

SB3508



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3508

Introduced 2/14/2020, by Sen. Celina Villanueva

SYNOPSIS AS INTRODUCED:

805 ILCS 5/8.13 new

Amends the Business Corporation Act of 1983. Provides that by December 31, 2021, a publicly held domestic corporation or foreign corporation whose principal executive office is located in Illinois to have a specified minimum number of female directors. Contains provisions regarding reports, fines, and other matters. Provides for regulation by the Secretary of State. Effective immediately.

LRB101 20680 JLS 70344 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning business.

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

4 Section 5. The Business Corporation Act of 1983 is amended
5 by adding Section 8.13 as follows:

6 (805 ILCS 5/8.13 new)

7 Sec. 8.13. Female directors required.

8 (a) No later than December 31, 2021, a publicly held
9 domestic corporation or foreign corporation whose principal
10 executive offices, according to the corporation's SEC 10-K
11 form, are located in Illinois shall have a minimum of one
12 female director on its board. A corporation may increase the
13 number of directors on its board to comply with this Section.

14 (b) No later than the close of the 2023 calendar year, a
15 publicly held domestic corporation or foreign corporation
16 whose principal executive offices, according to the
17 corporation's SEC 10-K form, are located in Illinois shall
18 comply with the following:

19 (1) If its number of directors is 6 or more, the
20 corporation shall have a minimum of 3 female directors.

21 (2) If its number of directors is 5, the corporation
22 shall have a minimum of 2 female directors.

23 (3) If its number of directors is 4 or fewer, the

1 corporation shall have a minimum of one female director.

2 (c) No later than July 1, 2022, and annually thereafter the
3 Secretary of State shall publish a report on its Internet
4 website documenting the number of domestic corporations and
5 foreign corporations whose principal executive offices,
6 according to the corporation's SEC 10-K form, are located in
7 Illinois and who have at least one female director.

8 (d) (1) The Secretary of State may adopt rules to implement
9 this Section. The Secretary of State may impose civil penalties
10 for violations of this Section as follows:

11 (A) For failure to timely file board member information
12 with the Secretary of State pursuant to a rule adopted
13 pursuant to this subparagraph, the amount of \$100,000.

14 (B) For a first violation of this Section, the amount
15 of \$100,000.

16 (C) For a second or subsequent violation, the amount of
17 \$300,000.

18 (2) For the purposes of this subsection, each director seat
19 required by this Section to be held by a female, which is not
20 held by a female during at least a portion of a calendar year,
21 shall count as a violation.

22 (3) For purposes of this subsection, a female director
23 having held a seat for at least a portion of the year shall not
24 be a violation.

25 (4) Penalties collected pursuant to this Section shall be
26 available, upon appropriation, for use by the Secretary of

1 State to offset the cost of administering this Section.

2 (e) This Section applies to a foreign corporation that is a
3 publicly held corporation to the exclusion of the law of the
4 jurisdiction in which the foreign corporation is incorporated.

5 (f) As used in this Section:

6 (1) "Female" means an individual who self-identifies
7 her gender as a woman, without regard to the individual's
8 designated sex at birth.

9 (2) "Publicly held corporation" means a corporation
10 with outstanding shares listed on a major United States
11 stock exchange.

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