

Rep. Gary Hannig

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Supreme Court.

Filed: 10/25/2005

	09400SB1879ham001 LRB094 09182 JAM 49948 a
1	AMENDMENT TO SENATE BILL 1879
2	AMENDMENT NO Amend Senate Bill 1879 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.

(e) Holders of, and candidates for nomination or

election to, the office of judge or associate judge of the

Circuit Court and the office of judge of the Appellate or

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- (f) Persons who are employed by any branch, agency, authority or board of the government of this State, including but not limited to, the Illinois State Toll Highway Authority, the Illinois Housing Development Authority, the Illinois Community College Board, and institutions under the jurisdiction of the Board of Trustees of the University of Illinois, Board of Trustees of Southern Illinois University, Board of Trustees of Chicago State University, Board of Trustees of Eastern Illinois University, Board of Trustees of Governor's State University, Board of Trustees of Illinois State University, Board of Trustees of Northeastern Illinois University, Board of Trustees of Northern Illinois University, Board of Trustees of Western Illinois University, or Board of Trustees of the Illinois Mathematics and Science Academy, and are compensated for services as employees and not as independent contractors and who:
 - (1) are, or function as, the head of a department, commission, board, division, bureau, authority or other administrative unit within the government of this State, or who exercise similar authority within the government of this State;
 - (2) have direct supervisory authority over, or responsibility for direct the formulation, negotiation, issuance or execution of contracts entered into by the State in the amount of \$5,000 or more;
 - have authority for the issuance or promulgation of rules and regulations within areas under the authority of the State;
 - (4) have authority for the approval of professional licenses;
 - (5) have responsibility with respect to the

financial inspection of regulated nongovernmental entities;

- (6) adjudicate, arbitrate, or decide any judicial or administrative proceeding, or review the adjudication, arbitration or decision of any judicial or administrative proceeding within the authority of the State;
- (7) have supervisory responsibility for 20 or more employees of the State; or
- (8) negotiate, assign, authorize, or grant naming rights or sponsorship rights regarding any property or asset of the State, whether real, personal, tangible, or intangible.
- (g) Persons who are elected to office in a unit of local government, and candidates for nomination or election to that office, including regional superintendents of school districts.
- (h) Persons appointed to the governing board of a unit of local government, or of a special district, and persons appointed to a zoning board, or zoning board of appeals, or to a regional, county, or municipal plan commission, or to a board of review of any county, and persons appointed to the Board of the Metropolitan Pier and Exposition Authority and any Trustee appointed under Section 22 of the Metropolitan Pier and Exposition Authority Act, and persons appointed to a board or commission of a unit of local government who have authority to authorize the expenditure of public funds. This subsection does not apply to members of boards or commissions who function in an advisory capacity.
- (i) Persons who are employed by a unit of local government and are compensated for services as employees and not as independent contractors and who:
 - (1) are, or function as, the head of a department,

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

- (2) have direct supervisory authority over, or direct responsibility for the formulation, negotiation, issuance or execution of contracts entered into by the unit of local government in the amount of \$1,000 or greater;
- (3) have authority to approve licenses and permits by the unit of local government; this item does not include employees who function in a ministerial capacity;
- (4) adjudicate, arbitrate, or decide any judicial or administrative proceeding, or review the adjudication, arbitration or decision of any judicial or administrative proceeding within the authority of the unit of local government;
- (5) have authority to issue or promulgate rules and regulations within areas under the authority of the unit of local government; or
- (6) have supervisory responsibility for 20 or more employees of the unit of local government.
- (j) Persons on the Board of Trustees of the Illinois Mathematics and Science Academy.
- (k) Persons employed by a school district in positions that require that person to hold an administrative or a chief school business official endorsement.
- (1) Special government agents. A "special government agent" is a person who is directed, retained, designated, appointed, or employed, with or without compensation, by or on behalf of a statewide executive branch constitutional officer to make an ex parte communication under Section 5-50 of the State Officials and Employees Ethics Act or

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

- (m) Members of the board of any pension fund or retirement system established under Article 2, 14, 15, 16, or 18 of the Illinois Pension Code and members of the Illinois State Board of Investment, if not required to file under any other provision of this Section.
- (n) Members of the board of any pension fund or 8 retirement system established under Article 3, 4, 5, 6, 7, 9 8, 9, 10, 11, 12, 13, 17, 19, or 22 of the Illinois Pension 10 Code, if not required to file under any other provision of 11 this Section. 12
- This Section shall not be construed to prevent any unit of 13 14 government from enacting financial disclosure 15 requirements that mandate more information than required by 16 this Act.
- (Source: P.A. 93-617, eff. 12-9-03; 93-816, eff. 7-27-04.) 17
- (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102) 18
- 19 Sec. 4A-102. The statement of economic interests required 20 by this Article shall include the economic interests of the person making the statement as provided in this Section. The 21 22 interest (if constructively controlled by the person making the statement) of a spouse or any other party, shall be considered 23 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.
 - (a) The following interests shall be listed by all persons required to file:
- (1) The name, address and type of practice of any 29 30 professional organization or individual professional practice in which the person making the statement was an 31 32 officer, director, associate, partner or proprietor, or served in any advisory capacity, from which income in 33

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

- (2) The nature of professional services (other than services rendered to the unit or units of government in relation to which the person is required to file) and the nature of the entity to which they were rendered if fees exceeding \$5,000 were received during the preceding calendar year from the entity for professional services rendered by the person making the statement.
- (3) The identity (including the address or legal description of real estate) of any capital asset from which a capital gain of \$5,000 or more was realized in the preceding calendar year.
- (4) The name of any unit of government which has employed the person making the statement during the preceding calendar year other than the unit or units of government in relation to which the person is required to file.
- (5) The name of any entity from which a gift or gifts, or honorarium or honoraria, valued singly or in the aggregate in excess of \$500, was received during the preceding calendar year.
- (b) The following interests shall also be listed by persons listed in items (a) through (f), and item (l), and item (m) of Section 4A-101:
 - (1) The name and instrument of ownership in any entity doing business in the State of Illinois, in which an ownership interest held by the person at the date of filing is in excess of \$5,000 fair market value or from which dividends of in excess of \$1,200 were derived during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description). No time or demand deposit in a financial institution, nor any debt instrument need be

listed;

- (2) Except for professional service entities, the name of any entity and any position held therein from which income of in excess of \$1,200 was derived during the preceding calendar year, if the entity does business in the State of Illinois. No time or demand deposit in a financial institution, nor any debt instrument need be listed.
- (3) The identity of any compensated lobbyist with whom the person making the statement maintains a close economic association, including the name of the lobbyist and specifying the legislative matter or matters which are the object of the lobbying activity, and describing the general type of economic activity of the client or principal on whose behalf that person is lobbying.
- (c) The following interests shall also be listed by persons listed in items (g), (h), $\frac{1}{2}$ and (i), and (n) of Section 4A-101:
 - (1) The name and instrument of ownership in any entity doing business with a unit of local government in relation to which the person is required to file if the ownership interest of the person filing is greater than \$5,000 fair market value as of the date of filing or if dividends in excess of \$1,200 were received from the entity during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description). No time or demand deposit in a financial institution, nor any debt instrument need be listed.
 - (2) Except for professional service entities, the name of any entity and any position held therein from which income in excess of \$1,200 was derived during the preceding calendar year if the entity does business with a unit of local government in relation to which the person is required to file. No time or demand deposit in a financial institution, nor any debt instrument need be listed.

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

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

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

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

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

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

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

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

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

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

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

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

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

All statements of economic interests filed under this 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.
- Failure to file a statement within the time prescribed
- 14 shall result in ineligibility for, or forfeiture of, office or
- position of employment, as the case may be; provided, however,
- that if the notice of failure to file a statement of economic
- interests provided in Section 4A-105 of this Act is not given
- 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
- 30 days of actual notice of the failure to file.
- 21 The Attorney General, with respect to offices or positions
- described in items (a) through (f) and items (j) $\underline{}$ and (l) $\underline{}$ and
- 23 $\underline{\text{(m)}}$ 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
- positions described in items (g) through (i) $\underline{}$ and item (k) $\underline{}$ and
- $\underline{\text{item (n)}}$ of Section 4A-101 of this Act, shall bring an action
- in quo warranto against any person who has failed to file by
- 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, 5-15, 5-20, 5-45,

- 10-15, 20-5, 20-23, 20-40, 25-5, 25-10, and 25-23 and by adding 1
- 2 Section 10-15.5 as follows:
- (5 ILCS 430/1-5) 3
- Sec. 1-5. Definitions. As used in this Act:
- "Appointee" means a person appointed to a position in or 5 with a State agency, regardless of whether the position is 6
- 7 compensated.
- "Campaign for elective office" means any activity in 8
- 9 furtherance of an effort to influence the selection,
- nomination, election, or appointment of any individual to any 10
- federal, State, or local public office or office in a political 11
- 12 organization, or the selection, nomination, or election of
- 13 Presidential or Vice-Presidential electors, but does not
- 14 include activities (i) relating to the support or opposition of
- 15 any executive, legislative, or administrative action (as those
- terms are defined in Section 2 of the Lobbyist Registration 16
- 17 Act), (ii) relating to collective bargaining, or (iii) that are
- 18 otherwise in furtherance of the person's official State duties.
- 19 "Candidate" means a person who has filed nominating papers
- 20 or petitions for nomination or election to an elected State
- office, or who has been appointed to fill a vacancy in 21
- nomination, and who remains eligible for placement on the
- 23 ballot at either a general primary election or general
- 24 election.
- 25 "Collective bargaining" has the same meaning as that term
- is defined in Section 3 of the Illinois Public Labor Relations 26
- 27 Act.

- 28 "Commission" means an ethics commission created by this
- 29 Act.
- 30 "Compensated time" means any time worked by or credited to
- 31 a State employee that counts toward any minimum work time
- 32 requirement imposed as a condition of employment with a State
- 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
- 3 or awarded to a State employee to compensate in whole or in
- 4 part for time worked in excess of the minimum work time
- 5 required of that employee as a condition of employment with a
- 6 State agency.
- 7 "Contribution" has the same meaning as that term is defined
- in Section 9-1.4 of the Election Code. 8
- "Employee" means (i) any person employed full-time, 9
- 10 part-time, or pursuant to a contract and whose employment
- 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
- 14 trustee, director, or board member of a board of a State
- 15 agency, or (iii) any other appointee.
- "Executive branch constitutional officer" means 16
- 17 Governor, Lieutenant Governor, Attorney General, Secretary of
- 18 State, Comptroller, and Treasurer.
- "Gift" means any gratuity, discount, entertainment, 19
- 20 hospitality, loan, forbearance, or other tangible
- 21 intangible item having monetary value including, but not
- limited to, cash, food and drink, and honoraria for speaking 22
- 23 engagements related to or attributable to government
- 2.4 employment or the official position of an employee, member, or
- 25 officer.
- 26 "Governmental entity" means a unit of local government or a
- 27 school district but not a State agency.
- 28 "Leave of absence" means any period during which a State
- 29 employee does not receive (i) compensation for
- employment, (ii) service credit towards State pension 30
- 31 benefits, and (iii) health insurance benefits paid for by the
- 32 State.
- "Legislative branch constitutional officer" means a member 33
- of the General Assembly and the Auditor General. 34

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"Legislative leader" means the President and Minority 1 2 Leader of the Senate and the Speaker and Minority Leader of the 3 House of Representatives.

"Member" means a member of the General Assembly.

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

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

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

"Prohibited political activity" means:

- (1) Preparing for, organizing, or participating in any political political meeting, rally, political demonstration, or other political event.
- Soliciting contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.
- (3) Soliciting, planning the solicitation of, or preparing any document or report regarding any thing of value intended as a campaign contribution.
 - (4) Planning, conducting, or participating in a public

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opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.

- (5) Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
- (6) Assisting at the polls on election day on behalf of any political organization or candidate for elective office or for or against any referendum question.
- (7) Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.
- Initiating for circulation, (8) preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.
- (9) Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.
- (10) Preparing or reviewing responses to candidate questionnaires in connection with a campaign for elective office or on behalf of a political organization for political purposes.
- (11) Distributing, preparing for distribution, mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective office or for or against any referendum question.
- (12) Campaigning for any elective office or for or against any referendum question.
 - (13) Managing or working on a campaign for elective

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1 office or for or against any referendum question.

