, great aunt, great uncle,
13 first cousin, nephew, niece, husband, wife, grandfather,
14 grandmother, grandson, granddaughter, father-in-law,
15 mother-in-law, son-in-law, daughter-in-law,
16 brother-in-law, sister-in-law, stepfather, stepmother,
17 stepson, stepdaughter, stepbrother, stepsister, half
18 brother, half sister, and including the father, mother,
19 grandfather, or grandmother of the individual's spouse and
20 the individual's fiance or fiancée.

21 (7) Anything provided by an individual on the basis of
22 a personal friendship unless the member, officer, or
23 employee has reason to believe that, under the
24 circumstances, the gift was provided because of the
25 official position or employment of the member, officer, or
26 employee and not because of the personal friendship.

27 In determining whether a gift is provided on the basis
28 of personal friendship, the member, officer, or employee
29 shall consider the circumstances under which the gift was
30 offered, such as:

31 (i) the history of the relationship between the
32 individual giving the gift and the recipient of the
33 gift, including any previous exchange of gifts between
34 those individuals;

35 (ii) whether to the actual knowledge of the member,
36 officer, or employee the individual who gave the gift

1 personally paid for the gift or sought a tax deduction
2 or business reimbursement for the gift; and

3 (iii) whether to the actual knowledge of the
4 member, officer, or employee the individual who gave
5 the gift also at the same time gave the same or similar
6 gifts to other members, officers, or employees.

7 (8) Food or refreshments not exceeding \$75 per person
8 in value on a single calendar day; provided that the food
9 or refreshments are (i) consumed on the premises from which
10 they were purchased or prepared or (ii) catered. For the
11 purposes of this Section, "catered" means food or
12 refreshments that are purchased ready to eat and delivered
13 by any means.

14 (9) Food, refreshments, lodging, transportation, and
15 other benefits resulting from the outside business or
16 employment activities (or outside activities that are not
17 connected to the duties of the officer, member, or employee
18 as an office holder or employee) of the officer, member, or
19 employee, or the spouse of the officer, member, or
20 employee, if the benefits have not been offered or enhanced
21 because of the official position or employment of the
22 officer, member, or employee, and are customarily provided
23 to others in similar circumstances.

24 (10) Intra-governmental and inter-governmental gifts.
25 For the purpose of this Act, "intra-governmental gift"
26 means any gift given to a member, officer, or employee of a
27 State agency from another member, officer, or employee of
28 the same State agency; and "inter-governmental gift" means
29 any gift given to a member, officer, or employee of a State
30 agency, by a member, officer, or employee of another State
31 agency, of a federal agency, or of any governmental entity.

32 (11) Bequests, inheritances, and other transfers at
33 death.

34 (12) Any item or items from any one prohibited source
35 during any calendar year having a cumulative total value of
36 less than \$100.

1 Each of the exceptions listed in this Section is mutually
2 exclusive and independent of one another.

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

4 (5 ILCS 430/10-15.5 new)

5 Sec. 10-15.5. Educational mission; travel expenses for a
6 meeting to discuss State business.

7 (a) This Section further defines items (4) and (5) of
8 Section 10-15 when a prohibited source provides educational
9 missions or travel expenses for a meeting to discuss State
10 business and applies to travel on and after the effective date
11 of this amendatory Act of the 94th General Assembly.

12 (b) Travel in connection with an educational mission or for
13 a meeting to discuss State business is subject to the following
14 conditions:

15 (1) it must be in furtherance of the recipient
16 officer's or employee's State duties or employment;

17 (2) it must bear a significant connection to the
18 interests of the prohibited source;

19 (3) the destination (i) must bear a close relationship
20 to the educational purposes of the travel or to the State
21 business to be discussed or (ii) must be reasonable under
22 the circumstances;

23 (4) the length of time at the destination for the
24 mission or meeting that is paid for by the prohibited
25 source must be reasonable under the circumstances;

26 (5) the officer or employee must devote a significant
27 amount of time while at the destination to the educational
28 activities or State business; and

29 (6) the travel expenses must be reasonable under the
30 circumstances; if the travel expenses do not substantially
31 exceed the amounts that would be authorized for State
32 reimbursement by the relevant Travel Control Board, they
33 are deemed reasonable.

34 (c) The following categories of expenses qualify under the
35 educational mission and State business exceptions to the Gift

1 Ban: travel to, at, and from the destination; lodging en route
2 to, at, and from the destination; and tours, demonstrations,
3 presentations, and meetings. The following categories of
4 expenses, without limitation, do not fall under the educational
5 mission and State business exceptions to the Gift Ban, but may
6 qualify as exceptions under other applicable provisions of
7 Section 10-15: food; refreshments; entertainment; recreation;
8 prizes; awards; and souvenirs.

9 (d) Qualified expenses under the educational mission and
10 State business exceptions to the Gift Ban include those for the
11 officer or employee. If the officer or employee is accompanied
12 by his or her spouse or immediate family member living with the
13 officer or employee and that spouse or family member either (i)
14 is not a State official or employee or (ii) is a State official
15 or employee but is not traveling in that capacity, any
16 additional expenses for the spouse or family member qualify (i)
17 under the educational mission and State business exceptions to
18 the Gift Ban only if, because of legitimate dependent care
19 obligations, the officer or employee would not be able to
20 attend unless accompanied by the spouse or family member or
21 (ii) to the extent that other applicable exceptions under
22 Section 10-15 apply. If the spouse or family member is a State
23 official or employee and is traveling in that capacity, then
24 this Section applies independently to that spouse or family
25 member.

26 (e) More than one prohibited source may contribute to
27 qualified expenses so long as the other requirements of this
28 Section are met.

29 (f) The officer or employee or a non-prohibited source must
30 pay all non-qualified expenses that do not otherwise fall under
31 an exception to the Gift Ban.

32 (5 ILCS 430/20-5)

33 Sec. 20-5. Executive Ethics Commission.

34 (a) The Executive Ethics Commission is created.

35 (b) The Executive Ethics Commission shall consist of 9

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

18 The terms of the initial commissioners shall commence upon
19 qualification. Four initial appointees of the Governor, as
20 designated by the Governor, shall serve terms running through
21 June 30, 2007. One initial appointee of the Governor, as
22 designated by the Governor, and the initial appointees of the
23 Attorney General, Secretary of State, Comptroller, and
24 Treasurer shall serve terms running through June 30, 2008. The
25 initial appointments shall be made within 60 days after the
26 effective date of this Act.

27 After the initial terms, commissioners shall serve for
28 4-year terms commencing on July 1 of the year of appointment
29 and running through June 30 of the fourth following year.
30 Commissioners may be reappointed to one or more subsequent
31 terms.

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

35 Terms shall run regardless of whether the position is
36 filled.

1 (c) The appointing authorities shall appoint commissioners
2 who have experience holding governmental office or employment
3 and shall appoint commissioners from the general public. A
4 person is not eligible to serve as a commissioner if that
5 person (i) has been convicted of a felony or a crime of
6 dishonesty or moral turpitude, (ii) is, or was within the
7 preceding 12 months, engaged in activities that require
8 registration under the Lobbyist Registration Act, (iii) is
9 related to the appointing authority, or (iv) is a State officer
10 or employee.

11 (d) The Executive Ethics Commission shall have
12 jurisdiction over all officers and employees of State agencies
13 other than the General Assembly, the Senate, the House of
14 Representatives, the President and Minority Leader of the
15 Senate, the Speaker and Minority Leader of the House of
16 Representatives, the Senate Operations Commission, the
17 legislative support services agencies, the Legislative Ethics
18 Commission, the Office of the Legislative Inspector General,
19 and the Office of the Auditor General. The jurisdiction of the
20 Commission is limited to matters arising under this Act.

21 (e) The Executive Ethics Commission must meet, either in
22 person or by other technological means, at least monthly and as
23 often as necessary. At the first meeting of the Executive
24 Ethics Commission, the commissioners shall choose from their
25 number a chairperson and other officers that they deem
26 appropriate. The terms of officers shall be for 2 years
27 commencing July 1 and running through June 30 of the second
28 following year. Meetings shall be held at the call of the
29 chairperson or any 3 commissioners. Official action by the
30 Commission shall require the affirmative vote of 5
31 commissioners, and a quorum shall consist of 5 commissioners.
32 Commissioners shall receive compensation in an amount equal to
33 the compensation of members of the State Board of Elections and
34 may be reimbursed for their reasonable expenses actually
35 incurred in the performance of their duties.

36 (f) No commissioner or employee of the Executive Ethics

1 Commission may during his or her term of appointment or
2 employment:

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

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

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

10 (4) actively participate in any campaign for any
11 elective office.

12 (g) An appointing authority may remove a commissioner only
13 for cause.

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

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

21 (5 ILCS 430/20-23)

22 Sec. 20-23. Ethics Officers. Each officer and the head of
23 each State agency under the jurisdiction of the Executive
24 Ethics Commission, including without limitation the Executive
25 Ethics Commission and each Executive Inspector General, shall
26 designate an Ethics Officer for the office or State agency.
27 Ethics Officers shall:

28 (1) act as liaisons between the State agency and the
29 appropriate Executive Inspector General and between the
30 State agency and the Executive Ethics Commission;

31 (2) review statements of economic interest and
32 disclosure forms of officers, senior employees, and
33 contract monitors before they are filed with the Secretary
34 of State; and

35 (3) provide guidance to officers and employees in the

1 interpretation and implementation of this Act, which the
2 officer or employee may in good faith rely upon. Such
3 guidance shall be based, wherever possible, upon legal
4 precedent in court decisions, opinions of the Attorney
5 General, and the findings and opinions of the Executive
6 Ethics Commission.

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

8 (5 ILCS 430/20-40)

9 Sec. 20-40. Collective bargaining agreements. Any
10 investigation or inquiry by an Executive Inspector General or
11 any agent or representative of an Executive Inspector General
12 must be conducted with awareness of the provisions of a
13 collective bargaining agreement that applies to the employees
14 of the relevant State agency and with an awareness of the
15 rights of the employees as set forth by State and federal law
16 and applicable judicial decisions. Any recommendation for
17 discipline or any action taken against any State employee
18 pursuant to this Act must comply with the provisions of the
19 collective bargaining agreement that applies to the State
20 employee. Each collective bargaining agreement applicable to
21 State employees that is entered into, renewed, extended, or
22 modified on or after the effective date of this amendatory Act
23 of the 94th General Assembly is subject to the provisions of
24 this Act; to the extent of any conflict between this Act and
25 any such agreement, this Act controls.

