



Rep. Michael Halpin

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LRB100 03834 RPS 22245 a

1 AMENDMENT TO HOUSE BILL 163

2 AMENDMENT NO. _____. Amend House Bill 163 by replacing
3 everything after the enacting clause with the following:

4 "Section 3. The Freedom of Information Act is amended by
5 changing Section 7 as follows:

6 (5 ILCS 140/7) (from Ch. 116, par. 207)

7 Sec. 7. Exemptions.

8 (1) When a request is made to inspect or copy a public
9 record that contains information that is exempt from disclosure
10 under this Section, but also contains information that is not
11 exempt from disclosure, the public body may elect to redact the
12 information that is exempt. The public body shall make the
13 remaining information available for inspection and copying.
14 Subject to this requirement, the following shall be exempt from
15 inspection and copying:

16 (a) Information specifically prohibited from

1 disclosure by federal or State law or rules and regulations
2 implementing federal or State law.

3 (b) Private information, unless disclosure is required
4 by another provision of this Act, a State or federal law or
5 a court order.

6 (b-5) Files, documents, and other data or databases
7 maintained by one or more law enforcement agencies and
8 specifically designed to provide information to one or more
9 law enforcement agencies regarding the physical or mental
10 status of one or more individual subjects.

11 (c) Personal information contained within public
12 records, the disclosure of which would constitute a clearly
13 unwarranted invasion of personal privacy, unless the
14 disclosure is consented to in writing by the individual
15 subjects of the information. "Unwarranted invasion of
16 personal privacy" means the disclosure of information that
17 is highly personal or objectionable to a reasonable person
18 and in which the subject's right to privacy outweighs any
19 legitimate public interest in obtaining the information.
20 The disclosure of information that bears on the public
21 duties of public employees and officials shall not be
22 considered an invasion of personal privacy.

23 (d) Records in the possession of any public body
24 created in the course of administrative enforcement
25 proceedings, and any law enforcement or correctional
26 agency for law enforcement purposes, but only to the extent

1 that disclosure would:

2 (i) interfere with pending or actually and
3 reasonably contemplated law enforcement proceedings
4 conducted by any law enforcement or correctional
5 agency that is the recipient of the request;

6 (ii) interfere with active administrative
7 enforcement proceedings conducted by the public body
8 that is the recipient of the request;

9 (iii) create a substantial likelihood that a
10 person will be deprived of a fair trial or an impartial
11 hearing;

12 (iv) unavoidably disclose the identity of a
13 confidential source, confidential information
14 furnished only by the confidential source, or persons
15 who file complaints with or provide information to
16 administrative, investigative, law enforcement, or
17 penal agencies; except that the identities of
18 witnesses to traffic accidents, traffic accident
19 reports, and rescue reports shall be provided by
20 agencies of local government, except when disclosure
21 would interfere with an active criminal investigation
22 conducted by the agency that is the recipient of the
23 request;

24 (v) disclose unique or specialized investigative
25 techniques other than those generally used and known or
26 disclose internal documents of correctional agencies

1 related to detection, observation or investigation of
2 incidents of crime or misconduct, and disclosure would
3 result in demonstrable harm to the agency or public
4 body that is the recipient of the request;

5 (vi) endanger the life or physical safety of law
6 enforcement personnel or any other person; or

7 (vii) obstruct an ongoing criminal investigation
8 by the agency that is the recipient of the request.

9 (d-5) A law enforcement record created for law
10 enforcement purposes and contained in a shared electronic
11 record management system if the law enforcement agency that
12 is the recipient of the request did not create the record,
13 did not participate in or have a role in any of the events
14 which are the subject of the record, and only has access to
15 the record through the shared electronic record management
16 system.

17 (e) Records that relate to or affect the security of
18 correctional institutions and detention facilities.

19 (e-5) Records requested by persons committed to the
20 Department of Corrections if those materials are available
21 in the library of the correctional facility where the
22 inmate is confined.

23 (e-6) Records requested by persons committed to the
24 Department of Corrections if those materials include
25 records from staff members' personnel files, staff
26 rosters, or other staffing assignment information.

