

1 AN ACT concerning government.

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

4 Section 3. The Illinois Governmental Ethics Act is amended
5 by changing Sections 4A-101, 4A-102, 4A-105, 4A-106, and 4A-107
6 as follows:

7 (5 ILCS 420/4A-101) (from Ch. 127, par. 604A-101)

8 Sec. 4A-101. Persons required to file. The following
9 persons shall file verified written statements of economic
10 interests, as provided in this Article:

11 (a) Members of the General Assembly and candidates for
12 nomination or election to the General Assembly.

13 (b) Persons holding an elected office in the Executive
14 Branch of this State, and candidates for nomination or
15 election to these offices.

16 (c) Members of a Commission or Board created by the
17 Illinois Constitution, and candidates for nomination or
18 election to such Commission or Board.

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

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

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

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

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

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

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

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

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

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

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

36 (8) negotiate, assign, authorize, or grant naming

1 rights or sponsorship rights regarding any property or
2 asset of the State, whether real, personal, tangible,
3 or intangible.

4 (g) Persons who are elected to office in a unit of
5 local government, and candidates for nomination or
6 election to that office, including regional
7 superintendents of school districts.

8 (h) Persons appointed to the governing board of a unit
9 of local government, or of a special district, and persons
10 appointed to a zoning board, or zoning board of appeals, or
11 to a regional, county, or municipal plan commission, or to
12 a board of review of any county, and persons appointed to
13 the Board of the Metropolitan Pier and Exposition Authority
14 and any Trustee appointed under Section 22 of the
15 Metropolitan Pier and Exposition Authority Act, and
16 persons appointed to a board or commission of a unit of
17 local government who have authority to authorize the
18 expenditure of public funds. This subsection does not apply
19 to members of boards or commissions who function in an
20 advisory capacity.

21 (i) Persons who are employed by a unit of local
22 government and are compensated for services as employees
23 and not as independent contractors and who:

24 (1) are, or function as, the head of a department,
25 division, bureau, authority or other administrative
26 unit within the unit of local government, or who
27 exercise similar authority within the unit of local
28 government;

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

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

1 capacity;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (5 ILCS 420/4A-105) (from Ch. 127, par. 604A-105)

29 Sec. 4A-105. Time for filing. Except as provided in
30 Section 4A-106.1, by May 1 of each year a statement must be
31 filed by each person whose position at that time subjects him
32 to the filing requirements of Section 4A-101 unless he has
33 already filed a statement in relation to the same unit of
34 government in that calendar year.

35 Statements must also be filed as follows:

1 (a) A candidate for elective office shall file his
2 statement not later than the end of the period during which
3 he can take the action necessary under the laws of this
4 State to attempt to qualify for nomination, election, or
5 retention to such office if he has not filed a statement in
6 relation to the same unit of government within a year
7 preceding such action.

8 (b) A person whose appointment to office is subject to
9 confirmation by the Senate shall file his statement at the
10 time his name is submitted to the Senate for confirmation.

11 (b-5) A special government agent, as defined in item
12 (1) of Section 4A-101 of this Act, shall file a statement
13 within 60 days after assuming responsibilities as a special
14 government agent ~~30 days after making the first ex parte~~
15 ~~communication~~ and each May 1 thereafter if he or she has
16 made an ex parte communication within the previous 12
17 months.

18 (c) Any other person required by this Article to file
19 the statement shall file a statement at the time of his or
20 her initial appointment or employment in relation to that
21 unit of government if appointed or employed by May 1.

22 If any person who is required to file a statement of
23 economic interests fails to file such statement by May 1 of any
24 year, the officer with whom such statement is to be filed under
25 Section 4A-106 of this Act shall, within 7 days after May 1,
26 notify such person by certified mail of his or her failure to
27 file by the specified date. Except as may be prescribed by rule
28 of the Secretary of State, such person shall file his or her
29 statement of economic interests on or before May 15 with the
30 appropriate officer, together with a \$15 late filing fee. Any
31 such person who fails to file by May 15 shall be subject to a
32 penalty of \$100 for each day from May 16 to the date of filing,
33 which shall be in addition to the \$15 late filing fee specified
34 above. Failure to file by May 31 shall result in a forfeiture
35 in accordance with Section 4A-107 of this Act.

36 Any person who takes office or otherwise becomes required

1 to file a statement of economic interests within 30 days prior
2 to May 1 of any year may file his or her statement at any time
3 on or before May 31 without penalty. If such person fails to
4 file such statement by May 31, the officer with whom such
5 statement is to be filed under Section 4A-106 of this Act
6 shall, within 7 days after May 31, notify such person by
7 certified mail of his or her failure to file by the specified
8 date. Such person shall file his or her statement of economic
9 interests on or before June 15 with the appropriate officer,
10 together with a \$15 late filing fee. Any such person who fails
11 to file by June 15 shall be subject to a penalty of \$100 per day
12 for each day from June 16 to the date of filing, which shall be
13 in addition to the \$15 late filing fee specified above. Failure
14 to file by June 30 shall result in a forfeiture in accordance
15 with Section 4A-107 of this Act.

16 All late filing fees and penalties collected pursuant to
17 this Section shall be paid into the General Revenue Fund in the
18 State treasury, if the Secretary of State receives such
19 statement for filing, or into the general fund in the county
20 treasury, if the county clerk receives such statement for
21 filing. The Attorney General, with respect to the State, and
22 the several State's Attorneys, with respect to counties, shall
23 take appropriate action to collect the prescribed penalties.

24 Failure to file a statement of economic interests within
25 the time prescribed shall not result in a fine or ineligibility
26 for, or forfeiture of, office or position of employment, as the
27 case may be; provided that the failure to file results from not
28 being included for notification by the appropriate agency,
29 clerk, secretary, officer or unit of government, as the case
30 may be, and that a statement is filed within 30 days of actual
31 notice of the failure to file.

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

33 (5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

34 Sec. 4A-106. The statements of economic interests required
35 of persons listed in items (a) through (f), item (j), ~~and~~ item

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

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

1 file only one statement of economic interests relating to all
2 items under which the person is required to file with the
3 Secretary of State.

4 On or before April 1 annually, the county clerk of each
5 county shall notify all persons whose names have been certified
6 to him under items (g), (h), (i), ~~and~~ (k), and (n) of Section
7 4A-101, other than candidates for office who have filed their
8 statements with their nominating petitions, of the
9 requirements for filing statements of economic interests. A
10 person required to file with a county clerk by virtue of more
11 than one item among items (g), (h), (i), ~~and~~ (k), and (n) shall
12 be notified of and is required to file only one statement of
13 economic interests relating to all items under which the person
14 is required to file with that county clerk.

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

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

33 The county clerk of each county shall note upon the
34 alphabetical listing the names of all persons required to file
35 a statement of economic interests who failed to file a
36 statement on or before May 1. It shall be the duty of the

1 several county clerks to give notice as provided in Section
2 4A-105 to any person who has failed to file his or her
3 statement with the clerk on or before May 1.

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

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

14 All statements of economic interests filed under this
15 Section shall be available for examination and copying by the
16 public at all reasonable times. Not later than 12 months after
17 the effective date of this amendatory Act of the 93rd General
18 Assembly, beginning with statements filed in calendar year
19 2004, the Secretary of State shall make statements of economic
20 interests filed with the Secretary available for inspection and
21 copying via the Secretary's website.

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

23 (5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

24 Sec. 4A-107. Any person required to file a statement of
25 economic interests under this Article who willfully files a
26 false or incomplete statement shall be guilty of a Class A
27 misdemeanor.

28 Failure to file a statement within the time prescribed
29 shall result in ineligibility for, or forfeiture of, office or
30 position of employment, as the case may be; provided, however,
31 that if the notice of failure to file a statement of economic
32 interests provided in Section 4A-105 of this Act is not given
33 by the Secretary of State or the county clerk, as the case may
34 be, no forfeiture shall result if a statement is filed within
35 30 days of actual notice of the failure to file.