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

27 (5 ILCS 430/25-5)

28 Sec. 25-5. Legislative Ethics Commission.

29 (a) The Legislative Ethics Commission is created.

30 (b) The Legislative Ethics Commission shall consist of 8
31 commissioners appointed 2 each by the President and Minority
32 Leader of the Senate and the Speaker and Minority Leader of the
33 House of Representatives.

34 The terms of the initial commissioners shall commence upon

1 qualification. Each appointing authority shall designate one
2 appointee who shall serve for a 2-year term running through
3 June 30, 2005. Each appointing authority shall designate one
4 appointee who shall serve for a 4-year term running through
5 June 30, 2007. The initial appointments shall be made within 60
6 days after the effective date of this Act.

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

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

15 Terms shall run regardless of whether the position is
16 filled.

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

32 (d) The Legislative Ethics Commission shall have
33 jurisdiction over members of the General Assembly and all State
34 employees whose ultimate jurisdictional authority is (i) a
35 legislative leader, (ii) the Senate Operations Commission, ~~or~~
36 (iii) the Joint Committee on Legislative Support Services, or

1 (iv) the Legislative Ethics Commission. The jurisdiction of the
2 Commission is limited to matters arising under this Act.

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

16 (f) No commissioner, other than a commissioner who is a
17 member of the General Assembly, or employee of the Legislative
18 Ethics Commission may during his or her term of appointment or
19 employment:

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

21 (2) hold any other elected or appointed public office
22 except for appointments on governmental advisory boards or
23 study commissions or as otherwise expressly authorized by
24 law;

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

27 (4) actively participate in any campaign for any
28 elective office.

29 (g) An appointing authority may remove a commissioner only
30 for cause.

31 (h) The Legislative Ethics Commission shall appoint an
32 Executive Director subject to the approval of at least 3 of the
33 4 legislative leaders. The compensation of the Executive
34 Director shall be as determined by the Commission or by the
35 Compensation Review Board, whichever amount is higher. The
36 Executive Director of the Legislative Ethics Commission may

1 employ, subject to the approval of at least 3 of the 4
2 legislative leaders, and determine the compensation of staff,
3 as appropriations permit.

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

5 (5 ILCS 430/25-10)

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

7 (a) The independent Office of the Legislative Inspector
8 General is created. The Office shall be under the direction and
9 supervision of the Legislative Inspector General and shall be a
10 fully independent office with its own appropriation.

11 (b) The Legislative Inspector General shall be appointed
12 without regard to political affiliation and solely on the basis
13 of integrity and demonstrated ability. The Legislative Ethics
14 Commission shall diligently search out qualified candidates
15 for Legislative Inspector General and shall make
16 recommendations to the General Assembly.

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

31 The Legislative Inspector General shall have the following
32 qualifications:

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

35 (2) has earned a baccalaureate degree from an

1 institution of higher education; and

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

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

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

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

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

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

26 (c) The Legislative Inspector General shall have
27 jurisdiction over the members of the General Assembly and all
28 State employees whose ultimate jurisdictional authority is (i)
29 a legislative leader, (ii) the Senate Operations Commission, ~~or~~
30 (iii) the Joint Committee on Legislative Support Services, or
31 (iv) the Legislative Ethics Commission.

32 The jurisdiction of each Legislative Inspector General is
33 to investigate allegations of fraud, waste, abuse,
34 mismanagement, misconduct, nonfeasance, misfeasance,
35 malfeasance, or violations of this Act or violations of other
36 related laws and rules.

1 (d) The compensation of the Legislative Inspector General
2 shall be the greater of an amount (i) determined by the
3 Commission or (ii) by joint resolution of the General Assembly
4 passed by a majority of members elected in each chamber.
5 Subject to Section 25-45 of this Act, the Legislative Inspector
6 General has full authority to organize the Office of the
7 Legislative Inspector General, including the employment and
8 determination of the compensation of staff, such as deputies,
9 assistants, and other employees, as appropriations permit.
10 Employment of staff is subject to the approval of at least 3 of
11 the 4 legislative leaders.

12 (e) No Legislative Inspector General or employee of the
13 Office of the Legislative Inspector General may, during his or
14 her term of appointment or employment:

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

16 (2) hold any other elected or appointed public office
17 except for appointments on governmental advisory boards or
18 study commissions or as otherwise expressly authorized by
19 law;

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

22 (4) actively participate in any campaign for any
23 elective office.

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

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

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

32 (2) hold any elected public office; or

33 (3) hold any appointed State, county, or local judicial
34 office.

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

1 (f) The Commission may remove the Legislative Inspector
2 General only for cause. At the time of the removal, the
3 Commission must report to the General Assembly the
4 justification for the removal.

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

6 (5 ILCS 430/25-23)

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

19 (1) act as liaisons between the State agency and the
20 Legislative Inspector General and between the State agency
21 and the Legislative Ethics Commission;

22 (2) review statements of economic interest and
23 disclosure forms of officers, senior employees, and
24 contract monitors before they are filed with the Secretary
25 of State; and

26 (3) provide guidance to officers and employees in the
27 interpretation and implementation of this Act, which the
28 officer or employee may in good faith rely upon. Such
29 guidance shall be based, wherever possible, upon legal
30 precedent in court decisions, opinions of the Attorney
31 General, and the findings and opinions of the Legislative
32 Ethics Commission.

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

34 Section 12. The Election Code is amended by changing

1 Section 9-10 and by adding Section 9-8.5 as follows:

2 (10 ILCS 5/9-8.5 new)

3 Sec. 9-8.5. Return of contractor contributions.

4 (a) The amount of any contribution received on or after the
5 effective date of this amendatory Act of the 94th General
6 Assembly by a political committee organized by or on behalf of
7 a person holding an executive branch constitutional office on
8 or after that date from a person or entity that on or after
9 that date held or holds a State contract that the executive
10 branch constitutional office was responsible for awarding, or
11 from any of that contractor's affiliated persons or affiliated
12 entities, must be returned to the contributor within 30 days
13 after the effective date of this amendatory Act of the 94th
14 General Assembly or within 30 days after receipt of the
15 contribution, whichever is later.

16 A successor political committee is subject to the
17 requirement of this Section if at the time for return of the
18 contribution the political committee that received the
19 contribution has been dissolved and any portion of the
20 contribution was transferred to or in any other way received by
21 the successor political committee. If the contributor was a
22 person who at the time for return of the contribution is
23 deceased, the contribution must be returned to the
24 contributor's estate. If the contributor was not a person and
25 at the time for return of the contribution the contributor no
26 longer exists, the contribution must be paid to the State
27 treasury.

28 (b) The State Board of Elections shall consider for
29 disciplinary action and may impose a fine upon any political
30 committee that fails to return a contribution as required by
31 this Section. A fine shall not exceed 100% of the amount of the
32 contribution but in no case shall be less than 10% of the
33 amount of the contribution.

34 (c) For the purpose of this Section:

35 (1) "Affiliated entity" is defined as that term is

1 defined in Section 50-38 of the Illinois Procurement Code.

2 (2) "Affiliated person" is defined as that term is
3 defined in Section 50-38 of the Illinois Procurement Code.

4 (3) "Executive branch constitutional office
5 responsible for awarding a contract" means the executive
6 branch constitutional office whose holder has jurisdiction
7 or control over the chief procurement officer, associate
8 procurement officer, State purchasing officer, purchasing
9 agency, or contracting agency, as those terms are defined
10 in the Illinois Procurement Code, or their predecessors,
11 that awarded the contract.

12 (4) "Executive branch constitutional office" means the
13 office of Governor, Lieutenant Governor, Attorney General,
14 Secretary of State, State Comptroller, or State Treasurer.

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

16 Sec. 9-10. Financial reports.

17 (a) The treasurer of every state political committee and
18 the treasurer of every local political committee shall file
19 with the Board, and the treasurer of every local political
20 committee shall file with the county clerk, reports of campaign
21 contributions, and semi-annual reports of campaign
22 contributions and expenditures on forms to be prescribed or
23 approved by the Board. The treasurer of every political
24 committee that acts as both a state political committee and a
25 local political committee shall file a copy of each report with
26 the State Board of Elections and the county clerk. Entities
27 subject to Section 9-7.5 shall file reports required by that
28 Section at times provided in this Section and are subject to
29 the penalties provided in this Section.

30 (b) Reports of campaign contributions shall be filed no
31 later than the 15th day next preceding each election including
32 a primary election in connection with which the political
33 committee has accepted or is accepting contributions or has
34 made or is making expenditures. Such reports shall be complete
35 as of the 30th day next preceding each election including a

1 primary election. The Board shall assess a civil penalty not to
2 exceed \$5,000 for a violation of this subsection, except that
3 for State officers and candidates and political committees
4 formed for statewide office, the civil penalty may not exceed
5 \$10,000. The fine, however, shall not exceed \$500 for a first
6 filing violation for filing less than 10 days after the
7 deadline. There shall be no fine if the report is mailed and
8 postmarked at least 72 hours prior to the filing deadline. For
9 the purpose of this subsection, "statewide office" and "State
10 officer" means the Governor, Lieutenant Governor, Attorney
11 General, Secretary of State, Comptroller, and Treasurer.
12 However, a continuing political committee that does not make
13 expenditures in excess of \$500 on behalf of or in opposition to
14 any candidate or public question on the ballot at an election
15 shall not be required to file the reports heretofore prescribed
16 but may file in lieu thereof a Statement of Nonparticipation in
17 the Election with the Board or the Board and the county clerk;
18 except that if the political committee, by the terms of its
19 statement of organization filed in accordance with this
20 Article, is organized to support or oppose a candidate or
21 public question on the ballot at the next election or primary,
22 that committee must file reports required by this subsection
23 (b) and by subsection (b-5).