1 (e-7) Records requested by persons committed to the
2 Department of Corrections if those materials are available
3 through an administrative request to the Department of
4 Corrections.

5 (f) Preliminary drafts, notes, recommendations,
6 memoranda and other records in which opinions are
7 expressed, or policies or actions are formulated, except
8 that a specific record or relevant portion of a record
9 shall not be exempt when the record is publicly cited and
10 identified by the head of the public body. The exemption
11 provided in this paragraph (f) extends to all those records
12 of officers and agencies of the General Assembly that
13 pertain to the preparation of legislative documents.

14 (g) Trade secrets and commercial or financial
15 information obtained from a person or business where the
16 trade secrets or commercial or financial information are
17 furnished under a claim that they are proprietary,
18 privileged or confidential, and that disclosure of the
19 trade secrets or commercial or financial information would
20 cause competitive harm to the person or business, and only
21 insofar as the claim directly applies to the records
22 requested.

23 The information included under this exemption includes
24 all trade secrets and commercial or financial information
25 obtained by a public body, including a public pension fund,
26 from a private equity fund or a privately held company

1 within the investment portfolio of a private equity fund as
2 a result of either investing or evaluating a potential
3 investment of public funds in a private equity fund. The
4 exemption contained in this item does not apply to the
5 aggregate financial performance information of a private
6 equity fund, nor to the identity of the fund's managers or
7 general partners. The exemption contained in this item does
8 not apply to the identity of a privately held company
9 within the investment portfolio of a private equity fund,
10 unless the disclosure of the identity of a privately held
11 company may cause competitive harm. Neither the exemption
12 contained in this item, nor any other exemption under this
13 Act, applies to information that is required to be
14 disclosed under Section 1-113.17a of the Illinois Pension
15 Code or is declared in that Section to be a public record.

16 Nothing contained in this paragraph (g) shall be
17 construed to prevent a person or business from consenting
18 to disclosure.

19 (h) Proposals and bids for any contract, grant, or
20 agreement, including information which if it were
21 disclosed would frustrate procurement or give an advantage
22 to any person proposing to enter into a contractor
23 agreement with the body, until an award or final selection
24 is made. Information prepared by or for the body in
25 preparation of a bid solicitation shall be exempt until an
26 award or final selection is made.

1 (i) Valuable formulae, computer geographic systems,
2 designs, drawings and research data obtained or produced by
3 any public body when disclosure could reasonably be
4 expected to produce private gain or public loss. The
5 exemption for "computer geographic systems" provided in
6 this paragraph (i) does not extend to requests made by news
7 media as defined in Section 2 of this Act when the
8 requested information is not otherwise exempt and the only
9 purpose of the request is to access and disseminate
10 information regarding the health, safety, welfare, or
11 legal rights of the general public.

12 (j) The following information pertaining to
13 educational matters:

14 (i) test questions, scoring keys and other
15 examination data used to administer an academic
16 examination;

17 (ii) information received by a primary or
18 secondary school, college, or university under its
19 procedures for the evaluation of faculty members by
20 their academic peers;

21 (iii) information concerning a school or
22 university's adjudication of student disciplinary
23 cases, but only to the extent that disclosure would
24 unavoidably reveal the identity of the student; and

25 (iv) course materials or research materials used
26 by faculty members.

1 (k) Architects' plans, engineers' technical
2 submissions, and other construction related technical
3 documents for projects not constructed or developed in
4 whole or in part with public funds and the same for
5 projects constructed or developed with public funds,
6 including but not limited to power generating and
7 distribution stations and other transmission and
8 distribution facilities, water treatment facilities,
9 airport facilities, sport stadiums, convention centers,
10 and all government owned, operated, or occupied buildings,
11 but only to the extent that disclosure would compromise
12 security.

13 (1) Minutes of meetings of public bodies closed to the
14 public as provided in the Open Meetings Act until the
15 public body makes the minutes available to the public under
16 Section 2.06 of the Open Meetings Act.

