

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 launched an unprecedented military assault
8 on Ukraine that has left many dead, and the fighting in
9 Ukraine appears to be some of the worst conventional
10 warfare Europe has seen since World War II and the
11 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 14,000,000 Ukrainians have already been displaced within
10 the country and more than 7,000,000 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 (3) the lack of beneficial ownership transparency is
2 an important factor in facilitating money laundering in
3 real estate; and

4 (4) money laundering in real estate has negative
5 consequences for local communities, including the
6 dislocation of residents from and within major
7 metropolitan areas.

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

9 (a) The Money Laundering in Real Estate Task Force is
10 created. The Task Force shall consist of the following
11 members:

12 (1) 4 members appointed one each by the Speaker of the
13 House of Representatives, the Minority Leader of the House
14 of Representatives, the President of the Senate, and the
15 Minority Leader of the Senate;

16 (2) the Secretary of Financial and Professional
17 Regulation or the Secretary's designee;

18 (3) the Director of Revenue or the Director's
19 designee;

20 (4) 2 members of the faculty of an institution of
21 higher education in the State with subject matter
22 expertise regarding money laundering in real estate,
23 appointed by the Governor;

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

1 (6) one representative of banking institutions with
2 assets of at least \$1,000,000,000, appointed by the
3 Governor;

4 (7) one representative of banking institutions with
5 assets below \$1,000,000,000, appointed by the Governor;

6 (8) 2 representatives of a statewide organization
7 representing real estate brokers, appointed by the
8 Governor; and

9 (9) 4 members with backgrounds in real estate,
10 financial institutions, or law, appointed one each by the
11 Speaker of the House of Representatives, the Minority
12 Leader of the House of Representatives, the President of
13 the Senate, and the Minority Leader of the Senate.

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

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

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

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

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

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

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

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

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

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

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

12 Article 10.

13 Section 10-5. The Illinois Administrative Procedure Act is
14 amended by adding Section 5-45.35 as follows:

15 (5 ILCS 100/5-45.35 new)

16 Sec. 5-45.35. Emergency rulemaking; Refugee Resettlement
17 Program. To ensure the availability of refugee resettlement
18 program services in the case of an imminent, large-scale
19 refugee resettlement event, emergency rules may be adopted in
20 accordance with Section 5-45 by the Department of Human
21 Services. The adoption of emergency rules authorized by
22 Section 5-45 and this Section is deemed to be necessary for the

1 public interest, safety, and welfare.

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

4 Section 10-7. The Election Code is amended by adding
5 Section 1-22 as follows:

6 (10 ILCS 5/1-22 new)

7 Sec. 1-22. The Illinois Elections and Infrastructure
8 Integrity Task Force.

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

12 (1) 4 members appointed one each by the Speaker of the
13 House of Representatives, the Minority Leader of the House
14 of Representatives, the President of the Senate, and the
15 Minority Leader of the Senate;

16 (2) one member with subject matter expertise regarding
17 cybersecurity, appointed by the Minority Leader of the
18 House of Representatives;

19 (3) one member with subject matter expertise regarding
20 voting technology or election integrity, appointed by the
21 Speaker of the House;

22 (4) one member who is an individual with current
23 experience in operational cybersecurity, preferably
24 international operational cybersecurity, appointed by the

1 President of the Senate;

2 (5) one county clerk, appointed by the Minority Leader
3 of the Senate;

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

6 (7) the county clerk of Cook County;

7 (8) one election administrator, appointed by the
8 Governor;

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

11 (10) the Secretary of State or the Secretary's
12 designee;

13 (11) the Director of the Illinois Emergency Management
14 Agency or the Director's designee;

15 (12) the Secretary of Innovation and Technology or the
16 Secretary's designee; and

17 (13) the Attorney General or the Attorney General's
18 designee.

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

1 shall submit a report containing its findings and
2 recommendations to the Governor and the General Assembly not
3 later than January 1, 2024. The Task Force shall also submit a
4 report evaluating the 2024 election to the Governor and the
5 General Assembly not later than March 1, 2025.

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 June 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; 102-813, eff. 5-13-22.)

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. The Governor shall designate one member of the
3 Board as the Chairperson.

