



Rep. Lindsey LaPointe

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LRB102 03303 RPS 37607 a

1 AMENDMENT TO HOUSE BILL 1293

2 AMENDMENT NO. _____. Amend House Bill 1293 by replacing
3 everything after the enacting clause with the following:

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) Ukrainian officials believe Russia's plan is to
13 overthrow the Ukrainian government and install a
14 pro-Russian government;

15 (3) Western leaders have been united in their swift
16 and strong condemnation of Russia's military action;

1 (4) President Biden has stated that Russian President
2 Putin had "committed an assault on the very principles
3 that uphold the global peace", and the United States has,
4 as a result, taken steps to impose harsh, new sanctions
5 that are intended to punish President Putin for his
6 actions;

7 (5) Secretary of State Blinken has indicated that
8 there are credible reports that Russia has engaged in
9 actions during its military assault on Ukraine that
10 constitute war crimes under international law;

11 (6) Russia has used, during its military assault on
12 Ukraine, weapons that have been banned by many countries,
13 including cluster munitions;

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

18 (8) the United Nations has estimated that more than
19 2,800,000 Ukrainians have already been displaced as a
20 result of the Russian invasion;

21 (9) the international community is making preparations
22 to meet the humanitarian needs of those refugees who are
23 displaced by this conflict;

24 (10) Central Europe is welcoming Ukrainians, but the
25 countries in that region are not currently equipped to
26 handle the volume of refugees that are anticipated to

1 arrive at their borders in the coming weeks, and European
2 and U.S. leadership must help build that capacity;

3 (11) Illinois is a welcoming state to refugees and
4 immigrants and home to a robust community of Ukrainian
5 immigrants and Ukrainian descendants, many of whom live in
6 Chicago's Ukrainian Village neighborhood;

7 (12) Russia's interference, in 2016, with the United
8 States presidential election and the United Kingdom's
9 referendum on membership in the European Union reflects
10 its disregard for national sovereignty; and

11 (13) Russia's ongoing attempts to influence the United
12 States electorate are a threat to national security.

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

14 (1) the pension funds and retirement systems
15 established under the Illinois Pension Code to divest
16 their holdings in any companies that are domiciled in
17 Russia or Belarus and that are on the list of restricted
18 companies developed by the Illinois Investment Policy
19 Board;

20 (2) the cities of Bloomington and Normal to renounce
21 their sister-city relationship with Vladimir, Russia; the
22 City of Chicago to renounce its sister-city relationship
23 with Moscow, Russia; the City of Dixon to renounce its
24 sister-city relationship with Dikson, Russia; and all
25 other municipalities to renounce any sister-city
26 relationships they may have with cities in Russia; and

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

2 (a) The Money Laundering in Real Estate Task Force is
3 created. The Task Force shall consist of the following
4 members:

5 (1) 4 members appointed one each by the Speaker of the
6 House of Representatives, the Minority Leader of the House
7 of Representatives, the President of the Senate, and the
8 Minority Leader of the Senate;

9 (2) the Secretary of Financial and Professional
10 Regulation or the Secretary's designee;

11 (3) the Director of Revenue or the Director's
12 designee;

13 (4) 2 members of the faculty of an institution of
14 higher education in the State with subject matter
15 expertise regarding money laundering in real estate,
16 appointed by the Governor;

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

19 (6) one representative of a statewide banking
20 association representing banks of all asset sizes,
21 appointed by the Governor; and

22 (7) one representative of a statewide banking
23 association exclusively representing banks with assets
24 below \$20,000,000,000, appointed by the Governor.

25 (b) Initial appointments to the Task Force shall be made

1 as soon as practicable after the effective date of this Act.
2 The Task Force shall hold its first meeting within a
3 reasonable period of time after its members have been
4 appointed and shall convene regularly to carry out its duties
5 and submit the reports required under this Act. At its first
6 meeting, the Task Force shall elect its chairperson and any
7 other officers from among its members.

8 (c) The Department of Financial and Professional
9 Regulation and the Department of Revenue shall provide
10 administrative and other support to the Task Force.

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

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

14 (2) provide guidance on behaviors and other indicators
15 that can help actors in the real estate sector identify
16 suspicious transactions and report them to the proper
17 authorities;

18 (3) explore the means by which illicit money is
19 channeled into the real estate sector and integrated into
20 the legal economy, including, but not limited to, cash
21 purchases, complex loans, monetary instruments, mortgages,
22 investment institutions, fraudulent appraisals, and
23 anonymous corporate entities;

24 (4) assess the exposure of the residential,
25 industrial, and commercial real estate sectors in Illinois

1 to illicit Russian money, including, but not limited to,
2 luxury real estate in Chicago and nonresidential real
3 estate in downstate communities; and

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

8 Section 5-15. Reports. The Task Force shall submit a
9 report to the Governor and the General Assembly not later than
10 12 months after the effective date of this Act. The report
11 shall include the Task Force's findings and shall summarize
12 the actions the Task Force has taken and those it intends to
13 take in response to its obligations under the Act. After it
14 submits its initial report, the Task Force shall periodically
15 submit reports to the Governor and the General Assembly as the
16 chairperson of the Task Force deems necessary to apprise those
17 officials of any additional findings made or actions taken by
18 the Task Force. The obligation of the Task Force to submit
19 periodic reports shall continue for the duration of the Task
20 Force.