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

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

11 Section 5. The State Officials and Employees Ethics Act is
12 amended by changing Sections 1-5, 5-10, 5-20, 5-45, 20-5,
13 20-23, 20-40, 25-5, 25-10, and 25-23 as follows:

14 (5 ILCS 430/1-5)

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

16 "Appointee" means a person appointed to a position in or
17 with a State agency, regardless of whether the position is
18 compensated.

19 "Campaign for elective office" means any activity in
20 furtherance of an effort to influence the selection,
21 nomination, election, or appointment of any individual to any
22 federal, State, or local public office or office in a political
23 organization, or the selection, nomination, or election of
24 Presidential or Vice-Presidential electors, but does not
25 include activities (i) relating to the support or opposition of
26 any executive, legislative, or administrative action (as those
27 terms are defined in Section 2 of the Lobbyist Registration
28 Act), (ii) relating to collective bargaining, or (iii) that are
29 otherwise in furtherance of the person's official State duties.

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

1 election.

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

5 "Commission" means an ethics commission created by this
6 Act.

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

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

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

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

26 "Executive branch constitutional officer" means the
27 Governor, Lieutenant Governor, Attorney General, Secretary of
28 State, Comptroller, and Treasurer.

29 "Gift" means any gratuity, discount, entertainment,
30 hospitality, loan, forbearance, or other tangible or
31 intangible item having monetary value including, but not
32 limited to, cash, food and drink, and honoraria for speaking
33 engagements related to or attributable to government
34 employment or the official position of an employee, member, or
35 officer. "Gift", however, does not include anything of value
36 solicited from a prohibited source by an officer, member, or

1 employee and given by the prohibited source to a not-for-profit
2 organization organized under Section 501(c)(3) of the Internal
3 Revenue Code of 1986, as now or hereafter amended, renumbered,
4 or succeeded. The amendment to the definition of "gift" made by
5 this amendatory Act of the 94th General Assembly is declarative
6 of existing law.

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

9 "Leave of absence" means any period during which a State
10 employee does not receive (i) compensation for State
11 employment, (ii) service credit towards State pension
12 benefits, and (iii) health insurance benefits paid for by the
13 State.

14 "Legislative branch constitutional officer" means a member
15 of the General Assembly and the Auditor General.

16 "Legislative leader" means the President and Minority
17 Leader of the Senate and the Speaker and Minority Leader of the
18 House of Representatives.

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

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

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

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

1 Board of Elections or a county clerk.

2 "Prohibited political activity" means:

3 (1) Preparing for, organizing, or participating in any
4 political meeting, political rally, political
5 demonstration, or other political event.

6 (2) Soliciting contributions, including but not
7 limited to the purchase of, selling, distributing, or
8 receiving payment for tickets for any political
9 fundraiser, political meeting, or other political event.

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

13 (4) Planning, conducting, or participating in a public
14 opinion poll in connection with a campaign for elective
15 office or on behalf of a political organization for
16 political purposes or for or against any referendum
17 question.

18 (5) Surveying or gathering information from potential
19 or actual voters in an election to determine probable vote
20 outcome in connection with a campaign for elective office
21 or on behalf of a political organization for political
22 purposes or for or against any referendum question.

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

26 (7) Soliciting votes on behalf of a candidate for
27 elective office or a political organization or for or
28 against any referendum question or helping in an effort to
29 get voters to the polls.

30 (8) Initiating for circulation, preparing,
31 circulating, reviewing, or filing any petition on behalf of
32 a candidate for elective office or for or against any
33 referendum question.

34 (9) Making contributions on behalf of any candidate for
35 elective office in that capacity or in connection with a
36 campaign for elective office.

1 (10) Preparing or reviewing responses to candidate
2 questionnaires in connection with a campaign for elective
3 office or on behalf of a political organization for
4 political purposes.

5 (11) Distributing, preparing for distribution, or
6 mailing campaign literature, campaign signs, or other
7 campaign material on behalf of any candidate for elective
8 office or for or against any referendum question.

9 (12) Campaigning for any elective office or for or
10 against any referendum question.

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

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

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

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

21 (1) is seeking official action (i) by the member or
22 officer or (ii) in the case of an employee, by the employee
23 or by the member, officer, State agency, or other employee
24 directing the employee;

25 (2) does business or seeks to do business (i) with the
26 member or officer or (ii) in the case of an employee, with
27 the employee or with the member, officer, State agency, or
28 other employee directing the employee;

29 (3) conducts activities regulated (i) by the member or
30 officer or (ii) in the case of an employee, by the employee
31 or by the member, officer, State agency, or other employee
32 directing the employee;

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

36 (5) is registered or required to be registered with the

1 Secretary of State under the Lobbyist Registration Act,
2 except that an entity not otherwise a prohibited source
3 does not become a prohibited source merely because a
4 registered lobbyist is one of its members or serves on its
5 board of directors.

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

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

26 "Ultimate jurisdictional authority" means the following:

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

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

35 (3) For State employees who are professional staff or
36 employees of the House of Representatives and not covered

1 under item (1), the Speaker of the House of
2 Representatives.

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

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

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

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

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

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

24 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
25 93-685, eff. 7-8-04.)

26 (5 ILCS 430/5-10)

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

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

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

11 (5 ILCS 430/5-20)

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

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

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

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

1 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
2 93-685, eff. 7-8-04.)

3 (5 ILCS 430/5-45)

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

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

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

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

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

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

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

23 (5 ILCS 430/20-5)

24 Sec. 20-5. Executive Ethics Commission.

25 (a) The Executive Ethics Commission is created.

26 (b) The Executive Ethics Commission shall consist of 9
27 commissioners. The Governor shall appoint 5 commissioners, and
28 the Attorney General, Secretary of State, Comptroller, and
29 Treasurer shall each appoint one commissioner. Appointments
30 shall be made by and with the advice and consent of the Senate
31 by three-fifths of the elected members concurring by record
32 vote. Any nomination not acted upon by the Senate within 60
33 session days of the receipt thereof shall be deemed to have
34 received the advice and consent of the Senate. If, during a
35 recess of the Senate, there is a vacancy in an office of

1 commissioner, the appointing authority shall make a temporary
2 appointment until the next meeting of the Senate when the
3 appointing authority shall make a nomination to fill that
4 office. No person rejected for an office of commissioner shall,
5 except by the Senate's request, be nominated again for that
6 office at the same session of the Senate or be appointed to
7 that office during a recess of that Senate. No more than 5
8 commissioners may be of the same political party.

9 The terms of the initial commissioners shall commence upon
10 qualification. Four initial appointees of the Governor, as
11 designated by the Governor, shall serve terms running through
12 June 30, 2007. One initial appointee of the Governor, as
13 designated by the Governor, and the initial appointees of the
14 Attorney General, Secretary of State, Comptroller, and
15 Treasurer shall serve terms running through June 30, 2008. The
16 initial appointments shall be made within 60 days after the
17 effective date of this Act.

18 After the initial terms, commissioners shall serve for
19 4-year terms commencing on July 1 of the year of appointment
20 and running through June 30 of the fourth following year.
21 Commissioners may be reappointed to one or more subsequent
22 terms.

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

26 Terms shall run regardless of whether the position is
27 filled.

28 (c) The appointing authorities shall appoint commissioners
29 who have experience holding governmental office or employment
30 and shall appoint commissioners from the general public. A
31 person is not eligible to serve as a commissioner if that
32 person (i) has been convicted of a felony or a crime of
33 dishonesty or moral turpitude, (ii) is, or was within the
34 preceding 12 months, engaged in activities that require
35 registration under the Lobbyist Registration Act, (iii) is
36 related to the appointing authority, or (iv) is a State officer

1 or employee.