24 (b-5) Notwithstanding the provisions of subsection (b) and
25 Section 1.25 of the Statute on Statutes, any contribution (A)
26 of \$10,000 or more received at any time or (B) of more than
27 \$500 received in the interim between the last date of the
28 period covered by the last report filed under subsection (b)
29 prior to the election and the date of the election shall be
30 filed with and must actually be received by the State Board of
31 Elections within 2 business days after receipt of such
32 contribution. The State Board shall allow filings of reports of
33 contributions ~~of more than \$500~~ under this subsection (b-5) by
34 political committees that are not required to file
35 electronically to be made by facsimile transmission. For the
36 purpose of this subsection, a contribution is considered

1 received on the date the public official, candidate, or
2 political committee (or equivalent person in the case of a
3 reporting entity other than a political committee) actually
4 receives it or, in the case of goods or services, 2 business
5 days after the date the public official, candidate, committee,
6 or other reporting entity receives the certification required
7 under subsection (b) of Section 9-6. Failure to report each
8 contribution is a separate violation of this subsection. In the
9 final disposition of any matter by the Board on or after the
10 effective date of this amendatory Act of the 93rd General
11 Assembly, the Board may impose fines for violations of this
12 subsection not to exceed 100% of the total amount of the
13 contributions that were untimely reported, but in no case when
14 a fine is imposed shall it be less than 10% of the total amount
15 of the contributions that were untimely reported. When
16 considering the amount of the fine to be imposed, the Board
17 shall consider, but is not limited to, the following factors:

18 (1) whether in the Board's opinion the violation was
19 committed inadvertently, negligently, knowingly, or
20 intentionally;

21 (2) the number of days the contribution was reported
22 late; and

23 (3) past violations of Sections 9-3 and 9-10 of this
24 Article by the committee.

25 (c) In addition to such reports the treasurer of every
26 political committee shall file semi-annual reports of campaign
27 contributions and expenditures no later than July 31st,
28 covering the period from January 1st through June 30th
29 immediately preceding, and no later than January 31st, covering
30 the period from July 1st through December 31st of the preceding
31 calendar year. Reports of contributions and expenditures must
32 be filed to cover the prescribed time periods even though no
33 contributions or expenditures may have been received or made
34 during the period. The Board shall assess a civil penalty not
35 to exceed \$5,000 for a violation of this subsection, except
36 that for State officers and candidates and political committees

1 formed for statewide office, the civil penalty may not exceed
2 \$10,000. The fine, however, shall not exceed \$500 for a first
3 filing violation for filing less than 10 days after the
4 deadline. There shall be no fine if the report is mailed and
5 postmarked at least 72 hours prior to the filing deadline. For
6 the purpose of this subsection, "statewide office" and "State
7 officer" means the Governor, Lieutenant Governor, Attorney
8 General, Secretary of State, Comptroller, and Treasurer.

9 (c-5) A political committee that acts as either (i) a State
10 and local political committee or (ii) a local political
11 committee and that files reports electronically under Section
12 9-28 is not required to file copies of the reports with the
13 appropriate county clerk if the county clerk has a system that
14 permits access to, and duplication of, reports that are filed
15 with the State Board of Elections. A State and local political
16 committee or a local political committee shall file with the
17 county clerk a copy of its statement of organization pursuant
18 to Section 9-3.

19 (d) A copy of each report or statement filed under this
20 Article shall be preserved by the person filing it for a period
21 of two years from the date of filing.

22 (Source: P.A. 93-574, eff. 8-21-03; 93-615, eff. 11-19-03;
23 94-645, eff. 8-22-05.)

24 Section 15. The Lobbyist Registration Act is amended by
25 changing Section 2 as follows:

26 (25 ILCS 170/2) (from Ch. 63, par. 172)

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

29 (a) "Person" means any individual, firm, partnership,
30 committee, association, corporation, or any other organization
31 or group of persons.

32 (b) "Expenditure" means a payment, distribution, loan,
33 advance, deposit, or gift of money or anything of value, and
34 includes a contract, promise, or agreement, whether or not

1 legally enforceable, to make an expenditure, for the ultimate
2 purpose of influencing executive, legislative, or
3 administrative action, other than compensation as defined in
4 subsection (d).

5 (c) "Official" means:

6 (1) the Governor, Lieutenant Governor, Secretary of
7 State, Attorney General, State Treasurer, and State
8 Comptroller;

9 (2) Chiefs of Staff for officials described in item
10 (1);

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

14 (4) Members of the General Assembly.

15 (d) "Compensation" means any money, thing of value or
16 financial benefits received or to be received in return for
17 services rendered or to be rendered, for lobbying as defined in
18 subsection (e).

19 Monies paid to members of the General Assembly by the State
20 as remuneration for performance of their Constitutional and
21 statutory duties as members of the General Assembly shall not
22 constitute compensation as defined by this Act.

23 (e) "Lobbying" means any communication with (i) an official
24 of the executive or legislative branch of State government as
25 defined in subsection (c) or (ii) a State employee as defined
26 in this Section, for the ultimate purpose of influencing
27 executive, legislative, or administrative action.

28 (f) "Influencing" means any communication, action,
29 reportable expenditure as prescribed in Section 6 or other
30 means used to promote, support, affect, modify, oppose or delay
31 any executive, legislative or administrative action or to
32 promote goodwill with officials as defined in subsection (c).

33 (g) "Executive action" means the proposal, drafting,
34 development, consideration, amendment, adoption, approval,
35 promulgation, issuance, modification, rejection or
36 postponement by a State entity of a rule, regulation, order,

1 decision, determination, contractual arrangement, purchasing
2 agreement or other quasi-legislative or quasi-judicial action
3 or proceeding.

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

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

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

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

24 (l) "Employee", with respect to a State employee, is
25 defined as that term is defined in Section 1-5 of the State
26 Officials and Employees Ethics Act.

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

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

30 Section 25. The Illinois Procurement Code is amended by
31 changing Sections 1-15.15, 1-15.100, 15-25, 20-10, 20-30,
32 35-15, 35-20, 35-25, 35-30, 35-35, 35-40, 40-15, 50-13, 50-20,
33 50-30, and 53-10 and by adding Sections 20-43, 50-37, 50-38,
34 and 50-39 as follows:

1 (30 ILCS 500/1-15.15)

2 Sec. 1-15.15. Chief Procurement Officer. "Chief
3 Procurement Officer" means:

4 (1) for procurements for construction and
5 construction-related services committed by law to the
6 jurisdiction or responsibility of the Capital Development
7 Board, the executive director of the Capital Development Board.

8 (2) for procurements for all construction,
9 construction-related services, operation of any facility, and
10 the provision of any service or activity committed by law to
11 the jurisdiction or responsibility of the Illinois Department
12 of Transportation, including the direct or reimbursable
13 expenditure of all federal funds for which the Department of
14 Transportation is responsible or accountable for the use
15 thereof in accordance with federal law, regulation, or
16 procedure, the Secretary of Transportation.

17 (3) for all procurements made by a public institution of
18 higher education, a representative designated by the Governor.

19 (4) for all applicable procurements made by a pension fund
20 or retirements system created under Article 2, 14, 15, 16, or
21 18 of the Illinois Pension Code or an investment board created
22 under Article 22A of the Illinois Pension Code, a
23 representative designated by the board of trustees of that
24 pension fund or retirement system or by the Illinois State
25 Board of Investment, as the case may be, for a total of 6
26 pension chiefs of procurement.

27 (5) ~~(4)~~ for all other procurements, the Director of the
28 Department of Central Management Services.

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

30 (30 ILCS 500/1-15.100)

31 Sec. 1-15.100. State agency. "State agency" means and
32 includes all boards, commissions, agencies, institutions,
33 authorities, and bodies politic and corporate of the State,
34 created by or in accordance with the constitution or statute,
35 of the executive branch of State government and does include

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

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

20 (30 ILCS 500/15-25)

21 Sec. 15-25. Bulletin content.

22 (a) Invitations for bids. Notice of each and every contract
23 that is offered, including renegotiated contracts and change
24 orders, shall be published in the Bulletin. The applicable
25 chief procurement officer may provide by rule an organized
26 format for the publication of this information, but in any case
27 it must include at least the date first offered, the date
28 submission of offers is due, the location that offers are to be
29 submitted to, the purchasing State agency, the responsible
30 State purchasing officer, a brief purchase description, the
31 method of source selection, and information of how to obtain a
32 comprehensive purchase description and any disclosure and
33 contract forms.

34 (b) Contracts let or awarded. Notice of each and every
35 contract that is let or awarded, including renegotiated

1 contracts and change orders, shall be published in the next
2 available subsequent Bulletin, and the applicable chief
3 procurement officer may provide by rule an organized format for
4 the publication of this information, but in any case it must
5 include at least all of the information specified in subsection
6 (a) as well as the name of the successful responsible bidder or
7 offeror, the contract price, the number of unsuccessful
8 responsive bidders, and any other disclosure specified in any
9 Section of this Code. This notice shall include the disclosures
10 under Section 50-37, if those disclosures are required. In
11 addition, the notice shall summarize the outreach efforts
12 undertaken by the agency to make potential bidders or offerors
13 aware of any contract offer other than publication in the
14 Bulletin.

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

28 (c-5) Each State agency shall post in the online electronic
29 Bulletin a copy of its annual report of utilization of
30 businesses owned by minorities, females, and persons with
31 disabilities as submitted to the Business Enterprises Council
32 for Minorities, Females, and Persons with Disabilities
33 pursuant to Section 6(c) of the Business Enterprise for
34 Minorities, Females, and Persons with Disabilities Act within
35 10 business days of its submission of its report to the
36 Council.

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

6 (d) Other required disclosure. The applicable chief
7 procurement officer shall provide by rule for the organized
8 publication of all other disclosure required in other Sections
9 of this Code in a timely manner.

10 (e) The changes to subsections (b), (c), and (c-5) of this
11 Section made by this amendatory Act of the 94th General
12 Assembly apply to reports submitted, offers made, and notices
13 on contracts executed on or after its effective date.

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

15 (30 ILCS 500/20-10)

16 Sec. 20-10. Competitive sealed bidding.

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

20 (b) Invitation for bids. An invitation for bids shall be
21 issued and shall include a purchase description and the
22 material contractual terms and conditions applicable to the
23 procurement.

24 (c) Public notice. Public notice of the invitation for bids
25 shall be published in the Illinois Procurement Bulletin at
26 least 14 days before the date set in the invitation for the
27 opening of bids.

