



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4891

by Rep. Lisa M. Dugan

SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-113 from Ch. 108 1/2, par. 1-113
40 ILCS 5/1-113.1
40 ILCS 5/1-113.2
40 ILCS 5/1-113.3
40 ILCS 5/1-113.4
40 ILCS 5/1-113.5
40 ILCS 5/1-113.8
40 ILCS 5/1-113.12
30 ILCS 805/8.32 new

Amends the Illinois Pension Code. Gives downstate firefighter pension funds the same investment authority as all of the other retirement systems and pension funds (excluding downstate police pension funds) under the Code. Removes references to downstate firefighter pension funds in various provisions regarding investment authority that were formerly applicable only to downstate police and downstate firefighter pension funds. Requires the board of trustees of a downstate firefighter pension fund to appoint investment advisers (was discretionary). Amends the State Mandates Act to require implementation without reimbursement.

LRB095 18353 AMC 44438 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 1-113, 1-113.1, 1-113.2, 1-113.3, 1-113.4, 1-113.5,
6 1-113.8, and 1-113.12 as follows:

7 (40 ILCS 5/1-113) (from Ch. 108 1/2, par. 1-113)

8 Sec. 1-113. Investment authority of certain pension funds,
9 not including those established under Article 3 ~~or~~ 4. The
10 investment authority of a board of trustees of a retirement
11 system or pension fund established under this Code shall, if so
12 provided in the Article establishing such retirement system or
13 pension fund, embrace the following investments:

14 (1) Bonds, notes and other direct obligations of the United
15 States Government; bonds, notes and other obligations of any
16 United States Government agency or instrumentality, whether or
17 not guaranteed; and obligations the principal and interest of
18 which are guaranteed unconditionally by the United States
19 Government or by an agency or instrumentality thereof.

20 (2) Obligations of the Inter-American Development Bank,
21 the International Bank for Reconstruction and Development, the
22 African Development Bank, the International Finance
23 Corporation, and the Asian Development Bank.

1 (3) Obligations of any state, or of any political
2 subdivision in Illinois, or of any county or city in any other
3 state having a population as shown by the last federal census
4 of not less than 30,000 inhabitants provided that such
5 political subdivision is not permitted by law to become
6 indebted in excess of 10% of the assessed valuation of property
7 therein and has not defaulted for a period longer than 30 days
8 in the payment of interest and principal on any of its general
9 obligations or indebtedness during a period of 10 calendar
10 years immediately preceding such investment.

11 (4) Nonconvertible bonds, debentures, notes and other
12 corporate obligations of any corporation created or existing
13 under the laws of the United States or any state, district or
14 territory thereof, provided there has been no default on the
15 obligations of the corporation or its predecessor(s) during the
16 5 calendar years immediately preceding the purchase. Up to 5%
17 of the assets of a pension fund established under Article 9 of
18 this Code may be invested in nonconvertible bonds, debentures,
19 notes, and other corporate obligations of corporations created
20 or existing under the laws of a foreign country, provided there
21 has been no default on the obligations of the corporation or
22 its predecessors during the 5 calendar years immediately
23 preceding the date of purchase.

24 (5) Obligations guaranteed by the Government of Canada, or
25 by any Province of Canada, or by any Canadian city with a
26 population of not less than 150,000 inhabitants, provided (a)

1 they are payable in United States currency and are exempt from
2 any Canadian withholding tax; (b) the investment in any one
3 issue of bonds shall not exceed 10% of the amount outstanding;
4 and (c) the total investments at book value in Canadian
5 securities shall be limited to 5% of the total investment
6 account of the board at book value.