21 Section 5-20. Dissolution of Task Force; repeal. The Task
22 Force is dissolved on January 1, 2025. This Act is repealed on
23 January 1, 2026.

1 Article 10.

2 Section 10-3. The Illinois Administrative Procedure Act is
3 amended by adding Section 5-45.21 as follows:

4 (5 ILCS 100/5-45.21 new)

5 Sec. 5-45.21. Emergency rulemaking; Ukrainian Refugee
6 Resettlement Program. To provide for the expeditious and
7 timely implementation of Section 1-75 of the Department of
8 Human Services Act, emergency rules implementing the Ukrainian
9 Refugee Resettlement Program under Section 1-75 of the
10 Department of Human Services Act may be adopted in accordance
11 with Section 5-45 by the Department of Human Services. The
12 adoption of emergency rules authorized by Section 5-45 and
13 this Section is deemed to be necessary for the public
14 interest, safety, and welfare.

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

17 Section 10-5. The Deposit of State Moneys Act is amended
18 by adding Section 22.7 as follows:

19 (15 ILCS 520/22.7 new)

20 Sec. 22.7. Russian or Belarusian investments prohibited.
21 Notwithstanding any provision of law to the contrary, the
22 State Treasurer shall not invest State money in Russian or

1 Belarusian sovereign debt, Russian or Belarusian
2 government-backed securities, any investment instrument issued
3 by an entity that is domiciled or has its principal place of
4 business in Russia or Belarus, or any investment instrument
5 issued by a company that is subject to Russian Harmful Foreign
6 Activities Sanctions, as that term is defined under Section
7 1-110.16 of the Illinois Pension Code, and shall not invest or
8 deposit State money in any bank that is domiciled or has its
9 principal place of business in Russia or Belarus or in any
10 other financial institution that is domiciled or has its
11 principal place of business in Russia or Belarus or that is
12 subject to Russian Harmful Foreign Activities Sanctions.

13 Section 10-10. The Department of Human Services Act is
14 amended by adding Section 1-75 as follows:

15 (20 ILCS 1305/1-75 new)

16 Sec. 1-75. Ukrainian Refugee Resettlement Program. Subject
17 to appropriation, the Department shall establish and
18 administer the Ukrainian Refugee Resettlement Program to
19 provide resettlement services, including, but not limited to,
20 health care services, mental health services, and English
21 language services, to Ukrainian nationals who have been
22 granted temporary protected status by the United States
23 Department of State or who have refugee status under Section
24 207 of the Immigration and Nationality Act. The Ukrainian

1 Refugee Resettlement Fund is hereby created as a special fund
2 in the State treasury. The Department may accept gifts,
3 grants, donations, or other revenues or transfers for deposit
4 into the Ukrainian Refugee Resettlement Fund. Moneys in the
5 fund shall be used by the Department for the purpose of
6 implementing and administering the program established under
7 this Section. The Department may adopt rules, including
8 emergency rules, to implement this Section, including, but not
9 limited to, rules necessary to ensure the provision of health
10 care services, mental health services, and English language
11 services to those Ukrainian nationals who are eligible to
12 participate in the program established under this Section.

13 Section 10-15. The Illinois State Police Law of the Civil
14 Administrative Code of Illinois is amended by changing Section
15 2605-35 as follows:

16 (20 ILCS 2605/2605-35) (was 20 ILCS 2605/55a-3)

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

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

20 (1) Exercise the rights, powers, and duties vested by
21 law in the Illinois State Police by the Illinois Horse
22 Racing Act of 1975, including those set forth in Section
23 2605-215.

24 (2) Investigate the origins, activities, personnel,

1 and incidents of crime and enforce the criminal laws of
2 this State related thereto.

3 (3) Enforce all laws regulating the production, sale,
4 prescribing, manufacturing, administering, transporting,
5 having in possession, dispensing, delivering,
6 distributing, or use of controlled substances and
7 cannabis.

8 (4) Cooperate with the police of cities, villages, and
9 incorporated towns and with the police officers of any
10 county in enforcing the laws of the State and in making
11 arrests and recovering property.