- (14) Serving as a delegate, alternate, or proxy to a political party convention.
- (15) Participating in any recount or challenge to the outcome of any election, except to the extent that under subsection (d) of Section 6 of Article IV of the Illinois Constitution each house of the General Assembly shall judge the elections, returns, and qualifications of its members.
- "Prohibited source" means any person or entity who:
- (1) is seeking official action (i) by the member or officer or (ii) in the case of an employee, by the employee or by the member, officer, State agency, or other employee directing the employee;
- (2) does business or seeks to do business (i) with the member or officer or (ii) in the case of an employee, with the employee or with the member, officer, State agency, or other employee directing the employee;
- (3) conducts activities regulated (i) by the member or officer or (ii) in the case of an employee, by the employee or by the member, officer, State agency, or other employee directing the employee;
- (4) has interests that may be substantially affected by the performance or non-performance of the official duties of the member, officer, or employee; or
- (5) is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, except that an entity not otherwise a prohibited source does not become a prohibited source merely because a registered lobbyist is one of its members or serves on its board of directors.

"State agency" includes all officers, boards, commissions and agencies created by the Constitution, whether in the executive or legislative branch; all officers, departments, boards, commissions, agencies, institutions, authorities,

public institutions of higher learning as defined in Section 2 of the Higher Education Cooperation Act, and bodies politic and corporate of the State; and administrative units or corporate outgrowths of the State government which are created by or pursuant to statute, other than units of local government and their officers, school districts, and boards of election commissioners; and all administrative units and corporate outgrowths of the above and as may be created by executive order of the Governor. "State agency" includes the General Assembly, the Senate, the House of Representatives, the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, the Senate Operations Commission, and the legislative support services agencies. "State agency" includes the Office of the Auditor General. "State agency" does not include the judicial branch.

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

"Ultimate jurisdictional authority" means the following:

- (1) For members, legislative partisan staff, and legislative secretaries, the appropriate legislative leader: President of the Senate, Minority Leader of the Senate, Speaker of the House of Representatives, or Minority Leader of the House of Representatives.
- (2) For State employees who are professional staff or employees of the Senate and not covered under item (1), the Senate Operations Commission.
- (3) For State employees who are professional staff or employees of the House of Representatives and not covered under item (1), the Speaker of the House of Representatives.
- (4) For State employees who are employees of the legislative support services agencies, the Joint Committee on Legislative Support Services.
- (5) For State employees of the Auditor General, the Auditor General.

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- (6) For State employees of public institutions of higher learning as defined in Section 2 of the Higher Education Cooperation Act, the board of trustees of the appropriate public institution of higher learning.
 - (7) For State employees of an executive branch constitutional officer other than those described in paragraph (6), the appropriate executive branch constitutional officer.
 - (8) For State employees not under the jurisdiction of paragraph (1), (2), (3), (4), (5), (6), $\frac{1}{2}$, (7), or (9), the Governor.
- (9) For the Legislative Inspector General, State 12 employees of the Office of the Legislative Inspector 13 General, commissioners of the Legislative Ethics 14 15 Commission, and State employees of the Legislative Ethics Commission, the Legislative Ethics Commission. 16
- (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03; 17 93-685, eff. 7-8-04.) 18

19 (5 ILCS 430/5-10)

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

Executive Inspector General and each ultimate jurisdictional authority for the legislative branch shall set standards and determine the hours and frequency of training necessary for each position or category of positions. A person who fills a vacancy in an elective or appointed position that

- 1 requires training and a person employed in a position that
- 2 requires training must complete his or her initial ethics
- 3 training within 6 months after commencement of his or her
- 4 office or employment.
- 5 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)
- 6 (5 ILCS 430/5-15)
- 7 Sec. 5-15. Prohibited political activities.
- 8 (a) State employees shall not intentionally perform any
- 9 prohibited political activity during any compensated time
- 10 (other than vacation, personal, or compensatory time off).
- 11 State employees shall not intentionally misappropriate any
- 12 State property or resources by engaging in any prohibited
- 13 political activity for the benefit of any campaign for elective
- office or any political organization. The mere presence on
- 15 State property or an incidental use of State property or
- resources does not necessarily amount to a misappropriation for
- 17 purposes of this Section.
- 18 (b) At no time shall any executive or legislative branch
- 19 constitutional officer or any official, director, supervisor,
- or State employee intentionally misappropriate the services of
- 21 any State employee by requiring that State employee to perform
- 22 any prohibited political activity (i) as part of that
- employee's State duties, (ii) as a condition of State
- 24 employment, or (iii) during any time off that is compensated by
- 25 the State (such as vacation, personal, or compensatory time
- 26 off).
- (c) A State employee shall not be required at any time to
- 28 participate in any prohibited political activity in
- 29 consideration for that State employee being awarded any
- 30 additional compensation or employee benefit, in the form of a
- 31 salary adjustment, bonus, compensatory time off, continued
- 32 employment, or otherwise.
- 33 (d) A State employee shall not be awarded any additional

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- compensation or employee benefit, in the form of a salary adjustment, bonus, compensatory time off, continued employment, or otherwise, in consideration for the State
- 4 employee's participation in any prohibited political activity.
 - (e) Nothing in this Section prohibits activities that are otherwise appropriate for a State employee to engage in as a part of his or her official State employment duties or activities that are undertaken by a State employee on a voluntary basis as permitted by law.
- 10 (f) No person either (i) in a position that is subject to recognized merit principles of public employment or (ii) in a 11 position the salary for which is paid in whole or in part by 12 federal funds and that is subject to the Federal Standards for 13 14 a Merit System of Personnel Administration applicable to 15 grant-in-aid programs, shall be denied or deprived of State employment or tenure solely because he or she is a member or an 16 17 officer of a political committee, of a political party, or of a 18 political organization or club.
- 19 (Source: P.A. 93-615, eff. 11-19-03.)
- 20 (5 ILCS 430/5-20)
- Sec. 5-20. Public service announcements; other promotional material.
- 23 No Beginning January 1, 2004, no public service (a) 24 announcement or advertisement that <u>identifies</u> any specific 25 program administered by a State agency is on behalf of any State administered program and contains the proper name, image, 26 27 or voice of any executive branch constitutional officer or 28 member of the General Assembly shall be broadcast or aired on radio or television or printed in a commercial newspaper or a 29 30 commercial magazine at any time.
- 31 (b) The proper name or image of any executive branch 32 constitutional officer or member of the General Assembly may 33 not appear on any (i) bumper stickers, (ii) commercial

- billboards, (iii) lapel pins or buttons, (iv) magnets, (v) 1
- 2 stickers, and (vi) other similar promotional items, that are
- 3 not in furtherance of the person's official State duties or
- 4 governmental and public service functions, if designed, paid
- 5 for, prepared, or distributed using public dollars. This
- subsection does not apply to stocks of items existing on the 6
- 7 effective date of this amendatory Act of the 93rd General
- 8 Assembly.

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- (c) This Section does not apply to communications funded 9
- 10 through expenditures required to be reported under Article 9 of
- 11 the Election Code.
- (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03; 12
- 93-685, eff. 7-8-04.) 13
- 14 (5 ILCS 430/5-45)
- Sec. 5-45. Procurement; revolving door prohibition. 15
- (a) No <u>current or</u> former officer, member, or State 16
- 17 employee, or spouse or immediate family member living with such
- person, shall, during the period of State employment or within 18
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a period of one year immediately after termination of State

compensation or fees for services from a person or entity if

- employment, knowingly accept employment or receive
- the officer, member, or State employee, during the immediately 22
- preceding 2 years of State employment with respect to a current 23
- 24 officer, member, or State employee, or during the year
- 25 immediately preceding termination of State employment with
- respect to a former officer, member, or State employee, 26
- 27 participated personally and substantially in the decision to
- 28 award State contracts with a cumulative value of over \$25,000
- to the person or entity, or its parent or subsidiary. 29
- 30 (b) No current or former officer of the executive branch or
- 31 State employee of the executive branch with regulatory or
- 32 licensing authority, or spouse or immediate family member
- living with such person, shall, during the period of State 33

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employment or within a period of one year immediately after termination of State employment, knowingly accept employment or receive compensation of fees for services from a person or entity if the officer or State employee, <u>during the immediately</u> preceding 2 years of State employment with respect to a current officer, member, or State employee, or during the immediately preceding termination of State employment with respect to a former officer, member, or State employee, made a regulatory or licensing decision that directly applied to the person or entity, or its parent or subsidiary.

- (c) The requirements of this Section may be waived (i) for the executive branch, in writing by the Executive Ethics Commission, (ii) for the legislative branch, in writing by the Legislative Ethics Commission, and (iii) for the Auditor General, in writing by the Auditor General. During the time period from the effective date of this amendatory Act of the 93rd General Assembly until the Executive Ethics Commission first meets, the requirements of this Section may be waived in writing by the appropriate ultimate jurisdictional authority. During the time period from the effective date of this amendatory Act of the 93rd General Assembly until the Legislative Ethics Commission first meets, the requirements of this Section may be waived in writing by the appropriate ultimate jurisdictional authority. The waiver shall be granted upon the person seeking the waiver proving by clear and convincing evidence a showing that the prospective employment or relationship did not affect the decisions referred to in sections (a) and (b).
- With respect to former officers, members, State employees, spouses, and family members, this This Section applies only with respect to persons who terminate an affected position on or after December 19, 2003 (the effective date of of the 93rd General -amendatory Act 93-617) Public this Assembly.

(Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.) 1

2 (5 ILCS 430/10-15)

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- 3 Sec. 10-15. Gift ban; exceptions. The restriction in 4 Section 10-10 does not apply to the following:
 - (1) Opportunities, benefits, and services that are available on the same conditions as for the general public.
 - (2) Anything for which the officer, member, or State employee pays the market value.
 - (3) Any (i) contribution that is lawfully made under the Election Code or under this Act or (ii) activities associated with a fundraising event in support of a political organization or candidate.
 - (4) Educational materials and missions. Subject to Section 10-15.5, this This exception may be further defined by rules adopted by the appropriate ethics commission or by the Auditor General for the Auditor General and employees of the Office of the Auditor General.
 - (5) Travel expenses for a meeting to discuss State business. Subject to Section 10-15.5, this This exception may be further defined by rules adopted by the appropriate ethics commission or by the Auditor General for the Auditor General and employees of the Office of the Auditor General.
 - (6) A gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, sister-in-law, stepfather, stepmother, brother-in-law, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather, or grandmother of the individual's spouse and the individual's fiance or fiancee.

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

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

- (i) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals;
- (ii) whether to the actual knowledge of the member, officer, or employee the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and
- (iii) whether to the actual knowledge of the member, officer, or employee the individual who gave the gift also at the same time gave the same or similar gifts to other members, officers, or employees.
- (8) Food or refreshments not exceeding \$75 per person in value on a single calendar day; provided that the food or refreshments are (i) consumed on the premises from which they were purchased or prepared or (ii) catered. For the purposes of this Section, "catered" means food or refreshments that are purchased ready to eat and delivered by any means.
- (9) Food, refreshments, lodging, transportation, and other benefits resulting from the outside business or employment activities (or outside activities that are not connected to the duties of the officer, member, or employee as an office holder or employee) of the officer, member, or

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employee, or the spouse of the officer, member, or employee, if the benefits have not been offered or enhanced because of the official position or employment of the officer, member, or employee, and are customarily provided to others in similar circumstances.