7 (5.1) Direct obligations of the State of Israel for the
8 payment of money, or obligations for the payment of money which
9 are guaranteed as to the payment of principal and interest by
10 the State of Israel, or common or preferred stock or notes
11 issued by a bank owned or controlled in whole or in part by the
12 State of Israel, on the following conditions:

13 (a) The total investments in such obligations shall not
14 exceed 5% of the book value of the aggregate investments
15 owned by the board;

16 (b) The State of Israel shall not be in default in the
17 payment of principal or interest on any of its direct
18 general obligations on the date of such investment;

19 (c) The bonds, stock or notes, and interest thereon
20 shall be payable in currency of the United States;

21 (d) The bonds shall (1) contain an option for the
22 redemption thereof after 90 days from date of purchase or
23 (2) either become due 5 years from the date of their
24 purchase or be subject to redemption 120 days after the
25 date of notice for redemption;

26 (e) The investment in these obligations has been

1 approved in writing by investment counsel employed by the
2 board, which counsel shall be a national or state bank or
3 trust company authorized to do a trust business in the
4 State of Illinois, or an investment advisor qualified under
5 the Federal Investment Advisors Act of 1940 and registered
6 under the Illinois Securities Act of 1953;

7 (f) The fund or system making the investment shall have
8 at least \$5,000,000 of net present assets.

9 (6) Notes secured by mortgages under Sections 203, 207, 220
10 and 221 of the National Housing Act which are insured by the
11 Federal Housing Commissioner, or his successor assigns, or
12 debentures issued by such Commissioner, which are guaranteed as
13 to principal and interest by the Federal Housing
14 Administration, or agency of the United States Government,
15 provided the aggregate investment shall not exceed 20% of the
16 total investment account of the board at book value, and
17 provided further that the investment in such notes under
18 Sections 220 and 221 shall in no event exceed one-half of the
19 maximum investment in notes under this paragraph.

20 (7) Loans to veterans guaranteed in whole or part by the
21 United States Government pursuant to Title III of the Act of
22 Congress known as the "Servicemen's Readjustment Act of 1944,"
23 58 Stat. 284, 38 U.S.C. 693, as amended or supplemented from
24 time to time, provided such guaranteed loans are liens upon
25 real estate.

26 (8) Common and preferred stocks and convertible debt

1 securities authorized for investment of trust funds under the
2 laws of the State of Illinois, provided:

3 (a) the common stocks, except as provided in
4 subparagraph (g), are listed on a national securities
5 exchange or board of trade, as defined in the federal
6 Securities Exchange Act of 1934, or quoted in the National
7 Association of Securities Dealers Automated Quotation
8 System (NASDAQ);

9 (b) the securities are of a corporation created or
10 existing under the laws of the United States or any state,
11 district or territory thereof, except that up to 5% of the
12 assets of a pension fund established under Article 9 of
13 this Code may be invested in securities issued by
14 corporations created or existing under the laws of a
15 foreign country, if those securities are otherwise in
16 conformance with this paragraph (8);

17 (c) the corporation is not in arrears on payment of
18 dividends on its preferred stock;

19 (d) the total book value of all stocks and convertible
20 debt owned by any pension fund or retirement system shall
21 not exceed 40% of the aggregate book value of all
22 investments of such pension fund or retirement system,
23 except for a pension fund or retirement system governed by
24 Article 9 or 17, where the total of all stocks and
25 convertible debt shall not exceed 50% of the aggregate book
26 value of all fund investments, and except for a pension

1 fund or retirement system governed by Article 13, where the
2 total market value of all stocks and convertible debt shall
3 not exceed 65% of the aggregate market value of all fund
4 investments;

5 (e) the book value of stock and convertible debt
6 investments in any one corporation shall not exceed 5% of
7 the total investment account at book value in which such
8 securities are held, determined as of the date of the
9 investment, and the investments in the stock of any one
10 corporation shall not exceed 5% of the total outstanding
11 stock of such corporation, and the investments in the
12 convertible debt of any one corporation shall not exceed 5%
13 of the total amount of such debt that may be outstanding;

14 (f) the straight preferred stocks or convertible
15 preferred stocks and convertible debt securities are
16 issued or guaranteed by a corporation whose common stock
17 qualifies for investment by the board; and

18 (g) that any common stocks not listed or quoted as
19 provided in subdivision 8(a) above be limited to the
20 following types of institutions: (a) any bank which is a
21 member of the Federal Deposit Insurance Corporation having
22 capital funds represented by capital stock, surplus and
23 undivided profits of at least \$20,000,000; (b) any life
24 insurance company having capital funds represented by
25 capital stock, special surplus funds and unassigned
26 surplus totalling at least \$50,000,000; and (c) any fire or

1 casualty insurance company, or a combination thereof,
2 having capital funds represented by capital stock, net
3 surplus and voluntary reserves of at least \$50,000,000.