2 (d) The Executive Ethics Commission shall have
3 jurisdiction over all officers and employees of State agencies
4 other than the General Assembly, the Senate, the House of
5 Representatives, the President and Minority Leader of the
6 Senate, the Speaker and Minority Leader of the House of
7 Representatives, the Senate Operations Commission, the
8 legislative support services agencies, the Legislative Ethics
9 Commission, the Office of the Legislative Inspector General,
10 and the Office of the Auditor General. The jurisdiction of the
11 Commission is limited to matters arising under this Act.

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

27 (f) No commissioner or employee of the Executive Ethics
28 Commission may during his or her term of appointment or
29 employment:

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

31 (2) hold any other elected or appointed public office
32 except for appointments on governmental advisory boards or
33 study commissions or as otherwise expressly authorized by
34 law;

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

1 (4) actively participate in any campaign for any
2 elective office.

3 (g) An appointing authority may remove a commissioner only
4 for cause.

5 (h) The Executive Ethics Commission shall appoint an
6 Executive Director. The compensation of the Executive Director
7 shall be as determined by the Commission or by the Compensation
8 Review Board, whichever amount is higher. The Executive
9 Director of the Executive Ethics Commission may employ and
10 determine the compensation of staff, as appropriations permit.

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

12 (5 ILCS 430/20-23)

13 Sec. 20-23. Ethics Officers. Each officer and the head of
14 each State agency under the jurisdiction of the Executive
15 Ethics Commission, including without limitation the Executive
16 Ethics Commission and each Executive Inspector General, shall
17 designate an Ethics Officer for the office or State agency.
18 Ethics Officers shall:

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

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

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

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

34 (5 ILCS 430/20-40)

1 Sec. 20-40. Collective bargaining agreements. Any
2 investigation or inquiry by an Executive Inspector General or
3 any agent or representative of an Executive Inspector General
4 must be conducted with awareness of the provisions of a
5 collective bargaining agreement that applies to the employees
6 of the relevant State agency and with an awareness of the
7 rights of the employees as set forth by State and federal law
8 and applicable judicial decisions. In implementing any ~~Any~~
9 recommendation for discipline or in taking any action ~~taken~~
10 against any State employee pursuant to this Act, the ultimate
11 jurisdictional authority must comply with the provisions of the
12 collective bargaining agreement that applies to the State
13 employee.

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

15 (5 ILCS 430/25-5)

16 Sec. 25-5. Legislative Ethics Commission.

17 (a) The Legislative Ethics Commission is created.

18 (b) The Legislative Ethics Commission shall consist of 8
19 commissioners appointed 2 each by the President and Minority
20 Leader of the Senate and the Speaker and Minority Leader of the
21 House of Representatives.

22 The terms of the initial commissioners shall commence upon
23 qualification. Each appointing authority shall designate one
24 appointee who shall serve for a 2-year term running through
25 June 30, 2005. Each appointing authority shall designate one
26 appointee who shall serve for a 4-year term running through
27 June 30, 2007. The initial appointments shall be made within 60
28 days after the effective date of this Act.

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

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

1 the term of the commissioner whose office is vacant.

2 Terms shall run regardless of whether the position is
3 filled.

4 (c) The appointing authorities shall appoint commissioners
5 who have experience holding governmental office or employment
6 and may appoint commissioners who are members of the General
7 Assembly as well as commissioners from the general public. A
8 commissioner who is a member of the General Assembly must
9 recuse himself or herself from participating in any matter
10 relating to any investigation or proceeding in which he or she
11 is the subject. A person is not eligible to serve as a
12 commissioner if that person (i) has been convicted of a felony
13 or a crime of dishonesty or moral turpitude, (ii) is, or was
14 within the preceding 12 months, engaged in activities that
15 require registration under the Lobbyist Registration Act,
16 (iii) is a relative of the appointing authority, or (iv) is a
17 State officer or employee other than a member of the General
18 Assembly.

19 (d) The Legislative Ethics Commission shall have
20 jurisdiction over members of the General Assembly and all State
21 employees whose ultimate jurisdictional authority is (i) a
22 legislative leader, (ii) the Senate Operations Commission, ~~or~~
23 (iii) the Joint Committee on Legislative Support Services, or
24 (iv) the Legislative Ethics Commission. The jurisdiction of the
25 Commission is limited to matters arising under this Act.

26 (e) The Legislative Ethics Commission must meet, either in
27 person or by other technological means, monthly or as often as
28 necessary. At the first meeting of the Legislative Ethics
29 Commission, the commissioners shall choose from their number a
30 chairperson and other officers that they deem appropriate. The
31 terms of officers shall be for 2 years commencing July 1 and
32 running through June 30 of the second following year. Meetings
33 shall be held at the call of the chairperson or any 3
34 commissioners. Official action by the Commission shall require
35 the affirmative vote of 5 commissioners, and a quorum shall
36 consist of 5 commissioners. Commissioners shall receive no

1 compensation but may be reimbursed for their reasonable
2 expenses actually incurred in the performance of their duties.

3 (f) No commissioner, other than a commissioner who is a
4 member of the General Assembly, or employee of the Legislative
5 Ethics Commission may during his or her term of appointment or
6 employment:

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

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

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

14 (4) actively participate in any campaign for any
15 elective office.

16 (g) An appointing authority may remove a commissioner only
17 for cause.

18 (h) The Legislative Ethics Commission shall appoint an
19 Executive Director subject to the approval of at least 3 of the
20 4 legislative leaders. The compensation of the Executive
21 Director shall be as determined by the Commission or by the
22 Compensation Review Board, whichever amount is higher. The
23 Executive Director of the Legislative Ethics Commission may
24 employ, subject to the approval of at least 3 of the 4
25 legislative leaders, and determine the compensation of staff,
26 as appropriations permit.

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

28 (5 ILCS 430/25-10)

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

30 (a) The independent Office of the Legislative Inspector
31 General is created. The Office shall be under the direction and
32 supervision of the Legislative Inspector General and shall be a
33 fully independent office with its own appropriation.

34 (b) The Legislative Inspector General shall be appointed
35 without regard to political affiliation and solely on the basis

1 of integrity and demonstrated ability. The Legislative Ethics
2 Commission shall diligently search out qualified candidates
3 for Legislative Inspector General and shall make
4 recommendations to the General Assembly.

5 The Legislative Inspector General shall be appointed by a
6 joint resolution of the Senate and the House of
7 Representatives, which may specify the date on which the
8 appointment takes effect. A joint resolution, or other document
9 as may be specified by the Joint Rules of the General Assembly,
10 appointing the Legislative Inspector General must be certified
11 by the Speaker of the House of Representatives and the
12 President of the Senate as having been adopted by the
13 affirmative vote of three-fifths of the members elected to each
14 house, respectively, and be filed with the Secretary of State.
15 The appointment of the Legislative Inspector General takes
16 effect on the day the appointment is completed by the General
17 Assembly, unless the appointment specifies a later date on
18 which it is to become effective.

19 The Legislative Inspector General shall have the following
20 qualifications:

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

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

25 (3) has 5 or more years of cumulative service (A) with
26 a federal, State, or local law enforcement agency, at least
27 2 years of which have been in a progressive investigatory
28 capacity; (B) as a federal, State, or local prosecutor; (C)
29 as a senior manager or executive of a federal, State, or
30 local agency; (D) as a member, an officer, or a State or
31 federal judge; or (E) representing any combination of (A)
32 through (D).

33 The Legislative Inspector General may not be a relative of
34 a commissioner.

35 The term of the initial Legislative Inspector General shall
36 commence upon qualification and shall run through June 30,

1 2008.

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

7 A vacancy occurring other than at the end of a term shall
8 be filled in the same manner as an appointment only for the
9 balance of the term of the Legislative Inspector General whose
10 office is vacant.

11 Terms shall run regardless of whether the position is
12 filled.

13 (c) The Legislative Inspector General shall have
14 jurisdiction over the members of the General Assembly and all
15 State employees whose ultimate jurisdictional authority is (i)
16 a legislative leader, (ii) the Senate Operations Commission, ~~or~~
17 (iii) the Joint Committee on Legislative Support Services, or
18 (iv) the Legislative Ethics Commission.

