



Sen. Emil Jones Jr.

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09400SB0595sam001

LRB094 04333 JAM 50305 a

1 AMENDMENT TO SENATE BILL 595

2 AMENDMENT NO. _____. Amend Senate Bill 595 by replacing
3 everything after the enacting clause with the following:

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.

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

19 (1) are, or function as, the head of a department,
20 commission, board, division, bureau, authority or
21 other administrative unit within the government of
22 this State, or who exercise similar authority within
23 the government of this State;

24 (2) have direct supervisory authority over, or
25 direct responsibility for the formulation,
26 negotiation, issuance or execution of contracts
27 entered into by the State in the amount of \$5,000 or
28 more;

29 (3) have authority for the issuance or
30 promulgation of rules and regulations within areas
31 under the authority of the State;

32 (4) have authority for the approval of
33 professional licenses;

34 (5) have responsibility with respect to the

1 financial inspection of regulated nongovernmental
2 entities;

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

8 (7) have supervisory responsibility for 20 or more
9 employees of the State; or

10 (8) negotiate, assign, authorize, or grant naming
11 rights or sponsorship rights regarding any property or
12 asset of the State, whether real, personal, tangible,
13 or intangible.

14 (g) Persons who are elected to office in a unit of
15 local government, and candidates for nomination or
16 election to that office, including regional
17 superintendents of school districts.

18 (h) Persons appointed to the governing board of a unit
19 of local government, or of a special district, and persons
20 appointed to a zoning board, or zoning board of appeals, or
21 to a regional, county, or municipal plan commission, or to
22 a board of review of any county, and persons appointed to
23 the Board of the Metropolitan Pier and Exposition Authority
24 and any Trustee appointed under Section 22 of the
25 Metropolitan Pier and Exposition Authority Act, and
26 persons appointed to a board or commission of a unit of
27 local government who have authority to authorize the
28 expenditure of public funds. This subsection does not apply
29 to members of boards or commissions who function in an
30 advisory capacity.

31 (i) Persons who are employed by a unit of local
32 government and are compensated for services as employees
33 and not as independent contractors and who:

34 (1) are, or function as, the head of a department,

1 division, bureau, authority or other administrative
2 unit within the unit of local government, or who
3 exercise similar authority within the unit of local
4 government;

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

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

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

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

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

24 (j) Persons on the Board of Trustees of the Illinois
25 Mathematics and Science Academy.

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

29 (l) Special government agents. A "special government
30 agent" is a person who is directed, retained, designated,
31 appointed, or employed, with or without compensation, by or
32 on behalf of a statewide executive branch constitutional
33 officer to make an ex parte communication under Section
34 5-50 of the State Officials and Employees Ethics Act or

1 Section 5-165 of the Illinois Administrative Procedure
2 Act.

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

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

13 This Section shall not be construed to prevent any unit of
14 local government from enacting financial disclosure
15 requirements that mandate more information than required by
16 this Act.

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

18 (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

19 Sec. 4A-102. The statement of economic interests required
20 by this Article shall include the economic interests of the
21 person making the statement as provided in this Section. The
22 interest (if constructively controlled by the person making the
23 statement) of a spouse or any other party, shall be considered
24 to be the same as the interest of the person making the
25 statement. Campaign receipts shall not be included in this
26 statement.

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

29 (1) The name, address and type of practice of any
30 professional organization or individual professional
31 practice in which the person making the statement was an
32 officer, director, associate, partner or proprietor, or
33 served in any advisory capacity, from which income in

1 excess of \$1200 was derived during the preceding calendar
2 year;

3 (2) The nature of professional services (other than
4 services rendered to the unit or units of government in
5 relation to which the person is required to file) and the
6 nature of the entity to which they were rendered if fees
7 exceeding \$5,000 were received during the preceding
8 calendar year from the entity for professional services
9 rendered by the person making the statement.

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

14 (4) The name of any unit of government which has
15 employed the person making the statement during the
16 preceding calendar year other than the unit or units of
17 government in relation to which the person is required to
18 file.

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

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

26 (1) The name and instrument of ownership in any entity
27 doing business in the State of Illinois, in which an
28 ownership interest held by the person at the date of filing
29 is in excess of \$5,000 fair market value or from which
30 dividends of in excess of \$1,200 were derived during the
31 preceding calendar year. (In the case of real estate,
32 location thereof shall be listed by street address, or if
33 none, then by legal description). No time or demand deposit
34 in a financial institution, nor any debt instrument need be

1 listed;

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

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

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

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

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

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

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

12 (5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

13 Sec. 4A-106. The statements of economic interests required
14 of persons listed in items (a) through (f), item (j), ~~and~~ item
15 (l), and item (m) of Section 4A-101 shall be filed with the
16 Secretary of State. The statements of economic interests
17 required of persons listed in items (g), (h), (i), ~~and~~ (k), and
18 (n) of Section 4A-101 shall be filed with the county clerk of
19 the county in which the principal office of the unit of local
20 government with which the person is associated is located. If
21 it is not apparent which county the principal office of a unit
22 of local government is located, the chief administrative
23 officer, or his or her designee, has the authority, for
24 purposes of this Act, to determine the county in which the
25 principal office is located. On or before February 1 annually,
26 (1) the chief administrative officer of any State agency in the
27 executive, legislative, or judicial branch employing persons
28 required to file under item (f) or item (l) of Section 4A-101
29 and the chief administrative officer of a board described in
30 item (m) of Section 4A-101 shall certify to the Secretary of
31 State the names and mailing addresses of ~~those~~ persons required
32 to file under those items, and (2) the chief administrative
33 officer, or his or her designee, of each unit of local

1 government with persons described in items (h), (i), ~~and~~ (k),
2 and (n) of Section 4A-101 shall certify to the appropriate
3 county clerk a list of names and addresses of persons described
4 in items (h), (i), ~~and~~ (k), and (n) of Section 4A-101 that are
5 required to file. In preparing the lists, each chief
6 administrative officer, or his or her designee, shall set out
7 the names in alphabetical order.

8 On or before April 1 annually, the Secretary of State shall
9 notify (1) all persons whose names have been certified to him
10 under items (f), ~~and~~ (l), and (m) of Section 4A-101, and (2)
11 all persons described in items (a) through (e) and item (j) of
12 Section 4A-101, other than candidates for office who have filed
13 their statements with their nominating petitions, of the
14 requirements for filing statements of economic interests. A
15 person required to file with the Secretary of State by virtue
16 of more than one item among items (a) through (f) and items
17 (j), ~~and~~ (l), and (m) shall be notified of and is required to
18 file only one statement of economic interests relating to all
19 items under which the person is required to file with the
20 Secretary of State.

21 On or before April 1 annually, the county clerk of each
22 county shall notify all persons whose names have been certified
23 to him under items (g), (h), (i), ~~and~~ (k), and (n) of Section
24 4A-101, other than candidates for office who have filed their
25 statements with their nominating petitions, of the
26 requirements for filing statements of economic interests. A
27 person required to file with a county clerk by virtue of more
28 than one item among items (g), (h), (i), ~~and~~ (k), and (n) shall
29 be notified of and is required to file only one statement of
30 economic interests relating to all items under which the person
31 is required to file with that county clerk.