4 (9) Withdrawable accounts of State chartered and federal
5 chartered savings and loan associations insured by the Federal
6 Savings and Loan Insurance Corporation; deposits or
7 certificates of deposit in State and national banks insured by
8 the Federal Deposit Insurance Corporation; and share accounts
9 or share certificate accounts in a State or federal credit
10 union, the accounts of which are insured as required by the
11 Illinois Credit Union Act or the Federal Credit Union Act, as
12 applicable.

13 No bank or savings and loan association shall receive
14 investment funds as permitted by this subsection (9), unless it
15 has complied with the requirements established pursuant to
16 Section 6 of the Public Funds Investment Act.

17 (10) Trading, purchase or sale of listed options on
18 underlying securities owned by the board.

19 (11) Contracts and agreements supplemental thereto
20 providing for investments in the general account of a life
21 insurance company authorized to do business in Illinois.

22 (12) Conventional mortgage pass-through securities which
23 are evidenced by interests in Illinois owner-occupied
24 residential mortgages, having not less than an "A" rating from
25 at least one national securities rating service. Such mortgages
26 may have loan-to-value ratios up to 95%, provided that any

1 amount over 80% is insured by private mortgage insurance. The
2 pool of such mortgages shall be insured by mortgage guaranty or
3 equivalent insurance, in accordance with industry standards.

4 (13) Pooled or commingled funds managed by a national or
5 State bank which is authorized to do a trust business in the
6 State of Illinois, shares of registered investment companies as
7 defined in the federal Investment Company Act of 1940 which are
8 registered under that Act, and separate accounts of a life
9 insurance company authorized to do business in Illinois, where
10 such pooled or commingled funds, shares, or separate accounts
11 are comprised of common or preferred stocks, bonds, or money
12 market instruments.

13 (14) Pooled or commingled funds managed by a national or
14 state bank which is authorized to do a trust business in the
15 State of Illinois, separate accounts managed by a life
16 insurance company authorized to do business in Illinois, and
17 commingled group trusts managed by an investment adviser
18 registered under the federal Investment Advisors Act of 1940
19 (15 U.S.C. 80b-1 et seq.) and under the Illinois Securities Law
20 of 1953, where such pooled or commingled funds, separate
21 accounts or commingled group trusts are comprised of real
22 estate or loans upon real estate secured by first or second
23 mortgages. The total investment in such pooled or commingled
24 funds, commingled group trusts and separate accounts shall not
25 exceed 10% of the aggregate book value of all investments owned
26 by the fund.

1 (15) Investment companies which (a) are registered as such
2 under the Investment Company Act of 1940, (b) are diversified,
3 open-end management investment companies and (c) invest only in
4 money market instruments.

5 (16) Up to 10% of the assets of the fund may be invested in
6 investments not included in paragraphs (1) through (15) of this
7 Section, provided that such investments comply with the
8 requirements and restrictions set forth in Sections 1-109,
9 1-109.1, 1-109.2, 1-110 and 1-111 of this Code.

10 The board shall have the authority to enter into such
11 agreements and to execute such documents as it determines to be
12 necessary to complete any investment transaction.

13 Any limitations herein set forth shall be applicable only
14 at the time of purchase and shall not require the liquidation
15 of any investment at any time.

16 All investments shall be clearly held and accounted for to
17 indicate ownership by such board. Such board may direct the
18 registration of securities in its own name or in the name of a
19 nominee created for the express purpose of registration of
20 securities by a national or state bank or trust company
21 authorized to conduct a trust business in the State of
22 Illinois.