19 The jurisdiction of each Legislative Inspector General is
20 to investigate allegations of fraud, waste, abuse,
21 mismanagement, misconduct, nonfeasance, misfeasance,
22 malfeasance, or violations of this Act or violations of other
23 related laws and rules.

24 (d) The compensation of the Legislative Inspector General
25 shall be the greater of an amount (i) determined by the
26 Commission or (ii) by joint resolution of the General Assembly
27 passed by a majority of members elected in each chamber.
28 Subject to Section 25-45 of this Act, the Legislative Inspector
29 General has full authority to organize the Office of the
30 Legislative Inspector General, including the employment and
31 determination of the compensation of staff, such as deputies,
32 assistants, and other employees, as appropriations permit.
33 Employment of staff is subject to the approval of at least 3 of
34 the 4 legislative leaders.

35 (e) No Legislative Inspector General or employee of the
36 Office of the Legislative Inspector General may, during his or

1 her term of appointment or employment:

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

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

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

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

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

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

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

19 (2) hold any elected public office; or

20 (3) hold any appointed State, county, or local judicial
21 office.

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

24 (f) The Commission may remove the Legislative Inspector
25 General only for cause. At the time of the removal, the
26 Commission must report to the General Assembly the
27 justification for the removal.

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

29 (5 ILCS 430/25-23)

30 Sec. 25-23. Ethics Officers. The President and Minority
31 Leader of the Senate and the Speaker and Minority Leader of the
32 House of Representatives shall each appoint an ethics officer
33 for the members and employees of his or her legislative caucus.
34 The commissioners of the Legislative Ethics Commission shall
35 designate an ethics officer for the Legislative Ethics

1 Commission. The Legislative Inspector General shall designate
2 an ethics officer for the Office of the Legislative Inspector
3 General. No later than January 1, 2004, the head of each other
4 State agency under the jurisdiction of the Legislative Ethics
5 Commission, other than the General Assembly, shall designate an
6 ethics officer for the State agency. Ethics Officers shall:

7 (1) act as liaisons between the State agency and the
8 Legislative Inspector General and between the State agency
9 and the Legislative Ethics Commission;

10 (2) review statements of economic interest and
11 disclosure forms of officers, senior employees, and
12 contract monitors before they are filed with the Secretary
13 of State; and

14 (3) provide guidance to officers and employees in the
15 interpretation and implementation of this Act, which the
16 officer or employee may in good faith rely upon. Such
17 guidance shall be based, wherever possible, upon legal
18 precedent in court decisions, opinions of the Attorney
19 General, and the findings and opinions of the Legislative
20 Ethics Commission.

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

22 Section 15. The Lobbyist Registration Act is amended by
23 changing Section 2 as follows:

24 (25 ILCS 170/2) (from Ch. 63, par. 172)

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

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

30 (b) "Expenditure" means a payment, distribution, loan,
31 advance, deposit, or gift of money or anything of value, and
32 includes a contract, promise, or agreement, whether or not
33 legally enforceable, to make an expenditure, for the ultimate
34 purpose of influencing executive, legislative, or

1 administrative action, other than compensation as defined in
2 subsection (d).

3 (c) "Official" means:

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

7 (2) Chiefs of Staff for officials described in item
8 (1);

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

12 (4) Members of the General Assembly.

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

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

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

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

31 (g) "Executive action" means the proposal, drafting,
32 development, consideration, amendment, adoption, approval,
33 promulgation, issuance, modification, rejection or
34 postponement by a State entity of a rule, regulation, order,
35 decision, determination, contractual arrangement, purchasing
36 agreement or other quasi-legislative or quasi-judicial action

1 or proceeding.

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

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

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

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

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

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

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

28 Section 25. The Illinois Procurement Code is amended by
29 changing Sections 1-15.15, 1-15.100, 15-25, 20-10, 20-30,
30 35-15, 35-20, 35-25, 35-30, 35-35, 35-40, 40-15, 40-25, 50-13,
31 50-20, and 50-30 and by adding Sections 20-43, 50-21, and 50-37
32 as follows:

33 (30 ILCS 500/1-15.15)

34 Sec. 1-15.15. Chief Procurement Officer. "Chief

1 Procurement Officer" means:

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

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

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

24 (4) for the selection and appointment of consultants by a
25 pension fund or retirement system created under Article 2, 14,
26 15, 16, or 18 of the Illinois Pension Code or an investment
27 board created under Article 22A of the Illinois Pension Code,
28 as the term "consultant" is defined in subsection (a-5) of
29 Section 1-113.5 or subsection (e) of Section 22A-111,
30 respectively, of the Illinois Pension Code, a representative
31 designated by the board of trustees of that pension fund or
32 retirement system or by the Illinois State Board of Investment,
33 as the case may be, for a total of 6 pension chiefs of
34 procurement.

35 (5) ~~(4)~~ for all other procurements, the Director of the
36 Department of Central Management Services.

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

2 (30 ILCS 500/1-15.100)

3 Sec. 1-15.100. State agency. "State agency" means and
4 includes all boards, commissions, agencies, institutions,
5 authorities, and bodies politic and corporate of the State,
6 created by or in accordance with the constitution or statute,
7 of the executive branch of State government and does include
8 colleges, universities, and institutions under the
9 jurisdiction of the governing boards of the University of
10 Illinois, Southern Illinois University, Illinois State
11 University, Eastern Illinois University, Northern Illinois
12 University, Western Illinois University, Chicago State
13 University, Governor State University, Northeastern Illinois
14 University, and the Board of Higher Education. However, this
15 term applies ~~does not apply~~ to public employee pension funds,
16 retirement systems, or investment boards that are subject to
17 fiduciary duties imposed by the Illinois Pension Code only to
18 the extent and for the purpose of procurements required under
19 Sections 1-113.5 and 22A-111 of the Illinois Pension Code to be
20 made in accordance with Article 35 of this Code. The term
21 "State agency" does not apply ~~or~~ to the University of Illinois
22 Foundation. "State agency" does not include units of local
23 government, school districts, community colleges under the
24 Public Community College Act, and the Illinois Comprehensive
25 Health Insurance Board.

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

27 (30 ILCS 500/15-25)

28 Sec. 15-25. Bulletin content.

29 (a) Invitations for bids. Notice of each and every contract
30 that is offered, including renegotiated contracts and change
31 orders, shall be published in the Bulletin. The applicable
32 chief procurement officer may provide by rule an organized
33 format for the publication of this information, but in any case
34 it must include at least the date first offered, the date

1 submission of offers is due, the location that offers are to be
2 submitted to, the purchasing State agency, the responsible
3 State purchasing officer, a brief purchase description, the
4 method of source selection, and information of how to obtain a
5 comprehensive purchase description and any disclosure and
6 contract forms.

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

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

1 under the contract.

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

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

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

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

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

25 (30 ILCS 500/20-10)

26 Sec. 20-10. Competitive sealed bidding.

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

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

34 (c) Public notice. Public notice of the invitation for bids
35 shall be published in the Illinois Procurement Bulletin at

1 least 14 days before the date set in the invitation for the
2 opening of bids.

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

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

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

31 (g) Award. The contract shall be awarded with reasonable
32 promptness by written notice to the lowest responsible and
33 responsive bidder whose bid meets the requirements and criteria
34 set forth in the invitation for bids, except when a State
35 purchasing officer determines it is not in the best interest of
36 the State and by written explanation determines another bidder

1 shall receive the award. The explanation shall appear in the
2 appropriate volume of the Illinois Procurement Bulletin. The
3 written explanation must include:

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

5 (2) a determination that the anticipated cost will be
6 fair and reasonable;

7 (3) a listing of all responsible and responsive
8 bidders; and

9 (4) the name of the bidder selected, pricing, and the
10 reasons for selecting that bidder instead of the lowest
11 responsible and responsive bidder.