- (10) Intra-governmental and inter-governmental gifts. For the purpose of this Act, "intra-governmental gift" means any gift given to a member, officer, or employee of a State agency from another member, officer, or employee of the same State agency; and "inter-governmental gift" means any gift given to a member, officer, or employee of a State agency, by a member, officer, or employee of another State agency, of a federal agency, or of any governmental entity.
- (11) Bequests, inheritances, and other transfers at death.
- (12) Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than \$100.
- Each of the exceptions listed in this Section is mutually exclusive and independent of one another.
- 21 (Source: P.A. 93-617, eff. 12-9-03.)
- (5 ILCS 430/10-15.5 new)22
- Sec. 10-15.5. Educational mission; travel expenses for a 23 24 meeting to discuss State business.
- 25 (a) This Section further defines items (4) and (5) of Section 10-15 when a prohibited source provides educational 26 27 missions or travel expenses for a meeting to discuss State 28 business and applies to travel on and after the effective date of this amendatory Act of the 94th General Assembly. 29
- 30 (b) Travel in connection with an educational mission or for a meeting to discuss State business is subject to the following 31 conditions: 32
- (1) it must be in furtherance of the recipient 33

1	officer's or employee's State duties or employment;
2	(2) it must bear a significant connection to the
3	interests of the prohibited source;
4	(3) the destination (i) must bear a close relationship
5	to the educational purposes of the travel or to the State
6	business to be discussed or (ii) must be reasonable under
7	the circumstances;
8	(4) the length of time at the destination for the
9	mission or meeting that is paid for by the prohibited
10	source must be reasonable under the circumstances;
11	(5) the officer or employee must devote a significant
12	amount of time while at the destination to the educational
13	activities or State business; and
14	(6) the travel expenses must be reasonable under the
15	circumstances; if the travel expenses do not substantially
16	exceed the amounts that would be authorized for State
17	reimbursement by the relevant Travel Control Board, they
18	are deemed reasonable.
19	(c) The following categories of expenses qualify under the
20	educational mission and State business exceptions to the Gift
21	Ban: travel to, at, and from the destination; lodging en route
22	to, at, and from the destination; and tours, demonstrations,
23	presentations, and meetings. The following categories of
24	expenses, without limitation, do not fall under the educational
25	mission and State business exceptions to the Gift Ban, but may
26	qualify as exceptions under other applicable provisions of
27	Section 10-15: food; refreshments; entertainment; recreation;
28	<pre>prizes; awards; and souvenirs.</pre>
29	(d) Qualified expenses under the educational mission and
30	State business exceptions to the Gift Ban include those for the
31	officer or employee. If the officer or employee is accompanied
32	by his or her spouse or immediate family member living with the
33	officer or employee and that spouse or family member either (i)
34	is not a State official or employee or (ii) is a State official

- or employee but is not traveling in that capacity, any 1 additional expenses for the spouse or family member qualify (i) 2 3 under the educational mission and State business exceptions to the Gift Ban only if, because of legitimate dependent care 4 5 obligations, the officer or employee would not be able to attend unless accompanied by the spouse or family member or 6 7 (ii) to the extent that other applicable exceptions under Section 10-15 apply. If the spouse or family member is a State 8 official or employee and is traveling in that capacity, then 9 10 this Section applies independently to that spouse or family member. 11
- (e) More than one prohibited source may contribute to 12 qualified expenses so long as the other requirements of this 13 14 Section are met.
- 15 (f) The officer or employee or a non-prohibited source must pay all non-qualified expenses that do not otherwise fall under 16 an exception to the Gift Ban. 17
- (5 ILCS 430/20-5) 18
- Sec. 20-5. Executive Ethics Commission. 19
- 20 (a) The Executive Ethics Commission is created.
- (b) The Executive Ethics Commission shall consist of 9 21 commissioners. The Governor shall appoint 5 commissioners, and 22 the Attorney General, Secretary of State, Comptroller, and 23 24 Treasurer shall each appoint one commissioner. Appointments 25 shall be made by and with the advice and consent of the Senate by three-fifths of the elected members concurring by record 26 27 vote. Any nomination not acted upon by the Senate within 60 28 session days of the receipt thereof shall be deemed to have received the advice and consent of the Senate. If, during a 29 30 recess of the Senate, there is a vacancy in an office of 31 commissioner, the appointing authority shall make a temporary 32 appointment until the next meeting of the Senate when the appointing authority shall make a nomination to fill that 33

- office. No person rejected for an office of commissioner shall,
- 2 except by the Senate's request, be nominated again for that
- 3 office at the same session of the Senate or be appointed to
- 4 that office during a recess of that Senate. No more than 5
- 5 commissioners may be of the same political party.
- The terms of the initial commissioners shall commence upon
- 7 qualification. Four initial appointees of the Governor, as
- 8 designated by the Governor, shall serve terms running through
- 9 June 30, 2007. One initial appointee of the Governor, as
- 10 designated by the Governor, and the initial appointees of the
- 11 Attorney General, Secretary of State, Comptroller, and
- 12 Treasurer shall serve terms running through June 30, 2008. The
- initial appointments shall be made within 60 days after the
- 14 effective date of this Act.
- 15 After the initial terms, commissioners shall serve for
- 4-year terms commencing on July 1 of the year of appointment
- 17 and running through June 30 of the fourth following year.
- 18 Commissioners may be reappointed to one or more subsequent
- 19 terms.
- Vacancies occurring other than at the end of a term shall
- 21 be filled by the appointing authority only for the balance of
- the term of the commissioner whose office is vacant.
- 23 Terms shall run regardless of whether the position is
- 24 filled.
- 25 (c) The appointing authorities shall appoint commissioners
- 26 who have experience holding governmental office or employment
- 27 and shall appoint commissioners from the general public. A
- 28 person is not eligible to serve as a commissioner if that
- 29 person (i) has been convicted of a felony or a crime of
- 30 dishonesty or moral turpitude, (ii) is, or was within the
- 31 preceding 12 months, engaged in activities that require
- 32 registration under the Lobbyist Registration Act, (iii) is
- 33 related to the appointing authority, or (iv) is a State officer
- 34 or employee.

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- Ethics Executive Commission shall have jurisdiction over all officers and employees of State agencies other than the General Assembly, the Senate, the House of Representatives, the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of the Senate Operations Commission, Representatives, the legislative support services agencies, the Legislative Ethics Commission, the Office of the Legislative Inspector General, and the Office of the Auditor General. The jurisdiction of the Commission is limited to matters arising under this Act.
- (e) The Executive Ethics Commission must meet, either in person or by other technological means, at least monthly and as often as necessary. At the first meeting of the Executive Ethics Commission, the commissioners shall choose from their number a chairperson and other officers that they deem appropriate. The terms of officers shall be for 2 years commencing July 1 and running through June 30 of the second following year. Meetings shall be held at the call of the chairperson or any 3 commissioners. Official action by the require the affirmative vote of Commission shall 5 commissioners, and a quorum shall consist of 5 commissioners. Commissioners shall receive compensation in an amount equal to the compensation of members of the State Board of Elections and may be reimbursed for their reasonable expenses actually incurred in the performance of their duties.
- (f) No commissioner or employee of the Executive Ethics Commission may during his or her term of appointment or employment:
 - (1) become a candidate for any elective office;
 - (2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;
 - (3) be actively involved in the affairs of any

- 1 political party or political organization; or
- 2 (4) actively participate in any campaign for any 3 elective office.
- 4 (g) An appointing authority may remove a commissioner only 5 for cause.
- (h) The Executive Ethics Commission shall appoint an 7 Executive Director. The compensation of the Executive Director 8 shall be as determined by the Commission or by the Compensation Review Board, whichever amount is higher. The Executive 9 10 Director of the Executive Ethics Commission may employ and determine the compensation of staff, as appropriations permit. 11
- (Source: P.A. 93-617, eff. 12-9-03.) 12

13 (5 ILCS 430/20-23)

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- Sec. 20-23. Ethics Officers. Each officer and the head of each State agency under the jurisdiction of the Executive Ethics Commission, including without limitation the Executive Ethics Commission and each Executive Inspector General, shall designate an Ethics Officer for the office or State agency. Ethics Officers shall:
 - (1) act as liaisons between the State agency and the appropriate Executive Inspector General and between the State agency and the Executive Ethics Commission;
 - review statements of economic interest (2) and disclosure forms of officers, senior employees, and contract monitors before they are filed with the Secretary of State; and
 - (3) provide guidance to officers and employees in the interpretation and implementation of this Act, which the officer or employee may in good faith rely upon. Such guidance shall be based, wherever possible, upon legal precedent in court decisions, opinions of the Attorney General, and the findings and opinions of the Executive Ethics Commission.

(Source: P.A. 93-617, eff. 12-9-03.) 1

(5 ILCS 430/20-40) 2

3 20-40. Collective bargaining agreements. Any 4 investigation or inquiry by an Executive Inspector General or any agent or representative of an Executive Inspector General 5 must be conducted with awareness of the provisions of a 6 collective bargaining agreement that applies to the employees 7 of the relevant State agency and with an awareness of the 8 9 rights of the employees as set forth by State and federal law and applicable judicial decisions. Any recommendation for 10 discipline or any action taken against any State employee 11 12 pursuant to this Act must comply with the provisions of the 13 collective bargaining agreement that applies to the State employee. Each collective bargaining agreement applicable to 14 State employees that is entered into, renewed, extended, or 15 modified on or after the effective date of this amendatory Act 16 17 of the 94th General Assembly is subject to the provisions of this Act; to the extent of any conflict between this Act and 18 any such agreement, this Act controls. 19

- 20 (Source: P.A. 93-617, eff. 12-9-03.)
- (5 ILCS 430/25-5) 21
- 22 Sec. 25-5. Legislative Ethics Commission.
- 23 (a) The Legislative Ethics Commission is created.
- 24 (b) The Legislative Ethics Commission shall consist of 8 commissioners appointed 2 each by the President and Minority 25 26 Leader of the Senate and the Speaker and Minority Leader of the 27 House of Representatives.

The terms of the initial commissioners shall commence upon 28 29 qualification. Each appointing authority shall designate one appointee who shall serve for a 2-year term running through 30 June 30, 2005. Each appointing authority shall designate one 31 appointee who shall serve for a 4-year term running through 32

June 30, 2007. The initial appointments shall be made within 60

2 days after the effective date of this Act.

3 After the initial terms, commissioners shall serve for

4 4-year terms commencing on July 1 of the year of appointment

and running through June 30 of the fourth following year.

Commissioners may be reappointed to one or more subsequent

7 terms.

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Vacancies occurring other than at the end of a term shall
be filled by the appointing authority only for the balance of

10 the term of the commissioner whose office is vacant.

Terms shall run regardless of whether the position is

12 filled.

- (c) The appointing authorities shall appoint commissioners who have experience holding governmental office or employment and may appoint commissioners who are members of the General Assembly as well as commissioners from the general public. A commissioner who is a member of the General Assembly must recuse himself or herself from participating in any matter relating to any investigation or proceeding in which he or she is the subject. A person is not eligible to serve as a commissioner if that person (i) has been convicted of a felony or a crime of dishonesty or moral turpitude, (ii) is, or was within the preceding 12 months, engaged in activities that require registration under the Lobbyist Registration Act, (iii) is a relative of the appointing authority, or (iv) is a State officer or employee other than a member of the General Assembly.
- (d) The Legislative Ethics Commission shall have jurisdiction over members of the General Assembly and all State employees whose ultimate jurisdictional authority is (i) a legislative leader, (ii) the Senate Operations Commission, or (iii) the Joint Committee on Legislative Support Services, or (iv) the Legislative Ethics Commission. The jurisdiction of the Commission is limited to matters arising under this Act.