23 Investments shall be carried at cost or at a value
24 determined in accordance with generally accepted accounting
25 principles and accounting procedures approved by such board.

26 (Source: P.A. 92-53, eff. 7-12-01.)

1 (40 ILCS 5/1-113.1)

2 Sec. 1-113.1. Investment authority of pension funds
3 established under Article 3 ~~or 4~~. The board of trustees of a
4 police pension fund established under Article 3 of this Code ~~or~~
5 ~~firefighter pension fund established under Article 4 of this~~
6 ~~Code~~ shall draw pension funds from the treasurer of the
7 municipality and, beginning January 1, 1998, invest any part
8 thereof in the name of the board in the items listed in
9 Sections 1-113.2 through 1-113.4 according to the limitations
10 and requirements of this Article. These investments shall be
11 made with the care, skill, prudence, and diligence that a
12 prudent person acting in like capacity and familiar with such
13 matters would use in the conduct of an enterprise of like
14 character with like aims.

15 Interest and any other income from the investments shall be
16 credited to the pension fund.

17 For the purposes of Sections 1-113.2 through 1-113.11, the
18 "net assets" of a pension fund include both the cash and
19 invested assets of the pension fund.

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

21 (40 ILCS 5/1-113.2)

22 Sec. 1-113.2. List of permitted investments for all Article
23 3 ~~or 4~~ pension funds. Any pension fund established under
24 Article 3 ~~or 4~~ may invest in the following items:

1 (1) Interest bearing direct obligations of the United
2 States of America.

3 (2) Interest bearing obligations to the extent that they
4 are fully guaranteed or insured as to payment of principal and
5 interest by the United States of America.

6 (3) Interest bearing bonds, notes, debentures, or other
7 similar obligations of agencies of the United States of
8 America. For the purposes of this Section, "agencies of the
9 United States of America" includes: (i) the Federal National
10 Mortgage Association and the Student Loan Marketing
11 Association; (ii) federal land banks, federal intermediate
12 credit banks, federal farm credit banks, and any other entity
13 authorized to issue direct debt obligations of the United
14 States of America under the Farm Credit Act of 1971 or
15 amendments to that Act; (iii) federal home loan banks and the
16 Federal Home Loan Mortgage Corporation; and (iv) any agency
17 created by Act of Congress that is authorized to issue direct
18 debt obligations of the United States of America.

19 (4) Interest bearing savings accounts or certificates of
20 deposit, issued by federally chartered banks or savings and
21 loan associations, to the extent that the deposits are insured
22 by agencies or instrumentalities of the federal government.

23 (5) Interest bearing savings accounts or certificates of
24 deposit, issued by State of Illinois chartered banks or savings
25 and loan associations, to the extent that the deposits are
26 insured by agencies or instrumentalities of the federal

1 government.

2 (6) Investments in credit unions, to the extent that the
3 investments are insured by agencies or instrumentalities of the
4 federal government.

5 (7) Interest bearing bonds of the State of Illinois.

6 (8) Pooled interest bearing accounts managed by the
7 Illinois Public Treasurer's Investment Pool in accordance with
8 the Deposit of State Moneys Act and interest bearing funds or
9 pooled accounts managed, operated, and administered by banks,
10 subsidiaries of banks, or subsidiaries of bank holding
11 companies in accordance with the laws of the State of Illinois.

12 (9) Interest bearing bonds or tax anticipation warrants of
13 any county, township, or municipal corporation of the State of
14 Illinois.

15 (10) Direct obligations of the State of Israel, subject to
16 the conditions and limitations of item (5.1) of Section 1-113.