28 (d) Bid opening. Bids shall be opened publicly in the
29 presence of one or more witnesses at the time and place
30 designated in the invitation for bids. The name of each bidder,
31 the amount of each bid, and other relevant information as may
32 be specified by rule shall be recorded. After the award of the
33 contract, the winning bid and the record of each unsuccessful
34 bid shall be open to public inspection.

35 (e) Bid acceptance and bid evaluation. Bids shall be

1 unconditionally accepted without alteration or correction,
2 except as authorized in this Code. Bids shall be evaluated
3 based on the requirements set forth in the invitation for bids,
4 which may include criteria to determine acceptability such as
5 inspection, testing, quality, workmanship, delivery, and
6 suitability for a particular purpose. Those criteria that will
7 affect the bid price and be considered in evaluation for award,
8 such as discounts, transportation costs, and total or life
9 cycle costs, shall be objectively measurable. The invitation
10 for bids shall set forth the evaluation criteria to be used.

11 (f) Correction or withdrawal of bids. Correction or
12 withdrawal of inadvertently erroneous bids before or after
13 award, or cancellation of awards of contracts based on bid
14 mistakes, shall be permitted in accordance with rules. After
15 bid opening, no changes in bid prices or other provisions of
16 bids prejudicial to the interest of the State or fair
17 competition shall be permitted. All decisions to permit the
18 correction or withdrawal of bids based on bid mistakes shall be
19 supported by written determination made by a State purchasing
20 officer.

21 (g) Award. The contract shall be awarded with reasonable
22 promptness by written notice to the lowest responsible and
23 responsive bidder whose bid meets the requirements and criteria
24 set forth in the invitation for bids, except when a State
25 purchasing officer determines it is not in the best interest of
26 the State and by written explanation determines another bidder
27 shall receive the award. The explanation shall appear in the
28 appropriate volume of the Illinois Procurement Bulletin. The
29 written explanation must include:

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

31 (2) a determination that the anticipated cost will be
32 fair and reasonable;

33 (3) a listing of all responsible and responsive
34 bidders; and

35 (4) the name of the bidder selected, pricing, and the
36 reasons for selecting that bidder instead of the lowest

1 responsible and responsive bidder.

2 Each agency may adopt rules to implement the requirements
3 of this subsection (g).

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

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

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

16 (30 ILCS 500/20-30)

17 Sec. 20-30. Emergency purchases.

18 (a) Conditions for use. In accordance with standards set by
19 rule, a purchasing agency may make emergency procurements
20 without competitive sealed bidding or prior notice when there
21 exists a threat to public health or public safety, or when
22 immediate expenditure is necessary for repairs to State
23 property in order to protect against further loss of or damage
24 to State property, to prevent or minimize serious disruption in
25 critical State services that affect health, safety, or
26 collections of substantial State revenue, or to ensure the
27 integrity of State records; provided, however, that the term of
28 the emergency purchase shall be limited to the time reasonably
29 needed for a competitive procurement, not to exceed 3 months.

30 Emergency procurements shall be made with as much competition
31 as is practicable under the circumstances. A written
32 description of the basis for the emergency and reasons for the
33 selection of the particular contractor shall be included in the
34 contract file.

35 (b) Notice. Before the next appropriate volume of the

1 Illinois Procurement Bulletin, the purchasing agency shall
2 publish in the Illinois Procurement Bulletin a copy of each
3 written description and reasons and the total cost of each
4 emergency procurement made during the previous month. When only
5 an estimate of the total cost is known at the time of
6 publication, the estimate shall be identified as an estimate
7 and published. When the actual total cost is determined, it
8 shall also be published in like manner before the 10th day of
9 the next succeeding month.

10 (c) Affidavits. A purchasing agency making a procurement
11 under this Section shall file affidavits with the chief
12 procurement officer and the Auditor General within 10 days
13 after the procurement setting forth the amount expended, the
14 name of the contractor involved, and the conditions and
15 circumstances requiring the emergency procurement. When only
16 an estimate of the cost is available within 10 days after the
17 procurement, the actual cost shall be reported immediately
18 after it is determined. At the end of each fiscal quarter, the
19 Auditor General shall file with the Legislative Audit
20 Commission and the Governor a complete listing of all emergency
21 procurements reported during that fiscal quarter. The
22 Legislative Audit Commission shall review the emergency
23 procurements so reported and, in its annual reports, advise the
24 General Assembly of procurements that appear to constitute an
25 abuse of this Section.

26 (d) Quick purchases. The chief procurement officer may
27 promulgate rules extending the circumstances by which a
28 purchasing agency may make purchases under this Section,
29 including but not limited to the procurement of items available
30 at a discount for a limited period of time.

31 (e) The changes to this Section made by this amendatory Act
32 of the 94th General Assembly apply to procurements executed on
33 or after its effective date.

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

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

7 (30 ILCS 500/35-15)

8 Sec. 35-15. Prequalification.

9 (a) The Director of Central Management Services, the
10 pension chief procurement officers, and the higher education
11 chief procurement officer shall each develop appropriate and
12 reasonable prequalification standards and categories of
13 professional and artistic services.

14 (b) The prequalifications and categorizations shall be
15 submitted to the Procurement Policy Board and published for
16 public comment prior to their submission to the Joint Committee
17 on Administrative Rules for approval.

18 (c) The Director of Central Management Services, the
19 pension chief procurement officers, and the higher education
20 chief procurement officer shall each also assemble and maintain
21 a comprehensive list of prequalified and categorized
22 businesses and persons.

23 (d) Prequalification shall not be used to bar or prevent
24 any qualified business or person for bidding or responding to
25 invitations for bid or proposal.

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

27 (30 ILCS 500/35-20)

28 Sec. 35-20. Uniformity in procurement.

29 (a) The Director of Central Management Services, the
30 pension chief procurement officers, and the higher education
31 chief procurement officer shall each develop, cause to be
32 printed, and distribute uniform documents for the
33 solicitation, review, and acceptance of all professional and
34 artistic services.

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

5 (c) These forms shall include in detail, in writing, at
6 least:

- 7 (1) a description of the goal to be achieved;
- 8 (2) the services to be performed;
- 9 (3) the need for the service;
- 10 (4) the qualifications that are necessary; and
- 11 (5) a plan for post-performance review.

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

13 (30 ILCS 500/35-25)

14 Sec. 35-25. Uniformity in contract.

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

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

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

- 26 (1) the detail listed in subsection (c) of Section
27 35-20;
- 28 (2) the duration of the contract, with a schedule of
29 delivery, when applicable;
- 30 (3) the method for charging and measuring cost (hourly,
31 per day, etc.);
- 32 (4) the rate of remuneration; and
- 33 (5) the maximum price.

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

1 (30 ILCS 500/35-30)

2 Sec. 35-30. Awards.

3 (a) All State contracts for professional and artistic
4 services, except as provided in this Section, shall be awarded
5 using the competitive request for proposal process outlined in
6 this Section.

7 (b) For each contract offered, the chief procurement
8 officer, State purchasing officer, or his or her designee shall
9 use the appropriate standard solicitation forms available from
10 the Department of Central Management Services, a pension chief
11 procurement officer, or the higher education chief procurement
12 officer.

13 (c) Prepared forms shall be submitted to the Department of
14 Central Management Services, a pension chief procurement
15 officer, or the higher education chief procurement officer,
16 whichever is appropriate, for publication in its Illinois
17 Procurement Bulletin and circulation to the Department of
18 Central Management Services', the pension chief procurement
19 officer's, or the higher education chief procurement officer's
20 list of prequalified vendors. Notice of the offer or request
21 for proposal shall appear at least 14 days before the response
22 to the offer is due.

23 (d) All interested respondents shall return their
24 responses to the Department of Central Management Services, the
25 pension chief procurement officer, or the higher education
26 chief procurement officer, whichever is appropriate, which
27 shall open and record them. The Department, the pension chief
28 procurement officer, or higher education chief procurement
29 officer then shall forward the responses, together with any
30 information it has available about the qualifications and other
31 State work of the respondents.

32 (e) After evaluation, ranking, and selection, the
33 responsible chief procurement officer, State purchasing
34 officer, or his or her designee shall notify the Department of
35 Central Management Services, the pension chief procurement
36 officer, or the higher education chief procurement officer,

1 whichever is appropriate, of the successful respondent and
2 shall forward a copy of the signed contract for the
3 Department's, pension chief procurement officer's, or higher
4 education chief procurement officer's file. The Department, the
5 pension chief procurement officer, or higher education
6 chief procurement officer shall publish the names of the
7 responsible procurement decision-maker, the agency letting the
8 contract, the successful respondent, a contract reference, and
9 value of the let contract in the next appropriate volume of the
10 Illinois Procurement Bulletin.

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

29 (g) The Department of Central Management Services, the
30 pension chief procurement officers, and higher education chief
31 procurement officer may each refine, but not contradict, this
32 Section by promulgating rules for submission to the Procurement
33 Policy Board and then to the Joint Committee on Administrative
34 Rules. Any refinement shall be based on the principles and
35 procedures of the federal Architect-Engineer Selection Law,
36 Public Law 92-582 Brooks Act, and the Architectural,

1 Engineering, and Land Surveying Qualifications Based Selection
2 Act; except that pricing shall be an integral part of the
3 selection process.

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

6 (30 ILCS 500/35-35)

7 Sec. 35-35. Exceptions.

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

14 (b) All exceptions granted under this Article must still be
15 submitted to the Department of Central Management Services, the
16 appropriate pension chief procurement officer, or the higher
17 education chief procurement officer, whichever is appropriate,
18 and published as provided for in subsection (f) of Section
19 35-30, shall name the authorizing chief procurement officer or
20 State purchasing officer, and shall include a brief explanation
21 of the reason for the exception.

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

23 (30 ILCS 500/35-40)

24 Sec. 35-40. Subcontractors.

25 (a) Any contract granted under this Article shall state
26 whether the services of a subcontractor will be used. The
27 contract shall include the names and addresses of all
28 subcontractors and the expected amount of money each will
29 receive under the contract.

30 (b) If at any time during the term of a contract, a
31 contractor adds or changes any subcontractors, he or she shall
32 promptly notify, in writing, the Department of Central
33 Management Services, the appropriate pension chief procurement
34 officer, or the higher education chief procurement officer,

1 whichever is appropriate, and the responsible chief
2 procurement officer, State purchasing officer, or their
3 designee of the names and addresses and the expected amount of
4 money each new or replaced subcontractor will receive.