17 (m) Communications between a public body and an
18 attorney or auditor representing the public body that would
19 not be subject to discovery in litigation, and materials
20 prepared or compiled by or for a public body in
21 anticipation of a criminal, civil or administrative
22 proceeding upon the request of an attorney advising the
23 public body, and materials prepared or compiled with
24 respect to internal audits of public bodies.

25 (n) Records relating to a public body's adjudication of
26 employee grievances or disciplinary cases; however, this

1 exemption shall not extend to the final outcome of cases in
2 which discipline is imposed.

3 (o) Administrative or technical information associated
4 with automated data processing operations, including but
5 not limited to software, operating protocols, computer
6 program abstracts, file layouts, source listings, object
7 modules, load modules, user guides, documentation
8 pertaining to all logical and physical design of
9 computerized systems, employee manuals, and any other
10 information that, if disclosed, would jeopardize the
11 security of the system or its data or the security of
12 materials exempt under this Section.

13 (p) Records relating to collective negotiating matters
14 between public bodies and their employees or
15 representatives, except that any final contract or
16 agreement shall be subject to inspection and copying.

17 (q) Test questions, scoring keys, and other
18 examination data used to determine the qualifications of an
19 applicant for a license or employment.

20 (r) The records, documents, and information relating
21 to real estate purchase negotiations until those
22 negotiations have been completed or otherwise terminated.
23 With regard to a parcel involved in a pending or actually
24 and reasonably contemplated eminent domain proceeding
25 under the Eminent Domain Act, records, documents and
26 information relating to that parcel shall be exempt except

1 as may be allowed under discovery rules adopted by the
2 Illinois Supreme Court. The records, documents and
3 information relating to a real estate sale shall be exempt
4 until a sale is consummated.

5 (s) Any and all proprietary information and records
6 related to the operation of an intergovernmental risk
7 management association or self-insurance pool or jointly
8 self-administered health and accident cooperative or pool.
9 Insurance or self insurance (including any
10 intergovernmental risk management association or self
11 insurance pool) claims, loss or risk management
12 information, records, data, advice or communications.

13 (t) Information contained in or related to
14 examination, operating, or condition reports prepared by,
15 on behalf of, or for the use of a public body responsible
16 for the regulation or supervision of financial
17 institutions or insurance companies, unless disclosure is
18 otherwise required by State law.

19 (u) Information that would disclose or might lead to
20 the disclosure of secret or confidential information,
21 codes, algorithms, programs, or private keys intended to be
22 used to create electronic or digital signatures under the
23 Electronic Commerce Security Act.

24 (v) Vulnerability assessments, security measures, and
25 response policies or plans that are designed to identify,
26 prevent, or respond to potential attacks upon a community's

1 population or systems, facilities, or installations, the
2 destruction or contamination of which would constitute a
3 clear and present danger to the health or safety of the
4 community, but only to the extent that disclosure could
5 reasonably be expected to jeopardize the effectiveness of
6 the measures or the safety of the personnel who implement
7 them or the public. Information exempt under this item may
8 include such things as details pertaining to the
9 mobilization or deployment of personnel or equipment, to
10 the operation of communication systems or protocols, or to
11 tactical operations.

12 (w) (Blank).

13 (x) Maps and other records regarding the location or
14 security of generation, transmission, distribution,
15 storage, gathering, treatment, or switching facilities
16 owned by a utility, by a power generator, or by the
17 Illinois Power Agency.

18 (y) Information contained in or related to proposals,
19 bids, or negotiations related to electric power
20 procurement under Section 1-75 of the Illinois Power Agency
21 Act and Section 16-111.5 of the Public Utilities Act that
22 is determined to be confidential and proprietary by the
23 Illinois Power Agency or by the Illinois Commerce
24 Commission.

25 (z) Information about students exempted from
26 disclosure under Sections 10-20.38 or 34-18.29 of the

1 School Code, and information about undergraduate students
2 enrolled at an institution of higher education exempted
3 from disclosure under Section 25 of the Illinois Credit
4 Card Marketing Act of 2009.

5 (aa) Information the disclosure of which is exempted
6 under the Viatical Settlements Act of 2009.

7 (bb) Records and information provided to a mortality
8 review team and records maintained by a mortality review
9 team appointed under the Department of Juvenile Justice
10 Mortality Review Team Act.