32 Except as provided in Section 4A-106.1, the notices
33 provided for in this Section shall be in writing and deposited
34 in the U.S. Mail, properly addressed, first class postage

1 prepaid, on or before the day required by this Section for the
2 sending of the notice. A certificate executed by the Secretary
3 of State or county clerk attesting that he has mailed the
4 notice constitutes prima facie evidence thereof.

5 From the lists certified to him under this Section of
6 persons described in items (g), (h), (i), ~~and (k)~~, and (n) of
7 Section 4A-101, the clerk of each county shall compile an
8 alphabetical listing of persons required to file statements of
9 economic interests in his office under any of those items. As
10 the statements are filed in his office, the county clerk shall
11 cause the fact of that filing to be indicated on the
12 alphabetical listing of persons who are required to file
13 statements. Within 30 days after the due dates, the county
14 clerk shall mail to the State Board of Elections a true copy of
15 that listing showing those who have filed statements.

16 The county clerk of each county shall note upon the
17 alphabetical listing the names of all persons required to file
18 a statement of economic interests who failed to file a
19 statement on or before May 1. It shall be the duty of the
20 several county clerks to give notice as provided in Section
21 4A-105 to any person who has failed to file his or her
22 statement with the clerk on or before May 1.

23 Any person who files or has filed a statement of economic
24 interest under this Act is entitled to receive from the
25 Secretary of State or county clerk, as the case may be, a
26 receipt indicating that the person has filed such a statement,
27 the date of such filing, and the identity of the governmental
28 unit or units in relation to which the filing is required.

29 The Secretary of State may employ such employees and
30 consultants as he considers necessary to carry out his duties
31 hereunder, and may prescribe their duties, fix their
32 compensation, and provide for reimbursement of their expenses.

33 All statements of economic interests filed under this
34 Section shall be available for examination and copying by the

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

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

8 (5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

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

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

21 The Attorney General, with respect to offices or positions
22 described in items (a) through (f) and items (j), ~~and~~ (l), and
23 (m) of Section 4A-101 of this Act, or the State's Attorney of
24 the county of the entity for which the filing of statements of
25 economic interests is required, with respect to offices or
26 positions described in items (g) through (i), ~~and~~ item (k), and
27 item (n) of Section 4A-101 of this Act, shall bring an action
28 in quo warranto against any person who has failed to file by
29 either May 31 or June 30 of any given year.

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

31 Section 5. The State Officials and Employees Ethics Act is
32 amended by changing Sections 1-5, 5-10, 5-20, 5-45, 20-5,

1 20-23, 20-40, 25-5, 25-10, and 25-23 as follows:

2 (5 ILCS 430/1-5)

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

4 "Appointee" means a person appointed to a position in or
5 with a State agency, regardless of whether the position is
6 compensated.

7 "Campaign for elective office" means any activity in
8 furtherance of an effort to influence the selection,
9 nomination, election, or appointment of any individual to any
10 federal, State, or local public office or office in a political
11 organization, or the selection, nomination, or election of
12 Presidential or Vice-Presidential electors, but does not
13 include activities (i) relating to the support or opposition of
14 any executive, legislative, or administrative action (as those
15 terms are defined in Section 2 of the Lobbyist Registration
16 Act), (ii) relating to collective bargaining, or (iii) that are
17 otherwise in furtherance of the person's official State duties.

18 "Candidate" means a person who has filed nominating papers
19 or petitions for nomination or election to an elected State
20 office, or who has been appointed to fill a vacancy in
21 nomination, and who remains eligible for placement on the
22 ballot at either a general primary election or general
23 election.

24 "Collective bargaining" has the same meaning as that term
25 is defined in Section 3 of the Illinois Public Labor Relations
26 Act.

27 "Commission" means an ethics commission created by this
28 Act.

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

1 "Compensatory time off" means authorized time off earned by
2 or awarded to a State employee to compensate in whole or in
3 part for time worked in excess of the minimum work time
4 required of that employee as a condition of employment with a
5 State agency.

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

8 "Employee" means (i) any person employed full-time,
9 part-time, or pursuant to a contract and whose employment
10 duties are subject to the direction and control of an employer
11 with regard to the material details of how the work is to be
12 performed, ~~or~~ (ii) any appointed or elected commissioner,
13 trustee, director, or board member of a board of a State
14 agency, or (iii) any other appointee.

15 "Executive branch constitutional officer" means the
16 Governor, Lieutenant Governor, Attorney General, Secretary of
17 State, Comptroller, and Treasurer.

18 "Gift" means any gratuity, discount, entertainment,
19 hospitality, loan, forbearance, or other tangible or
20 intangible item having monetary value including, but not
21 limited to, cash, food and drink, and honoraria for speaking
22 engagements related to or attributable to government
23 employment or the official position of an employee, member, or
24 officer. "Gift", however, does not include anything of value
25 solicited from a prohibited source by an officer, member, or
26 employee and given by the prohibited source to a not-for-profit
27 organization organized under Section 501(c)(3) of the Internal
28 Revenue Code of 1986, as now or hereafter amended, renumbered,
29 or succeeded. The amendment to the definition of "gift" made by
30 this amendatory Act of the 94th General Assembly is declarative
31 of existing law.

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

1 employee does not receive (i) compensation for State
2 employment, (ii) service credit towards State pension
3 benefits, and (iii) health insurance benefits paid for by the
4 State.

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

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

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

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

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

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

29 "Prohibited political activity" means:

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

33 (2) Soliciting contributions, including but not
34 limited to the purchase of, selling, distributing, or

1 receiving payment for tickets for any political
2 fundraiser, political meeting, or other political event.

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

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

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

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

19 (7) Soliciting votes on behalf of a candidate for
20 elective office or a political organization or for or
21 against any referendum question or helping in an effort to
22 get voters to the polls.

23 (8) Initiating for circulation, preparing,
24 circulating, reviewing, or filing any petition on behalf of
25 a candidate for elective office or for or against any
26 referendum question.

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

30 (10) Preparing or reviewing responses to candidate
31 questionnaires in connection with a campaign for elective
32 office or on behalf of a political organization for
33 political purposes.

34 (11) Distributing, preparing for distribution, or

1 mailing campaign literature, campaign signs, or other
2 campaign material on behalf of any candidate for elective
3 office or for or against any referendum question.

4 (12) Campaigning for any elective office or for or
5 against any referendum question.

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

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

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

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

16 (1) is seeking official action (i) by the member or
17 officer or (ii) in the case of an employee, by the employee
18 or by the member, officer, State agency, or other employee
19 directing the employee;

20 (2) does business or seeks to do business (i) with the
21 member or officer or (ii) in the case of an employee, with
22 the employee or with the member, officer, State agency, or
23 other employee directing the employee;

24 (3) conducts activities regulated (i) by the member or
25 officer or (ii) in the case of an employee, by the employee
26 or by the member, officer, State agency, or other employee
27 directing the employee;

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

31 (5) is registered or required to be registered with the
32 Secretary of State under the Lobbyist Registration Act,
33 except that an entity not otherwise a prohibited source
34 does not become a prohibited source merely because a

1 registered lobbyist is one of its members or serves on its
2 board of directors.