4 (b-5) The term of office of each member appointed by the
5 Governor, who is serving on the Board on June 30, 2022, is
6 abolished on that date. The terms of office of members
7 appointed by the Governor after June 30, 2022 shall be as
8 follows: 2 initial members shall be appointed for terms of 2
9 years, and 2 initial members shall be appointed for terms of 4
10 years. Thereafter, the members appointed by the Governor shall
11 hold office for 4 years, except that any member chosen to fill
12 a vacancy occurring otherwise than by expiration of a term
13 shall be appointed only for the unexpired term of the member
14 whom he or she shall succeed. Board members may be
15 reappointed. The Governor may remove a Governor's appointee to
16 the Board for incompetence, neglect of duty, malfeasance, or
17 inability to serve.

18 (c) Notwithstanding any provision of law to the contrary,
19 beginning January 1, 2016, Sections 1-110.15 ~~110.15~~ and
20 1-110.6 of this Code shall be administered in accordance with
21 this Section.

22 (d) By April 1, 2016, the Illinois Investment Policy Board
23 shall make its best efforts to identify all Iran-restricted
24 companies, Sudan-restricted companies, and companies that
25 boycott Israel and assemble those identified companies into a
26 list of restricted companies, to be distributed to each

1 retirement system.

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

4 (1) reviewing and relying on publicly available
5 information regarding Iran-restricted companies,
6 Sudan-restricted companies, and companies that boycott
7 Israel, including information provided by nonprofit
8 organizations, research firms, and government entities;

9 (2) contacting asset managers contracted by the
10 retirement systems that invest in Iran-restricted
11 companies, Sudan-restricted companies, and companies that
12 boycott Israel;

13 (3) contacting other institutional investors that have
14 divested from or engaged with Iran-restricted companies,
15 Sudan-restricted companies, and companies that boycott
16 Israel; and

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

20 The Illinois Investment Policy Board shall review the list
21 of restricted companies on a quarterly basis based on evolving
22 information from, among other sources, those listed in this
23 subsection (d) and distribute any updates to the list of
24 restricted companies to the retirement systems and the State
25 Treasurer.

26 By April 1, 2018, the Illinois Investment Policy Board

1 shall make its best efforts to identify all expatriated
2 entities and include those companies in the list of restricted
3 companies distributed to each retirement system and the State
4 Treasurer. These efforts shall include the following, as
5 appropriate in the Illinois Investment Policy Board's
6 judgment:

7 (1) reviewing and relying on publicly available
8 information regarding expatriated entities, including
9 information provided by nonprofit organizations, research
10 firms, and government entities;

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

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

15 (4) retaining an independent research firm to identify
16 expatriated entities.

17 By July 1, 2022, the Illinois Investment Policy Board
18 shall make its best efforts to identify all for-profit
19 companies that contract to shelter migrant children and
20 include those companies in the list of restricted companies
21 distributed to each retirement system. These efforts shall
22 include the following, as appropriate in the Illinois
23 Investment Policy Board's judgment:

24 (1) reviewing and relying on publicly available
25 information regarding for-profit companies that contract
26 to shelter migrant children, including information

1 provided by nonprofit organizations, research firms, and
2 government entities;

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

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

9 (4) retaining an independent research firm to identify
10 for-profit companies that contract to shelter migrant
11 children.

12 No later than 6 months after the effective date of this
13 amendatory Act of the 102nd General Assembly, the Illinois
14 Investment Policy Board shall make its best efforts to
15 identify all companies that are domiciled or have their
16 principal place of business in Russia or Belarus and companies
17 that are subject to Russian Harmful Foreign Activities
18 Sanctions and include those companies in the list of
19 restricted companies distributed to each retirement system.
20 These efforts shall include the following, as appropriate in
21 the Illinois Investment Policy Board's judgment:

22 (1) reviewing and relying on publicly available
23 information regarding companies that are domiciled or have
24 their principal place of business in Russia or Belarus and
25 companies that are subject to Russian Harmful Foreign
26 Activities Sanctions, including information provided by

1 nonprofit organizations, research firms, and government
2 entities;

3 (2) contacting asset managers contracted by the
4 retirement systems that invest in companies that are
5 domiciled or have their principal place of business in
6 Russia or Belarus and companies that are subject to
7 Russian Harmful Foreign Activities Sanctions;

8 (3) contacting other institutional investors that have
9 divested from or engaged with companies that are domiciled
10 or have their principal place of business in Russia or
11 Belarus and companies that are subject to Russian Harmful
12 Foreign Activities Sanctions; and

13 (4) retaining an independent research firm to identify
14 companies that are domiciled or have their principal place
15 of business in Russia or Belarus and companies that are
16 subject to Russian Harmful Foreign Activities Sanctions.