11 (cc) Information regarding interments, entombments, or
12 inurnments of human remains that are submitted to the
13 Cemetery Oversight Database under the Cemetery Care Act or
14 the Cemetery Oversight Act, whichever is applicable.

15 (dd) Correspondence and records (i) that may not be
16 disclosed under Section 11-9 of the Illinois Public Aid
17 Code or (ii) that pertain to appeals under Section 11-8 of
18 the Illinois Public Aid Code.

19 (ee) The names, addresses, or other personal
20 information of persons who are minors and are also
21 participants and registrants in programs of park
22 districts, forest preserve districts, conservation
23 districts, recreation agencies, and special recreation
24 associations.

25 (ff) The names, addresses, or other personal
26 information of participants and registrants in programs of

1 park districts, forest preserve districts, conservation
2 districts, recreation agencies, and special recreation
3 associations where such programs are targeted primarily to
4 minors.

5 (gg) Confidential information described in Section
6 1-100 of the Illinois Independent Tax Tribunal Act of 2012.

7 (hh) The report submitted to the State Board of
8 Education by the School Security and Standards Task Force
9 under item (8) of subsection (d) of Section 2-3.160 of the
10 School Code and any information contained in that report.

11 (ii) Records requested by persons committed to or
12 detained by the Department of Human Services under the
13 Sexually Violent Persons Commitment Act or committed to the
14 Department of Corrections under the Sexually Dangerous
15 Persons Act if those materials: (i) are available in the
16 library of the facility where the individual is confined;
17 (ii) include records from staff members' personnel files,
18 staff rosters, or other staffing assignment information;
19 or (iii) are available through an administrative request to
20 the Department of Human Services or the Department of
21 Corrections.

22 (jj) Confidential information described in Section
23 5-535 of the Civil Administrative Code of Illinois.

24 (1.5) Any information exempt from disclosure under the
25 Judicial Privacy Act shall be redacted from public records
26 prior to disclosure under this Act.

1 (2) A public record that is not in the possession of a
2 public body but is in the possession of a party with whom the
3 agency has contracted to perform a governmental function on
4 behalf of the public body, and that directly relates to the
5 governmental function and is not otherwise exempt under this
6 Act, shall be considered a public record of the public body,
7 for purposes of this Act.

8 (3) This Section does not authorize withholding of
9 information or limit the availability of records to the public,
10 except as stated in this Section or otherwise provided in this
11 Act.

12 (Source: P.A. 98-463, eff. 8-16-13; 98-578, eff. 8-27-13;
13 98-695, eff. 7-3-14; 99-298, eff. 8-6-15; 99-346, eff. 1-1-16;
14 99-642, eff. 7-28-16; revised 10-25-16.)

15 Section 5. The Illinois Pension Code is amended by adding
16 Sections 1-113.17, 1-113.17a, 1-113.17b, and 1-113.17c as
17 follows:

18 (40 ILCS 5/1-113.17 new)

19 Sec. 1-113.17. Investment transparency; definitions. As
20 used in this Section and Sections 1-113.17a, 1-113.17b, and
21 1-113.17c:

22 (a) "Affiliate" means any person directly or indirectly
23 controlling or controlled by, or under direct or indirect
24 common control with, another person.

1 (a-5) "Alternative investment fund" means a private equity
2 fund, hedge fund, or absolute return fund.

3 (b) "Board" or "public retirement system board" means the
4 board of trustees of a public retirement system and includes
5 the Illinois State Board of Investment established under
6 Article 22A of this Code.

7 (c) "External manager" means either of the following:

8 (1) A person who manages an alternative investment fund
9 and who offers or sells, or has offered or sold, an
10 ownership interest in the alternative investment fund to a
11 board.

12 (2) A general partner, managing member entity, fund
13 manager, fund adviser, or other similar person or entity
14 with decision-making authority over an alternative
15 investment fund.

