

1 AN ACT concerning government.

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

4 Article 1.

5 Section 1-1. Findings.

6 (a) The General Assembly finds that:

7 (1) Russia has launched an unprecedented military  
8 assault on Ukraine that has already left many dead, and  
9 the fighting in Ukraine appears to be some of the worst  
10 conventional warfare Europe has seen since World War II  
11 and the conflicts in the Balkans in the 1990s;

12 (2) Western leaders have been united in their swift  
13 and strong condemnation of Russia's military action;

14 (3) President Biden has stated that Russian President  
15 Putin had "committed an assault on the very principles  
16 that uphold the global peace", and the United States has,  
17 as a result, taken steps to impose harsh, new sanctions  
18 that are intended to punish President Putin for his  
19 actions;

20 (4) Secretary of State Blinken has indicated that  
21 there are credible reports that Russia has engaged in  
22 actions during its military assault on Ukraine that  
23 constitute war crimes under international law;

1 (5) Russia has used, during its military assault on  
2 Ukraine, weapons that have been banned by many countries,  
3 including cluster munitions;

4 (6) Russia has conducted direct attacks on major  
5 nuclear power facilities in Ukraine, which could lead to  
6 disaster and the spread of radioactive contamination  
7 across Ukraine and Europe;

8 (7) the United Nations has estimated that more than  
9 6,500,000 Ukrainians have already been displaced within  
10 the country and more than 4,000,000 have left the country  
11 as a result of the Russian invasion;

12 (8) the international community is making preparations  
13 to meet the humanitarian needs of those refugees who are  
14 displaced by this conflict;

15 (9) Central Europe is welcoming Ukrainians, but the  
16 countries in that region are not currently equipped to  
17 handle the volume of refugees that are anticipated to  
18 arrive at their borders in the coming weeks, and European  
19 and U.S. leadership must help build that capacity; and

20 (10) Illinois is a welcoming state to refugees and  
21 immigrants and home to a robust community of Ukrainian  
22 immigrants and Ukrainian descendants, many of whom live in  
23 Chicago's Ukrainian Village neighborhood.

24 (b) For these reasons, the General Assembly urges:

25 (1) the pension funds and retirement systems  
26 established under the Illinois Pension Code to divest

1 their holdings in any companies that are domiciled in  
2 Russia or Belarus and that are on the list of restricted  
3 companies developed by the Illinois Investment Policy  
4 Board;

5 (2) the cities of Bloomington and Normal to renounce  
6 their sister-city relationship with Vladimir, Russia; the  
7 City of Chicago to renounce its sister-city relationship  
8 with Moscow, Russia; the City of Dixon to renounce its  
9 sister-city relationship with Dikson, Russia; and all  
10 other municipalities to renounce any sister-city  
11 relationships they may have with cities in Russia; and

12 (3) the United States Department of State to resettle  
13 Ukrainian refugees in Illinois.

14 Article 5.

15 Section 5-1. Short title. This Article may be cited as the  
16 Money Laundering in Real Estate Task Force Act. References in  
17 this Article to "this Act" mean this Article.

18 Section 5-3. Findings. The General Assembly finds and  
19 declares the following:

20 (1) the United States Department of Treasury's  
21 Financial Crimes Enforcement Network found, in 2017, that  
22 30% of all high-end real estate purchases in major  
23 metropolitan areas involved beneficial owners or

1 purchasers who were the subject of previous suspicious  
2 activity reports;

3 (2) the United States, unlike Canada and several other  
4 jurisdictions, does not require real estate agents and  
5 brokers to file suspicious transaction reports;

6 (3) the lack of beneficial ownership transparency is  
7 an important factor in facilitating money laundering in  
8 real estate; and

9 (4) money laundering in real estate has negative  
10 consequences for local communities, including the  
11 dislocation of residents from and within major  
12 metropolitan areas.