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

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

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

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

26 (30 ILCS 500/20-30)

27 Sec. 20-30. Emergency purchases.

28 (a) Conditions for use. In accordance with standards set by
29 rule, a purchasing agency may make emergency procurements
30 without competitive sealed bidding or prior notice when there
31 exists a threat to public health or public safety, or when
32 immediate expenditure is necessary for repairs to State
33 property in order to protect against further loss of or damage
34 to State property, to prevent or minimize serious disruption in
35 critical State services that affect health, safety, or

1 collections of substantial State revenue, or to ensure the
2 integrity of State records; provided, however, that the term of
3 the emergency purchase shall be limited to the time reasonably
4 needed for a competitive procurement, not to exceed 6 months.

5 Emergency procurements shall be made with as much competition
6 as is practicable under the circumstances. A written
7 description of the basis for the emergency and reasons for the
8 selection of the particular contractor shall be included in the
9 contract file.

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

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

36 (d) Quick purchases. The chief procurement officer may

1 promulgate rules extending the circumstances by which a
2 purchasing agency may make purchases under this Section,
3 including but not limited to the procurement of items available
4 at a discount for a limited period of time.

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

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

9 (30 ILCS 500/20-43 new)

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

16 (30 ILCS 500/35-15)

17 Sec. 35-15. Prequalification.

18 (a) The Director of Central Management Services, the
19 pension chief procurement officers, and the higher education
20 chief procurement officer shall each develop appropriate and
21 reasonable prequalification standards and categories of
22 professional and artistic services.

23 (b) The prequalifications and categorizations shall be
24 submitted to the Procurement Policy Board and published for
25 public comment prior to their submission to the Joint Committee
26 on Administrative Rules for approval.

27 (c) The Director of Central Management Services, the
28 pension chief procurement officers, and the higher education
29 chief procurement officer shall each also assemble and maintain
30 a comprehensive list of prequalified and categorized
31 businesses and persons.

32 (d) Prequalification shall not be used to bar or prevent
33 any qualified business or person for bidding or responding to
34 invitations for bid or proposal.

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

2 (30 ILCS 500/35-20)

3 Sec. 35-20. Uniformity in procurement.

4 (a) The Director of Central Management Services, the
5 pension chief procurement officers, and the higher education
6 chief procurement officer shall each develop, cause to be
7 printed, and distribute uniform documents for the
8 solicitation, review, and acceptance of all professional and
9 artistic services.

10 (b) All chief procurement officers, State purchasing
11 officers, and their designees shall use the appropriate uniform
12 procedures and forms specified in this Code for all
13 professional and artistic services.

14 (c) These forms shall include in detail, in writing, at
15 least:

- 16 (1) a description of the goal to be achieved;
17 (2) the services to be performed;
18 (3) the need for the service;
19 (4) the qualifications that are necessary; and
20 (5) a plan for post-performance review.

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

22 (30 ILCS 500/35-25)

23 Sec. 35-25. Uniformity in contract.

24 (a) The Director of Central Management Services, the
25 pension chief procurement officers, and the higher education
26 chief procurement officer shall each develop, cause to be
27 printed, and distribute uniform documents for the contracting
28 of professional and artistic services.

29 (b) All chief procurement officers, State purchasing
30 officers, and their designees shall use the appropriate uniform
31 contracts and forms in contracting for all professional and
32 artistic services.

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

1 (1) the detail listed in subsection (c) of Section
2 35-20;

3 (2) the duration of the contract, with a schedule of
4 delivery, when applicable;

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

7 (4) the rate of remuneration; and

8 (5) the maximum price.

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

10 (30 ILCS 500/35-30)

11 Sec. 35-30. Awards.

12 (a) All State contracts for professional and artistic
13 services, except as provided in this Section, shall be awarded
14 using the competitive request for proposal process outlined in
15 this Section.

16 (b) For each contract offered, the chief procurement
17 officer, State purchasing officer, or his or her designee shall
18 use the appropriate standard solicitation forms available from
19 the Department of Central Management Services, the appropriate
20 pension chief procurement officer, or the higher education
21 chief procurement officer.

22 (c) Prepared forms shall be submitted to the Department of
23 Central Management Services, a pension chief procurement
24 officer, or the higher education chief procurement officer,
25 whichever is appropriate, for publication in its Illinois
26 Procurement Bulletin and circulation to the Department of
27 Central Management Services', the pension chief procurement
28 officer's, or the higher education chief procurement officer's
29 list of prequalified vendors. Notice of the offer or request
30 for proposal shall appear at least 14 days before the response
31 to the offer is due.

32 (d) All interested respondents shall return their
33 responses to the Department of Central Management Services, the
34 pension chief procurement officer, or the higher education
35 chief procurement officer, whichever is appropriate, which

1 shall open and record them. The Department, the pension chief
2 procurement officer, or higher education chief procurement
3 officer then shall forward the responses, together with any
4 information it has available about the qualifications and other
5 State work of the respondents.

6 (e) After evaluation, ranking, and selection, the
7 responsible chief procurement officer, State purchasing
8 officer, or his or her designee shall notify the Department of
9 Central Management Services, the pension chief procurement
10 officer, or the higher education chief procurement officer,
11 whichever is appropriate, of the successful respondent and
12 shall forward a copy of the signed contract for the
13 Department's, pension chief procurement officer's, or higher
14 education chief procurement officer's file. The Department,
15 the pension chief procurement officer, or higher education
16 chief procurement officer shall publish the names of the
17 responsible procurement decision-maker, the agency letting the
18 contract, the successful respondent, a contract reference, and
19 value of the let contract in the next appropriate volume of the
20 Illinois Procurement Bulletin.

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

1 procurement officer's or State purchasing officer's written
2 decision.

3 (g) The Department of Central Management Services, the
4 pension chief procurement officers, and higher education chief
5 procurement officer may each refine, but not contradict, this
6 Section by promulgating rules for submission to the Procurement
7 Policy Board and then to the Joint Committee on Administrative
8 Rules. Any refinement shall be based on the principles and
9 procedures of the federal Architect-Engineer Selection Law,
10 Public Law 92-582 Brooks Act, and the Architectural,
11 Engineering, and Land Surveying Qualifications Based Selection
12 Act; except that pricing shall be an integral part of the
13 selection process.

14 (Source: P.A. 90-572, eff. date - See Sec. 99-5; revised
15 10-19-05.)

16 (30 ILCS 500/35-35)

17 Sec. 35-35. Exceptions.

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

24 (b) All exceptions granted under this Article must still be
25 submitted to the Department of Central Management Services, the
26 appropriate pension chief procurement officer, or the higher
27 education chief procurement officer, whichever is appropriate,
28 and published as provided for in subsection (f) of Section
29 35-30, shall name the authorizing chief procurement officer or
30 State purchasing officer, and shall include a brief explanation
31 of the reason for the exception.

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

33 (30 ILCS 500/35-40)

34 Sec. 35-40. Subcontractors.

1 (a) Any contract granted under this Article shall state
2 whether the services of a subcontractor will be used. The
3 contract shall include the names and addresses of all
4 subcontractors and the expected amount of money each will
5 receive under the contract.

6 (b) If at any time during the term of a contract, a
7 contractor adds or changes any subcontractors, he or she shall
8 promptly notify, in writing, the Department of Central
9 Management Services, the appropriate pension chief procurement
10 officer, or the higher education chief procurement officer,
11 whichever is appropriate, and the responsible chief
12 procurement officer, State purchasing officer, or their
13 designee of the names and addresses and the expected amount of
14 money each new or replaced subcontractor will receive.

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

16 (30 ILCS 500/40-15)

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

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

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

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

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

26 (3) Duration of less than one year that cannot be
27 renewed.