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

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

23 "Ultimate jurisdictional authority" means the following:

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

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

32 (3) For State employees who are professional staff or
33 employees of the House of Representatives and not covered
34 under item (1), the Speaker of the House of

1 Representatives.

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

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

7 (6) For State employees of public institutions of
8 higher learning as defined in Section 2 of the Higher
9 Education Cooperation Act, the board of trustees of the
10 appropriate public institution of higher learning.

11 (7) For State employees of an executive branch
12 constitutional officer other than those described in
13 paragraph (6), the appropriate executive branch
14 constitutional officer.

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

18 (9) For the Legislative Inspector General, State
19 employees of the Office of the Legislative Inspector
20 General, commissioners of the Legislative Ethics
21 Commission, and State employees of the Legislative Ethics
22 Commission, the Legislative Ethics Commission.

23 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
24 93-685, eff. 7-8-04.)

25 (5 ILCS 430/5-10)

26 Sec. 5-10. Ethics training. Each officer, member, and
27 employee must complete, at least annually beginning in 2004, an
28 ethics training program conducted by the appropriate State
29 agency. Each ultimate jurisdictional authority must implement
30 an ethics training program for its officers, members, and
31 employees. ~~These ethics training programs shall be overseen by~~
32 ~~the appropriate Ethics Commission and Inspector General~~
33 ~~appointed pursuant to this Act in consultation with the Office~~

1 ~~of the Attorney General.~~

2 Each Executive Inspector General and each ultimate
3 jurisdictional authority for the legislative branch shall set
4 standards and determine the hours and frequency of training
5 necessary for each position or category of positions. A person
6 who fills a vacancy in an elective or appointed position that
7 requires training and a person employed in a position that
8 requires training must complete his or her initial ethics
9 training within 6 months after commencement of his or her
10 office or employment.

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

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.

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

4 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
5 93-685, eff. 7-8-04.)

6 (5 ILCS 430/5-45)

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

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

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

1 regulatory or licensing decision that directly applied to the
2 person or entity, or its parent or subsidiary.

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

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

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

28 (5 ILCS 430/20-5)

29 Sec. 20-5. Executive Ethics Commission.

30 (a) The Executive Ethics Commission is created.

31 (b) The Executive Ethics Commission shall consist of 9
32 commissioners. The Governor shall appoint 5 commissioners, and
33 the Attorney General, Secretary of State, Comptroller, and

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

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

25 After the initial terms, commissioners shall serve for
26 4-year terms commencing on July 1 of the year of appointment
27 and running through June 30 of the fourth following year.
28 Commissioners may be reappointed to one or more subsequent
29 terms.

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

33 Terms shall run regardless of whether the position is
34 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

1 incurred in the performance of their duties.

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

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

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

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

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

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

16 (h) The Executive Ethics Commission shall appoint an
17 Executive Director. The compensation of the Executive Director
18 shall be as determined by the Commission or by the Compensation
19 Review Board, whichever amount is higher. The Executive
20 Director of the Executive Ethics Commission may employ and
21 determine the compensation of staff, as appropriations permit.
22 (Source: P.A. 93-617, eff. 12-9-03.)

23 (5 ILCS 430/20-23)

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

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

33 (2) review statements of economic interest and

1 disclosure forms of officers, senior employees, and
2 contract monitors before they are filed with the Secretary
3 of State; and

4 (3) provide guidance to officers and employees in the
5 interpretation and implementation of this Act, which the
6 officer or employee may in good faith rely upon. Such
7 guidance shall be based, wherever possible, upon legal
8 precedent in court decisions, opinions of the Attorney
9 General, and the findings and opinions of the Executive
10 Ethics Commission.

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

12 (5 ILCS 430/20-40)

13 Sec. 20-40. Collective bargaining agreements. Any
14 investigation or inquiry by an Executive Inspector General or
15 any agent or representative of an Executive Inspector General
16 must be conducted with awareness of the provisions of a
17 collective bargaining agreement that applies to the employees
18 of the relevant State agency and with an awareness of the
19 rights of the employees as set forth by State and federal law
20 and applicable judicial decisions. In implementing any ~~Any~~
21 ~~recommendation for discipline or~~ in taking any action ~~taken~~
22 against any State employee pursuant to this Act, the ultimate
23 jurisdictional authority must comply with the provisions of the
24 collective bargaining agreement that applies to the State
25 employee.

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

1 House of Representatives.

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

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

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

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

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

34 (d) The Legislative Ethics Commission shall have

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

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

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

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

25 (2) hold any other elected or appointed public office
26 except for appointments on governmental advisory boards or
27 study commissions or as otherwise expressly authorized by
28 law;

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

31 (4) actively participate in any campaign for any
32 elective office.

33 (g) An appointing authority may remove a commissioner only
34 for cause.

1 (h) The Legislative Ethics Commission shall appoint an
2 Executive Director subject to the approval of at least 3 of the
3 4 legislative leaders. The compensation of the Executive
4 Director shall be as determined by the Commission or by the
5 Compensation Review Board, whichever amount is higher. The
6 Executive Director of the Legislative Ethics Commission may
7 employ, subject to the approval of at least 3 of the 4
8 legislative leaders, and determine the compensation of staff,
9 as appropriations permit.

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

11 (5 ILCS 430/25-10)

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

13 (a) The independent Office of the Legislative Inspector
14 General is created. The Office shall be under the direction and
15 supervision of the Legislative Inspector General and shall be a
16 fully independent office with its own appropriation.

17 (b) The Legislative Inspector General shall be appointed
18 without regard to political affiliation and solely on the basis
19 of integrity and demonstrated ability. The Legislative Ethics
20 Commission shall diligently search out qualified candidates
21 for Legislative Inspector General and shall make
22 recommendations to the General Assembly.

23 The Legislative Inspector General shall be appointed by a
24 joint resolution of the Senate and the House of
25 Representatives, which may specify the date on which the
26 appointment takes effect. A joint resolution, or other document
27 as may be specified by the Joint Rules of the General Assembly,
28 appointing the Legislative Inspector General must be certified
29 by the Speaker of the House of Representatives and the
30 President of the Senate as having been adopted by the
31 affirmative vote of three-fifths of the members elected to each
32 house, respectively, and be filed with the Secretary of State.
33 The appointment of the Legislative Inspector General takes

1 effect on the day the appointment is completed by the General
2 Assembly, unless the appointment specifies a later date on
3 which it is to become effective.

4 The Legislative Inspector General shall have the following
5 qualifications:

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

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

10 (3) has 5 or more years of cumulative service (A) with
11 a federal, State, or local law enforcement agency, at least
12 2 years of which have been in a progressive investigatory
13 capacity; (B) as a federal, State, or local prosecutor; (C)
14 as a senior manager or executive of a federal, State, or
15 local agency; (D) as a member, an officer, or a State or
16 federal judge; or (E) representing any combination of (A)
17 through (D).