13 Section 5-5. Money Laundering in Real Estate Task Force.

14 (a) The Money Laundering in Real Estate Task Force is  
15 created. The Task Force shall consist of the following  
16 members:

17 (1) 4 members appointed one each by the Speaker of the  
18 House of Representatives, the Minority Leader of the House  
19 of Representatives, the President of the Senate, and the  
20 Minority Leader of the Senate;

21 (2) the Secretary of Financial and Professional  
22 Regulation or the Secretary's designee;

23 (3) the Director of Revenue or the Director's  
24 designee;

25 (4) 2 members of the faculty of an institution of

1 higher education in the State with subject matter  
2 expertise regarding money laundering in real estate,  
3 appointed by the Governor;

4 (5) one expert on real estate tax law, appointed by  
5 the Governor;

6 (6) one representative of a statewide banking  
7 association representing banks of all asset sizes,  
8 appointed by the Governor;

9 (7) one representative of a statewide banking  
10 association exclusively representing banks with assets  
11 below \$20,000,000,000, appointed by the Governor; and

12 (8) 2 representatives of a statewide organization  
13 representing real estate brokers, appointed by the  
14 Governor.

15 (b) Initial appointments to the Task Force shall be made  
16 as soon as practicable after the effective date of this Act.  
17 The Task Force shall hold its first meeting within a  
18 reasonable period of time after its members have been  
19 appointed and shall convene regularly to carry out its duties  
20 and submit the reports required under this Act. At its first  
21 meeting, the Task Force shall elect its chairperson and any  
22 other officers from among its members.

23 (c) The Department of Financial and Professional  
24 Regulation and the Department of Revenue shall provide  
25 administrative and other support to the Task Force.

1 Section 5-10. Duties. The Task Force shall:

2 (1) identify vulnerabilities in the real estate sector  
3 that facilitate money laundering;

4 (2) provide guidance to help actors in the real estate  
5 sector identify suspicious transactions and report them to  
6 the proper authorities;

7 (3) explore the means by which illicit money is  
8 channeled into the real estate sector and integrated into  
9 the legal economy, including, but not limited to, cash  
10 purchases, complex loans, monetary instruments, mortgages,  
11 investment institutions, fraudulent appraisals, and  
12 anonymous corporate entities;

13 (4) assess the exposure of the residential,  
14 industrial, and commercial real estate sectors in Illinois  
15 to illicit Russian money, including, but not limited to,  
16 luxury real estate in Chicago and nonresidential real  
17 estate in downstate communities; and

18 (5) assess real estate due diligence and reporting  
19 practices, requirements, and laws in Illinois and  
20 recommend changes needed to eliminate systemic  
21 vulnerabilities that facilitate foreign money laundering.

22 Section 5-15. Reports. The Task Force shall submit a  
23 report to the Governor and the General Assembly not later than  
24 12 months after the effective date of this Act. The report  
25 shall include the Task Force's findings and shall summarize

1 the actions the Task Force has taken and those it intends to  
2 take in response to its obligations under the Act. After it  
3 submits its initial report, the Task Force shall periodically  
4 submit reports to the Governor and the General Assembly as the  
5 chairperson of the Task Force deems necessary to apprise those  
6 officials of any additional findings made or actions taken by  
7 the Task Force. The obligation of the Task Force to submit  
8 periodic reports shall continue for the duration of the Task  
9 Force.

10 Section 5-20. Dissolution of Task Force; repeal. The Task  
11 Force is dissolved on January 1, 2025. This Act is repealed on  
12 January 1, 2026.

13 Article 10.

14 Section 10-5. The Illinois Administrative Procedure Act is  
15 amended by adding Section 5-45.21 as follows:

16 (5 ILCS 100/5-45.21 new)

17 Sec. 5-45.21. Emergency rulemaking; Refugee Resettlement  
18 Program. To ensure the availability of refugee resettlement  
19 program services in the case of an imminent, large-scale  
20 refugee resettlement event, emergency rules may be adopted in  
21 accordance with Section 5-45 by the Department of Human  
22 Services. The adoption of emergency rules authorized by

1 Section 5-45 and this Section is deemed to be necessary for the  
2 public interest, safety, and welfare.

3 This Section is repealed one year after the effective date  
4 of this amendatory Act of the 102nd General Assembly.

5 Section 10-7. The Election Code is amended by adding  
6 Section 1-21 as follows:

7 (10 ILCS 5/1-21 new)

8 Sec. 1-21. The Illinois Elections and Infrastructure  
9 Integrity Task Force.

10 (a) The Illinois Elections and Infrastructure Integrity  
11 Task Force is created. The Task Force shall consist of the  
12 following members:

13 (1) 4 members appointed one each by the Speaker of the  
14 House of Representatives, the Minority Leader of the House  
15 of Representatives, the President of the Senate, and the  
16 Minority Leader of the Senate;

17 (2) one member of the faculty of an institution of  
18 higher education in the State with subject matter  
19 expertise regarding cybersecurity, appointed by the  
20 Governor;

21 (3) one member of the faculty of an institution of  
22 higher education in the State with subject matter  
23 expertise regarding voting technology or election  
24 integrity, appointed by the Governor;



1           (4) one member who is an individual with current  
2           experience in operational cybersecurity, preferably  
3           international operational cybersecurity, appointed by the  
4           Governor;

5           (5) the president of a statewide association  
6           representing county clerks and recorders, appointed by the  
7           Governor, or the president's designee;

8           (6) the Chair of the Board of Election Commissioners  
9           for the City of Chicago or the Chair's designee;

10           (7) the Executive Director of the State Board of  
11           Elections or the Executive Director's designee;

12           (8) the Secretary of State or the Secretary's  
13           designee;

14           (9) the Director of the Illinois Emergency Management  
15           Agency or the Director's designee;

16           (10) the Secretary of Innovation and Technology or the  
17           Secretary's designee; and

18           (11) the Attorney General or the Attorney General's  
19           designee.

20           (b) The Task Force shall evaluate and make recommendations  
21           to prepare for and prevent foreign interference in elections  
22           in advance of the 2024 election and all future elections in the  
23           State and to prepare for and prevent potential cyberattacks on  
24           State infrastructure. In carrying out its duties, the Task  
25           Force shall prioritize the security of all Illinois residents  
26           and cooperation with other states and with law enforcement to

1 protect United States national sovereignty. The Task Force  
2 shall submit a report containing its findings and  
3 recommendations to the Governor and the General Assembly not  
4 later than 18 months after the effective date of this  
5 amendatory Act of the 102nd General Assembly.

6 (c) The State Board of Elections shall provide staff and  
7 administrative support to the Task Force.

8 (d) The Task Force is dissolved, and this Section is  
9 repealed, on January 1, 2025.

10 Section 10-10. The Deposit of State Moneys Act is amended  
11 by adding Section 22.7 as follows:

12 (15 ILCS 520/22.7 new)

13 Sec. 22.7. Russian or Belarusian investments prohibited.  
14 Notwithstanding any provision of law to the contrary, the  
15 State Treasurer shall not invest State money in Russian or  
16 Belarusian sovereign debt, Russian or Belarusian  
17 government-backed securities, any investment instrument issued  
18 by an entity that is domiciled or has its principal place of  
19 business in Russia or Belarus, or any investment instrument  
20 issued by a company that is subject to Russian Harmful Foreign  
21 Activities Sanctions, as that term is defined under Section  
22 1-110.16 of the Illinois Pension Code, and shall not invest or  
23 deposit State money in any bank that is domiciled or has its  
24 principal place of business in Russia or Belarus or in any

1 other financial institution that is domiciled or has its  
2 principal place of business in Russia or Belarus or that is  
3 subject to Russian Harmful Foreign Activities Sanctions.

4 Section 10-20. The Illinois State Police Law of the Civil  
5 Administrative Code of Illinois is amended by changing Section  
6 2605-35 as follows:

7 (20 ILCS 2605/2605-35) (was 20 ILCS 2605/55a-3)

8 Sec. 2605-35. Division of Criminal Investigation.

9 (a) The Division of Criminal Investigation shall exercise  
10 the following functions and those in Section 2605-30:

11 (1) Exercise the rights, powers, and duties vested by  
12 law in the Illinois State Police by the Illinois Horse  
13 Racing Act of 1975, including those set forth in Section  
14 2605-215.

15 (2) Investigate the origins, activities, personnel,  
16 and incidents of crime and enforce the criminal laws of  
17 this State related thereto.

18 (3) Enforce all laws regulating the production, sale,  
19 prescribing, manufacturing, administering, transporting,  
20 having in possession, dispensing, delivering,  
21 distributing, or use of controlled substances and  
22 cannabis.