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

6 (30 ILCS 500/40-15)

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

8 (a) Request for information. Except as provided in
9 subsections (b) and (c), all State contracts for leases of real
10 property or capital improvements shall be awarded by a request
11 for information process in accordance with Section 40-20.

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

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

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

16 (3) Duration of less than one year that cannot be
17 renewed.

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

19 (5) Renewal or extension of a lease ~~in effect before~~
20 ~~July 1, 2002~~; provided that: (i) the chief procurement
21 officer determines in writing that the renewal or extension
22 is in the best interest of the State; (ii) the chief
23 procurement officer submits his or her written
24 determination and the renewal or extension to the Board;
25 (iii) the Board does not object in writing to the renewal
26 or extension within 30 days after its submission; and (iv)
27 the chief procurement officer publishes the renewal or
28 extension in the appropriate volume of the Procurement
29 Bulletin.

30 (c) Leases with governmental units. Leases with other
31 governmental units may be negotiated without using the request
32 for information process when deemed by the chief procurement
33 officer to be in the best interest of the State.

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

1 (30 ILCS 500/50-13)

2 Sec. 50-13. Conflicts of interest.

3 (a) Prohibition. It is unlawful for any person holding an
4 elective office in this State, holding a seat in the General
5 Assembly, or appointed to or employed in any of the offices or
6 agencies of State government and who receives compensation for
7 such employment in excess of 60% of the salary of the Governor
8 of the State of Illinois, or who is an officer or employee of
9 the Capital Development Board or the Illinois Toll Highway
10 Authority, or who is the spouse or minor child of any such
11 person to have or acquire any contract, or any direct pecuniary
12 interest in any contract therein, whether for stationery,
13 printing, paper, or any services, materials, or supplies, that
14 will be wholly or partially satisfied by the payment of funds
15 appropriated by the General Assembly of the State of Illinois
16 or in any contract of the Capital Development Board or the
17 Illinois Toll Highway Authority.

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

24 (b-5) Notwithstanding any other provision of law, no person
25 listed in subsection (a) may receive a legal, banking,
26 consulting, or other fee related to the issuance of any bond
27 issued by the State or by any agency or other entity of State
28 government.

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

36 (c-5) Appointees and firms. In addition to any provisions

1 of this Code, the interests of certain appointees and their
2 firms are subject to Section 3A-35 of the Illinois Governmental
3 Ethics Act.

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

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

17 (f) Exceptions.

18 (1) Public aid payments. This Section does not apply to
19 payments made for a public aid recipient.

20 (2) Teaching. This Section does not apply to a contract
21 for personal services as a teacher or school administrator
22 between a member of the General Assembly or his or her
23 spouse, or a State officer or employee or his or her
24 spouse, and any school district, public community college
25 district, the University of Illinois, Southern Illinois
26 University, Illinois State University, Eastern Illinois
27 University, Northern Illinois University, Western Illinois
28 University, Chicago State University, Governor State
29 University, or Northeastern Illinois University.

30 (3) Ministerial duties. This Section does not apply to
31 a contract for personal services of a wholly ministerial
32 character, including but not limited to services as a
33 laborer, clerk, typist, stenographer, page, bookkeeper,
34 receptionist, or telephone switchboard operator, made by a
35 spouse or minor child of an elective or appointive State
36 officer or employee or of a member of the General Assembly.

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

7 (5) Licensed professionals. Contracts with licensed
8 professionals, provided they are competitively bid or part
9 of a reimbursement program for specific, customary goods
10 and services through the Department of Children and Family
11 Services, the Department of Human Services, the Department
12 of Public Aid, the Department of Public Health, or the
13 Department on Aging.

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

17 (Source: P.A. 93-615, eff. 11-19-03.)

18 (30 ILCS 500/50-20)

19 Sec. 50-20. Exemptions. With the approval of the
20 appropriate chief procurement officer involved, the Governor,
21 or an executive ethics board or commission he or she
22 designates, may exempt named individuals from the prohibitions
23 of Section 50-13, except the prohibitions set forth in
24 subsection (b-5) of Section 50-13, when, in his, her, or its
25 judgment, the public interest in having the individual in the
26 service of the State outweighs the public policy evidenced in
27 that Section. An exemption is effective only when it is filed
28 with the Secretary of State and the Comptroller and includes a
29 statement setting forth the name of the individual and all the
30 pertinent facts that would make that Section applicable,
31 setting forth the reason for the exemption, and declaring the
32 individual exempted from that Section. Exemptions must be filed
33 with the Secretary of State and Comptroller prior to execution
34 of any contracts. A copy of ~~Notice of~~ each exemption shall be
35 published in the Illinois Procurement Bulletin in its

1 electronic form prior to execution of the contract. The changes
2 to this Section made by this amendatory Act of the 94th General
3 Assembly apply to exemptions granted on or after its effective
4 date.

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

6 (30 ILCS 500/50-37 new)

7 Sec. 50-37. Contract award disclosure.

8 (a) For the purposes of this Section:

9 "Contracting entity" means an entity that would execute any
10 contract with a State agency.

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

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

20 (1) The contracting entity.

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

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

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

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

30 (d) The changes made to this Section made by this
31 amendatory Act of the 94th General Assembly apply to contracts
32 first offered on or after its effective date.

33 (30 ILCS 500/50-38 new)

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

1 (a) All offers from responsive bidders or offerors with an
2 annual value of more than \$10,000 shall be accompanied by
3 disclosure of the political contributions of the contractor,
4 bidder, or proposer as provided in this Section. The
5 appropriate chief procurement officer shall ensure that this
6 disclosure is not used in the awarding of the contract or
7 selection of the vendor and further ensure that the disclosure
8 remains confidential until after the contract is awarded or
9 vendor is selected. The disclosure of each successful bidder or
10 offeror shall become part of the publicly available contract or
11 procurement file maintained by the appropriate chief
12 procurement officer, shall be filed with the Comptroller as
13 part of the filing required pursuant to Section 20-80 of this
14 Code, and shall be published in the next available volume of
15 the Illinois Procurement Bulletin.

16 (b) Disclosure by the responsive bidders or offerors shall
17 include at least the names and addresses of the contributors
18 and the dollar amounts of any contributions to the officeholder
19 responsible for awarding the contract or to any political
20 committees established to promote the candidacy of such
21 officeholder made within the previous 2 years by the responsive
22 bidders or offerors and any affiliated persons or entities.

23 (c) As used in this Section:

24 "Contribution" means contribution as defined in Section
25 9-1.4 of the Election Code.

26 "Officeholder" means the Governor, Lieutenant Governor,
27 Attorney General, Secretary of State, Comptroller, or
28 Treasurer. The Governor shall be considered the officeholder
29 responsible for awarding all contracts by all officers and
30 employees of, and vendors and others doing business with,
31 executive branch State agencies under the jurisdiction of the
32 Executive Ethics Commission and not within the jurisdiction of
33 the Attorney General, the Secretary of State, the Comptroller,
34 or the Treasurer.

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

1 "Affiliated person" means (i) any person with any ownership
2 interest or distributive share of the bidding or contracting
3 entity in excess of 5%, (ii) executive employees of the bidding
4 or contracting entity, and (iii) the spouse and minor children
5 of any such persons.

6 "Affiliated entity" means (i) any subsidiary of the bidding
7 or contracting entity, (ii) any member of the same unitary
8 business group, or (iii) any political committee for which the
9 bidding or contracting entity is the sponsoring entity.

10 (d) Pursuant to Section 9 of the State Comptroller Act, the
11 Comptroller may refuse to draw a warrant for payment on any
12 voucher based on the obligation of any contract if the
13 disclosures required by this Section are not filed with the
14 Comptroller.

15 (e) Notwithstanding subsection (b), contributions to any
16 candidate that in the aggregate do not exceed \$500 within the
17 previous 2 years do not need to be disclosed.

18 (f) Any business whose contracts with State agencies under
19 the jurisdiction and control of one officeholder, in the
20 aggregate, annually total more than \$25,000 is prohibited from
21 making any contributions to that officeholder responsible for
22 awarding the contracts or to any political committees
23 established to promote the candidacy of that officeholder. This
24 prohibition shall be effective for the current term of office
25 of the incumbent awarding the contracts, for any future term of
26 office of the incumbent awarding the contracts, or for a period
27 of 2 years following the conclusion of the contracts, whichever
28 is longer. This prohibition shall also apply to contributions
29 from any affiliated persons or entities.

30 (g) All contracts between State agencies and a business
31 that violates subsection (f) shall be voidable under Section
32 50-60.

33 If a business violates subsection (f) 3 or more times
34 within a 36-month period, then all contracts between State
35 agencies and that business shall be void, and that business
36 shall not bid or respond to any invitation to bid or request

1 for proposals from any State agency or otherwise enter into any
2 contract with any State agency for 3 years from the date of the
3 last violation.

4 A notice of each violation and the penalty imposed shall be
5 published in both the Procurement Bulletin and the Illinois
6 Register.

7 (30 ILCS 500/50-39 new)

8 Sec. 50-39. Contractor contributions.

9 (a) The Comptroller shall not honor any contract with a
10 value of \$25,000 or more when a contribution of any amount has
11 been made or is made on or after the effective date of this
12 amendatory Act of the 94th General Assembly, to a political
13 committee organized by or on behalf of the executive,
14 legislative, or judicial branch constitutional officer whose
15 office was responsible for awarding the contract by (i) the
16 contractor, (ii) any of the contractor's affiliated entities or
17 affiliated persons, or (iii) any other entity or person on
18 behalf of, at the direction of, or with any portion of a
19 contribution from a person or entity described in item (i) or
20 (ii).

21 (b) For the purpose of this Section:

22 (1) "Affiliated entity" is defined as that term is
23 defined in Section 50-38 of this Code.

24 (2) "Affiliated person" is defined as that term is
25 defined in Section 50-38 of this Code.

26 (3) "Contribution" is defined as that term is defined
27 in Section 9-1.4 of the Election Code.

28 (4) "Executive branch constitutional officer" means
29 the Governor, Lieutenant Governor, Attorney General,
30 Secretary of State, State Comptroller, or State Treasurer.