17 (11) Money market mutual funds managed by investment
18 companies that are registered under the federal Investment
19 Company Act of 1940 and the Illinois Securities Law of 1953 and
20 are diversified, open-ended management investment companies;
21 provided that the portfolio of the money market mutual fund is
22 limited to the following:

23 (i) bonds, notes, certificates of indebtedness,
24 treasury bills, or other securities that are guaranteed by
25 the full faith and credit of the United States of America
26 as to principal and interest;

1 (ii) bonds, notes, debentures, or other similar
2 obligations of the United States of America or its
3 agencies; and

4 (iii) short term obligations of corporations organized
5 in the United States with assets exceeding \$400,000,000,
6 provided that (A) the obligations mature no later than 180
7 days from the date of purchase, (B) at the time of
8 purchase, the obligations are rated by at least 2 standard
9 national rating services at one of their 3 highest
10 classifications, and (C) the obligations held by the mutual
11 fund do not exceed 10% of the corporation's outstanding
12 obligations.

13 (12) General accounts of life insurance companies
14 authorized to transact business in Illinois.

15 (13) Any combination of the following, not to exceed 10% of
16 the pension fund's net assets:

17 (i) separate accounts that are managed by life
18 insurance companies authorized to transact business in
19 Illinois and are comprised of diversified portfolios
20 consisting of common or preferred stocks, bonds, or money
21 market instruments;

22 (ii) separate accounts that are managed by insurance
23 companies authorized to transact business in Illinois, and
24 are comprised of real estate or loans upon real estate
25 secured by first or second mortgages; and

26 (iii) mutual funds that meet the following

1 requirements:

2 (A) the mutual fund is managed by an investment
3 company as defined and registered under the federal
4 Investment Company Act of 1940 and registered under the
5 Illinois Securities Law of 1953;

6 (B) the mutual fund has been in operation for at
7 least 5 years;

8 (C) the mutual fund has total net assets of \$250
9 million or more; and

10 (D) the mutual fund is comprised of diversified
11 portfolios of common or preferred stocks, bonds, or
12 money market instruments.

13 (Source: P.A. 90-507, eff. 8-22-97; 91-887, eff. 7-6-00.)

14 (40 ILCS 5/1-113.3)

15 Sec. 1-113.3. List of additional permitted investments for
16 pension funds with net assets of \$2,500,000 or more.

17 (a) In addition to the items in Section 3-113.2, a pension
18 fund established under Article 3 ~~or 4~~ that has net assets of at
19 least \$2,500,000 may invest a portion of its net assets in the
20 following items:

21 (1) Separate accounts that are managed by life
22 insurance companies authorized to transact business in
23 Illinois and are comprised of diversified portfolios
24 consisting of common or preferred stocks, bonds, or money
25 market instruments.

1 (2) Mutual funds that meet the following requirements:

2 (i) the mutual fund is managed by an investment
3 company as defined and registered under the federal
4 Investment Company Act of 1940 and registered under the
5 Illinois Securities Law of 1953;

6 (ii) the mutual fund has been in operation for at
7 least 5 years;

8 (iii) the mutual fund has total net assets of \$250
9 million or more; and

10 (iv) the mutual fund is comprised of diversified
11 portfolios of common or preferred stocks, bonds, or
12 money market instruments.

13 (b) A pension fund's total investment in the items
14 authorized under this Section shall not exceed 35% of the
15 market value of the pension fund's net present assets stated in
16 its most recent annual report on file with the Illinois
17 Department of Insurance.

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

19 (40 ILCS 5/1-113.4)

20 Sec. 1-113.4. List of additional permitted investments for
21 pension funds with net assets of \$5,000,000 or more.

22 (a) In addition to the items in Sections 1-113.2 and
23 1-113.3, a pension fund established under Article 3 ~~or 4~~ that
24 has net assets of at least \$5,000,000 and has appointed an
25 investment adviser under Section 1-113.5 may, through that

1 investment adviser, invest a portion of its assets in common
2 and preferred stocks authorized for investments of trust funds
3 under the laws of the State of Illinois. The stocks must meet
4 all of the following requirements:

5 (1) The common stocks are listed on a national
6 securities exchange or board of trade (as defined in the
7 federal Securities Exchange Act of 1934 and set forth in
8 Section 3.G of the Illinois Securities Law of 1953) or
9 quoted in the National Association of Securities Dealers
10 Automated Quotation System National Market System (NASDAQ
11 NMS).