16 (d) "External manager group" means (1) the external
17 manager, (2) its affiliates, (3) any other parties described in
18 the external manager's marketing materials for the relevant
19 alternative investment fund as providing services to or on
20 behalf of portfolio holdings, and (4) any other parties
21 described in the external manager's affiliated adviser's SEC
22 Form ADV filing as receiving portfolio holding fees or
23 portfolio holding other compensation. "External manager group"
24 does not include the affiliated alternative investment fund in
25 which the public retirement system is an investor, nor does it
26 include an alternative investment fund used to effectuate

1 investments of the affiliated fund in which the public
2 retirement system is an investor.

3 (e) "Marketing materials" means (1) a prospectus, (2) a
4 private placement memorandum, (3) a prospective investor
5 presentation, (4) a due diligence questionnaire, but only if
6 the questions are authored by an external manager, or (5) any
7 other written material provided by an external manager for the
8 purpose of soliciting a commitment to an alternative investment
9 fund.

10 (f) "New agreement" means an agreement that is proposed or
11 executed after February 1, 2019, and includes any modification
12 to or amendment of such an agreement that modifies or alters
13 any of the provisions required to be disclosed under Section
14 1-113.17a or 1-113.17b. "New agreement" also means any
15 subsequent agreement that implements, memorializes, or
16 provides detail about such an agreement.

17 (g) "Person" means an individual, corporation,
18 partnership, limited partnership, limited liability company,
19 or association, either domestic or foreign.

20 (h) "Portfolio holding" means any business, partnership,
21 real property, or other business entity or asset in which an
22 alternative investment fund has, at any time, held either an
23 interest in the securities thereof or a real property interest
24 in, or has acted as a lender to, the entity or asset.

25 (i) "Portfolio holding fee" means the total payment
26 obligation of a portfolio holding, regardless of whether it is

1 actually paid or accrued, and regardless of whether the payment
2 obligation is satisfied in cash, securities, or other
3 consideration, and regardless of whether it is incurred as
4 compensation for services provided or as reimbursement for
5 expenses incurred.

6 (j) "Private equity fund" means a pooled investment entity
7 that is, or holds itself out as being, engaged primarily, or
8 proposes to engage primarily, in investment strategies
9 involving equity or debt financings that are provided for
10 purchasing or expanding private or public companies, or for
11 related purposes such as financing for capital, research and
12 development, introduction of a product or process into the
13 marketplace, or similar needs requiring risk capital. This
14 includes, but is not limited to, financing classified as
15 venture capital, mezzanine, buyout, or growth funds.

16 (k) "Public retirement system" means a pension fund or
17 retirement system subject to Article 5, 6, 7, 8, 9, 11, 12, 13,
18 15, 16, or 17 of this Code, and includes the Illinois State
19 Board of Investment established under Article 22A of this Code.

20 (l) "Task Force" means the Investment Transparency Task
21 Force created under Section 1-113.17c of this Code.

22 (40 ILCS 5/1-113.17a new)

23 Sec. 1-113.17a. Investment transparency; disclosure of
24 alternative investment fund agreements.

25 (a) The definitions in Section 1-113.17 of this Code apply

1 to this Section.

2 (b) Within 90 days after entering into a new agreement to
3 invest in an alternative investment fund, a public retirement
4 system must disclose, in the manner provided under this
5 Section, the existence of the agreement and all of the
6 following parts and provisions of the agreement:

7 (1) All management fee waiver provisions, including,
8 but not limited to, provisions that permit the external
9 manager or general partner to waive fees, or that specify
10 the mechanics of the fee waiver or its repayment, or that
11 specify the magnitude of the fee waiver, or that are
12 necessary to understand how the fee waiver works, and all
13 defined terms related to or affecting the fee waiver.

14 (2) All indemnification provisions, including, but not
15 limited to, provisions that require the alternative
16 investment fund or its investors to indemnify the external
17 manager or general partner, or any of its affiliates, for
18 settlements or judgments paid, and including all
19 provisions necessary to understand how the indemnification
20 works and all defined terms related to or affecting
21 indemnification.

22 (3) All clawback provisions, including, but not
23 limited to, provisions that allow the external manager or
24 general partner to pay back an amount less than the full
25 cost of the overpayment received by the manager, and
26 including all provisions necessary to understand how the

1 clawback works and all defined terms related to or
2 affecting clawbacks.