31 (5) "Responsible for awarding a contract" means
32 jurisdiction or control over the chief procurement
33 officer, associate procurement officer, State purchasing
34 officer, purchasing agency, or contracting agency, or
35 their predecessors, that awarded the contract.

1 (30 ILCS 500/53-10)

2 Sec. 53-10. Concessions and leases of State property.

3 (a) Except for property under the jurisdiction of a public
4 institution of higher education, concessions, including the
5 assignment, license, sale, or transfer of interests in or
6 rights to discoveries, inventions, patents, or copyrightable
7 works, may be entered into by the State agency with
8 jurisdiction over the property, whether tangible or
9 intangible. Licenses of naming rights and sponsorship rights,
10 as those terms are defined and used in Section 7.6 of the State
11 Property Control Act, are not concessions and are subject to
12 that Section 7.6.

13 (b) Except for property under the jurisdiction of a public
14 institution of higher education, all concessions shall be
15 reduced to writing and shall be awarded under the provisions of
16 Article 20, except that the contract shall be awarded to the
17 highest and best bidder or offeror.

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

19 Section 30. The State Property Control Act is amended by
20 adding Section 7.6 as follows:

21 (30 ILCS 605/7.6 new)

22 Sec. 7.6. Naming and sponsorship rights; licenses.

23 (a) Administrator's authority. The administrator, as
24 defined in this Section, is authorized to license naming rights
25 and sponsorship rights only as provided in this Section. Naming
26 rights and sponsorship rights regarding any property or other
27 asset of the State to which this Section applies, whether real,
28 personal, tangible, or intangible, may not be sold, conveyed,
29 leased, licensed, or otherwise granted by the administrator or
30 by any other officer, employee, or agent of the State except as
31 provided in this Section. Naming and sponsorship rights are
32 subject to all other applicable statutes that are not
33 inconsistent with the provisions of this Section; to the extent

1 of any conflict, however, this Section controls.

2 (b) Certain properties and other assets; no license. Naming
3 rights and sponsorship rights may not be licensed with respect
4 to (i) any of the following or (ii) any property or other asset
5 associated with any of the following:

6 (1) the State Capitol Building in Springfield,
7 Illinois;

8 (2) the Old State Capitol Building in Springfield,
9 Illinois;

10 (3) the Vandalia State House in Vandalia, Illinois;

11 (4) the Executive Mansion in Springfield, Illinois;

12 (5) the Executive Mansion, also known as the Hayes
13 House, in Du Quoin, Illinois;

14 (6) the Abraham Lincoln Home in Springfield, Illinois,
15 if it becomes State real property not under the
16 jurisdiction of the federal government;

17 (7) the Lincoln Tomb in Springfield, Illinois;

18 (8) the Abraham Lincoln Presidential Library and
19 Museum in Springfield, Illinois;

20 (9) all present and future Abraham Lincoln sites not
21 otherwise listed;

22 (10) all Illinois homes of all past, present, or future
23 United States Presidents who have resided, currently
24 reside, or in the future will reside in the State of
25 Illinois;

26 (11) the burial sites of all past, present, or future
27 United States Presidents;

28 (12) the Illinois State Museum in Springfield,
29 Illinois;

30 (13) any State property or other asset identified or
31 named for a specific individual by Joint Resolution of the
32 General Assembly or by statute as of the effective date of
33 this Section or later; and

34 (14) any other State property or asset that on the
35 effective date of this Section or later is designated a
36 National Historic Landmark, listed as a State Historic Site

1 under Section 6 of the Historic Preservation Agency Act, or
2 listed on either the Illinois Register of Historic Places
3 or the National Register of Historic Places.

4 (c) Terms and conditions of licenses. A license of naming
5 rights or sponsorship rights (i) may have a term of no more
6 than 10 years and shall include a termination option in favor
7 of the State after 5 years, (ii) is non-transferable, and (iii)
8 is non-renewable (at the end of a term of a license, however,
9 the licensee is eligible to compete for a new license as
10 provided in subsection (d)). The licensee shall have the
11 authority to place signs, placards, imprints, or other
12 identifying information only on the properties or other assets
13 specified in the license and only during the term of the
14 license. The signs, placards, imprints, or other identifying
15 information may contain nothing other than the name of the
16 licensee, the licensee's logo, or both, except that with the
17 written approval of the administrator they may contain other
18 authorized material. The license may, but need not, require the
19 State to refer to a property or other asset by the name of the
20 licensee during the term of the license, all within reasonable
21 limitations and other than in statutes, rules, and existing
22 supplies of forms and other documents. No naming or sponsorship
23 right, however, may be characterized or treated as "official"
24 or in a similar fashion. If a licensee materially breaches any
25 term of a license and the Executive Ethics Commission
26 recommends that the license be revoked, then the administrator
27 may declare the license revoked. At least 25% of the total
28 amount of license fees must be paid prior to the commencement
29 of the term of the license. Any balance shall be paid on a
30 periodic schedule agreed to by the administrator. All fees are
31 non-refundable. Fees shall be deposited into the General
32 Revenue Fund, except that, if a fund or account has been
33 designated in a license granted by an administrator designated
34 by the Attorney General, the Secretary of State, the
35 Comptroller, or the Treasurer, then fees under the applicable
36 license shall be deposited into the designated fund or account.

1 (d) Competitive negotiation. A license of naming rights or
2 sponsorship rights may be granted only on the basis of the
3 highest and best competitively negotiated proposal that yields
4 the most advantageous benefits and considerations to the State.
5 The administrator shall give notice that the administrator will
6 accept proposals for the licensing of naming rights or
7 sponsorship rights with respect to any one or more specified
8 properties or other assets by publication in the Illinois
9 Procurement Bulletin not less than 7 business days before the
10 day upon which proposals will be accepted. The administrator
11 shall give such other notice as the administrator deems
12 appropriate. Proposals shall not be sealed and shall be part of
13 the public record. The administrator shall conduct open,
14 competitive negotiations with those who have submitted
15 proposals in order to obtain the highest and best competitively
16 negotiated proposal that yields the most advantageous benefits
17 and considerations to the State. The administrator may give
18 notice of and negotiate multiple licenses for identical naming
19 or sponsorship rights as part of a single notice, negotiation,
20 and licensing process. In the case of naming or sponsorship
21 rights for a single event or a continuous series of related
22 events, the administrator may grant multiple licenses not based
23 on the standard of "highest and best" proposals if the end
24 result is the most beneficial to the State. If a proposal
25 satisfactory to the administrator is not negotiated, the
26 administrator may give notice as provided in this subsection
27 and accept additional proposals.

28 Subject to the provisions of this Section, the
29 administrator shall have all power necessary to grant the
30 license and enter into any agreements and execute any documents
31 necessary to exercise the authority granted by this Section.
32 The administrator shall have authority to order such surveys,
33 abstracts of title, or commitments for title insurance as may,
34 in the administrator's reasonable discretion, be deemed
35 necessary to demonstrate good and marketable title to the
36 naming rights or sponsorship rights.

1 (e) Personal gifts. If one or more natural persons, as
2 such, make a gift, bequest, or devise to a State officer or
3 entity to which this Section applies and that does not result
4 in any pecuniary benefit (other than a tax benefit) to the
5 person or persons, then, at the request of the administrator
6 and with the approval of the Executive Ethics Commission in the
7 same manner as provided in subsection (f), the administrator
8 may grant naming rights, sponsorship rights, or both, so long
9 as the rights are of no pecuniary benefit to the person or
10 persons, subject only to the limitations in subsection (c) on
11 identifying information and characterization as "official" or
12 in a similar fashion. The sole purpose of the gift, bequest, or
13 devise must be to assist the recipient in fulfilling the
14 recipient's core mission or purpose.

15 (f) Approval by Executive Ethics Commission. Upon
16 determining to grant a license, the administrator must, within
17 15 calendar days, deliver a written notice setting forth all of
18 the pertinent facts relating to the proposal, proposer, and
19 proposed license to the Executive Ethics Commission. A license
20 shall not be granted unless approved in advance by the
21 Commission. If the administrator proposes to amend an existing
22 license, the administrator must deliver notice of the proposed
23 amendment to the Commission within 15 calendar days, and the
24 amendment shall not be made unless approved in advance by the
25 Commission. The Commission's review shall be based solely on
26 ethical and ethics related standards imposed by the law and on
27 avoiding the appearance of impropriety. The Commission's
28 approval shall not be unreasonably withheld.

29 Within 40 calendar days after its actual receipt from the
30 administrator of notice of a proposed license or amendment to a
31 license, the Commission shall either approve or disapprove the
32 proposed license or amendment and shall notify the
33 administrator and other parties to the proposed license or
34 amendment of its decision. The Commission may, in its
35 discretion and before the running of the time period in which
36 it must make a decision, grant itself one extension of up to an

1 additional 40 calendar days in which to make a decision by
2 notifying the administrator and other parties to the proposed
3 license or amendment. If the Commission requests additional or
4 supplemental information from the administrator or a party to
5 the proposed license or amendment, the running of the time
6 limit in which the Commission must make its decision is
7 suspended, and the 40-day period begins anew when the
8 information is delivered to the Commission. If the Commission
9 fails to render a decision within the applicable time period,
10 the proposed license or amendment is deemed approved.

11 (g) Rules. Each administrator and the Executive Ethics
12 Commission may, separately, adopt rules to implement their
13 several functions under this Section. The rules may not,
14 however, waive or provide for the waiver of any of the
15 requirements of this Section except as provided in this
16 subsection. The Executive Ethics Commission may adopt rules
17 authorizing the administrator to grant licenses without
18 pre-approval under subsection (f), but the rules must specify,
19 by category, those emergency and other extenuating situations
20 in which pre-approval is waived, must provide for prompt review
21 by the Commission after the granting of the license, and may
22 contain other provisions the Commission deems necessary to
23 prevent abuse of this procedure.

24 (h) Blind vendors. The provisions of this Section are
25 subject to, and do not supersede, any of the provisions of the
26 Blind Persons Operating Vending Facilities Act, any other State
27 or federal law granting preference to blind persons, or any
28 rules or regulations adopted pursuant to any of those laws.