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

29 (5) Renewal or extension of a lease ~~in effect before~~
30 ~~July 1, 2002~~; provided that: (i) the chief procurement
31 officer determines in writing that the renewal or extension
32 is in the best interest of the State; (ii) the chief
33 procurement officer submits his or her written
34 determination and the renewal or extension to the Board;
35 (iii) the Board does not object in writing to the renewal

1 or extension within 30 days after its submission; and (iv)
2 the chief procurement officer publishes the renewal or
3 extension in the appropriate volume of the Procurement
4 Bulletin.

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

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

10 (30 ILCS 500/40-25)

11 Sec. 40-25. Length of leases.

12 (a) Maximum term. Leases shall be for a term not to exceed
13 10 years and shall include a termination option in favor of the
14 State after 5 years.

15 (b) Renewal. Leases may include a renewal option. An option
16 to renew may be exercised only when a State purchasing officer
17 determines in writing that renewal is in the best interest of
18 the State and notice of the exercise of the option is published
19 in the appropriate volume of the Procurement Bulletin at least
20 60 days prior to the exercise of the option.

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

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

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

28 (30 ILCS 500/50-13)

29 Sec. 50-13. Conflicts of interest.

30 (a) Prohibition. It is unlawful for any person holding an
31 elective office in this State, holding a seat in the General
32 Assembly, or appointed to or employed in any of the offices or
33 agencies of State government ~~and who receives compensation for~~
34 ~~such employment in excess of 60% of the salary of the Governor~~

1 ~~of the State of Illinois~~, or who is an officer or employee of
2 the Capital Development Board or the Illinois Toll Highway
3 Authority, or who is the spouse or minor child of any such
4 person to have or acquire any contract, or any direct pecuniary
5 interest in any contract therein, whether for stationery,
6 printing, paper, or any services, materials, or supplies, that
7 will be wholly or partially satisfied by the payment of funds
8 appropriated by the General Assembly of the State of Illinois
9 or in any contract of the Capital Development Board or the
10 Illinois Toll Highway Authority.

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

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

24 (c-5) Appointees and firms. In addition to any provisions
25 of this Code, the interests of certain appointees and their
26 firms are subject to Section 3A-35 of the Illinois Governmental
27 Ethics Act.

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

31 (e) Prior interests. This Section does not affect the
32 validity of any contract made between the State and an officer
33 or employee of the State or member of the General Assembly, his
34 or her spouse, minor child, or other immediate family member
35 living in his or her residence or any combination of those
36 persons if that contract was in existence before his or her

1 election or employment as an officer, member, or employee. The
2 contract is voidable, however, if it cannot be completed within
3 365 days after the officer, member, or employee takes office or
4 is employed.

5 (f) Exceptions.

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

8 (2) Teaching. This Section does not apply to a contract
9 for personal services as a teacher or school administrator
10 between a member of the General Assembly or his or her
11 spouse, or a State officer or employee or his or her
12 spouse, and any school district, public community college
13 district, the University of Illinois, Southern Illinois
14 University, Illinois State University, Eastern Illinois
15 University, Northern Illinois University, Western Illinois
16 University, Chicago State University, Governor State
17 University, or Northeastern Illinois University.

18 (3) Ministerial duties. This Section does not apply to
19 a contract for personal services of a wholly ministerial
20 character, including but not limited to services as a
21 laborer, clerk, typist, stenographer, page, bookkeeper,
22 receptionist, or telephone switchboard operator, made by a
23 spouse or minor child of an elective or appointive State
24 officer or employee or of a member of the General Assembly.

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

31 (5) Licensed professionals. Contracts with licensed
32 professionals, provided they are competitively bid or part
33 of a reimbursement program for specific, customary goods
34 and services through the Department of Children and Family
35 Services, the Department of Human Services, the Department
36 of Healthcare and Family Services ~~Public Aid~~, the

1 Department of Public Health, or the Department on Aging.

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

5 (Source: P.A. 93-615, eff. 11-19-03; revised 12-15-05.)

6 (30 ILCS 500/50-20)

7 Sec. 50-20. Exemptions. With the approval of the
8 appropriate chief procurement officer involved, the Governor,
9 or an executive ethics board or commission he or she
10 designates, may exempt named individuals from the prohibitions
11 of Section 50-13 when, in his, her, or its judgment, the public
12 interest in having the individual in the service of the State
13 outweighs the public policy evidenced in that Section. An
14 exemption is effective only when it is filed with the Secretary
15 of State and the Comptroller within 60 days after its issuance
16 or when performance of the contract begins, whichever is
17 earlier, and includes a statement setting forth the name of the
18 individual and all the pertinent facts that would make that
19 Section applicable, setting forth the reason for the exemption,
20 and declaring the individual exempted from that Section.
21 Exemptions must be filed with the Secretary of State and
22 Comptroller prior to execution of any contracts. A copy of
23 ~~Notice of~~ each exemption shall be published in the Illinois
24 Procurement Bulletin in its electronic form prior to execution
25 of the contract. The changes to this Section made by this
26 amendatory Act of the 94th General Assembly apply to exemptions
27 granted on or after its effective date.

28 A contract for which a waiver has been issued but has not
29 been filed in accordance with this Section is voidable.

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

31 (30 ILCS 500/50-21 new)

32 Sec. 50-21. Bond issuances.

33 (a) A State agency shall not enter into a contract with
34 respect to the issuance of bonds or other securities by the

1 State or a State agency with any entity that uses an
2 independent consultant.

3 As used in this subsection, "independent consultant" means
4 a person used by the entity to obtain or retain securities
5 business through direct or indirect communication by the person
6 with a State official or employee on behalf of the entity when
7 the communication is undertaken by the person in exchange for
8 or with the understanding of receiving payment from the entity
9 or another person. "Independent consultant" does not include
10 (i) a finance professional employed by the entity or (ii) a
11 person whose sole basis of compensation from the entity is the
12 actual provision of legal, accounting, or engineering advice,
13 services, or assistance in connection with the securities
14 business that the entity seeks to obtain or retain.

15 (b) Each contract entered into by a State agency with
16 respect to the issuance of bonds or other securities by the
17 State or a State agency shall include a certification by any
18 contracting party subject to the Municipal Securities
19 Rulemaking Board's Rule G-38, or a successor rule, that the
20 contracting entity is and shall remain for the duration of the
21 contract in compliance with the Rule's requirements for
22 reporting political contributions. Violation of the
23 certification makes the contract voidable by the State and
24 shall bar the awarding of a State agency contract with respect
25 to the issuance of bonds or other securities to the violator
26 for a period of 10 years after the determination of the
27 violation.

28 (c) Any entity convicted of violating the Municipal
29 Securities Rulemaking Board's Rule G-37 or Rule G-38, or any
30 successor rules, with respect to the prohibitions of those
31 rules against obtaining or retaining municipal securities
32 business and the making of political contributions or payments
33 is permanently barred from participating in any State agency
34 contract with respect to the issuance of bonds or other
35 securities.

1 (30 ILCS 500/50-37 new)

2 Sec. 50-37. Contract award disclosure.

3 (a) For the purposes of this Section:

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

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

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

15 (1) The contracting entity.

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

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

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

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

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

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

32 (40 ILCS 5/1-101.2)

33 Sec. 1-101.2. Fiduciary. A person is a "fiduciary" with
34 respect to a pension fund or retirement system established

1 under this Code to the extent that the person:

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

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

12 (3) has any discretionary authority or discretionary
13 responsibility in the administration of the pension fund or
14 retirement system.

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

16 (40 ILCS 5/1-101.4)

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

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

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

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

29 (4) is at least one of the following: (i) registered as
30 an investment adviser under the federal Investment
31 Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.); (ii)
32 registered as an investment adviser under the Illinois
33 Securities Law of 1953; (iii) a bank, as defined in the
34 Investment Advisers Act of 1940; or (iv) an insurance
35 company authorized to transact business in this State.

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

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

3 Sec. 1-109.1. Allocation and Delegation of Fiduciary
4 Duties.

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

9 (a) Appoint one or more investment managers as
10 fiduciaries to manage (including the power to acquire and
11 dispose of) any assets of the retirement system or pension
12 fund; and

13 (b) Allocate duties among themselves and designate
14 others as fiduciaries to carry out specific fiduciary
15 activities other than the management of the assets of the
16 retirement system or pension fund.