17 (e) The Illinois Investment Policy Board shall adhere to
18 the following procedures for companies on the list of
19 restricted companies:

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

26 (2) If, following the Illinois Investment Policy

1 Board's engagement pursuant to this subsection (e) with a
2 restricted company, that company ceases activity that
3 designates the company to be an Iran-restricted company, a
4 Sudan-restricted company, a company that boycotts Israel,
5 an expatriated entity, or a for-profit company that
6 contracts to shelter migrant children, the company shall
7 be removed from the list of restricted companies and the
8 provisions of this Section shall cease to apply to it
9 unless it resumes such activities.

10 (3) For a company that is domiciled or has its
11 principal place of business in Russia or Belarus, if,
12 following the Illinois Investment Policy Board's
13 engagement pursuant to this subsection (e), that company
14 is no longer domiciled or has its principal place of
15 business in Russia or Belarus, the company shall be
16 removed from the list of restricted companies and the
17 provisions of this Section shall cease to apply to it
18 unless it becomes domiciled or has its principal place of
19 business in Russia or Belarus.

20 (4) For a company that is subject to Russian Harmful
21 Foreign Activities Sanctions, if, following the Illinois
22 Investment Policy Board's engagement pursuant to this
23 subsection (e), that company is no longer subject to
24 Russian Harmful Foreign Activities Sanctions, the company
25 shall be removed from the list of restricted companies and
26 the provisions of this Section shall cease to apply to it

1 unless it becomes subject to Russian Harmful Foreign
2 Activities Sanctions.

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

6 (1) The retirement system shall identify those
7 companies on the list of restricted companies in which the
8 retirement system owns direct holdings and indirect
9 holdings.

10 (2) The retirement system shall instruct its
11 investment advisors to sell, redeem, divest, or withdraw
12 all direct holdings of restricted companies from the
13 retirement system's assets under management in an orderly
14 and fiduciarily responsible manner within 12 months after
15 the company's most recent appearance on the list of
16 restricted companies.

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

19 (4) The provisions of this subsection (f) do not apply
20 to the retirement system's indirect holdings or private
21 market funds. The Illinois Investment Policy Board shall
22 submit letters to the managers of those investment funds
23 containing restricted companies requesting that they
24 consider removing the companies from the fund or create a
25 similar actively managed fund having indirect holdings
26 devoid of the companies. If the manager creates a similar

1 fund, the retirement system shall replace all applicable
2 investments with investments in the similar fund in an
3 expedited timeframe consistent with prudent investing
4 standards.

5 (f-1) The retirement system shall adhere to the following
6 procedures for restricted companies that are expatriated
7 entities or for-profit companies that contract to shelter
8 migrant children:

9 (1) To the extent that the retirement system believes
10 that shareholder activism would be more impactful than
11 divestment, the retirement system shall have the authority
12 to engage with a restricted company prior to divesting.

13 (2) Subject to any applicable State or Federal laws,
14 methods of shareholder activism utilized by the retirement
15 system may include, but are not limited to, bringing
16 shareholder resolutions and proxy voting on shareholder
17 resolutions.

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

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

25 (f-5) Beginning on the effective date of this amendatory
26 Act of the 102nd General Assembly, no retirement system shall

1 invest moneys in Russian or Belarusian sovereign debt, Russian
2 or Belarusian government-backed securities, any investment
3 instrument issued by an entity that is domiciled or has its
4 principal place of business in Russia or Belarus, or any
5 investment instrument issued by a company that is subject to
6 Russian Harmful Foreign Activities Sanctions, and no
7 retirement system shall invest or deposit State moneys in any
8 bank that is domiciled or has its principal place of business
9 in Russia or Belarus. As soon as practicable after the
10 effective date of this amendatory Act of the 102nd General
11 Assembly, each retirement system shall instruct its investment
12 advisors to sell, redeem, divest, or withdraw all direct
13 holdings of Russian or Belarusian sovereign debt and direct
14 holdings of Russian or Belarusian government-backed securities
15 from the retirement system's assets under management in an
16 orderly and fiduciarily responsible manner.

