



Sen. Christopher Belt

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1 AMENDMENT TO HOUSE BILL 3394

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3394 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Business Corporation Act of 1983 is amended  
5 by changing Section 14.05 and adding Section 8.12 as follows:

6 (805 ILCS 5/8.12 new)

7 Sec. 8.12. Female and minority directors.

8 (a) Findings and purpose. The General Assembly finds that  
9 women and minorities are still largely underrepresented  
10 nationally in positions of corporate authority, such as serving  
11 as a director on a corporation's board of directors. This low  
12 representation could be contributing to the disparity seen in  
13 wages made by females and minorities versus their white male  
14 counterparts. Increased representation of these individuals as  
15 directors on boards of directors for corporations may boost the  
16 Illinois economy, improve opportunities for women and

1 minorities in the workplace, and foster an environment in  
2 Illinois where the business community is representative of our  
3 residents. Therefore, it is the intent of the General Assembly  
4 to gather more data and study this issue within the State so  
5 that effective policy changes may be implemented to eliminate  
6 this disparity.

7 (b) As used in this Section:

8 "Annual report" means the report submitted annually to the  
9 Secretary of State pursuant to this Act.

10 "Female" means a person who is a citizen or lawful  
11 permanent resident of the United States and who self-identifies  
12 as a woman, without regard to the individual's designated sex  
13 at birth.

14 "Minority person" means a person who is a citizen or lawful  
15 permanent resident of the United States and who is any of the  
16 following races or ethnicities:

17 (1) American Indian or Alaska Native (a person having  
18 origins in any of the original peoples of North and South  
19 America, including Central America, and who maintains  
20 tribal affiliation or community attachment).

21 (2) Asian (a person having origins in any of the  
22 original peoples of the Far East, Southeast Asia, or the  
23 Indian subcontinent, including, but not limited to,  
24 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,  
25 the Philippine Islands, Thailand, and Vietnam).

26 (3) Black or African American (a person having origins

1 in any of the black racial groups of Africa). Terms such as  
2 "Haitian" or "Negro" can be used in addition to "Black" or  
3 "African American".

4 (4) Hispanic or Latino (a person of Cuban, Mexican,  
5 Puerto Rican, South or Central American, or other Spanish  
6 culture or origin, regardless of race).

7 (5) Native Hawaiian or Other Pacific Islander (a person  
8 having origins in any of the original peoples of Hawaii,  
9 Guam, Samoa, or other Pacific Islands).

10 (6) "Publicly held domestic or foreign corporation"  
11 means a corporation with outstanding shares listed on a  
12 major United States stock exchange.

13 (c) Reporting to the Secretary of State. As soon as  
14 practical after the effective date of this amendatory Act of  
15 the 101st General Assembly, but no later than January 1, 2021,  
16 the following information shall be provided in a corporation's  
17 annual report submitted to the Secretary of State under this  
18 Act and made available by the Secretary of State to the public  
19 online as it is received:

20 (1) Whether the corporation is a publicly held domestic  
21 or foreign corporation with its principal executive office  
22 located in Illinois.

23 (2) Where the corporation is a publicly held domestic  
24 or foreign corporation with its principal executive office  
25 located in Illinois, data on specific qualifications,  
26 skills, and experience that the corporation considers for

1 its board of directors, nominees for the board of  
2 directors, and executive officers.

3 (3) Where the corporation is a publicly held domestic  
4 or foreign corporation with its principal executive office  
5 located in Illinois, the self-identified gender of each  
6 member of its board of directors.

7 (4) Where the corporation is a publicly held domestic  
8 or foreign corporation with its principal executive office  
9 located in Illinois, whether each member of its board of  
10 directors self-identifies as a minority person and, if so,  
11 which race or ethnicity to which the member belongs.

12 (5) Where the corporation is a publicly held domestic  
13 or foreign corporation with its principal executive office  
14 located in Illinois, a description of the corporation's  
15 process for identifying and evaluating nominees for the  
16 board of directors, including whether and, if so, how  
17 demographic diversity is considered.

18 (6) Where the corporation is a publicly held domestic  
19 or foreign corporation with its principal executive office  
20 located in Illinois, a description of the corporation's  
21 process for identifying and appointing executive officers,  
22 including whether and, if so, how demographic diversity is  
23 considered.

24 (7) Where the corporation is a publicly held domestic  
25 or foreign corporation with its principal executive office  
26 located in Illinois, a description of the corporation's

1 policies and practices for promoting diversity, equity,  
2 and inclusion among its board of directors and executive  
3 officers.

4 Information reported under this subsection shall be  
5 updated in each annual report filed with the Secretary of State  
6 thereafter.

7 (d) Beginning no later than March 1, 2021, and every March  
8 1 thereafter, the University of Illinois Systems shall review  
9 the information reported and published under subsection (c) and  
10 shall publish on its website a report that provides aggregate  
11 data on the demographic characteristics of the boards of  
12 directors and executive officers of corporations filing an  
13 annual report for the preceding year along with an  
14 individualized rating for each corporation. The report shall  
15 also identify strategies for promoting diversity and inclusion  
16 among boards of directors and corporate executive officers.

17 (e) The University of Illinois System shall establish a  
18 rating system assessing the representation of women and  
19 minorities on corporate boards of directors of those  
20 corporations that are publicly held domestic or foreign  
21 corporations with their principal executive office located in  
22 Illinois based on the information gathered under this Section.  
23 The rating system shall consider, among other things:  
24 compliance with the demographic reporting obligations in  
25 subsection (c); the corporation's policies and practices for  
26 encouraging diversity in recruitment, board membership, and

1 executive appointments; and the demographic diversity of board  
2 seats and executive positions.