17 (2) The board of trustees of a pension fund established
18 under Article 5, 6, 8, 9, 10, 11, 12 or 17 of this Code may not
19 transfer its investment authority, nor transfer the assets of
20 the fund to any other person or entity for the purpose of
21 consolidating or merging its assets and management with any
22 other pension fund or public investment authority, unless the
23 board resolution authorizing such transfer is submitted for
24 approval to the contributors and pensioners of the fund at
25 elections held not less than 30 days after the adoption of such
26 resolution by the board, and such resolution is approved by a
27 majority of the votes cast on the question in both the
28 contributors election and the pensioners election. The
29 election procedures and qualifications governing the election
30 of trustees shall govern the submission of resolutions for
31 approval under this paragraph, insofar as they may be made
32 applicable.

33 (3) Pursuant to subsections (h) and (i) of Section 6 of
34 Article VII of the Illinois Constitution, the investment
35 authority of boards of trustees of retirement systems and

1 pension funds established under this Code is declared to be a
2 subject of exclusive State jurisdiction, and the concurrent
3 exercise by a home rule unit of any power affecting such
4 investment authority is hereby specifically denied and
5 preempted.

6 (4) For the purposes of this Code, "emerging investment
7 manager" means a qualified investment adviser that manages an
8 investment portfolio of at least \$10,000,000 but less than
9 \$2,000,000,000 and is a "minority owned business" or "female
10 owned business" as those terms are defined in the Business
11 Enterprise for Minorities, Females, and Persons with
12 Disabilities Act.

13 It is hereby declared to be the public policy of the State
14 of Illinois to encourage the trustees of public employee
15 retirement systems to use emerging investment managers in
16 managing their system's assets to the greatest extent feasible
17 within the bounds of financial and fiduciary prudence, and to
18 take affirmative steps to remove any barriers to the full
19 participation of emerging investment managers in investment
20 opportunities afforded by those retirement systems.

21 On or before July 1, 2006 each system or fund subject to
22 Article 2, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, or 18 of
23 this Code and the Illinois State Board of Investment shall
24 adopt a policy including quantifiable goals for the utilization
25 of emerging investment managers. This policy shall also include
26 quantifiable goals for the management of assets in specific
27 classes by emerging investment managers, including but not
28 limited to: large cap domestic equity, small and medium cap
29 domestic equity, international equity, fixed income
30 investments, and private equity.

31 Each retirement system subject to this Code shall prepare a
32 report to be submitted to the Governor and the General Assembly
33 by September 1 of each year. The report shall identify the
34 emerging investment managers used by the system, the percentage
35 of the system's assets under the investment control of emerging
36 investment managers, and the actions it has undertaken to

1 increase the use of emerging investment managers, including
2 encouraging other investment managers to use emerging
3 investment managers as subcontractors when the opportunity
4 arises.

5 The use of an emerging investment manager does not
6 constitute a transfer of investment authority for the purposes
7 of subsection (2) of this Section.

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

9 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

10 Sec. 1-110. Prohibited Transactions.

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

15 (1) Sale or exchange, or leasing of any property from
16 the retirement system or pension fund to a party in
17 interest for less than adequate consideration, or from a
18 party in interest to a retirement system or pension fund
19 for more than adequate consideration.

20 (2) Lending of money or other extension of credit from
21 the retirement system or pension fund to a party in
22 interest without the receipt of adequate security and a
23 reasonable rate of interest, or from a party in interest to
24 a retirement system or pension fund with the provision of
25 excessive security or an unreasonably high rate of
26 interest.

27 (3) Furnishing of goods, services or facilities from
28 the retirement system or pension fund to a party in
29 interest for less than adequate consideration, or from a
30 party in interest to a retirement system or pension fund
31 for more than adequate consideration.

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

35 (b) A fiduciary with respect to a retirement system or

1 pension fund established under this Code shall not:

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

4 (2) In his individual or any other capacity act in any
5 transaction involving the retirement system or pension
6 fund on behalf of a party whose interests are adverse to
7 the interests of the retirement system or pension fund or
8 the interests of its participants or beneficiaries; or

9 (3) Receive any consideration for his own personal
10 account from any party dealing with the retirement system
11 or pension fund in connection with a transaction involving
12 the assets of the retirement system or pension fund.

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

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

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

21 (3) Serving as a trustee in addition to being an
22 officer, employee, agent or other representative of a party
23 in interest.

24 (d) A fiduciary with respect to a retirement system or
25 pension fund shall not knowingly cause or advise the retirement
26 system or pension fund to engage in an investment transaction
27 when the fiduciary (i) has any direct interest in the income,
28 gains, or profits of the investment advisor through which the
29 investment transaction is made or (ii) has a business
30 relationship with that investment advisor that would result in
31 a pecuniary benefit to the fiduciary as a result of the
32 investment transaction.

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

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

1 (40 ILCS 5/1-113.5)

2 Sec. 1-113.5. Investment advisers; consultants; and
3 investment services.

4 (a) The board of trustees of a pension fund or retirement
5 system may appoint investment advisers as defined in Section
6 1-101.4. The board of any pension fund investing in common or
7 preferred stock under Section 1-113.4 shall appoint an
8 investment adviser before making such investments.

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

12 (1) an investment adviser registered under the federal
13 Investment Advisers Act of 1940 and the Illinois Securities
14 Law of 1953;

15 (2) a bank or trust company authorized to conduct a
16 trust business in Illinois;

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

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

22 (a-5) Notwithstanding any other provision of law, a person
23 or entity that provides consulting services (referred to as a
24 "consultant" in this Section) to a pension fund or retirement
25 system with respect to the selection of fiduciaries may not be
26 awarded a contract to provide those consulting services that is
27 more than 5 years in duration. No contract to provide such
28 consulting services may be renewed or extended. At the end of
29 the term of a contract, however, the contractor is eligible to
30 compete for a new contract as provided in subsection (a-10). No
31 pension fund, retirement system, or consultant shall attempt to
32 avoid or contravene the restrictions of this subsection by any
33 means.

34 (a-10) For the board of trustees of a pension fund or
35 retirement system created under Article 2, 14, 15, 16, or 18,
36 the selection and appointment of a consultant, and the

1 contracting for investment services from a consultant,
2 constitute procurements of professional and artistic services
3 under the Illinois Procurement Code that must be made and
4 awarded in accordance with and through the use of the method of
5 selection required by Article 35 of that Code. For the board of
6 trustees of a pension fund or retirement system created under
7 any other Article of this Code, the selection and appointment
8 of a consultant, and the contracting for investment services by
9 a consultant, constitute procurements that must be made and
10 awarded in a manner substantially similar to the method of
11 selection required for the procurement of professional and
12 artistic services under Article 35 of the Illinois Procurement
13 Code. All offers from responsive offerors shall be accompanied
14 by disclosure of the names and addresses of the following:

15 (1) The offeror.

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

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

20 (4) The offeror's key persons.

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

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

36 (b) All investment advice and services provided by an

1 investment adviser or a consultant appointed under this Section
2 shall be (i) rendered pursuant to a written contract between
3 the investment adviser or consultant and the board, awarded as
4 provided in subsection (a-10), and (ii) in accordance with the
5 board's investment policy.

6 The contract shall include all of the following:

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

10 (2) the board's investment policy;

11 (3) full disclosure of direct and indirect fees,
12 commissions, penalties, and any other compensation that
13 may be received by the investment adviser or consultant,
14 including reimbursement for expenses; and

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

21 (b-5) Each contract described in subsection (b) shall also
22 include (i) full disclosure of direct and indirect fees,
23 commissions, penalties, and other compensation, including
24 reimbursement for expenses, that may be paid by or on behalf of
25 the investment adviser or consultant in connection with the
26 provision of services to the pension fund or retirement system
27 and (ii) a requirement that the investment adviser or
28 consultant update the disclosure promptly after a modification
29 of those payments or an additional payment.