18 The Legislative Inspector General may not be a relative of
19 a commissioner.

20 The term of the initial Legislative Inspector General shall
21 commence upon qualification and shall run through June 30,
22 2008.

23 After the initial term, the Legislative Inspector General
24 shall serve for 5-year terms commencing on July 1 of the year
25 of appointment and running through June 30 of the fifth
26 following year. The Legislative Inspector General may be
27 reappointed to one or more subsequent terms.

28 A vacancy occurring other than at the end of a term shall
29 be filled in the same manner as an appointment only for the
30 balance of the term of the Legislative Inspector General whose
31 office is vacant.

32 Terms shall run regardless of whether the position is
33 filled.

34 (c) The Legislative Inspector General shall have

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

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

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

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

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

26 (2) hold any other elected or appointed public office
27 except for appointments on governmental advisory boards or
28 study commissions or as otherwise expressly authorized by
29 law;

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

32 (4) actively participate in any campaign for any
33 elective office.

34 In this subsection an appointed public office means a

1 position authorized by law that is filled by an appointing
2 authority as provided by law and does not include employment by
3 hiring in the ordinary course of business.

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

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

8 (2) hold any elected public office; or

9 (3) hold any appointed State, county, or local judicial
10 office.

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

13 (f) The Commission may remove the Legislative Inspector
14 General only for cause. At the time of the removal, the
15 Commission must report to the General Assembly the
16 justification for the removal.

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

18 (5 ILCS 430/25-23)

19 Sec. 25-23. Ethics Officers. The President and Minority
20 Leader of the Senate and the Speaker and Minority Leader of the
21 House of Representatives shall each appoint an ethics officer
22 for the members and employees of his or her legislative caucus.
23 The commissioners of the Legislative Ethics Commission shall
24 designate an ethics officer for the Legislative Ethics
25 Commission. The Legislative Inspector General shall designate
26 an ethics officer for the Office of the Legislative Inspector
27 General. No later than January 1, 2004, the head of each other
28 State agency under the jurisdiction of the Legislative Ethics
29 Commission, other than the General Assembly, shall designate an
30 ethics officer for the State agency. Ethics Officers shall:

31 (1) act as liaisons between the State agency and the
32 Legislative Inspector General and between the State agency
33 and the Legislative Ethics Commission;

1 (2) review statements of economic interest and
2 disclosure forms of officers, senior employees, and
3 contract monitors before they are filed with the Secretary
4 of State; and

5 (3) provide guidance to officers and employees in the
6 interpretation and implementation of this Act, which the
7 officer or employee may in good faith rely upon. Such
8 guidance shall be based, wherever possible, upon legal
9 precedent in court decisions, opinions of the Attorney
10 General, and the findings and opinions of the Legislative
11 Ethics Commission.

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

13 Section 15. The Lobbyist Registration Act is amended by
14 changing Section 2 as follows:

15 (25 ILCS 170/2) (from Ch. 63, par. 172)

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

18 (a) "Person" means any individual, firm, partnership,
19 committee, association, corporation, or any other organization
20 or group of persons.

21 (b) "Expenditure" means a payment, distribution, loan,
22 advance, deposit, or gift of money or anything of value, and
23 includes a contract, promise, or agreement, whether or not
24 legally enforceable, to make an expenditure, for the ultimate
25 purpose of influencing executive, legislative, or
26 administrative action, other than compensation as defined in
27 subsection (d).

28 (c) "Official" means:

29 (1) the Governor, Lieutenant Governor, Secretary of
30 State, Attorney General, State Treasurer, and State
31 Comptroller;

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

1 (1);

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

5 (4) Members of the General Assembly.

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

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

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

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

24 (g) "Executive action" means the proposal, drafting,
25 development, consideration, amendment, adoption, approval,
26 promulgation, issuance, modification, rejection or
27 postponement by a State entity of a rule, regulation, order,
28 decision, determination, contractual arrangement, purchasing
29 agreement or other quasi-legislative or quasi-judicial action
30 or proceeding.

31 (h) "Legislative action" means the development, drafting,
32 introduction, consideration, modification, adoption,
33 rejection, review, enactment, or passage or defeat of any bill,
34 amendment, resolution, report, nomination, administrative rule

1 or other matter by either house of the General Assembly or a
2 committee thereof, or by a legislator. Legislative action also
3 means the action of the Governor in approving or vetoing any
4 bill or portion thereof, and the action of the Governor or any
5 agency in the development of a proposal for introduction in the
6 legislature.

7 (i) "Administrative action" means the execution or
8 rejection of any rule, regulation, legislative rule, standard,
9 fee, rate, contractual arrangement, purchasing agreement or
10 other delegated legislative or quasi-legislative action to be
11 taken or withheld by any executive agency, department, board or
12 commission of the State.

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

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

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

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

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

23 Section 25. The Illinois Procurement Code is amended by
24 changing Sections 1-15.15, 1-15.100, 15-25, 20-10, 20-30,
25 35-15, 35-20, 35-25, 35-30, 35-35, 35-40, 40-15, 40-25, 50-20,
26 and 50-30 and by adding Sections 20-43 and 50-37 as follows:

27 (30 ILCS 500/1-15.15)

28 Sec. 1-15.15. Chief Procurement Officer. "Chief
29 Procurement Officer" means:

30 (1) for procurements for construction and
31 construction-related services committed by law to the
32 jurisdiction or responsibility of the Capital Development

1 Board, the executive director of the Capital Development Board.

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

11 (3) for all procurements made by a public institution of
12 higher education, (i) a representative designated by the
13 Governor for procurements made before July 1, 2006, and (ii)
14 for procurements made on or after July 1, 2006, an employee of
15 the Board of Higher Education designated by the Board of Higher
16 Education. The higher education chief procurement officer
17 designated by the Board of Higher Education shall not be a
18 trustee, officer, or employee of a public institution of higher
19 education.

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

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

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

31 (30 ILCS 500/1-15.100)

32 Sec. 1-15.100. State agency. "State agency" means and
33 includes all boards, commissions, agencies, institutions,

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

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

23 (30 ILCS 500/15-25)

24 Sec. 15-25. Bulletin content.

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

1 method of source selection, and information of how to obtain a
2 comprehensive purchase description and any disclosure and
3 contract forms.

4 (b) Contracts let or awarded. Notice of each and every
5 contract that is let or awarded, including renegotiated
6 contracts and change orders, shall be published in the next
7 available subsequent Bulletin, and the applicable chief
8 procurement officer may provide by rule an organized format for
9 the publication of this information, but in any case it must
10 include at least all of the information specified in subsection
11 (a) as well as the name of the successful responsible bidder or
12 offeror, the contract price, the number of unsuccessful
13 responsive bidders, and any other disclosure specified in any
14 Section of this Code. This notice shall include the disclosures
15 under Section 50-37, if those disclosures are required. In
16 addition, the notice shall summarize the outreach efforts
17 undertaken by the agency to make potential bidders or offerors
18 aware of any contract offer other than publication in the
19 Bulletin. This notice must be posted in the online electronic
20 Bulletin no later than 10 business days after services or goods
21 are first provided.