23 (4) Cooperate with the police of cities, villages, and  
24 incorporated towns and with the police officers of any

1 county in enforcing the laws of the State and in making  
2 arrests and recovering property.

3 (5) Apprehend and deliver up any person charged in  
4 this State or any other state with treason or a felony or  
5 other crime who has fled from justice and is found in this  
6 State.

7 (6) Investigate recipients and providers under the  
8 Illinois Public Aid Code and any personnel involved in the  
9 administration of the Code who are suspected of any  
10 violation of the Code pertaining to fraud in the  
11 administration, receipt, or provision of assistance and  
12 pertaining to any violation of criminal law; and exercise  
13 the functions required under Section 2605-220 in the  
14 conduct of those investigations.

15 (7) Conduct other investigations as provided by law.

16 (8) Investigate public corruption.➤

17 (9) Exercise other duties that may be assigned by the  
18 Director in order to fulfill the responsibilities and  
19 achieve the purposes of the Illinois State Police, which  
20 may include the coordination of gang, terrorist, and  
21 organized crime prevention, control activities, and  
22 assisting local law enforcement in their crime control  
23 activities.

24 (10) Conduct investigations (and cooperate with  
25 federal law enforcement agencies in the investigation) of  
26 any property-related crimes, such as money laundering,

1 involving individuals or entities listed on the sanctions  
2 list maintained by the U.S. Department of Treasury's  
3 Office of Foreign Asset Control.

4 (b) (Blank).

5 (Source: P.A. 102-538, eff. 8-20-21; revised 12-2-21.)

6 Section 10-30. The Public Funds Investment Act is amended  
7 by adding Section 2.3 as follows:

8 (30 ILCS 235/2.3 new)

9 Sec. 2.3. Russian or Belarusian investments prohibited.  
10 Notwithstanding any provision of law to the contrary, a public  
11 agency shall not invest public funds in Russian or Belarusian  
12 sovereign debt, Russian or Belarusian government-backed  
13 securities, any investment instrument issued by an entity that  
14 is domiciled or has its principal place of business in Russia  
15 or Belarus, or any investment instrument issued by a company  
16 that is subject to Russian Harmful Foreign Activities  
17 Sanctions, as that term is defined under Section 1-110.16 of  
18 the Illinois Pension Code, and shall not invest or deposit  
19 public funds in any bank that is domiciled or has its principal  
20 place of business in Russia or Belarus or in any other  
21 financial institution that is domiciled or has its principal  
22 place of business in Russia or Belarus or that is subject to  
23 Russian Harmful Foreign Activities Sanctions.

1 Section 10-35. The Illinois Pension Code is amended by  
2 changing Section 1-110.16 as follows:

3 (40 ILCS 5/1-110.16)

4 Sec. 1-110.16. Transactions prohibited by retirement  
5 systems; companies that boycott Israel, for-profit companies  
6 that contract to shelter migrant children, Iran-restricted  
7 companies, Sudan-restricted companies, ~~and~~ expatriated  
8 entities, companies that are domiciled or have their principal  
9 place of business in Russia or Belarus, and companies that are  
10 subject to Russian Harmful Foreign Activities Sanctions.

11 (a) As used in this Section:

12 "Boycott Israel" means engaging in actions that are  
13 politically motivated and are intended to penalize,  
14 inflict economic harm on, or otherwise limit commercial  
15 relations with the State of Israel or companies based in  
16 the State of Israel or in territories controlled by the  
17 State of Israel.

18 "Company" means any sole proprietorship, organization,  
19 association, corporation, partnership, joint venture,  
20 limited partnership, limited liability partnership,  
21 limited liability company, or other entity or business  
22 association, including all wholly owned subsidiaries,  
23 majority-owned subsidiaries, parent companies, or  
24 affiliates of those entities or business associations,  
25 that exist for the purpose of making profit.

1           "Company that is subject to Russian Harmful Foreign  
2           Activities Sanctions" means a company that is subject to  
3           sanctions under the Russian Harmful Foreign Activities  
4           Sanctions Regulations (31 CFR Part 587), any Presidential  
5           Executive Order imposing sanctions against Russia, or any  
6           federal directive issued pursuant to any such Executive  
7           Order.

8           "Contract to shelter migrant children" means entering  
9           into a contract with the federal government to shelter  
10          migrant children under the federal Unaccompanied Alien  
11          Children Program or a substantially similar federal  
12          program.