30 Within 30 days after the effective date of this amendatory
31 Act of the 94th General Assembly, each investment adviser and
32 consultant currently providing services or subject to an
33 existing contract for the provision of services must disclose
34 to the board of trustees all direct and indirect fees,
35 commissions, penalties, and other compensation paid by or on
36 behalf of the investment adviser or consultant in connection

1 with the provision of those services and shall update that
2 disclosure promptly after a modification of those payments or
3 an additional payment.

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

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

14 (c) Within 30 days after appointing an investment adviser
15 or consultant, the board shall submit a copy of the contract to
16 the Division Department of Insurance of the Department of
17 Financial and Professional Regulation.

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

25 (e) The board of trustees of each pension fund or
26 retirement system shall retain records of investment
27 transactions in accordance with the rules of the Department of
28 Financial and Professional Regulation Insurance.

29 (f) This subsection applies to the board of trustees of a
30 pension fund or retirement system created under Article 2, 14,
31 15, 16, or 18. Notwithstanding any other provision of law, a
32 board of trustees shall comply with the Business Enterprise for
33 Minorities, Females, and Persons with Disabilities Act. The
34 board of trustees shall post upon its website the percentage of
35 its contracts awarded under this Section currently and during
36 the preceding 5 fiscal years that were awarded to "minority

1 owned businesses", "female owned businesses", and "businesses
2 owned by a person with a disability", as those terms are
3 defined in the Business Enterprise for Minorities, Females, and
4 Persons with Disabilities Act.

5 (g) This Section is a denial and limitation of home rule
6 powers and functions in accordance with subsection (i) of
7 Section 6 of Article VII of the Illinois Constitution. A home
8 rule unit may not regulate investment adviser and consultant
9 contracts in a manner that is less restrictive than the
10 provisions of this Section.

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

12 (40 ILCS 5/1-113.12)

13 Sec. 1-113.12. Application. Sections 1-113.1 through
14 1-113.10 apply only to pension funds established under Article
15 3 or 4 of this Code, except that Section 1-113.5 applies to all
16 pension funds and retirement systems established under this
17 Code.

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

19 (40 ILCS 5/1-125 new)

20 Sec. 1-125. No monetary gain on investments. No trustee or
21 employee of the board of any retirement system or pension fund
22 or of the Illinois State Board of Investment shall have any
23 direct interest in the income, gains, or profits of any
24 investments made in behalf of the retirement system or pension
25 fund or of the Illinois State Board of Investment, nor receive
26 any pay or emolument for services in connection with any
27 investment. No trustee or employee of the board of any
28 retirement system or pension fund or the Illinois State Board
29 of Investment shall become an endorser or surety, or in any
30 manner an obligor for money loaned or borrowed from the
31 retirement system or pension fund or the Illinois State Board
32 of Investment. Whoever violates any of the provisions of this
33 Section is guilty of a Class 3 felony.

1 (40 ILCS 5/1-130 new)

2 Sec. 1-130. Fraud. Any person who knowingly makes any false
3 statement, or falsifies or permits to be falsified any record
4 of a retirement system or pension fund or of the Illinois State
5 Board of Investment, in an attempt to defraud the retirement
6 system or pension fund or the Illinois State Board of
7 Investment, is guilty of a Class 3 felony.

8 (40 ILCS 5/1-135 new)

9 Sec. 1-135. Prohibition on gifts.

10 (a) For the purposes of this Section:

11 (1) "Board" means (i) the board of trustees of a
12 pension fund or retirement system created under this Code
13 or (ii) the Illinois State Board of Investment created
14 under Article 22A of this Code.

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

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

18 (i) is seeking official action (A) by the board,
19 (B) by a board member, or (C) in the case of a board
20 employee, by the employee, the board, a board member,
21 or another employee directing the employee;

22 (ii) does business or seeks to do business (A) with
23 the board, (B) with a board member, or (C) in the case
24 of a board employee, with the employee, the board, a
25 board member, or another employee directing the
26 employee;

27 (iii) has interests that may be substantially
28 affected by the performance or non-performance of the
29 official duties of the board member or employee; or

30 (iv) is registered or required to be registered
31 with the Secretary of State under the Lobbyist
32 Registration Act, except that an entity not otherwise a
33 prohibited source does not become a prohibited source
34 merely because a registered lobbyist is one of its
35 members or serves on its board of directors.

1 (b) No board member or employee shall solicit or accept any
2 gift from a prohibited source or from an officer, agent, or
3 employee of a prohibited source. No prohibited source or
4 officer, agent, or employee of a prohibited source shall offer
5 to a board member or employee any gift.

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

7 (40 ILCS 5/1-140 new)

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

21 (40 ILCS 5/1A-113)

22 Sec. 1A-113. Penalties.

23 (a) A pension fund that fails, without just cause, to file
24 its annual statement within the time prescribed under Section
25 1A-109 shall pay to the Department a penalty to be determined
26 by the Department, which shall not exceed \$100 for each day's
27 delay.

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

33 (c) A pension fund that fails to pay a fee within the time
34 prescribed under Section 1A-112 shall pay to the Department a

1 penalty of 5% of the amount of the fee for each month or part of
2 a month that the fee is late. The entire penalty shall not
3 exceed 25% of the fee due.

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

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

13 (1) The Director shall notify in writing the governing
14 body, officer, or official of the specific provision or
15 provisions of the law with which the person has failed to
16 comply.

17 (2) Upon receipt of the notice, the person notified
18 shall take immediate steps to comply with the provisions of
19 law specified in the notice.

20 (3) If the person notified fails to comply within a
21 reasonable time after receiving the notice, the Director
22 may hold a hearing at which the person notified may show
23 cause for noncompliance with the law.

24 (4) If upon hearing the Director determines that good
25 and sufficient cause for noncompliance has not been shown,
26 the Director may order the person to submit evidence of
27 compliance within a specified period of not less than 30
28 days.

29 (5) If evidence of compliance has not been submitted to
30 the Director within the period of time prescribed in the
31 order and no administrative appeal from the order has been
32 initiated, the Director may assess a civil penalty of up to
33 \$2,000 against the governing body, officer, or official for
34 each noncompliance with an order of the Director.

35 The Director shall develop by rule, with as much
36 specificity as practicable, the standards and criteria to be

1 used in assessing penalties and their amounts. The standards
2 and criteria shall include, but need not be limited to,
3 consideration of evidence of efforts made in good faith to
4 comply with applicable legal requirements. This rulemaking is
5 subject to the provisions of the Illinois Administrative
6 Procedure Act.

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

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

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

28 (40 ILCS 5/22A-108.1) (from Ch. 108 1/2, par. 22A-108.1)

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

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

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

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

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

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

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

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

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

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

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

15 (1) The offeror.

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

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

20 (4) The offeror's key persons.

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

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

35 In addition to any other requirement, each contract between
36 the Board and an investment advisor or consultant shall include

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

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

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

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

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

33 (40 ILCS 5/2-152 rep.)

34 (40 ILCS 5/2-155 rep.)

35 (40 ILCS 5/12-190.3 rep.)

1 (40 ILCS 5/13-806 rep.)

2 (40 ILCS 5/14-148 rep.)

3 (40 ILCS 5/15-186 rep.)

4 (40 ILCS 5/15-189 rep.)

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

6 (40 ILCS 5/16-198 rep.)

7 (40 ILCS 5/18-159 rep.)

8 (40 ILCS 5/18-162 rep.)

9 Section 40. The Illinois Pension Code is amended by
10 repealing Sections 2-152, 2-155, 12-190.3, 13-806, 14-148,
11 15-186, 15-189, 16-191, 16-198, 18-159, and 18-162.

12 Section 90. The State Mandates Act is amended by adding
13 Section 8.30 as follows:

14 (30 ILCS 805/8.30 new)

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

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

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.