29 (i) Small consideration. If the value of the consideration
30 for an individual naming or sponsorship right does not exceed
31 \$25,000, the administrator may grant the right, subject only to
32 the limitations in subsection (c) on identifying information
33 and characterization as "official" or in a similar fashion, but
34 the administrator must deliver a written notice giving the
35 details to the Executive Ethics Commission at least one full
36 business day before the administrator agrees to grant the

1 right. Naming or sponsorship rights shall not be artificially
2 divided in an attempt to qualify under this subsection.

3 (j) Applicability. This Section does not apply to naming
4 rights and sponsorship rights with respect to property or other
5 assets under the jurisdiction and control of (i) the
6 legislative branch or the judicial branch of the State or (ii)
7 a public institution of higher education, as defined in Section
8 1 of the Board of Higher Education Act. This Section applies to
9 all naming rights and sponsorship rights granted with respect
10 to the State Fair, as defined in Section 2 of the State Fair
11 Act, on or after January 1, 2006. This Section applies to all
12 other naming rights and sponsorship rights granted on or after
13 the effective date of this amendatory Act of the 94th General
14 Assembly.

15 (k) Retention of records. The administrator must maintain
16 all records relating to (i) each license of naming rights or
17 sponsorship rights for at least 7 years after the expiration of
18 the term of the license and (ii) each proposal for naming
19 rights or sponsorship rights that does not result in a license
20 being granted to the proposer for at least 7 years after the
21 proposal was submitted.

22 (l) Definitions. In this Section:

23 Notwithstanding Section 1.03 of this Act, in this Section
24 "administrator" means (i) an officer or employee designated by
25 the Attorney General with respect to the property and other
26 assets under the jurisdiction and control of the Attorney
27 General; (ii) an officer or employee designated by the
28 Secretary of State with respect to the property and other
29 assets under the jurisdiction and control of the Secretary of
30 State; (iii) an officer or employee designated by the
31 Comptroller with respect to the property and other assets under
32 the jurisdiction and control of the Comptroller; (iv) an
33 officer or employee designated by the Treasurer with respect to
34 the property and other assets under the jurisdiction and
35 control of the Treasurer; and (v) the Director of Central
36 Management Services with respect to all other property and

1 other assets to which this Section applies.

2 "Naming rights" means the right to associate the name or
3 identifying mark of any person or entity with the name or
4 identity of any State property or other asset.

5 "Sponsorship rights" means the right to associate the name
6 or identifying mark of any person or entity with any State
7 program or event on the grounds of, in, or with respect to any
8 State property or other asset.

9 (m) This Section shall be construed to ensure that all
10 naming and sponsorship rights are strictly controlled under the
11 terms of this Section.

12 (n) Severability. The provisions of this Section are
13 severable under Section 1.31 of the Statute on Statutes.

14 Section 35. The Illinois Pension Code is amended by
15 changing Sections 1-101.2, 1-101.4, 1-110, 1-113.5, 1-113.12,
16 1A-113, 22A-108.1, and 22A-111 and by adding Sections 1-125,
17 1-130, and 1-140 as follows:

18 (40 ILCS 5/1-101.2)

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

22 (1) exercises any discretionary authority or
23 discretionary control respecting management of the pension
24 fund or retirement system, or exercises any authority or
25 control respecting management or disposition of its
26 assets;

27 (2) renders investment advice for a fee or other
28 compensation, direct or indirect, with respect to any
29 moneys or other property of the pension fund or retirement
30 system, or has any authority or responsibility to do so; or

31 (3) has any discretionary authority or discretionary
32 responsibility in the administration of the pension fund or
33 retirement system.

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

1 (40 ILCS 5/1-101.4)

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

6 (1) is a fiduciary appointed by the board of trustees
7 of the pension fund or retirement system in accordance with
8 Section 1-109.1;

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

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

14 (4) is at least one of the following: (i) registered as
15 an investment adviser under the federal Investment
16 Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.) and ~~+(ii)~~
17 registered as an investment adviser under the Illinois
18 Securities Law of 1953; (ii) ~~(iii)~~ a bank, as defined in
19 the Investment Advisers Act of 1940; or (iii) ~~(iv)~~ an
20 insurance company authorized to transact business in this
21 State.

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

23 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

24 Sec. 1-110. Prohibited Transactions.

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

29 (1) Sale or exchange, or leasing of any property from
30 the retirement system or pension fund to a party in
31 interest for less than adequate consideration, or from a
32 party in interest to a retirement system or pension fund
33 for more than adequate consideration.

34 (2) Lending of money or other extension of credit from

1 the retirement system or pension fund to a party in
2 interest without the receipt of adequate security and a
3 reasonable rate of interest, or from a party in interest to
4 a retirement system or pension fund with the provision of
5 excessive security or an unreasonably high rate of
6 interest.

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

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

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

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

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

24 (3) Receive any consideration for his own personal
25 account from any party dealing with the retirement system
26 or pension fund in connection with a transaction involving
27 the assets of the retirement system or pension fund.

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

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

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

36 (3) Serving as a trustee in addition to being an

1 officer, employee, agent or other representative of a party
2 in interest.

3 (d) A fiduciary with respect to a retirement system or
4 pension fund shall not knowingly cause or advise the retirement
5 system or pension fund to engage in an investment transaction
6 when the fiduciary (i) has any direct interest in the income,
7 gains, or profits of the investment dealer through which the
8 investment transaction is made or (ii) has a business
9 relationship with that investment dealer that would result in a
10 pecuniary benefit to the fiduciary as a result of the
11 investment transaction.

12 For the purposes of this subsection (d), "investment
13 dealer" means any person who engages, either full time or part
14 time, directly or indirectly, as an agent, broker, or
15 principal, in the business of offering, selling, buying and
16 selling, or otherwise dealing or trading in securities issued
17 by another person or in other investments owned or controlled
18 by another person.

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

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

22 (40 ILCS 5/1-113.5)

23 Sec. 1-113.5. Investment advisers and investment services.

24 (a) The board of trustees of a pension fund or retirement
25 system may appoint investment advisers as defined in Section
26 1-101.4. The board of any pension fund investing in common or
27 preferred stock under Section 1-113.4 shall appoint an
28 investment adviser before making such investments.

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

32 (1) an investment adviser registered under the federal
33 Investment Advisers Act of 1940 and the Illinois Securities
34 Law of 1953;

35 (2) a bank or trust company authorized to conduct a

1 trust business in Illinois;

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

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

7 (a-3) Notwithstanding any other provision of law, a
8 contract awarded to a person to provide consulting services
9 with respect to selection of an investment advisor (referred to
10 in this Section as a "consultant") shall not exceed 5 years in
11 duration.

12 (a-5) For the board of trustees of a pension fund or
13 retirement system created under Article 2, 14, 15, 16, or 18,
14 the selection and appointment of an investment adviser or
15 consultant and the contracting for investment services by an
16 investment adviser constitute procurements of professional and
17 artistic services under the Illinois Procurement Code that must
18 be made and awarded in accordance with and through the use of
19 the method of selection required by Article 35 of that Code.
20 For the board of trustees of a pension fund or retirement
21 system created under any other Article of this Code, the
22 selection and appointment of an investment adviser or
23 consultant and the contracting for investment services by an
24 investment adviser constitute procurements that must be made
25 and awarded in a manner substantially similar to the method of
26 selection required for the procurement of professional and
27 artistic services under Article 35 of the Illinois Procurement
28 Code.

29 (b) All investment advice and services provided by an
30 investment adviser appointed under this Section shall be (i)
31 rendered pursuant to a written contract between the investment
32 adviser and the board, awarded as provided in subsection (a-5),
33 and (ii) in accordance with the board's investment policy.

34 The contract shall include all of the following:

35 (1) acknowledgement in writing by the investment
36 adviser that he or she is a fiduciary with respect to the

1 pension fund or retirement system;

2 (2) the board's investment policy;

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

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

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

21 Within 30 days after the effective date of this amendatory
22 Act of the 94th General Assembly, each investment adviser
23 currently providing investment services or subject to an
24 existing contract for the provision of investment services must
25 disclose to the board of trustees all direct and indirect fees,
26 commissions, penalties, and other compensation paid by or on
27 behalf of the investment adviser in connection with the
28 provision of those investment services and shall update that
29 disclosure promptly after a modification of those payments or
30 an additional payment.

31 A person required to make a disclosure under subsection (d)
32 is also required to disclose direct and indirect fees,
33 commissions, penalties, or other compensation that shall or may
34 be paid by or on behalf of the person in connection with the
35 rendering of the investment services. The person shall update
36 the disclosure promptly after a modification of those payments

1 or an additional payment.

2 The disclosures required by this subsection shall be in
3 writing and shall include the date and amount of each payment
4 and the name and address of each recipient of a payment.

5 (c) Within 30 days after appointing an investment adviser,
6 the board shall submit a copy of the contract to the Division
7 Department of Insurance of the Department of Financial and
8 Professional Regulation.

9 (d) Investment services provided by a person other than an
10 investment adviser appointed under this Section, including but
11 not limited to services provided by the kinds of persons listed
12 in items (1) through (4) of subsection (a), shall be rendered
13 only after full written disclosure of direct and indirect fees,
14 commissions, penalties, and any other compensation that shall
15 or may be received by the person rendering those services.

16 (e) The board of trustees of each pension fund or
17 retirement system shall retain records of investment
18 transactions in accordance with the rules of the Department of
19 Insurance.

20 (f) This subsection applies to the board of trustees of a
21 pension fund or retirement system created under Article 2, 14,
22 15, 16, or 18. Notwithstanding any other provision of law, a
23 board of trustees shall comply with the Business Enterprise for
24 Minorities, Females, and Persons with Disabilities Act. The
25 board of trustees shall post upon its website the percentage of
26 its contracts awarded under this Section currently and during
27 the preceding 5 fiscal years that were awarded to "minority
28 owned businesses", "female owned businesses", and "businesses
29 owned by a person with a disability", as those terms are
30 defined in the Business Enterprise for Minorities, Females, and
31 Persons with Disabilities Act.

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

33 (40 ILCS 5/1-113.12)

34 Sec. 1-113.12. Application. Sections 1-113.1 through
35 1-113.10 apply only to pension funds established under Article

1 3 or 4 of this Code, except that Section 1-113.5 applies to all
2 pension funds and retirement systems established under this
3 Code.

