

AN ACT concerning public employee benefits.

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

Section 5. The Illinois Pension Code is amended by adding Sections 1-113.22 and 1-113.23 as follows:

(40 ILCS 5/1-113.22 new)

Sec. 1-113.22. Required disclosures from consultants; minority owned businesses, female owned businesses, and businesses owned by persons with a disability.

(a) No later than January 1, 2018 and each January 1 thereafter, each consultant retained by the board of a retirement system, board of a pension fund, or investment board shall disclose to that board of the retirement system, board of the pension fund, or investment board:

(1) the total number of searches for investment services made by the consultant in the prior calendar year;

(2) the total number of searches for investment services made by the consultant in the prior calendar year that included (i) a minority owned business, (ii) a female owned business, or (iii) a business owned by a person with a disability;

(3) the total number of searches for investment services made by the consultant in the prior calendar year

in which the consultant recommended for selection (i) a minority owned business, (ii) a female owned business, or (iii) a business owned by a person with a disability;

(4) the total number of searches for investment services made by the consultant in the prior calendar year that resulted in the selection of (i) a minority owned business, (ii) a female owned business, or (iii) a business owned by a person with a disability; and

(5) the total dollar amount of investment made in the previous calendar year with (i) a minority owned business, (ii) a female owned business, or (iii) a business owned by a person with a disability that was selected after a search for investment services performed by the consultant.

(b) Beginning January 1, 2018, no contract, oral or written, for consulting services shall be awarded by a board of a retirement system, a board of a pension fund, or an investment board without first requiring the consultant to make the disclosures required in subsection (a) of this Section.

(c) The disclosures required by subsection (b) of this Section shall be considered, within the bounds of financial and fiduciary prudence, prior to the awarding of a contract, oral or written, for consulting services.

(d) As used in this Section, the terms "minority person", "female", "person with a disability", "minority owned business", "female owned business", and "business owned by a person with a disability" have the same meaning as those terms

have in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(40 ILCS 5/1-113.23 new)

Sec. 1-113.23. Required disclosures from consultants; compensation and economic opportunity received.

(a) As used in this Section:

"Compensation" means any money, thing of value, or economic benefit conferred on, or received by, a consultant in return for services rendered, or to be rendered, by himself, herself, or another.

"Economic opportunity" means any purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services wherein a consultant may gain an economic benefit.

(b) No later than January 1, 2018 and each January 1 thereafter, a consultant retained by the board of a retirement system, the board of a pension fund, or an investment board shall disclose to the board of the retirement system, the board of the pension fund, or the investment board all compensation and economic opportunity received in the last 24 months from investment advisors retained by the board of a retirement system, board of a pension fund, or investment board.

(c) Beginning January 1, 2018, a consultant shall disclose to the board of a retirement system, the board of a pension fund, or an investment board any compensation or economic

opportunity received in the last 24 months from an investment advisor that is recommended for selection by the consultant. A consultant shall make this disclosure prior to the board selecting an investment advisor for appointment.

(d) Beginning January 1, 2018, no contract, oral or written, for consulting services shall be awarded by a board of a retirement system, board of a pension fund, or an investment board without first requiring the consultant to make the disclosures required in subsection (c) of this Section.

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