- (e) The Legislative Ethics Commission must meet, either in person or by other technological means, monthly or as often as necessary. At the first meeting of the Legislative Ethics Commission, the commissioners shall choose from their number a chairperson and other officers that they deem appropriate. The terms of officers shall be for 2 years commencing July 1 and running through June 30 of the second following year. Meetings shall be held at the call of the chairperson or any 3 commissioners. Official action by the Commission shall require the affirmative vote of 5 commissioners, and a quorum shall consist of 5 commissioners. Commissioners shall receive no compensation but may be reimbursed for their reasonable expenses actually incurred in the performance of their duties.
 - (f) No commissioner, other than a commissioner who is a member of the General Assembly, or employee of the Legislative Ethics Commission may during his or her term of appointment or employment:
 - (1) become a candidate for any elective office;
 - (2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;
 - (3) be actively involved in the affairs of any political party or political organization; or
 - (4) actively participate in any campaign for any elective office.
- (g) An appointing authority may remove a commissioner only for cause.
- (h) The Legislative Ethics Commission shall appoint an Executive Director subject to the approval of at least 3 of the 4 legislative leaders. The compensation of the Executive Director shall be as determined by the Commission or by the Compensation Review Board, whichever amount is higher. The Executive Director of the Legislative Ethics Commission may

- 1 employ, subject to the approval of at least 3 of the 4
- 2 legislative leaders, and determine the compensation of staff,
- 3 as appropriations permit.
- 4 (Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)
- 5 (5 ILCS 430/25-10)
- 6 Sec. 25-10. Office of Legislative Inspector General.
- 7 (a) The independent Office of the Legislative Inspector 8 General is created. The Office shall be under the direction and
- 9 supervision of the Legislative Inspector General and shall be a
- 10 fully independent office with its own appropriation.
- 11 (b) The Legislative Inspector General shall be appointed
- 12 without regard to political affiliation and solely on the basis
- of integrity and demonstrated ability. The Legislative Ethics
- 14 Commission shall diligently search out qualified candidates
- 15 for Legislative Inspector General and shall make
- 16 recommendations to the General Assembly.
- 17 The Legislative Inspector General shall be appointed by a
- 18 joint resolution of the Senate and the House of
- 19 Representatives, which may specify the date on which the
- 20 appointment takes effect. A joint resolution, or other document
- 21 as may be specified by the Joint Rules of the General Assembly,
- 22 appointing the Legislative Inspector General must be certified
- 23 by the Speaker of the House of Representatives and the
- 24 President of the Senate as having been adopted by the
- 25 affirmative vote of three-fifths of the members elected to each
- 26 house, respectively, and be filed with the Secretary of State.
- 27 The appointment of the Legislative Inspector General takes
- 28 effect on the day the appointment is completed by the General
- 29 Assembly, unless the appointment specifies a later date on
- 30 which it is to become effective.
- 31 The Legislative Inspector General shall have the following
- 32 qualifications:
- 33 (1) has not been convicted of any felony under the laws

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- of this State, another state, or the United States; 1
- 2 has earned a baccalaureate degree from an 3 institution of higher education; and
 - (3) has 5 or more years of cumulative service (A) with a federal, State, or local law enforcement agency, at least 2 years of which have been in a progressive investigatory capacity; (B) as a federal, State, or local prosecutor; (C) as a senior manager or executive of a federal, State, or local agency; (D) as a member, an officer, or a State or federal judge; or (E) representing any combination of (A) through (D).
- The Legislative Inspector General may not be a relative of 12 13 a commissioner.
- The term of the initial Legislative Inspector General shall 14 15 commence upon qualification and shall run through June 30, 2008. 16
- After the initial term, the Legislative Inspector General 17 shall serve for 5-year terms commencing on July 1 of the year 18 19 of appointment and running through June 30 of the fifth 20 following year. The Legislative Inspector General may be 21 reappointed to one or more subsequent terms.
- A vacancy occurring other than at the end of a term shall 22 23 be filled in the same manner as an appointment only for the 24 balance of the term of the Legislative Inspector General whose 25 office is vacant.
- 26 Terms shall run regardless of whether the position is filled. 27
- 28 The Legislative Inspector General shall 29 jurisdiction over the members of the General Assembly and all State employees whose ultimate jurisdictional authority is (i) 30 31 a legislative leader, (ii) the Senate Operations Commission, or 32 (iii) the Joint Committee on Legislative Support Services, or (iv) the Legislative Ethics Commission. 33
- The jurisdiction of each Legislative Inspector General is 34

- 1 to investigate allegations of fraud, waste, abuse,
- 2 mismanagement, misconduct, nonfeasance, misfeasance,
- 3 malfeasance, or violations of this Act or violations of other
- 4 related laws and rules.
- 5 (d) The compensation of the Legislative Inspector General
- 6 shall be the greater of an amount (i) determined by the
- 7 Commission or (ii) by joint resolution of the General Assembly
- 8 passed by a majority of members elected in each chamber.
- 9 Subject to Section 25-45 of this Act, the Legislative Inspector
- 10 General has full authority to organize the Office of the
- 11 Legislative Inspector General, including the employment and
- determination of the compensation of staff, such as deputies,
- assistants, and other employees, as appropriations permit.
- 14 Employment of staff is subject to the approval of at least 3 of
- the 4 legislative leaders.
- 16 (e) No Legislative Inspector General or employee of the
- Office of the Legislative Inspector General may, during his or
- her term of appointment or employment:
 - (1) become a candidate for any elective office;
- 20 (2) hold any other elected or appointed public office
- 21 except for appointments on governmental advisory boards or
- 22 study commissions or as otherwise expressly authorized by
- 23 law;

- 24 (3) be actively involved in the affairs of any
- 25 political party or political organization; or
- 26 (4) actively participate in any campaign for any
- 27 elective office.
- In this subsection an appointed public office means a
- 29 position authorized by law that is filled by an appointing
- 30 authority as provided by law and does not include employment by
- 31 hiring in the ordinary course of business.
- 32 (e-1) No Legislative Inspector General or employee of the
- 33 Office of the Legislative Inspector General may, for one year
- 34 after the termination of his or her appointment or employment:

- 1 (1) become a candidate for any elective office;
- (2) hold any elected public office; or 2
- 3 (3) hold any appointed State, county, or local judicial office. 4
- 5 (e-2) The requirements of item (3) of subsection (e-1) may be waived by the Legislative Ethics Commission. 6
- (f) The Commission may remove the Legislative Inspector 7 General only for cause. At the time of the removal, 8 9 Commission must report to the General Assembly the justification for the removal. 10
- (Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.) 11
- (5 ILCS 430/25-23) 12

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- 13 Sec. 25-23. Ethics Officers. The President and Minority 14 Leader of the Senate and the Speaker and Minority Leader of the 15 House of Representatives shall each appoint an ethics officer for the members and employees of his or her legislative caucus. 16 17 The commissioners of the Legislative Ethics Commission shall designate an ethics officer for the Legislative Ethics 18 Commission. The Legislative Inspector General shall designate 19 20 an ethics officer for the Office of the Legislative Inspector 21 General. No later than January 1, 2004, the head of each other 22 State agency under the jurisdiction of the Legislative Ethics Commission, other than the General Assembly, shall designate an 23 24 ethics officer for the State agency. Ethics Officers shall:
 - (1) act as liaisons between the State agency and the Legislative Inspector General and between the State agency and the Legislative Ethics Commission;
 - (2) review statements of economic interest and disclosure forms of officers, senior employees, contract monitors before they are filed with the Secretary of State; and
 - (3) provide guidance to officers and employees in the interpretation and implementation of this Act, which the

- officer or employee may in good faith rely upon. Such 1
- guidance shall be based, wherever possible, upon legal 2
- 3 precedent in court decisions, opinions of the Attorney
- 4 General, and the findings and opinions of the Legislative
- 5 Ethics Commission.
- (Source: P.A. 93-617, eff. 12-9-03.) 6
- 7 Section 15. The Lobbyist Registration Act is amended by
- changing Section 2 as follows: 8
- 9 (25 ILCS 170/2) (from Ch. 63, par. 172)
- Sec. 2. Definitions. As used in this Act, unless the 10
- context otherwise requires: 11
- (a) "Person" means any individual, firm, partnership, 12
- 13 committee, association, corporation, or any other organization
- 14 or group of persons.
- (b) "Expenditure" means a payment, distribution, loan, 15
- 16 advance, deposit, or gift of money or anything of value, and
- 17 includes a contract, promise, or agreement, whether or not
- 18 legally enforceable, to make an expenditure, for the ultimate
- 19 purpose of influencing executive, legislative,
- administrative action, other than compensation as defined in 20
- subsection (d). 21
- (c) "Official" means: 22
- 23 (1) the Governor, Lieutenant Governor, Secretary of
- 24 State, Attorney General, State Treasurer, and State
- 25 Comptroller;
- 26 (2) Chiefs of Staff for officials described in item
- 27 (1);
- (3) Cabinet members of any elected constitutional 28
- 29 officer, including Directors, Assistant Directors and
- Chief Legal Counsel or General Counsel; 30
- (4) Members of the General Assembly. 31
- (d) "Compensation" means any money, thing of value or 32

financial benefits received or to be received in return for services rendered or to be rendered, for lobbying as defined in subsection (e).

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

- (e) "Lobbying" means any communication with <u>(i)</u> an official of the executive or legislative branch of State government as defined in subsection (c) <u>or (ii) a State employee as defined in this Section</u>, for the ultimate purpose of influencing executive, legislative, or administrative action.
- (f) "Influencing" means any communication, action, reportable expenditure as prescribed in Section 6 or other means used to promote, support, affect, modify, oppose or delay any executive, legislative or administrative action or to promote goodwill with officials as defined in subsection (c).
- (g) "Executive action" means the proposal, drafting, development, consideration, amendment, adoption, approval, promulgation, issuance, modification, rejection or postponement by a State entity of a rule, regulation, order, decision, determination, contractual arrangement, purchasing agreement or other quasi-legislative or quasi-judicial action or proceeding.
- (h) "Legislative action" means the development, drafting, introduction, consideration, modification, adoption, rejection, review, enactment, or passage or defeat of any bill, amendment, resolution, report, nomination, administrative rule or other matter by either house of the General Assembly or a committee thereof, or by a legislator. Legislative action also means the action of the Governor in approving or vetoing any bill or portion thereof, and the action of the Governor or any agency in the development of a proposal for introduction in the legislature.

- 1 "Administrative action" means the execution or
- rejection of any rule, regulation, legislative rule, standard, 2
- 3 fee, rate, contractual arrangement, purchasing agreement or
- 4 other delegated legislative or quasi-legislative action to be
- taken or withheld by any executive agency, department, board or 5
- commission of the State. 6
- 7 (j) "Lobbyist" means any person who undertakes to lobby
- 8 State government as provided in subsection (e).
- (k) "State employee" is defined as that term is defined in 9
- 10 Section 1-5 of the State Officials and Employees Ethics Act.
- (1) "Employee", with respect to a State employee, is 11
- defined as that term is defined in Section 1-5 of the State 12
- 13 Officials and Employees Ethics Act.
- (m) "State agency" is defined as that term is defined in 14
- Section 1-5 of the State Officials and Employees Ethics Act. 15
- (Source: P.A. 88-187.) 16
- 17 Section 25. The Illinois Procurement Code is amended by
- changing Sections 1-15.15, 1-15.100, 15-25, 20-10, 18
- 35-15, 35-20, 35-25, 35-30, 35-35, 35-40, 40-15, 50-20, 50-30, 19
- 20 and 53-10 and by adding Sections 20-43 and 50-37 as follows:
- (30 ILCS 500/1-15.15) 21
- Sec. 1-15.15. Chief Procurement Officer. 22 "Chief
- 23 Procurement Officer" means:
- 24 for procurements for construction (1)and
- construction-related services committed by law to 25 the
- 26 jurisdiction or responsibility of the Capital Development
- 27 Board, the executive director of the Capital Development Board.
- 28 for procurements for all construction,
- 29 construction-related services, operation of any facility, and
- 30 the provision of any service or activity committed by law to
- 31 the jurisdiction or responsibility of the Illinois Department
- 32 of Transportation, including the direct or reimbursable

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the

- expenditure of all federal funds for which the Department of 1
- 2 Transportation is responsible or accountable for the use
- 3 thereof in accordance with federal law, regulation, or
- 4 procedure, the Secretary of Transportation.
- (3) for all procurements made by a public institution of 5
- higher education, a representative designated by the Governor. 6
- 7 (4) for all applicable procurements made my a pension fund
- or retirements system created under Article 2, 14, 15, 16, or 8
- 18 of the Illinois Pension Code or an investment board created 9
- 10 under Article 22A of the Illinois Pension Code, a
- representative designated by the Governor. 11
- (5) $\frac{(4)}{(4)}$ for all other procurements, the Director of the 12
- 13 Department of Central Management Services.
- (Source: P.A. 90-572, eff. 2-6-98.) 14
- (30 ILCS 500/1-15.100) 15

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- Sec. 1-15.100. State agency. "State agency" means and 16
- 17 includes all boards, commissions, agencies, institutions,
- authorities, and bodies politic and corporate of the State, 18
- 19 created by or in accordance with the constitution or statute,
- of the executive branch of State government and does include
- institutions 21 colleges, universities, and

jurisdiction of the governing boards of the University of

- 23 Illinois University, Illinois Illinois, Southern
- 24 University, Eastern Illinois University, Northern Illinois
- 25 University, Western Illinois University, Chicago
- University, Governor State University, Northeastern Illinois 26
- 27 University, and the Board of Higher Education. However, this
- 28 term applies does not apply to public employee pension funds,
- 29 retirement systems, or investment boards that are subject to
- 30 fiduciary duties imposed by the Illinois Pension Code only to
- the extent and for the purpose of procurements required under 31
- Sections 1-113.5 and 22A-111 of the Illinois Pension Code to be 32
- made in accordance with Article 35 of this Code. The term 33

- "State agency" does not apply or to the University of Illinois 1
- Foundation. "State agency" does not include units of local 2
- 3 government, school districts, community colleges under the
- Public Community College Act, and the Illinois Comprehensive 4
- 5 Health Insurance Board.
- (Source: P.A. 90-572, eff. 2-6-98.) 6
- 7 (30 ILCS 500/15-25)

contract forms.