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

1 (c-5) Each State agency shall post in the online electronic
2 Bulletin a copy of its annual report of utilization of
3 businesses owned by minorities, females, and persons with
4 disabilities as submitted to the Business Enterprises Council
5 for Minorities, Females, and Persons with Disabilities
6 pursuant to Section 6(c) of the Business Enterprise for
7 Minorities, Females, and Persons with Disabilities Act within
8 10 business days of its submission of its report to the
9 Council.

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

15 (d) Other required disclosure. The applicable chief
16 procurement officer shall provide by rule for the organized
17 publication of all other disclosure required in other Sections
18 of this Code in a timely manner.

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

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

24 (30 ILCS 500/20-10)

25 Sec. 20-10. Competitive sealed bidding.

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

29 (b) Invitation for bids. An invitation for bids shall be
30 issued and shall include a purchase description and the
31 material contractual terms and conditions applicable to the
32 procurement.

33 (c) Public notice. Public notice of the invitation for bids

1 shall be published in the Illinois Procurement Bulletin at
2 least 14 days before the date set in the invitation for the
3 opening of bids.

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

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

22 (f) Correction or withdrawal of bids. Correction or
23 withdrawal of inadvertently erroneous bids before or after
24 award, or cancellation of awards of contracts based on bid
25 mistakes, shall be permitted in accordance with rules. After
26 bid opening, no changes in bid prices or other provisions of
27 bids prejudicial to the interest of the State or fair
28 competition shall be permitted. All decisions to permit the
29 correction or withdrawal of bids based on bid mistakes shall be
30 supported by written determination made by a State purchasing
31 officer.

32 (g) Award. The contract shall be awarded with reasonable
33 promptness by written notice to the lowest responsible and
34 responsive bidder whose bid meets the requirements and criteria

1 set forth in the invitation for bids, except when a State
2 purchasing officer determines it is not in the best interest of
3 the State and by written explanation determines another bidder
4 shall receive the award. The explanation shall appear in the
5 appropriate volume of the Illinois Procurement Bulletin. The
6 written explanation must include:

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

8 (2) a determination that the anticipated cost will be
9 fair and reasonable;

10 (3) a listing of all responsible and responsive
11 bidders; and

12 (4) the name of the bidder selected, pricing, and the
13 reasons for selecting that bidder instead of the lowest
14 responsible and responsive bidder.

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

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

21 (h) Multi-step sealed bidding. When it is considered
22 impracticable to initially prepare a purchase description to
23 support an award based on price, an invitation for bids may be
24 issued requesting the submission of unpriced offers to be
25 followed by an invitation for bids limited to those bidders
26 whose offers have been qualified under the criteria set forth
27 in the first solicitation.

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

29 (30 ILCS 500/20-30)

30 Sec. 20-30. Emergency purchases.

31 (a) Conditions for use. In accordance with standards set by
32 rule, a purchasing agency may make emergency procurements
33 without competitive sealed bidding or prior notice when there

1 exists a threat to public health or public safety, or when
2 immediate expenditure is necessary for repairs to State
3 property in order to protect against further loss of or damage
4 to State property, to prevent or minimize serious disruption in
5 critical State services that affect health, safety, or
6 collections of substantial State revenue, or to ensure the
7 integrity of State records; provided, however, that the term of
8 the emergency purchase shall be limited to the time reasonably
9 needed for a competitive procurement, not to exceed 6 months.
10 Emergency procurements shall be made with as much competition
11 as is practicable under the circumstances. A written
12 description of the basis for the emergency and reasons for the
13 selection of the particular contractor shall be included in the
14 contract file.

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

25 (c) Affidavits. A purchasing agency making a procurement
26 under this Section shall file affidavits with the chief
27 procurement officer and the Auditor General within 10 days
28 after the procurement setting forth the amount expended, the
29 name of the contractor involved, and the conditions and
30 circumstances requiring the emergency procurement. When only
31 an estimate of the cost is available within 10 days after the
32 procurement, the actual cost shall be reported immediately
33 after it is determined. At the end of each fiscal quarter, the
34 Auditor General shall file with the Legislative Audit

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

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

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

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

16 (30 ILCS 500/20-43 new)

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

23 (30 ILCS 500/35-15)

24 Sec. 35-15. Prequalification.

25 (a) The Director of Central Management Services, the
26 pension chief procurement officers, and the higher education
27 chief procurement officer shall each develop appropriate and
28 reasonable prequalification standards and categories of
29 professional and artistic services.

30 (b) The prequalifications and categorizations shall be
31 submitted to the Procurement Policy Board and published for
32 public comment prior to their submission to the Joint Committee

1 on Administrative Rules for approval.

2 (c) The Director of Central Management Services, the
3 pension chief procurement officers, and the higher education
4 chief procurement officer shall each also assemble and maintain
5 a comprehensive list of prequalified and categorized
6 businesses and persons.

7 (d) Prequalification shall not be used to bar or prevent
8 any qualified business or person for bidding or responding to
9 invitations for bid or proposal.

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

11 (30 ILCS 500/35-20)

12 Sec. 35-20. Uniformity in procurement.

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

19 (b) All chief procurement officers, State purchasing
20 officers, and their designees shall use the appropriate uniform
21 procedures and forms specified in this Code for all
22 professional and artistic services.

23 (c) These forms shall include in detail, in writing, at
24 least:

- 25 (1) a description of the goal to be achieved;
26 (2) the services to be performed;
27 (3) the need for the service;
28 (4) the qualifications that are necessary; and
29 (5) a plan for post-performance review.

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

31 (30 ILCS 500/35-25)

32 Sec. 35-25. Uniformity in contract.

1 (a) The Director of Central Management Services, the
2 pension chief procurement officers, and the higher education
3 chief procurement officer shall each develop, cause to be
4 printed, and distribute uniform documents for the contracting
5 of professional and artistic services.

6 (b) All chief procurement officers, State purchasing
7 officers, and their designees shall use the appropriate uniform
8 contracts and forms in contracting for all professional and
9 artistic services.

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

12 (1) the detail listed in subsection (c) of Section
13 35-20;

14 (2) the duration of the contract, with a schedule of
15 delivery, when applicable;

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

18 (4) the rate of remuneration; and

19 (5) the maximum price.

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

21 (30 ILCS 500/35-30)

22 Sec. 35-30. Awards.

23 (a) All State contracts for professional and artistic
24 services, except as provided in this Section, shall be awarded
25 using the competitive request for proposal process outlined in
26 this Section.

27 (b) For each contract offered, the chief procurement
28 officer, State purchasing officer, or his or her designee shall
29 use the appropriate standard solicitation forms available from
30 the Department of Central Management Services, the appropriate
31 pension chief procurement officer, or the higher education
32 chief procurement officer.