13          ~~"Illinois Investment Policy Board" means the board~~  
14          ~~established under subsection (b) of this Section.~~

15          "Direct holdings" in a company means all publicly  
16          traded securities of that company that are held directly  
17          by the retirement system in an actively managed account or  
18          fund in which the retirement system owns all shares or  
19          interests.

20          "Expatriated entity" has the meaning ascribed to it in  
21          Section 1-15.120 of the Illinois Procurement Code.

22          "Illinois Investment Policy Board" means the board  
23          established under subsection (b) of this Section.

24          "Indirect holdings" in a company means all securities  
25          of that company that are held in an account or fund, such  
26          as a mutual fund, managed by one or more persons not

1 employed by the retirement system, in which the retirement  
2 system owns shares or interests together with other  
3 investors not subject to the provisions of this Section or  
4 that are held in an index fund.

5 "Iran-restricted company" means a company that meets  
6 the qualifications under Section 1-110.15 of this Code.

7 "Private market fund" means any private equity fund,  
8 private equity funds of funds, venture capital fund, hedge  
9 fund, hedge fund of funds, real estate fund, or other  
10 investment vehicle that is not publicly traded.

11 "Restricted companies" means companies that boycott  
12 Israel, for-profit companies that contract to shelter  
13 migrant children, Iran-restricted companies,  
14 Sudan-restricted companies, ~~and~~ expatriated entities,  
15 companies that are domiciled or have their principal place  
16 of business in Russia or Belarus, and companies that are  
17 subject to Russian Harmful Foreign Activities Sanctions.

18 "Retirement system" means a retirement system  
19 established under Article 2, 14, 15, 16, or 18 of this Code  
20 or the Illinois State Board of Investment.

21 "Sudan-restricted company" means a company that meets  
22 the qualifications under Section 1-110.6 of this Code.

23 (b) There shall be established an Illinois Investment  
24 Policy Board. The Illinois Investment Policy Board shall  
25 consist of 7 members. Each board of a pension fund or  
26 investment board created under Article 15, 16, or 22A of this



1 Code shall appoint one member, and the Governor shall appoint  
2 4 members.

3 (c) Notwithstanding any provision of law to the contrary,  
4 beginning January 1, 2016, Sections 1-110.15 ~~110.15~~ and  
5 1-110.6 of this Code shall be administered in accordance with  
6 this Section.

7 (d) By April 1, 2016, the Illinois Investment Policy Board  
8 shall make its best efforts to identify all Iran-restricted  
9 companies, Sudan-restricted companies, and companies that  
10 boycott Israel and assemble those identified companies into a  
11 list of restricted companies, to be distributed to each  
12 retirement system.

13 These efforts shall include the following, as appropriate  
14 in the Illinois Investment Policy Board's judgment:

15 (1) reviewing and relying on publicly available  
16 information regarding Iran-restricted companies,  
17 Sudan-restricted companies, and companies that boycott  
18 Israel, including information provided by nonprofit  
19 organizations, research firms, and government entities;

20 (2) contacting asset managers contracted by the  
21 retirement systems that invest in Iran-restricted  
22 companies, Sudan-restricted companies, and companies that  
23 boycott Israel;

24 (3) contacting other institutional investors that have  
25 divested from or engaged with Iran-restricted companies,  
26 Sudan-restricted companies, and companies that boycott

1 Israel; and

2 (4) retaining an independent research firm to identify  
3 Iran-restricted companies, Sudan-restricted companies,  
4 and companies that boycott Israel.

5 The Illinois Investment Policy Board shall review the list  
6 of restricted companies on a quarterly basis based on evolving  
7 information from, among other sources, those listed in this  
8 subsection (d) and distribute any updates to the list of  
9 restricted companies to the retirement systems and the State  
10 Treasurer.