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

5 (40 ILCS 5/1-125 new)

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

20 (40 ILCS 5/1-130 new)

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

27 (40 ILCS 5/1-140 new)

28 Sec. 1-140. Contingent fees. No person shall retain or
29 employ another to attempt to influence the outcome of an
30 investment decision of or the procurement of investment advice
31 or services by a board of a pension fund or retirement system
32 or the Illinois State Board of Investment for compensation
33 contingent in whole or in part upon the decision or

1 procurement, and no person shall accept any such retainer or
2 employment for compensation contingent in whole or in part upon
3 the decision or procurement. Any person who violates this
4 Section is guilty of a business offense and shall be fined not
5 more than \$10,000. In addition, any person convicted of a
6 violation of this Section is prohibited for a period of 3 years
7 from conducting such activities.

8 (40 ILCS 5/1A-113)

9 Sec. 1A-113. Penalties.

10 (a) A pension fund that fails, without just cause, to file
11 its annual statement within the time prescribed under Section
12 1A-109 shall pay to the Department a penalty to be determined
13 by the Department, which shall not exceed \$100 for each day's
14 delay.

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

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

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

29 Whenever the Division determines by examination,
30 investigation, or in any other manner that the governing body
31 or any elected or appointed officer or official of a
32 governmental unit has failed to comply with any provision of
33 that law:

34 (1) The Director shall notify in writing the governing
35 body, officer, or official of the specific provision or

1 provisions of the law with which the person has failed to
2 comply.

3 (2) Upon receipt of the notice, the person notified
4 shall take immediate steps to comply with the provisions of
5 law specified in the notice.

6 (3) If the person notified fails to comply within a
7 reasonable time after receiving the notice, the Director
8 may hold a hearing at which the person notified may show
9 cause for noncompliance with the law.

10 (4) If upon hearing the Director determines that good
11 and sufficient cause for noncompliance has not been shown,
12 the Director may order the person to submit evidence of
13 compliance within a specified period of not less than 30
14 days.

15 (5) If evidence of compliance has not been submitted to
16 the Director within the period of time prescribed in the
17 order and no administrative appeal from the order has been
18 initiated, the Director may assess a civil penalty of up to
19 \$2,000 against the governing body, officer, or official for
20 each noncompliance with an order of the Director.

21 The Director shall develop by rule, with as much
22 specificity as practicable, the standards and criteria to be
23 used in assessing penalties and their amounts. The standards
24 and criteria shall include, but need not be limited to,
25 consideration of evidence of efforts made in good faith to
26 comply with applicable legal requirements. This rulemaking is
27 subject to the provisions of the Illinois Administrative
28 Procedure Act.

29 If a penalty is not paid within 30 days of the date of
30 assessment, the Director without further notice shall report
31 the act of noncompliance to the Attorney General of this State.
32 It shall be the duty of the Attorney General or, if the
33 Attorney General so designates, the State's Attorney of the
34 county in which the governmental unit is located to apply
35 promptly by complaint on relation of the Director of Insurance
36 in the name of the people of the State of Illinois, as

1 plaintiff, to the circuit court of the county in which the
2 governmental unit is located for enforcement of the penalty
3 prescribed in this subsection or for such additional relief as
4 the nature of the case and the interest of the employees of the
5 governmental unit or the public may require.

6 (e) Whoever knowingly makes a false certificate, entry, or
7 memorandum upon any of the books or papers pertaining to any
8 pension fund or upon any statement, report, or exhibit filed or
9 offered for file with the Division or the Director of Insurance
10 in the course of any examination, inquiry, or investigation,
11 with intent to deceive the Director, the Division, or any of
12 its employees is guilty of a Class 3 felony ~~A misdemeanor~~.

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

14 (40 ILCS 5/22A-108.1) (from Ch. 108 1/2, par. 22A-108.1)

15 Sec. 22A-108.1. Investment Advisor: Any person or business
16 entity which provides investment advice to the ~~the~~ Board on a
17 personalized basis and with an understanding of the policies
18 and goals of the Board. "Investment Advisor" shall not include
19 any person or business entity which provides statistical or
20 general market research data available for purchase or use by
21 others.

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

23 (40 ILCS 5/22A-111) (from Ch. 108 1/2, par. 22A-111)

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

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

30 (b) The authority of the board to manage pension fund
31 investments and the liability shall begin when there has been a
32 physical transfer of the pension fund investments to the board
33 and placed in the custody of the State Treasurer.

34 (c) The authority of the board to manage monies from the

1 education fund for investment and the liability of the board
2 shall begin when there has been a physical transfer of
3 education fund investments to the board and placed in the
4 custody of the State Treasurer.

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

18 (e) The selection of an investment advisor and consultants
19 and the contracting for investment services by an investment
20 advisor constitute procurements of professional and artistic
21 services under the Illinois Procurement Code that must be made
22 and awarded in accordance with and through the use of the
23 method of selection required by Article 35 of that Code.

24 Notwithstanding any other provision of law, a contract
25 awarded to a person to provide consulting services with respect
26 to selection of an investment advisor (referred to in this
27 subsection as a "consultant") shall not exceed 5 years in
28 duration.

29 In addition to any other requirement, each contract between
30 the Board and an investment advisor shall include (i) full
31 disclosure of direct and indirect fees, commissions,
32 penalties, and other compensation, including reimbursement for
33 expenses, that may be paid by or on behalf of the investment
34 advisor in connection with the provision of investment services
35 and (ii) a requirement that the investment advisor update the
36 disclosure promptly after a modification of those payments or

1 an additional payment.

2 Within 30 days after the effective date of this amendatory
3 Act of the 94th General Assembly, each investment advisor
4 currently providing investment services or subject to an
5 existing contract for the provision of investment services must
6 disclose to the Board all direct and indirect fees,
7 commissions, penalties, and other compensation paid by or on
8 behalf of the investment advisor in connection with the
9 provision of those investment services and shall update that
10 disclosure promptly after a modification of those payments or
11 an additional payment.

12 The disclosures required by this subsection shall be in
13 writing and shall include the date and amount of each payment
14 and the name and address of each recipient of a payment.

15 Notwithstanding any other provision of law, the Board shall
16 comply with the Business Enterprise for Minorities, Females,
17 and Persons with Disabilities Act. The Board shall post upon
18 its website the percentage of its contracts awarded under this
19 subsection currently and during the preceding 5 fiscal years
20 that were awarded to "minority owned businesses", "female owned
21 businesses", and "businesses owned by a person with a
22 disability", as those terms are defined in the Business
23 Enterprise for Minorities, Females, and Persons with
24 Disabilities Act.

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

26 (40 ILCS 5/2-152 rep.)

27 (40 ILCS 5/2-155 rep.)

28 (40 ILCS 5/12-190.3 rep.)

29 (40 ILCS 5/13-806 rep.)

30 (40 ILCS 5/14-148 rep.)

31 (40 ILCS 5/15-186 rep.)

32 (40 ILCS 5/15-189 rep.)

33 (40 ILCS 5/16-191 rep.)

34 (40 ILCS 5/16-198 rep.)

35 (40 ILCS 5/18-159 rep.)

1 (40 ILCS 5/18-162 rep.)

2 Section 40. The Illinois Pension Code is amended by
3 repealing Sections 2-152, 2-155, 12-190.3, 13-806, 14-148,
4 15-186, 15-189, 16-191, 16-198, 18-159, and 18-162.

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

1 INDEX

2 Statutes amended in order of appearance

3	5 ILCS 420/4A-101	from Ch. 127, par. 604A-101
4	5 ILCS 420/4A-102	from Ch. 127, par. 604A-102
5	5 ILCS 420/4A-106	from Ch. 127, par. 604A-106
6	5 ILCS 420/4A-107	from Ch. 127, par. 604A-107
7	5 ILCS 430/1-5	
8	5 ILCS 430/5-10	
9	5 ILCS 430/5-15	
10	5 ILCS 430/5-20	
11	5 ILCS 430/5-45	
12	5 ILCS 430/10-15	
13	5 ILCS 430/10-15.5 new	
14	5 ILCS 430/20-5	
15	5 ILCS 430/20-23	
16	5 ILCS 430/20-40	
17	5 ILCS 430/25-5	
18	5 ILCS 430/25-10	
19	5 ILCS 430/25-23	
20	10 ILCS 5/9-8.5 new	
21	10 ILCS 5/9-10	from Ch. 46, par. 9-10
22	25 ILCS 170/2	from Ch. 63, par. 172
23	30 ILCS 500/1-15.15	
24	30 ILCS 500/1-15.100	
25	30 ILCS 500/15-25	
26	30 ILCS 500/20-10	
27	30 ILCS 500/20-30	
28	30 ILCS 500/20-43 new	
29	30 ILCS 500/35-15	
30	30 ILCS 500/35-20	
31	30 ILCS 500/35-25	
32	30 ILCS 500/35-30	
33	30 ILCS 500/35-35	
34	30 ILCS 500/35-40	
35	30 ILCS 500/40-15	

1 30 ILCS 500/50-13
2 30 ILCS 500/50-20
3 30 ILCS 500/50-37 new
4 30 ILCS 500/50-38 new
5 30 ILCS 500/50-39 new
6 30 ILCS 500/53-10
7 30 ILCS 605/7.6 new
8 40 ILCS 5/1-101.2
9 40 ILCS 5/1-101.4
10 40 ILCS 5/1-110 from Ch. 108 1/2, par. 1-110
11 40 ILCS 5/1-113.5
12 40 ILCS 5/1-113.12
13 40 ILCS 5/1-125 new
14 40 ILCS 5/1-130 new
15 40 ILCS 5/1-140 new
16 40 ILCS 5/1A-113
17 40 ILCS 5/22A-108.1 from Ch. 108 1/2, par. 22A-108.1
18 40 ILCS 5/22A-111 from Ch. 108 1/2, par. 22A-111
19 40 ILCS 5/2-152 rep.
20 40 ILCS 5/2-155 rep.
21 40 ILCS 5/12-190.3 rep.
22 40 ILCS 5/13-806 rep.
23 40 ILCS 5/14-148 rep.
24 40 ILCS 5/15-186 rep.
25 40 ILCS 5/15-189 rep.
26 40 ILCS 5/16-191 rep.
27 40 ILCS 5/16-198 rep.
28 40 ILCS 5/18-159 rep.
29 40 ILCS 5/18-162 rep.