- Sec. 15-25. Bulletin content. 8
- (a) Invitations for bids. Notice of each and every contract 9 that is offered, including renegotiated contracts and change 10 orders, shall be published in the Bulletin. The applicable 11 chief procurement officer may provide by rule an organized 12 13 format for the publication of this information, but in any case 14 it must include at least the date first offered, the date submission of offers is due, the location that offers are to be 15 submitted to, the purchasing State agency, the responsible 16 17 State purchasing officer, a brief purchase description, the 18 method of source selection, and information of how to obtain a 19 comprehensive purchase description and any disclosure and
- (b) Contracts let or awarded. Notice of each and every 21 22 contract that is let or awarded, including renegotiated contracts and change orders, shall be published in the next 23 24 available subsequent Bulletin, and the applicable chief 25 procurement officer may provide by rule an organized format for the publication of this information, but in any case it must 26 27 include at least all of the information specified in subsection 28 (a) as well as the name of the successful responsible bidder or 29 offeror, the contract price, the number of unsuccessful 30 responsive bidders, and any other disclosure specified in any Section of this Code. This notice shall include the disclosures 31 under Section 50-37, if those disclosures are required. In 32 addition, the notice shall summarize the outreach efforts 33

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1 undertaken by the agency to make potential bidders or offerors aware of any contract offer other than publication in the 2 3 Bulletin.

- (c) Emergency purchase disclosure. Any chief procurement officer, State purchasing officer, or designee exercising emergency purchase authority under this Code shall publish a written description and reasons and the total cost, if known, or an estimate if unknown and the name of the responsible chief procurement officer and State purchasing officer, and the business or person contracted with for all emergency purchases in the next timely, practicable Bulletin. This notice must be posted in the online electronic Bulletin within 10 business days after the earlier of (i) execution of the contract or (ii) whenever services or goods begin to be provided under the contract and, in any event, prior to any payment by the State under the contract.
- (c-5) Each State agency shall post in the online electronic Bulletin a copy of its annual report of utilization of businesses owned by minorities, females, and persons with disabilities as submitted to the Business Enterprises Council for Minorities, Females, and Persons with Disabilities pursuant to Section 6(c) of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act within 10 business days of its submission of its report to the Council.
 - (c-10) Renewals. Notice of each contract renewal shall be posted online on the Procurement Bulletin. The Procurement Policy Board by rule shall specify the information to be included in the notice, and the applicable chief procurement officer by rule may provide a format for the information.
- Other required disclosure. The applicable chief procurement officer shall provide by rule for the organized publication of all other disclosure required in other Sections of this Code in a timely manner.

- (e) The changes to subsections (b), (c), and (c-5) of this 1
- Section made by this amendatory Act of the 94th General 2
- 3 Assembly apply to reports submitted, offers made, and notices
- on contracts executed on or after its effective date. 4
- 5 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)
- 6 (30 ILCS 500/20-10)
- 7 Sec. 20-10. Competitive sealed bidding.
- (a) Conditions for use. All contracts shall be awarded by 8
- 9 competitive sealed bidding except as otherwise provided in
- Section 20-5. 10
- (b) Invitation for bids. An invitation for bids shall be 11
- 12 issued and shall include a purchase description and the
- 13 material contractual terms and conditions applicable to the
- 14 procurement.
- (c) Public notice. Public notice of the invitation for bids 15
- shall be published in the Illinois Procurement Bulletin at 16
- 17 least 14 days before the date set in the invitation for the
- 18 opening of bids.
- 19 (d) Bid opening. Bids shall be opened publicly in the
- presence of one or more witnesses at the time and place 20
- designated in the invitation for bids. The name of each bidder, 21
- the amount of each bid, and other relevant information as may 22
- 23 be specified by rule shall be recorded. After the award of the
- 24 contract, the winning bid and the record of each unsuccessful
- 25 bid shall be open to public inspection.
- (e) Bid acceptance and bid evaluation. Bids shall be 26
- 27 unconditionally accepted without alteration or correction,
- 28 except as authorized in this Code. Bids shall be evaluated
- based on the requirements set forth in the invitation for bids, 29
- 30 which may include criteria to determine acceptability such as
- 31 inspection, testing, quality, workmanship, delivery, and
- suitability for a particular purpose. Those criteria that will 32
- affect the bid price and be considered in evaluation for award, 33

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such as discounts, transportation costs, and total or life 1 2 cycle costs, shall be objectively measurable. The invitation 3 for bids shall set forth the evaluation criteria to be used.

- Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.
- (g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin. The written explanation must include:
 - (1) a description of the agency's needs;
- 2.4 (2) a determination that the anticipated cost will be 25 fair and reasonable;
 - (3) a listing of all responsible and responsive bidders; and
- 28 (4) the name of the bidder selected, pricing, and the 29 reasons for selecting that bidder instead of the lowest 30 responsible and responsive bidder.
- 31 Each agency may adopt rules to implement the requirements 32 of this subsection (g).
- The written explanation shall be filed with the Legislative 33 Audit Commission and the Procurement Policy Board and be made 34

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available for inspection by the public within 30 days after the 1 agency's decision to award the contract. 2

- (h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.
- (Source: P.A. 90-572, eff. date See Sec. 99-5.) 10
- (30 ILCS 500/20-30) 11
- 12 Sec. 20-30. Emergency purchases.
- 13 (a) Conditions for use. In accordance with standards set by 14 rule, a purchasing agency may make emergency procurements without competitive sealed bidding or prior notice when there 15 exists a threat to public health or public safety, or when 16 17 immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage 18 19 to State property, to prevent or minimize serious disruption in 20 <u>critical</u> State services <u>that affect health</u>, <u>safety</u>, <u>or</u> collections of substantial State revenue, or to ensure the 21 integrity of State records; provided, however, that the term of 22 23 the emergency purchase shall be limited to the time reasonably 24 needed for a competitive procurement, not to exceed 3 months. 25 Emergency procurements shall be made with as much competition 26 practicable under the circumstances. A written 27 description of the basis for the emergency and reasons for the 28 selection of the particular contractor shall be included in the contract file. 29
- 30 (b) Notice. Before the next appropriate volume of the 31 Illinois Procurement Bulletin, the purchasing agency shall publish in the Illinois Procurement Bulletin a copy of each 32 written description and reasons and the total cost of each 33

- emergency procurement made during the previous month. When only 1 2 an estimate of the total cost is known at the time of 3 publication, the estimate shall be identified as an estimate 4 and published. When the actual total cost is determined, it 5 shall also be published in like manner before the 10th day of the next succeeding month. 6
- 7 (c) Affidavits. A purchasing agency making a procurement under this Section shall file affidavits with the chief 8 procurement officer and the Auditor General within 10 days 9 10 after the procurement setting forth the amount expended, the 11 name of the contractor involved, and the conditions and circumstances requiring the emergency procurement. When only 12 an estimate of the cost is available within 10 days after the 13 procurement, the actual cost shall be reported immediately 14 15 after it is determined. At the end of each fiscal quarter, the Auditor General shall file with the Legislative Audit 16 17 Commission and the Governor a complete listing of all emergency procurements reported during that fiscal quarter. 18 19 Legislative Audit Commission shall review the emergency 20 procurements so reported and, in its annual reports, advise the General Assembly of procurements that appear to constitute an 21 abuse of this Section. 22
 - (d) Quick purchases. The chief procurement officer may promulgate rules extending the circumstances by which a purchasing agency may make purchases under this Section, including but not limited to the procurement of items available at a discount for a limited period of time.
- 28 (e) The changes to this Section made by this amendatory Act 29 of the 94th General Assembly apply to procurements executed on or after its effective date. 30
- 31 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)
- (30 ILCS 500/20-43 new)32

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Sec. 20-43. Bidder or offeror authorized to do business in 33

- Illinois. In addition to meeting any other requirement of law 1
- or rule, a person (other than an individual acting as a sole 2
- 3 proprietor) may qualify as a bidder or offeror under this Code
- only if the person is a legal entity authorized to do business 4
- 5 in Illinois prior to submitting the bid, offer, or proposal.
- (30 ILCS 500/35-15) 6
- 7 Sec. 35-15. Prequalification.
- The Director of Central Management Services, the 8
- 9 pension chief procurement officer, and the higher education
- chief procurement officer shall each develop appropriate and 10
- reasonable prequalification standards and categories of 11
- professional and artistic services. 12
- 13 (b) The prequalifications and categorizations shall be
- 14 submitted to the Procurement Policy Board and published for
- public comment prior to their submission to the Joint Committee 15
- on Administrative Rules for approval. 16
- (c) The Director of Central Management Services, the 17
- pension chief procurement officer, and the higher education 18
- 19 chief procurement officer shall each also assemble and maintain
- 20 comprehensive list of prequalified and categorized
- 21 businesses and persons.
- (d) Prequalification shall not be used to bar or prevent 22
- any qualified business or person for bidding or responding to 23
- 24 invitations for bid or proposal.
- (Source: P.A. 90-572, eff. date See Sec. 99-5.) 25
- 26 (30 ILCS 500/35-20)
- 27 Sec. 35-20. Uniformity in procurement.
- The Director of Central Management Services, the 28
- 29 pension chief procurement officer, and the higher education
- chief procurement officer shall each develop, cause to be 30
- and distribute uniform documents 31 printed, for t.he
- 32 solicitation, review, and acceptance of all professional and

- 1 artistic services.
- (b) All chief procurement officers, State purchasing 2
- 3 officers, and their designees shall use the appropriate uniform
- 4 procedures and forms specified in this Code for all
- 5 professional and artistic services.
- (c) These forms shall include in detail, in writing, at 6
- 7 least:

- (1) a description of the goal to be achieved;
- 9 (2) the services to be performed;
- (3) the need for the service; 10
- 11 (4) the qualifications that are necessary; and
- (5) a plan for post-performance review. 12
- (Source: P.A. 90-572, eff. date See Sec. 99-5.) 13
- 14 (30 ILCS 500/35-25)
- 15 Sec. 35-25. Uniformity in contract.
- (a) The Director of Central Management Services, the 16
- 17 pension chief procurement officer, and the higher education
- chief procurement officer shall each develop, cause to be 18
- 19 printed, and distribute uniform documents for the contracting
- 20 of professional and artistic services.
- 21 (b) All chief procurement officers, State purchasing
- 22 officers, and their designees shall use the appropriate uniform
- 23 contracts and forms in contracting for all professional and
- 24 artistic services.
- 25 (c) These contracts and forms shall include in detail, in
- 26 writing, at least:
- 27 (1) the detail listed in subsection (c) of Section
- 28 35-20;
- (2) the duration of the contract, with a schedule of 29
- 30 delivery, when applicable;
- (3) the method for charging and measuring cost (hourly, 31
- 32 per day, etc.);
- (4) the rate of remuneration; and 33