11 By April 1, 2018, the Illinois Investment Policy Board  
12 shall make its best efforts to identify all expatriated  
13 entities and include those companies in the list of restricted  
14 companies distributed to each retirement system and the State  
15 Treasurer. These efforts shall include the following, as  
16 appropriate in the Illinois Investment Policy Board's  
17 judgment:

18 (1) reviewing and relying on publicly available  
19 information regarding expatriated entities, including  
20 information provided by nonprofit organizations, research  
21 firms, and government entities;

22 (2) contacting asset managers contracted by the  
23 retirement systems that invest in expatriated entities;

24 (3) contacting other institutional investors that have  
25 divested from or engaged with expatriated entities; and

26 (4) retaining an independent research firm to identify

1 expatriated entities.

2 By July 1, 2022, the Illinois Investment Policy Board  
3 shall make its best efforts to identify all for-profit  
4 companies that contract to shelter migrant children and  
5 include those companies in the list of restricted companies  
6 distributed to each retirement system. These efforts shall  
7 include the following, as appropriate in the Illinois  
8 Investment Policy Board's judgment:

9 (1) reviewing and relying on publicly available  
10 information regarding for-profit companies that contract  
11 to shelter migrant children, including information  
12 provided by nonprofit organizations, research firms, and  
13 government entities;

14 (2) contacting asset managers contracted by the  
15 retirement systems that invest in for-profit companies  
16 that contract to shelter migrant children;

17 (3) contacting other institutional investors that have  
18 divested from or engaged with for-profit companies that  
19 contract to shelter migrant children; and

20 (4) retaining an independent research firm to identify  
21 for-profit companies that contract to shelter migrant  
22 children.

23 No later than 6 months after the effective date of this  
24 amendatory Act of the 102nd General Assembly, the Illinois  
25 Investment Policy Board shall make its best efforts to  
26 identify all companies that are domiciled or have their

1 principal place of business in Russia or Belarus and companies  
2 that are subject to Russian Harmful Foreign Activities  
3 Sanctions and include those companies in the list of  
4 restricted companies distributed to each retirement system.  
5 These efforts shall include the following, as appropriate in  
6 the Illinois Investment Policy Board's judgment:

7 (1) reviewing and relying on publicly available  
8 information regarding companies that are domiciled or have  
9 their principal place of business in Russia or Belarus and  
10 companies that are subject to Russian Harmful Foreign  
11 Activities Sanctions, including information provided by  
12 nonprofit organizations, research firms, and government  
13 entities;

14 (2) contacting asset managers contracted by the  
15 retirement systems that invest in companies that are  
16 domiciled or have their principal place of business in  
17 Russia or Belarus and companies that are subject to  
18 Russian Harmful Foreign Activities Sanctions;

19 (3) contacting other institutional investors that have  
20 divested from or engaged with companies that are domiciled  
21 or have their principal place of business in Russia or  
22 Belarus and companies that are subject to Russian Harmful  
23 Foreign Activities Sanctions; and

24 (4) retaining an independent research firm to identify  
25 companies that are domiciled or have their principal place  
26 of business in Russia or Belarus and companies that are

1 subject to Russian Harmful Foreign Activities Sanctions.

2 (e) The Illinois Investment Policy Board shall adhere to  
3 the following procedures for companies on the list of  
4 restricted companies:

5 (1) For each company newly identified in subsection  
6 (d), the Illinois Investment Policy Board, unless it  
7 determines by an affirmative vote that it is unfeasible,  
8 shall send a written notice informing the company of its  
9 status and that it may become subject to divestment or  
10 shareholder activism by the retirement systems.

11 (2) If, following the Illinois Investment Policy  
12 Board's engagement pursuant to this subsection (e) with a  
13 restricted company, that company ceases activity that  
14 designates the company to be an Iran-restricted company, a  
15 Sudan-restricted company, a company that boycotts Israel,  
16 an expatriated entity, or a for-profit company that  
17 contracts to shelter migrant children, the company shall  
18 be removed from the list of restricted companies and the  
19 provisions of this Section shall cease to apply to it  
20 unless it resumes such activities.

21 (3) For a company that is domiciled or has its  
22 principal place of business in Russia or Belarus, if,  
23 following the Illinois Investment Policy Board's  
24 engagement pursuant to this subsection (e), that company  
25 is no longer domiciled or has its principal place of  
26 business in Russia or Belarus, the company shall be

1 removed from the list of restricted companies and the  
2 provisions of this Section shall cease to apply to it  
3 unless it becomes domiciled or has its principal place of  
4 business in Russia or Belarus.