12 (2) The securities are of a corporation created or
13 existing under the laws of the United States or any state,
14 district, or territory thereof and the corporation has been
15 in existence for at least 5 years.

16 (3) The corporation has not been in arrears on payment
17 of dividends on its preferred stock during the preceding 5
18 years.

19 (4) The market value of stock in any one corporation
20 does not exceed 5% of the cash and invested assets of the
21 pension fund, and the investments in the stock of any one
22 corporation do not exceed 5% of the total outstanding stock
23 of that corporation.

24 (5) The straight preferred stocks or convertible
25 preferred stocks are issued or guaranteed by a corporation
26 whose common stock qualifies for investment by the board.

1 (6) The issuer of the stocks has been subject to the
2 requirements of Section 12 of the federal Securities
3 Exchange Act of 1934 and has been current with the filing
4 requirements of Sections 13 and 14 of that Act during the
5 preceding 3 years.

6 (b) A pension fund's total investment in the items
7 authorized under this Section and Section 1-113.3 shall not
8 exceed 35% of the market value of the pension fund's net
9 present assets stated in its most recent annual report on file
10 with the Illinois Department of Insurance.

11 (c) A pension fund that invests funds under this Section
12 shall electronically file with the Division any reports of its
13 investment activities that the Division may require, at the
14 times and in the format required by the Division.

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

16 (40 ILCS 5/1-113.5)

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

18 (a) The board of trustees of a pension fund established
19 under Article 3 may appoint investment advisers as defined in
20 Section 1-101.4. The board of trustees of a pension fund
21 established under Article 4 must appoint investment advisers as
22 defined in Section 1-101.4. The board of any pension fund
23 investing in common or preferred stock under Section 1-113.4
24 shall appoint an investment adviser before making such
25 investments.

1 The investment adviser shall be a fiduciary, as defined in
2 Section 1-101.2, with respect to the pension fund and shall be
3 one of the following:

4 (1) an investment adviser registered under the federal
5 Investment Advisers Act of 1940 and the Illinois Securities
6 Law of 1953;

7 (2) a bank or trust company authorized to conduct a
8 trust business in Illinois;

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

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

14 (b) All investment advice and services provided by an
15 investment adviser appointed under this Section shall be
16 rendered pursuant to a written contract between the investment
17 adviser and the board, and in accordance with the board's
18 investment policy.

19 The contract shall include all of the following:

20 (1) acknowledgement in writing by the investment
21 adviser that he or she is a fiduciary with respect to the
22 pension fund;

23 (2) the board's investment policy;

24 (3) full disclosure of direct and indirect fees,
25 commissions, penalties, and any other compensation that
26 may be received by the investment adviser, including

1 reimbursement for expenses; and

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

8 (c) Within 30 days after appointing an investment adviser,
9 the board shall submit a copy of the contract to the Department
10 of Insurance.

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

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

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

22 (40 ILCS 5/1-113.8)

23 Sec. 1-113.8. Limitations on banks and savings and loan
24 associations. A bank or savings and loan association shall not
25 receive investment funds from a pension fund established under

1 Article 3 ~~or 4~~ of this Code, unless it has complied with the
2 requirements established under Section 6 of the Public Funds
3 Investment Act. The limitations set forth in that Section 6 are
4 applicable only at the time of investment and do not require
5 the liquidation of any investment at any time.

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

7 (40 ILCS 5/1-113.12)

8 Sec. 1-113.12. Application. Sections 1-113.1 through
9 1-113.4, 1-113.8, and 1-113.11 ~~1-113.10~~ apply only to pension
10 funds established under Article 3 ~~or 4~~ of this Code. Sections
11 1-113.5, 1-113.6, 1-113.7, 1-113.9, and 1-113.10 apply only to
12 pension funds established under Article 3 or 4 of this Code.

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

14 Section 90. The State Mandates Act is amended by adding
15 Section 8.32 as follows:

16 (30 ILCS 805/8.32 new)

17 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8
18 of this Act, no reimbursement by the State is required for the
19 implementation of any mandate created by this amendatory Act of
20 the 95th General Assembly.