- 1 (5) the maximum price.
- 2 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)
- (30 ILCS 500/35-30) 3
- 4 Sec. 35-30. Awards.
- (a) All State contracts for professional and artistic 5 services, except as provided in this Section, shall be awarded 6 7 using the competitive request for proposal process outlined in this Section. 8
- 9 (b) For each contract offered, the chief procurement 10 officer, State purchasing officer, or his or her designee shall use the appropriate standard solicitation forms available from 11 12 the Department of Central Management Services, the pension 13 chief procurement officer, or the higher education chief 14 procurement officer.
- (c) Prepared forms shall be submitted to the Department of 15 Central Management Services, the pension chief procurement 16 17 officer, or the higher education chief procurement officer, 18 whichever is appropriate, for publication in its Illinois Procurement Bulletin and circulation to the Department of 19 Central Management Services', the pension chief procurement 20 21 officer's, or the higher education chief procurement officer's list of prequalified vendors. Notice of the offer or request 22 23 for proposal shall appear at least 14 days before the response 24 to the offer is due.
- 25 (d) All interested respondents shall return responses to the Department of Central Management Services, the 26 27 pension chief procurement officer, or the higher education 28 chief procurement officer, whichever is appropriate, which shall open and record them. The Department, the pension chief 29 30 procurement officer, or higher education chief procurement officer then shall forward the responses, together with any 31 information it has available about the qualifications and other 32 State work of the respondents. 33

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- After evaluation, ranking, and selection, the responsible chief procurement officer, State purchasing officer, or his or her designee shall notify the Department of Central Management Services, the pension chief procurement officer, or the higher education chief procurement officer, whichever is appropriate, of the successful respondent and shall forward a copy of the signed contract for Department's, pension chief procurement officer's, or higher education chief procurement officer's file. The Department, the pension chief procurement officer, or higher education chief procurement officer shall publish the names of responsible procurement decision-maker, the agency letting the contract, the successful respondent, a contract reference, and value of the let contract in the next appropriate volume of the Illinois Procurement Bulletin.
- (f) For all professional and artistic contracts with annualized value that exceeds \$25,000, evaluation and ranking by price are required. Any chief procurement officer or State purchasing officer, but not their designees, may select an offeror other than the lowest bidder by price. In any case, when the contract exceeds the \$25,000 threshold threshold and the lowest bidder is not selected, the chief procurement officer or the State purchasing officer shall forward together with the contract notice of who the low bidder was and a written decision as to why another was selected to the Department of Central Management Services, the pension chief procurement officer, or the higher education chief procurement officer, whichever is appropriate. The Department, the pension chief procurement officer, or higher education chief procurement officer shall publish as provided in subsection (e) of Section 35-30, but shall include notice of the chief procurement officer's or State purchasing officer's written decision.
 - (g) The Department of Central Management Services, the

- 1 pension chief procurement officer, and higher education chief
- 2 procurement officer may each refine, but not contradict, this
- 3 Section by promulgating rules for submission to the Procurement
- 4 Policy Board and then to the Joint Committee on Administrative
- 5 Rules. Any refinement shall be based on the principles and
- 6 procedures of the federal Architect-Engineer Selection Law,
- 7 Public Law 92-582 Brooks Act, and the Architectural,
- 8 Engineering, and Land Surveying Qualifications Based Selection
- 9 Act; except that pricing shall be an integral part of the
- 10 selection process.
- 11 (Source: P.A. 90-572, eff. date See Sec. 99-5; revised
- 12 10-19-05.)
- 13 (30 ILCS 500/35-35)
- Sec. 35-35. Exceptions.
- 15 (a) Exceptions to Section 35-30 are allowed for sole source
- 16 procurements, emergency procurements, and at the discretion of
- 17 the chief procurement officer or the State purchasing officer,
- 18 but not their designees, for professional and artistic
- 19 contracts that are nonrenewable, one year or less in duration,
- and have a value of less than \$20,000.
- 21 (b) All exceptions granted under this Article must still be
- 22 submitted to the Department of Central Management Services, the
- 23 <u>pension chief procurement officer</u>, or the higher education
- 24 chief procurement officer, whichever is appropriate, and
- 25 published as provided for in subsection (f) of Section 35-30,
- 26 shall name the authorizing chief procurement officer or State
- 27 purchasing officer, and shall include a brief explanation of
- the reason for the exception.
- 29 (Source: P.A. 90-572, eff. date See Sec. 99-5.)
- 30 (30 ILCS 500/35-40)
- 31 Sec. 35-40. Subcontractors.
- 32 (a) Any contract granted under this Article shall state

- 1 whether the services of a subcontractor will be used. The
- 2 contract shall include the names and addresses of all
- 3 subcontractors and the expected amount of money each will
- 4 receive under the contract.
- 5 (b) If at any time during the term of a contract, a
- 6 contractor adds or changes any subcontractors, he or she shall
- 7 promptly notify, in writing, the Department of Central
- 8 Management Services, the pension chief procurement officer, or
- 9 the higher education chief procurement officer, whichever is
- 10 appropriate, and the responsible chief procurement officer,
- 11 State purchasing officer, or their designee of the names and
- 12 addresses and the expected amount of money each new or replaced
- 13 subcontractor will receive.
- 14 (Source: P.A. 90-572, eff. date See Sec. 99-5.)
- 15 (30 ILCS 500/40-15)
- 16 Sec. 40-15. Method of source selection.
- 17 (a) Request for information. Except as provided in
- subsections (b) and (c), all State contracts for leases of real
- 19 property or capital improvements shall be awarded by a request
- for information process in accordance with Section 40-20.
- 21 (b) Other methods. A request for information process need
- 22 not be used in procuring any of the following leases:
- 23 (1) Property of less than 10,000 square feet.
- 24 (2) Rent of less than \$100,000 per year.
- 25 (3) Duration of less than one year that cannot be
- renewed.
- 27 (4) Specialized space available at only one location.
- 28 (5) Renewal or extension of a lease in effect before
- 29 July 1, 2002; provided that: (i) the chief procurement
- 30 officer determines in writing that the renewal or extension
- is in the best interest of the State; (ii) the chief
- 32 procurement officer submits his or her written
- determination and the renewal or extension to the Board;

1 (iii) the Board does not object in writing to the renewal 2 or extension within 30 days after its submission; and (iv) 3 the chief procurement officer publishes the renewal or 4 extension in the appropriate volume of the Procurement 5 Bulletin.

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

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

(30 ILCS 500/50-20) 11

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

(Source: P.A. 90-572, eff. 2-6-98.) 31

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1	Sec. 50-37. Contract award disclosure.
2	(a) For the purposes of this Section:
3	"Contracting entity" means an entity th

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

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

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

- (1) The contracting entity.
- 15 (2) Any entity that is a parent of, or owns a controlling interest in, the contracting entity. 16
- (3) Any entity that is a subsidiary of, or in which a 17 controlling interest is owned by the contracting entity. 18
- (4) The contracting entity's key persons. 19
- 20 (c) Notices of contracts let or awarded published in the 21 Procurement Bulletin pursuant to Section 15-25 shall include as part of the notice posted online the names disclosed by the 22 winning bidder or offeror pursuant to subsection (b). 23
- (d) The changes made to this Section made by this 24 25 amendatory Act of the 94th General Assembly apply to contracts 26 first offered on or after its effective date.
- 27 (30 ILCS 500/53-10)
- 28 Sec. 53-10. Concessions and leases of State property.
- 29 (a) Except for property under the jurisdiction of a public 30 institution of higher education, concessions, including the 31 assignment, license, sale, or transfer of interests in or 32 rights to discoveries, inventions, patents, or copyrightable works, may be entered into by the State agency with 33

- 1 jurisdiction over the property, whether tangible
- intangible. Licenses of naming rights and sponsorship rights, 2
- 3 as those terms are defined and used in Section 7.6 of the State
- Property Control Act, are not concessions and are subject to 4
- 5 that Section 7.6.
- (b) Except for property under the jurisdiction of a public 6
- 7 institution of higher education, all concessions shall be
- 8 reduced to writing and shall be awarded under the provisions of
- 9 Article 20, except that the contract shall be awarded to the
- highest and best bidder or offeror. 10
- (Source: P.A. 90-572, eff. date See Sec. 99-5.) 11
- 12 Section 30. The State Property Control Act is amended by
- adding Section 7.6 as follows: 13
- 14 (30 ILCS 605/7.6 new)

- Sec. 7.6. Naming and sponsorship rights; licenses. 15
- (a) Administrator's authority. The administrator, as 16
- defined in this Section, is authorized to license naming rights 17
- 18 and sponsorship rights only as provided in this Section. Naming
- 19 rights and sponsorship rights regarding any property or other
- 20 asset of the State to which this Section applies, whether real,

personal, tangible, or intangible, may not be sold, conveyed,

- 22 <u>leased</u>, <u>licensed</u>, <u>or otherwise granted by the administrator or</u>
- 23 by any other officer, employee, or agent of the State except as
- 24 provided in this Section. Naming and sponsorship rights are
- subject to all other applicable statutes that are not 25
- 26 inconsistent with the provisions of this Section; to the extent
- 27 of any conflict, however, this Section controls.
- 28 (b) Certain properties and other assets; no license. Naming
- 29 rights and sponsorship rights may not be licensed with respect
- 30 to (i) any of the following or (ii) any property or other asset
- associated with any of the following: 31
- (1) the State Capitol Building in Springfield, 32

1	<pre>Illinois;</pre>
2	(2) the Old State Capitol Building in Springfield,
3	<pre>Illinois;</pre>
4	(3) the Vandalia State House in Vandalia, Illinois;
5	(4) the Executive Mansion in Springfield, Illinois;
6	(5) the Executive Mansion, also known as the Hayes
7	House, in Du Quoin, Illinois;
8	(6) the Abraham Lincoln Home in Springfield, Illinois,
9	if it becomes State real property not under the
10	jurisdiction of the federal government;
11	(7) the Lincoln Tomb in Springfield, Illinois;
12	(8) the Abraham Lincoln Presidential Library and
13	Museum in Springfield, Illinois;
14	(9) all present and future Abraham Lincoln sites not
15	<pre>otherwise listed;</pre>
16	(10) all Illinois homes of all past, present, or future
17	United States Presidents who have resided, currently
18	reside, or in the future will reside in the State of
19	<u>Illinois;</u>
20	(11) the burial sites of all past, present, or future
21	<u>United States Presidents;</u>
22	(12) the Illinois State Museum in Springfield,
23	<pre>Illinois;</pre>
24	(13) any State property or other asset identified or
25	named for a specific individual by Joint Resolution of the
26	General Assembly or by statute as of the effective date of
27	this Section or later; and
28	(14) any other State property or asset that on the
29	effective date of this Section or later is designated a
30	National Historic Landmark, listed as a State Historic Site
31	under Section 6 of the Historic Preservation Agency Act, or
32	listed on either the Illinois Register of Historic Places
33	or the National Register of Historic Places, unless the
34	State property is a university sports stadium and the

federal or State agency that made the designation has the 1 2 authority to consent and does consent in writing.

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

Secretary of State, the Comptroller, the Treasurer, or a public 1 institution of higher education, then fees under the applicable 2 license shall be deposited into the designated fund or account. 3 (d) Competitive negotiation. A license of naming rights or 4 5 sponsorship rights may be granted only on the basis of the highest and best competitively negotiated proposal that yields 6 7 the most advantageous benefits and considerations to the State. The administrator shall give notice that the administrator will 8 accept proposals for the licensing of naming rights or 9 sponsorship rights with respect to any one or more specified 10 properties or other assets by publication in the Illinois 11 Procurement Bulletin not less than 7 business days before the 12 day upon which proposals will be accepted. The administrator 13 shall give such other notice as the administrator deems 14 15 appropriate. Proposals shall not be sealed and shall be part of the public record. The administrator shall conduct open, 16 competitive negotiations with those who have submitted 17 proposals in order to obtain the highest and best competitively 18 negotiated proposal that yields the most advantageous benefits 19 and considerations to the State. The administrator may give 20 21 notice of and negotiate multiple licenses for identical naming 22 or sponsorship rights as part of a single notice, negotiation, and licensing process. In the case of naming or sponsorship 23 24 rights for a single event or a continuous series of related 25 events, the administrator may grant multiple licenses not based 26 on the standard of "highest and best" proposals if the end result is the most beneficial to the State. If a proposal 27 satisfactory to the administrator is not negotiated, the 28 29 administrator may give notice as provided in this subsection and accept additional proposals. 30 the provisions of this Section, 31 Subject to the administrator shall have all power necessary to grant the 32 33 license and enter into any agreements and execute any documents necessary to exercise the authority granted by this Section. 34

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1 The administrator shall have authority to order such surveys,

abstracts of title, or commitments for title insurance as may,

in the administrator's reasonable discretion, be deemed

necessary to demonstrate good and marketable title to the

naming rights or sponsorship rights.