5 (4) For a company that is subject to Russian Harmful  
6 Foreign Activities Sanctions, if, following the Illinois  
7 Investment Policy Board's engagement pursuant to this  
8 subsection (e), that company is no longer subject to  
9 Russian Harmful Foreign Activities Sanctions, the company  
10 shall be removed from the list of restricted companies and  
11 the provisions of this Section shall cease to apply to it  
12 unless it becomes subject to Russian Harmful Foreign  
13 Activities Sanctions.

14 (f) Except as provided in subsection (f-1) of this Section  
15 the retirement system shall adhere to the following procedures  
16 for companies on the list of restricted companies:

17 (1) The retirement system shall identify those  
18 companies on the list of restricted companies in which the  
19 retirement system owns direct holdings and indirect  
20 holdings.

21 (2) The retirement system shall instruct its  
22 investment advisors to sell, redeem, divest, or withdraw  
23 all direct holdings of restricted companies from the  
24 retirement system's assets under management in an orderly  
25 and fiduciarily responsible manner within 12 months after  
26 the company's most recent appearance on the list of

1 restricted companies.

2 (3) The retirement system may not acquire securities  
3 of restricted companies.

4 (4) The provisions of this subsection (f) do not apply  
5 to the retirement system's indirect holdings or private  
6 market funds. The Illinois Investment Policy Board shall  
7 submit letters to the managers of those investment funds  
8 containing restricted companies requesting that they  
9 consider removing the companies from the fund or create a  
10 similar actively managed fund having indirect holdings  
11 devoid of the companies. If the manager creates a similar  
12 fund, the retirement system shall replace all applicable  
13 investments with investments in the similar fund in an  
14 expedited timeframe consistent with prudent investing  
15 standards.

16 (f-1) The retirement system shall adhere to the following  
17 procedures for restricted companies that are expatriated  
18 entities or for-profit companies that contract to shelter  
19 migrant children:

20 (1) To the extent that the retirement system believes  
21 that shareholder activism would be more impactful than  
22 divestment, the retirement system shall have the authority  
23 to engage with a restricted company prior to divesting.

24 (2) Subject to any applicable State or Federal laws,  
25 methods of shareholder activism utilized by the retirement  
26 system may include, but are not limited to, bringing

1 shareholder resolutions and proxy voting on shareholder  
2 resolutions.

3 (3) The retirement system shall report on its  
4 shareholder activism and the outcome of such efforts to  
5 the Illinois Investment Policy Board by April 1 of each  
6 year.

7 (4) If the engagement efforts of the retirement system  
8 are unsuccessful, then it shall adhere to the procedures  
9 under subsection (f) of this Section.

10 (f-5) Beginning on the effective date of this amendatory  
11 Act of the 102nd General Assembly, no retirement system shall  
12 invest moneys in Russian or Belarusian sovereign debt, Russian  
13 or Belarusian government-backed securities, any investment  
14 instrument issued by an entity that is domiciled or has its  
15 principal place of business in Russia or Belarus, or any  
16 investment instrument issued by a company that is subject to  
17 Russian Harmful Foreign Activities Sanctions, and no  
18 retirement system shall invest or deposit State moneys in any  
19 bank that is domiciled or has its principal place of business  
20 in Russia or Belarus. As soon as practicable after the  
21 effective date of this amendatory Act of the 102nd General  
22 Assembly, each retirement system shall instruct its investment  
23 advisors to sell, redeem, divest, or withdraw all direct  
24 holdings of Russian or Belarusian sovereign debt and direct  
25 holdings of Russian or Belarusian government-backed securities  
26 from the retirement system's assets under management in an



1 orderly and fiduciarily responsible manner.

2 Notwithstanding any provision of this Section to the  
3 contrary, a retirement system may cease divestment pursuant to  
4 this subsection (f-5) if clear and convincing evidence shows  
5 that the value of investments in such Russian or Belarusian  
6 sovereign debt and Russian or Belarusian government-backed  
7 securities becomes equal to or less than 0.05% of the market  
8 value of all assets under management by the retirement system.  
9 For any cessation of divestment authorized by this subsection  
10 (f-5), the retirement system shall provide a written notice to  
11 the Illinois Investment Policy Board in advance of the  
12 cessation of divestment, setting forth the reasons and  
13 justification, supported by clear and convincing evidence, for  
14 its decision to cease divestment under this subsection (f-5).