3 (805 ILCS 5/14.05) (from Ch. 32, par. 14.05)

4 Sec. 14.05. Annual report of domestic or foreign  
5 corporation. Each domestic corporation organized under any  
6 general law or special act of this State authorizing the  
7 corporation to issue shares, other than homestead  
8 associations, building and loan associations, banks and  
9 insurance companies (which includes a syndicate or limited  
10 syndicate regulated under Article V 1/2 of the Illinois  
11 Insurance Code or member of a group of underwriters regulated  
12 under Article V of that Code), and each foreign corporation  
13 (except members of a group of underwriters regulated under  
14 Article V of the Illinois Insurance Code) authorized to  
15 transact business in this State, shall file, within the time  
16 prescribed by this Act, an annual report setting forth:

17 (a) The name of the corporation.

18 (b) The address, including street and number, or rural  
19 route number, of its registered office in this State, and  
20 the name of its registered agent at that address.

21 (c) The address, including street and number, or rural  
22 route number, of its principal office.

23 (d) The names and respective addresses, including  
24 street and number, or rural route number, of its directors  
25 and officers.

1           (e) A statement of the aggregate number of shares which  
2           the corporation has authority to issue, itemized by classes  
3           and series, if any, within a class.

4           (f) A statement of the aggregate number of issued  
5           shares, itemized by classes, and series, if any, within a  
6           class.

7           (g) A statement, expressed in dollars, of the amount of  
8           paid-in capital of the corporation as defined in this Act.

9           (h) Either a statement that (1) all the property of the  
10          corporation is located in this State and all of its  
11          business is transacted at or from places of business in  
12          this State, or the corporation elects to pay the annual  
13          franchise tax on the basis of its entire paid-in capital,  
14          or (2) a statement, expressed in dollars, of the value of  
15          all the property owned by the corporation, wherever  
16          located, and the value of the property located within this  
17          State, and a statement, expressed in dollars, of the gross  
18          amount of business transacted by the corporation and the  
19          gross amount thereof transacted by the corporation at or  
20          from places of business in this State as of the close of  
21          its fiscal year on or immediately preceding the last day of  
22          the third month prior to the anniversary month or in the  
23          case of a corporation which has established an extended  
24          filing month, as of the close of its fiscal year on or  
25          immediately preceding the last day of the third month prior  
26          to the extended filing month; however, in the case of a

1 domestic corporation that has not completed its first  
2 fiscal year, the statement with respect to property owned  
3 shall be as of the last day of the third month preceding  
4 the anniversary month and the statement with respect to  
5 business transacted shall be furnished for the period  
6 between the date of incorporation and the last day of the  
7 third month preceding the anniversary month. In the case of  
8 a foreign corporation that has not been authorized to  
9 transact business in this State for a period of 12 months  
10 and has not commenced transacting business prior to  
11 obtaining authority, the statement with respect to  
12 property owned shall be as of the last day of the third  
13 month preceding the anniversary month and the statement  
14 with respect to business transacted shall be furnished for  
15 the period between the date of its authorization to  
16 transact business in this State and the last day of the  
17 third month preceding the anniversary month. If the data  
18 referenced in item (2) of this subsection is not completed,  
19 the franchise tax provided for in this Act shall be  
20 computed on the basis of the entire paid-in capital.

21 (i) A statement, including the basis therefor, of  
22 status as a "minority-owned business" or as a "women-owned  
23 business" as those terms are defined in the Business  
24 Enterprise for Minorities, Women, and Persons with  
25 Disabilities Act.

26 (j) Additional information as may be necessary or



1 appropriate in order to enable the Secretary of State to  
2 administer this Act and to verify the proper amount of fees  
3 and franchise taxes payable by the corporation.

4 (k) A statement of whether the corporation or foreign  
5 corporation has outstanding shares listed on a major United  
6 States stock exchange and is thereby subject to the  
7 reporting requirements of Section 8.12.

8 (l) For those corporations subject to Section 8.12, a  
9 statement providing the information required under Section  
10 8.12.

11 The annual report shall be made on forms prescribed and  
12 furnished by the Secretary of State, and the information  
13 therein required by paragraphs (a) through (d), both inclusive,  
14 of this Section, shall be given as of the date of the execution  
15 of the annual report and the information therein required by  
16 paragraphs (e), (f), and (g) of this Section shall be given as  
17 of the last day of the third month preceding the anniversary  
18 month, except that the information required by paragraphs (e),  
19 (f), and (g) shall, in the case of a corporation which has  
20 established an extended filing month, be given in its final  
21 transition annual report and each subsequent annual report as  
22 of the close of its fiscal year on or immediately preceding the  
23 last day of the third month prior to its extended filing month.  
24 It shall be executed by the corporation by its president, a  
25 vice-president, secretary, assistant secretary, treasurer or  
26 other officer duly authorized by the board of directors of the

1 corporation to execute those reports, and verified by him or  
2 her, or, if the corporation is in the hands of a receiver or  
3 trustee, it shall be executed on behalf of the corporation and  
4 verified by the receiver or trustee.

5 (Source: P.A. 100-391, eff. 8-25-17; 100-486, eff. 1-1-18;  
6 100-863, eff. 8-14-18.)

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