3 (4) The cover page and signature block of the
4 agreement.

5 However, in the case of a new agreement that consists of a
6 modification of or amendment to a previous new agreement for
7 which the disclosures required under this subsection have
8 already been made, it is sufficient for the public retirement
9 system (i) to identify the previous disclosures and disclose
10 only the parts and provisions of the modification of or
11 amendment to the agreement that modify, alter, or affect any of
12 the provisions previously disclosed under this subsection or
13 (ii) to make and disclose a finding that the modification or
14 amendment does not modify, alter, or affect any of the
15 provisions previously disclosed under this subsection,
16 whichever is applicable.

17 (c) The public retirement system shall make the disclosures
18 required under subsection (b) by doing all of the following:

19 (1) filing a copy of the required material with the
20 Public Pension Division of the Illinois Department of
21 Insurance;

22 (2) filing a copy of the required material with the
23 Illinois Secretary of State; and

24 (3) posting and maintaining the required material on
25 the public retirement system's website.

26 (d) A new agreement shall not be deemed to be violated or

1 made invalid by the public retirement system's good faith
2 effort to make the disclosures required under subsection (b) of
3 this Section, nor due to harmless or inadvertent failure by the
4 public retirement system to correctly include or identify a
5 component of a required disclosure.

6 (e) The following are public records and are subject to
7 disclosure under the Freedom of Information Act:

8 (1) All of the material required to be disclosed under
9 subsection (b) of this Section.

10 (2) Any amounts paid in indemnification and any amounts
11 deducted from payments owed by the general partner or
12 external manager under an agreement establishing or
13 providing for participation in an alternative investment
14 fund by a public retirement system, and any documents
15 submitted to a public retirement system justifying the
16 demand for payment relating to the indemnification.

17 (3) The cover page and a legible copy of the executed
18 signature block of any new agreement to establish or
19 participate in an alternative investment fund by a public
20 retirement system.

21 (f) If a public retirement system adopts and implements the
22 recommendations of the Task Force that apply to this Section,
23 and those recommendations are not rejected by the General
24 Assembly under subsection (f) of Section 1-113.17c, then
25 disclosures made in conformance with those recommendations
26 shall constitute compliance with the disclosure requirements

1 of this Section.

2 (40 ILCS 5/1-113.17b new)

3 Sec. 1-113.17b. Investment transparency; disclosure of
4 certain investment fees.

5 (a) The definitions in Section 1-113.17 of this Code apply
6 to this Section. For the purposes of this Section, "carried
7 interest" means a share of the profits of an alternative
8 investment fund that is paid, accrued, or due to the general
9 partner or the external manager or their affiliates.

10 (b) This Section applies to any new agreement that a public
11 retirement system enters into in order to establish or
12 participate in an alternative investment fund. A public
13 retirement system shall not enter into such new agreement
14 without a written undertaking by the alternative investment
15 fund external managers and general partners that they will
16 comply with this Section and the requirements of the public
17 retirement system under subsection (c), or under subsection (e)
18 if applicable.

19 (c) Every public retirement system shall require its
20 alternative investment fund external managers and general
21 partners to make the following disclosures annually, in a
22 manner and form prescribed by the system, in regard to each
23 alternative investment fund:

24 (1) The fees and expenses that the public retirement
25 system pays directly to the alternative investment fund, or

1 to the alternative investment fund external manager or
2 general partner.

3 (2) The public retirement system's share of all fees
4 and expenses not included in paragraph (1), including
5 carried interest, that are paid or allocated from the
6 alternative investment fund to the external manager or
7 general partners, or that are deducted from payments owed
8 from the external manager or general partners to the
9 alternative investment fund.

10 (3) The amount of all management fee waivers made by
11 the alternative investment fund external managers or
12 general partners.

13 (4) The total amount of portfolio holding fees incurred
14 by each portfolio holding of the alternative investment
15 fund as payment to any person who is a member of the
16 external manager group.