15 The provisions of this subsection (f-5) do not apply to  
16 the retirement system's indirect holdings or private market  
17 funds.

18 (g) Upon request, and by April 1 of each year, each  
19 retirement system shall provide the Illinois Investment Policy  
20 Board with information regarding investments sold, redeemed,  
21 divested, or withdrawn in compliance with this Section.

22 (h) Notwithstanding any provision of this Section to the  
23 contrary, a retirement system may cease divesting from  
24 companies pursuant to subsection (f) if clear and convincing  
25 evidence shows that the value of investments in such companies  
26 becomes equal to or less than 0.5% of the market value of all

1 assets under management by the retirement system. For any  
2 cessation of divestment authorized by this subsection (h), the  
3 retirement system shall provide a written notice to the  
4 Illinois Investment Policy Board in advance of the cessation  
5 of divestment, setting forth the reasons and justification,  
6 supported by clear and convincing evidence, for its decision  
7 to cease divestment under subsection (f).

8 (i) The cost associated with the activities of the  
9 Illinois Investment Policy Board shall be borne by the boards  
10 of each pension fund or investment board created under Article  
11 15, 16, or 22A of this Code.

12 (j) With respect to actions taken in compliance with this  
13 Section, including all good-faith determinations regarding  
14 companies as required by this Section, the retirement system  
15 and Illinois Investment Policy Board are exempt from any  
16 conflicting statutory or common law obligations, including any  
17 fiduciary duties under this Article and any obligations with  
18 respect to choice of asset managers, investment funds, or  
19 investments for the retirement system's securities portfolios.

20 (k) It is not the intent of the General Assembly in  
21 enacting this amendatory Act of the 99th General Assembly to  
22 cause divestiture from any company based in the United States  
23 of America. The Illinois Investment Policy Board shall  
24 consider this intent when developing or reviewing the list of  
25 restricted companies.

26 (l) If any provision of this amendatory Act of the 99th

1 General Assembly or its application to any person or  
2 circumstance is held invalid, the invalidity of that provision  
3 or application does not affect other provisions or  
4 applications of this amendatory Act of the 99th General  
5 Assembly that can be given effect without the invalid  
6 provision or application.

7 If any provision of Public Act 100-551 or its application  
8 to any person or circumstance is held invalid, the invalidity  
9 of that provision or application does not affect other  
10 provisions or applications of Public Act 100-551 that can be  
11 given effect without the invalid provision or application.

12 If any provision of Public Act 102-118 ~~this amendatory Act~~  
13 ~~of the 102nd General Assembly~~ or its application to any person  
14 or circumstance is held invalid, the invalidity of that  
15 provision or application does not affect other provisions or  
16 applications of Public Act 102-118 ~~this amendatory Act of the~~  
17 ~~102nd General Assembly~~ that can be given effect without the  
18 invalid provision or application.

19 If any provision of this amendatory Act of the 102nd  
20 General Assembly or its application to any person or  
21 circumstance is held invalid, the invalidity of that provision  
22 or application does not affect other provisions or  
23 applications of this amendatory Act of the 102nd General  
24 Assembly that can be given effect without the invalid  
25 provision or application.

26 (Source: P.A. 102-118, eff. 7-23-21.)

1 Section 10-40. The Board of Higher Education Act is  
2 amended by adding Section 9.41 as follows:

3 (110 ILCS 205/9.41 new)

4 Sec. 9.41. Disclosure of donations from certain Russian,  
5 Belarusian, or sanctioned sources. The Board shall require  
6 each public institution of higher education to disclose to the  
7 Board any endowment or other donation given to the institution  
8 from a source associated with any individual or entity listed  
9 on the sanctions list maintained by the U.S. Department of  
10 Treasury's Office of Foreign Asset Control or any company that  
11 is domiciled or has its principal place of business in Russia  
12 or Belarus and is on the list of restricted companies  
13 developed by the Illinois Investment Policy Board under  
14 Section 1-110.16 of the Illinois Pension Code.

15 Article 99.

16 Section 99-97. Severability. The provisions of this Act  
17 are severable under Section 1.31 of the Statute on Statutes.

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