33 (c) Prepared forms shall be submitted to the Department of

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

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

19 (e) After evaluation, ranking, and selection, the
20 responsible chief procurement officer, State purchasing
21 officer, or his or her designee shall notify the Department of
22 Central Management Services, the pension chief procurement
23 officer, or the higher education chief procurement officer,
24 whichever is appropriate, of the successful respondent and
25 shall forward a copy of the signed contract for the
26 Department's, pension chief procurement officer's, or higher
27 education chief procurement officer's file. The Department,
28 the pension chief procurement officer, or higher education
29 chief procurement officer shall publish the names of the
30 responsible procurement decision-maker, the agency letting the
31 contract, the successful respondent, a contract reference, and
32 value of the let contract in the next appropriate volume of the
33 Illinois Procurement Bulletin.

34 (f) For all professional and artistic contracts with

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

18 (g) The Department of Central Management Services, the
19 pension chief procurement officers, and higher education chief
20 procurement officer may each refine, but not contradict, this
21 Section by promulgating rules for submission to the Procurement
22 Policy Board and then to the Joint Committee on Administrative
23 Rules. Any refinement shall be based on the principles and
24 procedures of the federal Architect-Engineer Selection Law,
25 Public Law 92-582 Brooks Act, and the Architectural,
26 Engineering, and Land Surveying Qualifications Based Selection
27 Act; except that pricing shall be an integral part of the
28 selection process.

29 (Source: P.A. 90-572, eff. date - See Sec. 99-5; revised
30 10-19-05.)

31 (30 ILCS 500/35-35)

32 Sec. 35-35. Exceptions.

33 (a) Exceptions to Section 35-30 are allowed for sole source

1 procurements, emergency procurements, and at the discretion of
2 the chief procurement officer or the State purchasing officer,
3 but not their designees, for professional and artistic
4 contracts that are nonrenewable, one year or less in duration,
5 and have a value of less than \$20,000.

6 (b) All exceptions granted under this Article must still be
7 submitted to the Department of Central Management Services, the
8 appropriate pension chief procurement officer, or the higher
9 education chief procurement officer, whichever is appropriate,
10 and published as provided for in subsection (f) of Section
11 35-30, shall name the authorizing chief procurement officer or
12 State purchasing officer, and shall include a brief explanation
13 of the reason for the exception.

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

15 (30 ILCS 500/35-40)

16 Sec. 35-40. Subcontractors.

17 (a) Any contract granted under this Article shall state
18 whether the services of a subcontractor will be used. The
19 contract shall include the names and addresses of all
20 subcontractors and the expected amount of money each will
21 receive under the contract.

22 (b) If at any time during the term of a contract, a
23 contractor adds or changes any subcontractors, he or she shall
24 promptly notify, in writing, the Department of Central
25 Management Services, the appropriate pension chief procurement
26 officer, or the higher education chief procurement officer,
27 whichever is appropriate, and the responsible chief
28 procurement officer, State purchasing officer, or their
29 designee of the names and addresses and the expected amount of
30 money each new or replaced subcontractor will receive.

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

32 (30 ILCS 500/40-15)

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

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

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

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

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

10 (3) Duration of less than one year that cannot be
11 renewed.

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

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

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

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

29 (30 ILCS 500/40-25)

30 Sec. 40-25. Length of leases.

31 (a) Maximum term. Leases shall be for a term not to exceed
32 10 years and shall include a termination option in favor of the
33 State after 5 years.

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

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

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

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

14 (30 ILCS 500/50-20)

15 Sec. 50-20. Exemptions. With the approval of the
16 appropriate chief procurement officer involved, the Governor,
17 or an executive ethics board or commission he or she
18 designates, may exempt named individuals from the prohibitions
19 of Section 50-13 when, in his, her, or its judgment, the public
20 interest in having the individual in the service of the State
21 outweighs the public policy evidenced in that Section. An
22 exemption is effective only when it is filed with the Secretary
23 of State and the Comptroller and includes a statement setting
24 forth the name of the individual and all the pertinent facts
25 that would make that Section applicable, setting forth the
26 reason for the exemption, and declaring the individual exempted
27 from that Section. Exemptions must be filed with the Secretary
28 of State and Comptroller prior to execution of any contracts. A
29 copy of ~~Notice of~~ each exemption shall be published in the
30 Illinois Procurement Bulletin in its electronic form prior to
31 execution of the contract. The changes to this Section made by
32 this amendatory Act of the 94th General Assembly apply to
33 exemptions granted on or after its effective date.

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

2 (30 ILCS 500/50-37 new)

3 Sec. 50-37. Contract award disclosure.

4 (a) For the purposes of this Section:

5 "Contracting entity" means an entity that would execute any
6 contract with a State agency.

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

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

16 (1) The contracting entity.

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

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

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

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

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

29 Section 35. The Illinois Pension Code is amended by
30 changing Sections 1-101.2, 1-101.4, 1-109.1, 1-110, 1-113.5,
31 1-113.12, 1A-113, 22A-108.1, and 22A-111 and by adding Sections
32 1-125, 1-130, 1-135, and 1-140 as follows:

1 (40 ILCS 5/1-101.2)

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

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

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

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

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

19 (40 ILCS 5/1-101.4)

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

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

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

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

32 (4) is at least one of the following: (i) registered as

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

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

8 (40 ILCS 5/1-109.1) (from Ch. 108 1/2, par. 1-109.1)

9 Sec. 1-109.1. Allocation and Delegation of Fiduciary
10 Duties.

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

15 (a) Appoint one or more investment managers as
16 fiduciaries to manage (including the power to acquire and
17 dispose of) any assets of the retirement system or pension
18 fund; and

19 (b) Allocate duties among themselves and designate
20 others as fiduciaries to carry out specific fiduciary
21 activities other than the management of the assets of the
22 retirement system or pension fund.

23 (2) The board of trustees of a pension fund established
24 under Article 5, 6, 8, 9, 10, 11, 12 or 17 of this Code may not
25 transfer its investment authority, nor transfer the assets of
26 the fund to any other person or entity for the purpose of
27 consolidating or merging its assets and management with any
28 other pension fund or public investment authority, unless the
29 board resolution authorizing such transfer is submitted for
30 approval to the contributors and pensioners of the fund at
31 elections held not less than 30 days after the adoption of such
32 resolution by the board, and such resolution is approved by a
33 majority of the votes cast on the question in both the

1 contributors election and the pensioners election. The
2 election procedures and qualifications governing the election
3 of trustees shall govern the submission of resolutions for
4 approval under this paragraph, insofar as they may be made
5 applicable.

6 (3) Pursuant to subsections (h) and (i) of Section 6 of
7 Article VII of the Illinois Constitution, the investment
8 authority of boards of trustees of retirement systems and
9 pension funds established under this Code is declared to be a
10 subject of exclusive State jurisdiction, and the concurrent
11 exercise by a home rule unit of any power affecting such
12 investment authority is hereby specifically denied and
13 preempted.

14 (4) For the purposes of this Code, "emerging investment
15 manager" means a qualified investment adviser that manages an
16 investment portfolio of at least \$10,000,000 but less than
17 \$2,000,000,000 and is a "minority owned business" or "female
18 owned business" as those terms are defined in the Business
19 Enterprise for Minorities, Females, and Persons with
20 Disabilities Act.