- (e) Personal gifts. If one or more natural persons, as such, make a gift, bequest, or devise to a State officer or entity to which this Section applies and that does not result in any pecuniary benefit (other than a tax benefit) to the person or persons, then, at the request of the administrator and with the approval of the Executive Ethics Commission in the same manner as provided in subsection (f), the administrator may grant naming rights, sponsorship rights, or both, so long as the rights are of no pecuniary benefit to the person or persons, subject only to the limitations in subsection (c) on identifying information and characterization as "official" or in a similar fashion. The sole purpose of the gift, beguest, or devise must be to assist the recipient in fulfilling the recipient's core mission or purpose.
- Approval by Executive Ethics Commission. Upon determining to grant a license, the administrator must, within 15 calendar days, deliver a written notice setting forth all of the pertinent facts relating to the proposal, proposer, and proposed license to the Executive Ethics Commission. A license shall not be granted unless approved in advance by the Commission. If the administrator proposes to amend an existing license, the administrator must deliver notice of the proposed amendment to the Commission within 15 calendar days, and the amendment shall not be made unless approved in advance by the Commission. The Commission's review shall be based solely on ethical and ethics related standards imposed by the law and on avoiding the appearance of impropriety. The Commission's approval shall not be unreasonably withheld.

Within 40 calendar days after its actual receipt from the

administrator of notice of a proposed license or amendment to a 1 license, the Commission shall either approve or disapprove the 2 3 proposed license or amendment and shall notify the administrator and other parties to the proposed license or 4 5 amendment of its decision. The Commission may, in its discretion and before the running of the time period in which 6 7 it must make a decision, grant itself one extension of up to an additional 40 calendar days in which to make a decision by 8 notifying the administrator and other parties to the proposed 9 license or amendment. If the Commission requests additional or 10 supplemental information from the administrator or a party to 11 the proposed license or amendment, the running of the time 12 limit in which the Commission must make its decision is 13 suspended, and the 40-day period begins anew when the 14 information is delivered to the Commission. If the Commission 15 fails to render a decision within the applicable time period, 16 the proposed license or amendment is deemed approved. 17 (g) Rules. Each administrator and the Executive Ethics 18 Commission may, separately, adopt rules to implement their 19 several functions under this Section. The rules may not, 20 21 however, waive or provide for the waiver of any of the 22 requirements of this Section except as provided in this subsection. The Executive Ethics Commission may adopt rules 23 authorizing the administrator to grant licenses without 24 25 pre-approval under subsection (f), but the rules must specify, 26 by category, those emergency and other extenuating situations in which pre-approval is waived, must provide for prompt review 27 by the Commission after the granting of the license, and may 28 contain other provisions the Commission deems necessary to 29 prevent abuse of this procedure. 30 (h) Blind vendors. The provisions of this Section are 31 subject to, and do not supersede, any of the provisions of the 32 33 Blind Persons Operating Vending Facilities Act, any other State

or federal law granting preference to blind persons, or any

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rules or regulations adopted pursuant to any of those laws.

(i) Small consideration. If the value of the consideration for an individual naming or sponsorship right does not exceed \$25,000, the administrator may grant the right, subject only to the limitations in subsection (c) on identifying information and characterization as "official" or in a similar fashion, but the administrator must deliver a written notice giving the details to the Executive Ethics Commission at least one full business day before the administrator agrees to grant the right. Naming or sponsorship rights shall not be artificially divided in an attempt to qualify under this subsection.

(j) Applicability. This Section does not apply to naming rights and sponsorship rights with respect to property or other assets under the jurisdiction and control of the legislative branch or the judicial branch of the State. This Section applies to all naming rights and sponsorship rights granted with respect to the State Fair, as defined in Section 2 of the State Fair Act, on or after January 1, 2006. This Section applies to all other naming rights and sponsorship rights granted on or after the effective date of this amendatory Act of the 94th General Assembly.

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

(1) Definitions. In this Section:

Notwithstanding Section 1.03 of this Act, in this Section "administrator" means (i) an officer or employee designated by the Attorney General with respect to the property and other assets under the jurisdiction and control of the Attorney General; (ii) an officer or employee designated by the

- Secretary of State with respect to the property and other 1 assets under the jurisdiction and control of the Secretary of 2 3 State; (iii) an officer or employee designated by the Comptroller with respect to the property and other assets under 4 5 the jurisdiction and control of the Comptroller; (iv) an officer or employee designated by the Treasurer with respect to 6 7 the property and other assets under the jurisdiction and control of the Treasurer; (v) an officer or employee designated 8 by the board of trustees of a public institution of higher 9 education, as defined in Section 1 of the Board of Higher 10 Education Act, with respect to the property and other assets 11 under the jurisdiction and control of that public institution 12 of higher education; and (vi) the Director of Central 13 Management Services with respect to all other property and 14 15 other assets to which this Section applies.
- "Naming rights" means the right to associate the name or 16 identifying mark of any person or entity with the name or 17 identity of any State property or other asset. 18
- "Sponsorship rights" means the right to associate the name 19 20 or identifying mark of any person or entity with any State 21 program or event on the grounds of, in, or with respect to any 22 State property or other asset.
- (m) This Section shall be construed to ensure that all 23 24 naming and sponsorship rights are strictly controlled under the terms of this Section. 25
- (n) Severability. The provisions of this Section are 26 severable under Section 1.31 of the Statute on Statutes. 27
- 28 Section 35. The Illinois Pension Code is amended by changing Sections 1-101.2, 1-101.4, 1-110, 1-113.5, 1-113.12, 29 30 1A-113, 22A-108.1, and 22A-111 and by adding Sections 1-125, 1-130, 1-135, and 1-140 as follows: 31

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- Sec. 1-101.2. Fiduciary. A person is a "fiduciary" with 1 respect to a pension fund or retirement system established 2 3 under this Code to the the extent that the person:
 - (1)exercises any discretionary authority or discretionary control respecting management of the pension fund or retirement system, or exercises any authority or respecting management or disposition of its assets;
 - (2) renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of the pension fund or retirement system, or has any authority or responsibility to do so; or
 - (3) has any discretionary authority or discretionary responsibility in the administration of the pension fund or retirement system.
- 16 (Source: P.A. 90-507, eff. 8-22-97.)
- 17 (40 ILCS 5/1-101.4)
- 18 1-101.4. Investment adviser. A person 19 "investment adviser", "investment advisor", or "investment 20 manager" with respect to a pension fund or retirement system established under this Code if the the person: 21
- (1) is a fiduciary appointed by the board of trustees 22 23 of the pension fund or retirement system in accordance with 24 Section 1-109.1;
 - (2) has the power to manage, acquire, or dispose of any asset of the retirement system or pension fund;
 - (3) has acknowledged in writing that he or she is a fiduciary with respect to the pension fund or retirement system; and
- 30 (4) is at least one of the following: (i) registered as investment adviser under the federal Investment 31 Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.) and ; (ii) 32 registered as an investment adviser under the Illinois 33

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Securities Law of 1953; (ii) (iii) a bank, as defined in the Investment Advisers Act of 1940; or (iii) (iv) an insurance company authorized to transact business in this State.

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

- 6 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)
- 7 Sec. 1-110. Prohibited Transactions.
 - (a) A fiduciary with respect to a retirement system or pension fund shall not cause the retirement system or pension fund to engage in a transaction if he or she knows or should know that such transaction constitutes a direct or indirect:
 - (1) Sale or exchange, or leasing of any property from the retirement system or pension fund to a party in interest for less than adequate consideration, or from a party in interest to a retirement system or pension fund for more than adequate consideration.
 - (2) Lending of money or other extension of credit from the retirement system or pension fund to a party in interest without the receipt of adequate security and a reasonable rate of interest, or from a party in interest to a retirement system or pension fund with the provision of excessive security or an unreasonably high rate of interest.
 - (3) Furnishing of goods, services or facilities from the retirement system or pension fund to a party in interest for less than adequate consideration, or from a party in interest to a retirement system or pension fund for more than adequate consideration.
 - (4) Transfer to, or use by or for the benefit of, a party in interest of any assets of a retirement system or pension fund for less than adequate consideration.
 - (b) A fiduciary with respect to a retirement system or pension fund established under this Code shall not:

	(1)	Deal	wi	th	the	assets	of	th	ne r	etir	emer	nt	syst	cem	or
p	ension	fund	in	his	own	intere	st	or	for	his	own	ac	cour	ıt;	

- (2) In his individual or any other capacity act in any transaction involving the retirement system or pension fund on behalf of a party whose interests are adverse to the interests of the retirement system or pension fund or the interests of its participants or beneficiaries; or
- (3) Receive any consideration for his own personal account from any party dealing with the retirement system or pension fund in connection with a transaction involving the assets of the retirement system or pension fund.
- (c) Nothing in this Section shall be construed to prohibit any trustee from:
 - (1) Receiving any benefit to which he may be entitled as a participant or beneficiary in the retirement system or pension fund.
 - (2) Receiving any reimbursement of expenses properly and actually incurred in the performance of his duties with the retirement system or pension fund.
 - (3) Serving as a trustee in addition to being an officer, employee, agent or other representative of a party in interest.
- (d) A fiduciary with respect to a retirement system or pension fund shall not knowingly cause or advise the retirement system or pension fund to engage in an investment transaction when the fiduciary (i) has any direct interest in the income, gains, or profits of the investment dealer through which the investment transaction is made or (ii) has a business relationship with that investment dealer that would result in a pecuniary benefit to the fiduciary as a result of the investment transaction.
- For the purposes of this subsection (d), "investment dealer" means any person who engages, either full time or part time, directly or indirectly, as an agent, broker, or

- principal, in the business of offering, selling, buying and 1
- selling, or otherwise dealing or trading in securities issued 2
- 3 by another person or in other investments owned or controlled
- 4 by another person.
- Whoever violates the provisions of this subsection (d) is 5
- guilty of a Class 3 felony. 6
- 7 (Source: P.A. 88-535.)
- (40 ILCS 5/1-113.5) 8
- 9 Sec. 1-113.5. Investment advisers and investment services.
- (a) The board of trustees of a pension fund or retirement 10
- system may appoint investment advisers as defined in Section 11
- 12 1-101.4. The board of any pension fund investing in common or
- 13 preferred stock under Section 1-113.4 shall appoint an
- 14 investment adviser before making such investments.
- 15 The investment adviser shall be a fiduciary, as defined in
- Section 1-101.2, with respect to the pension fund or retirement 16
- system and shall be one of the following: 17
- 18 (1) an investment adviser registered under the federal
- 19 Investment Advisers Act of 1940 and the Illinois Securities
- 20 Law of 1953;
- (2) a bank or trust company authorized to conduct a 21
- 22 trust business in Illinois;
- 23 (3) a life insurance company authorized to transact
- 24 business in Illinois; or
- 25 (4) an investment company as defined and registered
- under the federal Investment Company Act of 1940 and 26
- 27 registered under the Illinois Securities Law of 1953.
- 28 (a-5) For the board of trustees of a pension fund or
- retirement system created under Article 2, 14, 15, 16, or 18, 29
- 30 the selection and appointment of an investment adviser and the
- contracting for investment services by an investment adviser 31
- 32 constitute procurements of professional and artistic services
- under the Illinois Procurement Code that must be made and 33

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awarded in accordance with and through the use of the method of selection required by Article 35 of that Code. For the board of trustees of a pension fund or retirement system created under any other Article of this Code, the selection and appointment of an investment adviser and the contracting for investment services by an investment adviser constitute procurements that must be made and awarded in a manner substantially similar to the method of selection required for the procurement of professional and artistic services under Article 35 of the Illinois Procurement Code.