17 An alternative investment fund external manager or general
18 partner may provide the public retirement system with a
19 completed reporting template developed by the Institutional
20 Limited Partners Association for the relevant category of
21 investment; doing so constitutes compliance with that external
22 manager or general partner's annual disclosure requirements
23 under this subsection for the year covered in the completed
24 template.

25 (d) A public retirement system shall make the information
26 received under subsection (c) available by:

1 (1) filing a copy of the received material with the
2 Public Pension Division of the Illinois Department of
3 Insurance; and

4 (2) posting and maintaining the received information
5 on the public retirement system's website, together with
6 sufficient identifying and explanatory material to
7 facilitate access and understanding by the public.

8 (e) If a public retirement system adopts and implements the
9 recommendations of the Task Force that apply to this Section,
10 and those recommendations are not rejected by the General
11 Assembly under subsection (f) of Section 1-113.17c, then
12 disclosures made in conformance with those recommendations
13 shall constitute compliance with the disclosure requirements
14 of this Section.

15 (40 ILCS 5/1-113.17c new)

16 Sec. 1-113.17c. Investment Transparency Task Force.

17 (a) The definitions in Section 1-113.17 of this Code apply
18 to this Section.

19 (b) There is created the Investment Transparency Task
20 Force. It is the purpose of the Task Force to study, identify
21 best available practices, and make recommendations relating
22 to: (1) disclosure of, and best practices related to, the
23 portions of limited partnership agreements addressing
24 indemnification provisions, clawback provisions, and
25 management fee waivers, which are the subject of Section

1 1-113.17a; and (2) disclosure of fees and expenses incurred,
2 including related fee waivers and portfolio holding fees, which
3 are the subject of Section 1-113.17b.

4 (c) The Task Force shall consist of the following persons:

5 (1) The executive director (or his or her designee) of
6 each public retirement system subject to Article 5, 6, 7,
7 8, 9, 11, 12, 13, 15, 16, or 17 of this Code, and the
8 director of the Illinois State Board of Investment
9 established under Article 22A of this Code (or the
10 director's designee).

11 (2) One person appointed by each of the 4 Legislative
12 Leaders.

13 (3) The State Treasurer, or his or her designee.

14 (4) One person representing the interests of external
15 managers, appointed by the State Treasurer.

16 (5) One person representing the interests of the
17 beneficiaries of public retirement systems, appointed by
18 the State Treasurer.

19 (6) One person representing the interests of Illinois
20 taxpayers, appointed by the State Treasurer.

21 All members shall be appointed for the life of the Task
22 Force. In the case of a resignation or other vacancy occurring
23 among persons appointed under item (2), (3), (4), (5), or (6),
24 a replacement member may be appointed by the applicable
25 appointing authority.

26 (d) Members of the Task Force shall serve without

1 compensation, but may be reimbursed for their necessary
2 expenses from funds lawfully available for that purpose.

3 (e) No later than January 15, 2018, the Task Force shall
4 report to the General Assembly and the public retirement
5 systems its findings and recommendations, which must be adopted
6 by a majority of the members appointed. The report of the Task
7 Force shall separate and clearly designate the portions of its
8 findings and recommendations that relate (i) to Section
9 1-113.17a and (ii) to Section 1-113.17b. In each portion, the
10 findings and recommendations shall be prepared and presented in
11 a form that can be readily identified, adopted, and implemented
12 by any public retirement system wishing to do so. Copies of the
13 report shall be made available to the public as provided by
14 law.

15 (f) The 100th General Assembly may, by joint resolution,
16 reject the portion of the report relating to Section 1-113.17a,
17 the portion of the report relating to Section 1-113.17b, or
18 both. Any part of the report that is not so rejected shall be
19 deemed to have been accepted by the General Assembly as
20 consistent with the public policy of the State.

21 (g) A public retirement system may adopt and implement any
22 of the recommendations of the Task Force at any time. However,
23 if one or both portions of the report are rejected by the
24 General Assembly under subsection (f), the public retirement
25 system shall adjust its implementation of the rejected
26 provision as necessary to comply with the requirements of

1 Section 1-113.17a or 1-113.17b or both, as applicable.

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