21 It is hereby declared to be the public policy of the State
22 of Illinois to encourage the trustees of public employee
23 retirement systems to use emerging investment managers in
24 managing their system's assets to the greatest extent feasible
25 within the bounds of financial and fiduciary prudence, and to
26 take affirmative steps to remove any barriers to the full
27 participation of emerging investment managers in investment
28 opportunities afforded by those retirement systems.

29 On or before July 1, 2006 each system or fund subject to
30 Article 2, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, or 18 of
31 this Code and the Illinois State Board of Investment shall
32 adopt a policy including quantifiable goals for the utilization
33 of emerging investment managers. This policy shall also include
34 quantifiable goals for the management of assets in specific

1 classes by emerging investment managers, including but not
2 limited to: large cap domestic equity, small and medium cap
3 domestic equity, international equity, fixed income
4 investments, and private equity.

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

15 The use of an emerging investment manager does not
16 constitute a transfer of investment authority for the purposes
17 of subsection (2) of this Section.

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

19 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

20 Sec. 1-110. Prohibited Transactions.

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

25 (1) Sale or exchange, or leasing of any property from
26 the retirement system or pension fund to a party in
27 interest for less than adequate consideration, or from a
28 party in interest to a retirement system or pension fund
29 for more than adequate consideration.

30 (2) Lending of money or other extension of credit from
31 the retirement system or pension fund to a party in
32 interest without the receipt of adequate security and a
33 reasonable rate of interest, or from a party in interest to

1 a retirement system or pension fund with the provision of
2 excessive security or an unreasonably high rate of
3 interest.

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

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

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

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

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

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

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

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

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

33 (3) Serving as a trustee in addition to being an
34 officer, employee, agent or other representative of a party

1 in interest.

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

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

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

14 (40 ILCS 5/1-113.5)

15 Sec. 1-113.5. Investment advisers; consultants; and
16 investment services.

17 (a) The board of trustees of a pension fund or retirement
18 system may appoint investment advisers as defined in Section
19 1-101.4. The board of any pension fund investing in common or
20 preferred stock under Section 1-113.4 shall appoint an
21 investment adviser before making such investments.

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

25 (1) an investment adviser registered under the federal
26 Investment Advisers Act of 1940 and the Illinois Securities
27 Law of 1953;

28 (2) a bank or trust company authorized to conduct a
29 trust business in Illinois;

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

32 (4) an investment company as defined and registered
33 under the federal Investment Company Act of 1940 and

1 registered under the Illinois Securities Law of 1953.

2 (a-5) Notwithstanding any other provision of law, a person
3 or entity that provides consulting services (referred to as a
4 "consultant" in this Section) to a pension fund or retirement
5 system with respect to the selection of fiduciaries may not be
6 awarded a contract to provide those consulting services that is
7 more than 5 years in duration. No contract to provide such
8 consulting services may be renewed or extended. At the end of
9 the term of a contract, however, the contractor is eligible to
10 compete for a new contract as provided in subsection (a-10). No
11 pension fund, retirement system, or consultant shall attempt to
12 avoid or contravene the restrictions of this subsection by any
13 means.

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

31 (1) The offeror.

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

34 (3) Any entity that is a subsidiary of, or in which a

1 controlling interest is owned by, the offeror.

2 (4) The offeror's key persons.

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

8 Beginning on July 1, 2006, a person, other than a trustee
9 or an employee of a pension fund or retirement system, may not
10 act as a consultant under this Section unless that person is at
11 least one of the following: (i) registered as an investment
12 adviser under the federal Investment Advisers Act of 1940 (15
13 U.S.C. 80b-1, et seq.); (ii) registered as an investment
14 adviser under the Illinois Securities Law of 1953; (iii) a
15 bank, as defined in the Investment Advisers Act of 1940; or
16 (iv) an insurance company authorized to transact business in
17 this State.

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

24 The contract shall include all of the following:

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

28 (2) the board's investment policy;

29 (3) full disclosure of direct and indirect fees,
30 commissions, penalties, and any other compensation that
31 may be received by the investment adviser or consultant,
32 including reimbursement for expenses; and

33 (4) a requirement that the investment adviser or
34 consultant submit periodic written reports, on at least a

1 quarterly basis, for the board's review at its regularly
2 scheduled meetings. All returns on investment shall be
3 reported as net returns after payment of all fees,
4 commissions, and any other compensation.

5 (b-5) Each contract described in subsection (b) shall also
6 include (i) full disclosure of direct and indirect fees,
7 commissions, penalties, and other compensation, including
8 reimbursement for expenses, that may be paid by or on behalf of
9 the investment adviser or consultant in connection with the
10 provision of services to the pension fund or retirement system
11 and (ii) a requirement that the investment adviser or
12 consultant update the disclosure promptly after a modification
13 of those payments or an additional payment.

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

24 A person required to make a disclosure under subsection (d)
25 is also required to disclose direct and indirect fees,
26 commissions, penalties, or other compensation that shall or may
27 be paid by or on behalf of the person in connection with the
28 rendering of those services. The person shall update the
29 disclosure promptly after a modification of those payments or
30 an additional payment.

31 The disclosures required by this subsection shall be in
32 writing and shall include the date and amount of each payment
33 and the name and address of each recipient of a payment.

34 (c) Within 30 days after appointing an investment adviser

1 or consultant, the board shall submit a copy of the contract to
2 the Division ~~Department~~ of Insurance of the Department of
3 Financial and Professional Regulation.

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

11 (e) The board of trustees of each pension fund or
12 retirement system shall retain records of investment
13 transactions in accordance with the rules of the Department of
14 Financial and Professional Regulation ~~Insurance~~.

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

27 (g) This Section is a denial and limitation of home rule
28 powers and functions in accordance with subsection (i) of
29 Section 6 of Article VII of the Illinois Constitution. A home
30 rule unit may not regulate investment adviser and consultant
31 contracts in a manner that is less restrictive than the
32 provisions of this Section.

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

1 (40 ILCS 5/1-113.12)

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

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

8 (40 ILCS 5/1-125 new)

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

23 (40 ILCS 5/1-130 new)

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

30 (40 ILCS 5/1-135 new)

31 Sec. 1-135. Prohibition on gifts.

1 (a) For the purposes of this Section:

2 (1) "Board" means (i) the board of trustees of a
3 pension fund or retirement system created under this Code
4 or (ii) the Illinois State Board of Investment created
5 under Article 22A of this Code.

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

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

9 (i) is seeking official action (A) by the board,
10 (B) by a board member, or (C) in the case of a board
11 employee, by the employee, the board, a board member,
12 or another employee directing the employee;

13 (ii) does business or seeks to do business (A) with
14 the board, (B) with a board member, or (C) in the case
15 of a board employee, with the employee, the board, a
16 board member, or another employee directing the
17 employee;

18 (iii) has interests that may be substantially
19 affected by the performance or non-performance of the
20 official duties of the board member or employee; or

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

27 (b) No board member or employee shall solicit or accept any
28 gift from a prohibited source or from an officer, agent, or
29 employee of a prohibited source. No prohibited source or
30 officer, agent, or employee of a prohibited source shall offer
31 to a board member or employee any gift.