(b) All investment advice and services provided by an investment adviser appointed under this Section shall be (i) rendered pursuant to a written contract between the investment adviser and the board, awarded as provided in subsection (a-5), and (ii) in accordance with the board's investment policy. Notwithstanding any other provision of law, a contract awarded under this Section shall not exceed 5 years in duration. No contract awarded under this Section may be renewed or extended. No entity awarded a contract under this Section, or an affiliated entity of that entity, may be awarded another contract under this Section less than 5 years after the date the term of the earlier contract ends. For the purpose of this subsection, an "affiliated entity" means (i) any subsidiary of the contractor, (ii) any member of the same unitary business group as the contractor, (iii) any person with an ownership interest or distributive share of the contractor in excess of 5%, (iv) an executive employee of the contractor, or (v) the spouse or minor child of a person described in (iii) or (iv).

The contract shall include all of the following:

- acknowledgement in writing by the investment adviser that he or she is a fiduciary with respect to the pension fund or retirement system;
 - (2) the board's investment policy;
- (3) full disclosure of direct and indirect fees, 34

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commissions, penalties, and any other compensation that may be received by the investment adviser, including reimbursement for expenses; and

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

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

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

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

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- The disclosures required by this subsection shall be in 1 writing and shall include the date and amount of each payment 2 3 and the name and address of each recipient of a payment.
 - (c) Within 30 days after appointing an investment adviser, the board shall submit a copy of the contract to the <u>Division</u> Department of Insurance of the Department of Financial and Professional Regulation.
 - (d) Investment services provided by a person other than an investment adviser appointed under this Section, including but not limited to services provided by the kinds of persons listed in items (1) through (4) of subsection (a), shall be rendered only after full written disclosure of direct and indirect fees, commissions, penalties, and any other compensation that shall or may be received by the person rendering those services.
- 15 (e) The board of trustees of each pension fund or 16 retirement system shall retain records of investment transactions in accordance with the rules of the Department of 17 18 Insurance.
- 19 (f) This subsection applies to the board of trustees of a 20 pension fund or retirement system created under Article 2, 14, 21 15, 16, or 18. Notwithstanding any other provision of law, a 22 board of trustees shall comply with the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. The 23 24 board of trustees shall post upon its website the percentage of 25 its contracts awarded under this Section currently and during 26 the preceding 5 fiscal years that were awarded to "minority owned businesses", "female owned businesses", and "businesses" 27 28 owned by a person with a disability", as those terms are 29 defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. 30
- 32 (40 ILCS 5/1-113.12)

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

33 Sec. 1-113.12. Application. Sections 1-113.1 through

- 1 1-113.10 apply only to pension funds established under Article
- 3 or 4 of this Code, except that Section 1-113.5 applies to all
- 3 pension funds and retirement systems established under this
- 4 <u>Code</u>.
- 5 (Source: P.A. 90-507, eff. 8-22-97.)
- 6 (40 ILCS 5/1-125 new)
- 7 Sec. 1-125. No monetary gain on investments. No trustee or
- 8 employee of the board of any retirement system or pension fund
- 9 or of the Illinois State Board of Investment shall have any
- 10 direct interest in the income, gains, or profits of any
- investments made in behalf of the retirement system or pension
- fund or of the Illinois State Board of Investment, nor receive
- any pay or emolument for services in connection with any
- 14 <u>investment. No trustee or employee of the board of any</u>
- 15 <u>retirement system or pension fund or the Illinois State Board</u>
- of Investment shall become an endorser or surety, or in any
- 17 <u>manner an obligor for money loaned or borrowed from the</u>
- 18 <u>retirement system or pension fund or the Illinois State Board</u>
- of Investment. Whoever violates any of the provisions of this
- 20 <u>Section is guilty of a Class 3 felony.</u>
- 21 (40 ILCS 5/1-130 new)
- Sec. 1-130. Fraud. Any person who knowingly makes any false
- 23 <u>statement</u>, or falsifies or permits to be falsified any record
- of a retirement system or pension fund or of the Illinois State
- 25 <u>Board of Investment, in an attempt to defraud the</u> retirement
- 26 system or pension fund or the Illinois State Board of
- 27 <u>Investment, is guilty of a Class 3 felony.</u>
- 28 (40 ILCS 5/1-135 new)
- Sec. 1-135. Prohibition on gifts.
- 30 (a) For the purposes of this Section:
- 31 (1) "Board" means (i) the board of trustees of a

1	pension fund or retirement system created under this Code
2	or (ii) the Illinois State Board of Investment created
3	under Article 22A of this Code.
4	(2) "Gift" means a gift as defined in Section 1-5 of
5	the State Officials and Employees Ethics Act.
6	(3) "Prohibited source" is a person or entity who:
7	(i) is seeking official action (A) by the board,
8	(B) by a board member, or (C) in the case of a board
9	employee, by the employee, the board, a board member,
10	or another employee directing the employee;
11	(ii) does business or seeks to do business (A) with
12	the board, (B) with a board member, or (C) in the case
13	of a board employee, with the employee, the board, a
14	board member, or another employee directing the
15	<pre>employee;</pre>
16	(iii) has interests that may be substantially
17	affected by the performance or non-performance of the
18	official duties of the board member or employee; or
19	(iv) is registered or required to be registered
20	with the Secretary of State under the Lobbyist
21	Registration Act, except that an entity not otherwise a
22	prohibited source does not become a prohibited source
23	merely because a registered lobbyist is one of its
24	members or serves on its board of directors.
25	(b) No board member or employee shall solicit or accept any
26	gift from a prohibited source or from an officer, agent, or
27	employee of a prohibited source. No prohibited source or
28	officer, agent, or employee of a prohibited source shall offer
29	to a board member or employee any gift.
30	(c) Violation of this Section is a Class A misdemeanor. In
31	addition, a board member or employee who violates this Section
32	forfeits his or her office or employment and shall be removed
33	from that office or employment.

1 (40 ILCS 5/1-140 new)

Sec. 1-140. Contingent fees. No person shall retain or 2 3 employ another to attempt to influence the outcome of an investment decision of or the procurement of investment advice 4 5 or services by a board of a pension fund or retirement system or the Illinois State Board of Investment for compensation 6 7 contingent in whole or in part upon the decision or procurement, and no person shall accept any such retainer or 8 employment for compensation contingent in whole or in part upon 9 10 the decision or procurement. Any person who violates this 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
- 17 (a) A pension fund that fails, without just cause, to file 18 its annual statement within the time prescribed under Section 19 1A-109 shall pay to the Department a penalty to be determined 20 by the Department, which shall not exceed \$100 for each day's 21 delay.
- 22 (b) A pension fund that fails, without just cause, to file its actuarial statement within the time prescribed under 23 24 Section 1A-110 or 1A-111 shall pay to the Department a penalty 25 to be determined by the Department, which shall not exceed \$100 26 for each day's delay.
- 27 (c) A pension fund that fails to pay a fee within the time 28 prescribed under Section 1A-112 shall pay to the Department a 29 penalty of 5% of the amount of the fee for each month or part of 30 a month that the fee is late. The entire penalty shall not exceed 25% of the fee due. 31
- 32 (d) This subsection applies to any governmental unit, as defined in Section 1A-102, that is subject to any law 33

establishing a pension fund or retirement system for the benefit of employees of the governmental unit.

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

- (1) The Director shall notify in writing the governing body, officer, or official of the specific provision or provisions of the law with which the person has failed to comply.
- (2) Upon receipt of the notice, the person notified shall take immediate steps to comply with the provisions of law specified in the notice.
- (3) If the person notified fails to comply within a reasonable time after receiving the notice, the Director may hold a hearing at which the person notified may show cause for noncompliance with the law.
- (4) If upon hearing the Director determines that good and sufficient cause for noncompliance has not been shown, the Director may order the person to submit evidence of compliance within a specified period of not less than 30 days.
- (5) If evidence of compliance has not been submitted to the Director within the period of time prescribed in the order and no administrative appeal from the order has been initiated, the Director may assess a civil penalty of up to \$2,000 against the governing body, officer, or official for each noncompliance with an order of the Director.

The Director shall develop by rule, with as much specificity as practicable, the standards and criteria to be used in assessing penalties and their amounts. The standards and criteria shall include, but need not be limited to, consideration of evidence of efforts made in good faith to

comply with applicable legal requirements. This rulemaking is subject to the provisions of the Illinois Administrative Procedure Act.

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

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

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

25 (40 ILCS 5/22A-108.1) (from Ch. 108 1/2, par. 22A-108.1)

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

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

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- 1 (40 ILCS 5/22A-111) (from Ch. 108 1/2, par. 22A-111)
- 2 Sec. 22A-111. <u>Duties and responsibilities.</u>
 - (a) The Board shall manage the investments of any pension fund, retirement system or education fund for the purpose of obtaining a total return on investments for the long term. It also shall perform such other functions as may be assigned or directed by the General Assembly.
 - (b) The authority of the board to manage pension fund investments and the liability shall begin when there has been a physical transfer of the pension fund investments to the board and placed in the custody of the State Treasurer.
 - (c) The authority of the board to manage monies from the education fund for investment and the liability of the board shall begin when there has been a physical transfer of education fund investments to the board and placed in the custody of the State Treasurer.
 - (d) The board may not delegate its management functions but it may arrange to compensate for personalized investment advisory service for any or all investments under its control, with any national or state bank or trust company authorized to do a trust business and domiciled in Illinois, or other financial institution organized under the laws of Illinois, or an investment advisor who is qualified under Federal Investment Advisors Act of 1940 and is registered under the Illinois Securities Law of 1953. Nothing contained herein shall prevent the Board from subscribing to general investment research services available for purchase or use by others. The Board shall also have the authority to compensate for accounting services.
 - (e) The selection of an investment advisor and the contracting for investment services by an investment advisor constitute procurements of professional and artistic services under the Illinois Procurement Code that must be made and

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1 awarded in accordance with and through the use of the method of selection required by Article 35 of that Code. 2

Notwithstanding any other provision of law, a contract awarded under this subsection shall not exceed 5 years in duration. No contract awarded under this subsection may be renewed or extended. No entity awarded a contract under this subsection, or an an affiliated entity of that entity, may be awarded another contract under this subsection less than 5 years after the date the term of the earlier contract ends. For the purpose of this subsection, an "affiliated entity" means (i) any subsidiary of the contractor, (ii) any member of the same unitary business group as the contractor, (iii) any person with an ownership interest or distributive share of the contractor in excess of 5%, (iv) an executive employee of the contractor, or (v) the spouse or minor child of a person described in item (iii) or (iv).

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

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

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      an additional payment.
          The disclosures required by this subsection shall be in
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      writing and shall include the date and amount of each payment
      and the name and address of each recipient of a payment.
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          Notwithstanding any other provision of law, the Board shall
      comply with the Business Enterprise for Minorities, Females,
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      and Persons with Disabilities Act. The Board shall post upon
      its website the percentage of its contracts awarded under this
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      subsection currently and during the preceding 5 fiscal years
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      that were awarded to "minority owned businesses", "female owned
      businesses", and "businesses owned by a person with a
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      disability", as those terms are defined in the Business
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      Enterprise for Minorities, Females, and Persons with
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      <u>Disabilities Act.</u>
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      (Source: P.A. 84-1127.)
          (40 ILCS 5/2-152 rep.)
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          (40 ILCS 5/2-155 rep.)
          (40 ILCS 5/12-190.3 rep.)
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          (40 ILCS 5/13-806 rep.)
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          (40 ILCS 5/14-148 rep.)
          (40 ILCS 5/15-186 rep.)
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          (40 ILCS 5/15-189 rep.)
          (40 ILCS 5/16-191 rep.)
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          (40 ILCS 5/16-198 rep.)
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          (40 ILCS 5/18-159 rep.)
          (40 ILCS 5/18-162 rep.)
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          Section 40. The Illinois Pension Code is amended by
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Section 99. Effective date. This Act takes effect upon 30 31 becoming law.".

15-186, 15-189, 16-191, 16-198, 18-159, and 18-162.

repealing Sections 2-152, 2-155, 12-190.3, 13-806, 14-148,