17 Notwithstanding any provision of this Section to the
18 contrary, a retirement system may cease divestment pursuant to
19 this subsection (f-5) if clear and convincing evidence shows
20 that the value of investments in such Russian or Belarusian
21 sovereign debt and Russian or Belarusian government-backed
22 securities becomes equal to or less than 0.05% of the market
23 value of all assets under management by the retirement system.
24 For any cessation of divestment authorized by this subsection
25 (f-5), the retirement system shall provide a written notice to
26 the Illinois Investment Policy Board in advance of the

1 cessation of divestment, setting forth the reasons and
2 justification, supported by clear and convincing evidence, for
3 its decision to cease divestment under this subsection (f-5).

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

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

11 (h) Notwithstanding any provision of this Section to the
12 contrary, a retirement system may cease divesting from
13 companies pursuant to subsection (f) if clear and convincing
14 evidence shows that the value of investments in such companies
15 becomes equal to or less than 0.5% of the market value of all
16 assets under management by the retirement system. For any
17 cessation of divestment authorized by this subsection (h), the
18 retirement system shall provide a written notice to the
19 Illinois Investment Policy Board in advance of the cessation
20 of divestment, setting forth the reasons and justification,
21 supported by clear and convincing evidence, for its decision
22 to cease divestment under subsection (f).

23 (i) The cost associated with the activities of the
24 Illinois Investment Policy Board shall be borne by the boards
25 of each pension fund or investment board created under Article
26 15, 16, or 22A of this Code.

1 (j) With respect to actions taken in compliance with this
2 Section, including all good-faith determinations regarding
3 companies as required by this Section, the retirement system
4 and Illinois Investment Policy Board are exempt from any
5 conflicting statutory or common law obligations, including any
6 fiduciary duties under this Article and any obligations with
7 respect to choice of asset managers, investment funds, or
8 investments for the retirement system's securities portfolios.

9 (k) It is not the intent of the General Assembly in
10 enacting this amendatory Act of the 99th General Assembly to
11 cause divestiture from any company based in the United States
12 of America. The Illinois Investment Policy Board shall
13 consider this intent when developing or reviewing the list of
14 restricted companies.

15 (l) If any provision of this amendatory Act of the 99th
16 General Assembly or its application to any person or
17 circumstance is held invalid, the invalidity of that provision
18 or application does not affect other provisions or
19 applications of this amendatory Act of the 99th General
20 Assembly that can be given effect without the invalid
21 provision or application.

22 If any provision of Public Act 100-551 or its application
23 to any person or circumstance is held invalid, the invalidity
24 of that provision or application does not affect other
25 provisions or applications of Public Act 100-551 that can be
26 given effect without the invalid provision or application.

1 If any provision of Public Act 102-118 ~~this amendatory Act~~
2 ~~of the 102nd General Assembly~~ or its application to any person
3 or circumstance is held invalid, the invalidity of that
4 provision or application does not affect other provisions or
5 applications of Public Act 102-118 ~~this amendatory Act of the~~
6 ~~102nd General Assembly~~ that can be given effect without the
7 invalid provision or application.

8 If any provision of this amendatory Act of the 102nd
9 General Assembly or its application to any person or
10 circumstance is held invalid, the invalidity of that provision
11 or application does not affect other provisions or
12 applications of this amendatory Act of the 102nd General
13 Assembly that can be given effect without the invalid
14 provision or application.

15 (Source: P.A. 102-118, eff. 7-23-21; 102-699, eff. 4-19-22.)

16 Section 10-40. The Board of Higher Education Act is
17 amended by adding Section 9.42 as follows:

18 (110 ILCS 205/9.42 new)

19 Sec. 9.42. Disclosure of donations from certain Russian,
20 Belarusian, or sanctioned sources. The Board shall require
21 each public institution of higher education to disclose to the
22 Board any endowment or other donation given to the institution
23 from a source associated with any individual or entity listed
24 on the sanctions list maintained by the U.S. Department of

1 Treasury's Office of Foreign Asset Control or any company that
2 is domiciled or has its principal place of business in Russia
3 or Belarus and is on the list of restricted companies
4 developed by the Illinois Investment Policy Board under
5 Section 1-110.16 of the Illinois Pension Code.

6 Article 99.

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

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