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

1 Sec. 1-140. Contingent fees. No person shall retain or
2 employ another to attempt to influence the outcome of an
3 investment decision of or the procurement of investment advice
4 or services by a board of a pension fund or retirement system
5 or the Illinois State Board of Investment for compensation
6 contingent in whole or in part upon the decision or
7 procurement, and no person shall accept any such retainer or
8 employment for compensation contingent in whole or in part upon
9 the decision or procurement. Any person who violates this
10 Section is guilty of a business offense and shall be fined not
11 more than \$10,000. In addition, any person convicted of a
12 violation of this Section is prohibited for a period of 3 years
13 from conducting such activities.

14 (40 ILCS 5/1A-113)

15 Sec. 1A-113. Penalties.

16 (a) A pension fund that fails, without just cause, to file
17 its annual statement within the time prescribed under Section
18 1A-109 shall pay to the Department a penalty to be determined
19 by the Department, which shall not exceed \$100 for each day's
20 delay.

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

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

31 (d) This subsection applies to any governmental unit, as
32 defined in Section 1A-102, that is subject to any law
33 establishing a pension fund or retirement system for the

1 benefit of employees of the governmental unit.

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

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

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

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

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

23 (5) If evidence of compliance has not been submitted to
24 the Director within the period of time prescribed in the
25 order and no administrative appeal from the order has been
26 initiated, the Director may assess a civil penalty of up to
27 \$2,000 against the governing body, officer, or official for
28 each noncompliance with an order of the Director.

29 The Director shall develop by rule, with as much
30 specificity as practicable, the standards and criteria to be
31 used in assessing penalties and their amounts. The standards
32 and criteria shall include, but need not be limited to,
33 consideration of evidence of efforts made in good faith to
34 comply with applicable legal requirements. This rulemaking is

1 subject to the provisions of the Illinois Administrative
2 Procedure Act.

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

16 (e) Whoever knowingly makes a false certificate, entry, or
17 memorandum upon any of the books or papers pertaining to any
18 pension fund or upon any statement, report, or exhibit filed or
19 offered for file with the Division or the Director of Insurance
20 in the course of any examination, inquiry, or investigation,
21 with intent to deceive the Director, the Division, or any of
22 its employees is guilty of a Class 3 felony ~~A misdemeanor~~.

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

24 (40 ILCS 5/22A-108.1) (from Ch. 108 1/2, par. 22A-108.1)

25 Sec. 22A-108.1. Investment Advisor: Any person or business
26 entity which provides investment advice to the ~~the~~ Board on a
27 personalized basis and with an understanding of the policies
28 and goals of the Board. "Investment Advisor" shall not include
29 any person or business entity which provides statistical or
30 general market research data available for purchase or use by
31 others.

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

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

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

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

8 (b) The authority of the board to manage pension fund
9 investments and the liability shall begin when there has been a
10 physical transfer of the pension fund investments to the board
11 and placed in the custody of the State Treasurer.

12 (c) The authority of the board to manage monies from the
13 education fund for investment and the liability of the board
14 shall begin when there has been a physical transfer of
15 education fund investments to the board and placed in the
16 custody of the State Treasurer.

17 (d) The board may not delegate its management functions but
18 it may arrange to compensate for personalized investment
19 advisory service for any or all investments under its control,
20 with any national or state bank or trust company authorized to
21 do a trust business and domiciled in Illinois, or other
22 financial institution organized under the laws of Illinois, or
23 an investment advisor who is qualified under Federal Investment
24 Advisors Act of 1940 and is registered under the Illinois
25 Securities Law of 1953. Nothing contained herein shall prevent
26 the Board from subscribing to general investment research
27 services available for purchase or use by others. The Board
28 shall also have the authority to compensate for accounting
29 services.

30 (e) Notwithstanding any other provision of law, a person or
31 entity that provides consulting services (referred to as a
32 "consultant" in this Section) to the board with respect to the
33 selection of fiduciaries may not be awarded a contract to
34 provide those consulting services that is more than 5 years in

1 duration. No contract to provide such consulting services may
2 be renewed or extended. At the end of the term of a contract,
3 however, the contractor is eligible to compete for a new
4 contract as provided in subsection (f). Neither the board nor a
5 consultant shall attempt to avoid or contravene the
6 restrictions of this subsection by any means.

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

15 (1) The offeror.

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

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

20 (4) The offeror's key persons.

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

26 Beginning on July 1, 2006, a person, other than a trustee
27 or an employee of a the board, may not act as a consultant
28 under this Section unless that person is at least one of the
29 following: (i) registered as an investment adviser under the
30 federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et
31 seq.); (ii) registered as an investment adviser under the
32 Illinois Securities Law of 1953; (iii) a bank, as defined in
33 the Investment Advisers Act of 1940; or (iv) an insurance
34 company authorized to transact business in this State.

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

11 Within 30 days after the effective date of this amendatory
12 Act of the 94th General Assembly, each investment advisor and
13 consultant currently providing services or subject to an
14 existing contract for the provision of services must disclose
15 to the Board all direct and indirect fees, commissions,
16 penalties, and other compensation paid by or on behalf of the
17 investment advisor or consultant in connection with the
18 provision of those services and shall update that disclosure
19 promptly after a modification of those payments or an
20 additional payment.

21 The disclosures required by this subsection shall be in
22 writing and shall include the date and amount of each payment
23 and the name and address of each recipient of a payment.

24 Notwithstanding any other provision of law, the Board shall
25 comply with the Business Enterprise for Minorities, Females,
26 and Persons with Disabilities Act. The Board shall post upon
27 its website the percentage of its contracts awarded under this
28 subsection currently and during the preceding 5 fiscal years
29 that were awarded to "minority owned businesses", "female owned
30 businesses", and "businesses owned by a person with a
31 disability", as those terms are defined in the Business
32 Enterprise for Minorities, Females, and Persons with
33 Disabilities Act.

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

1 (40 ILCS 5/2-152 rep.)
2 (40 ILCS 5/2-155 rep.)
3 (40 ILCS 5/12-190.3 rep.)
4 (40 ILCS 5/13-806 rep.)
5 (40 ILCS 5/14-148 rep.)
6 (40 ILCS 5/15-186 rep.)
7 (40 ILCS 5/15-189 rep.)
8 (40 ILCS 5/16-191 rep.)
9 (40 ILCS 5/16-198 rep.)
10 (40 ILCS 5/18-159 rep.)
11 (40 ILCS 5/18-162 rep.)

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

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.30 as follows:

17 (30 ILCS 805/8.30 new)

18 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
19 of this Act, no reimbursement by the State is required for the
20 implementation of any mandate created by this amendatory Act of
21 the 94th General Assembly.

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

24 Section 99. Effective date. This Act takes effect upon
25 becoming law."