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

16 (6) Investigate recipients and providers under the
17 Illinois Public Aid Code and any personnel involved in the
18 administration of the Code who are suspected of any
19 violation of the Code pertaining to fraud in the
20 administration, receipt, or provision of assistance and
21 pertaining to any violation of criminal law; and exercise
22 the functions required under Section 2605-220 in the
23 conduct of those investigations.

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

25 (8) Investigate public corruption.→

26 (9) Exercise other duties that may be assigned by the

1 Director in order to fulfill the responsibilities and
2 achieve the purposes of the Illinois State Police, which
3 may include the coordination of gang, terrorist, and
4 organized crime prevention, control activities, and
5 assisting local law enforcement in their crime control
6 activities.

7 (10) Conduct investigations (and cooperate with
8 federal law enforcement agencies in the investigation) of
9 any property-related crimes, such as money laundering,
10 involving individuals or entities listed on the sanctions
11 list maintained by the U.S. Department of Treasury's
12 Office of Foreign Asset Control.

13 (b) (Blank).

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

15 Section 10-20. The State Finance Act is amended by adding
16 Section 5.970 as follows:

17 (30 ILCS 105/5.970 new)

18 Sec. 5.970. The Ukrainian Refugee Resettlement Fund.

19 Section 10-25. The Public Funds Investment Act is amended
20 by adding Section 2.3 as follows:

21 (30 ILCS 235/2.3 new)

22 Sec. 2.3. Russian or Belarusian investments prohibited.

1 Notwithstanding any provision of law to the contrary, the
2 State Treasurer shall not invest State money in Russian or
3 Belarusian sovereign debt, Russian or Belarusian
4 government-backed securities, any investment instrument issued
5 by an entity that is domiciled or has its principal place of
6 business in Russia or Belarus, or any investment instrument
7 issued by a company that is subject to Russian Harmful Foreign
8 Activities Sanctions, as that term is defined under Section
9 1-110.16 of the Illinois Pension Code, and shall not invest or
10 deposit State money in any bank that is domiciled or has its
11 principal place of business in Russia or Belarus or in any
12 other financial institution that is domiciled or has its
13 principal place of business in Russia or Belarus or that is
14 subject to Russian Harmful Foreign Activities Sanctions.

15 Section 10-30. The Illinois Pension Code is amended by
16 adding Section 1-110.14 and by changing Section 1-110.16 as
17 follows:

18 (40 ILCS 5/1-110.14 new)

19 Sec. 1-110.14. Transactions prohibited by retirement
20 systems; Russia; Belarus.

21 (a) Beginning on the effective date of this amendatory Act
22 of the 102nd General Assembly, no retirement system, as that
23 term is defined in Section 1-110.16 of this Code, shall invest
24 moneys in Russian or Belarusian sovereign debt, Russian or

1 Belarusian government-backed securities, any investment
2 instrument issued by an entity that is domiciled or has its
3 principal place of business in Russia or Belarus, or any
4 investment instrument issued by a company that is subject to
5 Russian Harmful Foreign Activities Sanctions and that is
6 included in the Illinois Investment Policy Board's list of
7 restricted companies under Section 1-110.16 of the Illinois
8 Pension Code, and no retirement system shall invest or deposit
9 State moneys in any bank that is domiciled or has its principal
10 place of business in Russia or Belarus or in any other
11 financial institution that is domiciled or has its principal
12 place of business in Russia or Belarus or that is subject to
13 Russian Harmful Foreign Activities Sanctions and that is
14 included in the Illinois Investment Policy Board's list of
15 restricted companies under Section 1-110.16 of the Illinois
16 Pension Code.

17 (b) As soon as practicable after the effective date of
18 this amendatory Act of the 102nd General Assembly, but not
19 later than 9 months after the effective date of this
20 amendatory Act of the 102nd General Assembly, each retirement
21 system, as that term is defined in Section 1-110.16 of this
22 Code, shall instruct its investment advisors to sell, redeem,
23 divest, or withdraw all direct holdings of Russian or
24 Belarusian sovereign debt, Russian or Belarusian
25 government-backed securities, investment instruments issued by
26 an entity that is domiciled or has its principal place of

1 business in Russia or Belarus, investment instruments issued
2 by a company that is subject to Russian Harmful Foreign
3 Activities Sanctions and that is included in the Illinois
4 Investment Policy Board's list of restricted companies under
5 Section 1-110.16 of the Illinois Pension Code, investments or
6 deposits in any bank that is domiciled or has its principal
7 place of business in Russia or Belarus, and investments or
8 deposits in any other financial institution that is domiciled
9 or has its principal place of business in Russia or Belarus or
10 that is subject to Russian Harmful Foreign Activities
11 Sanctions and that is included in the Illinois Investment
12 Policy Board's list of restricted companies under Section
13 1-110.16 of the Illinois Pension Code from the retirement
14 system's assets under management in an orderly and fiduciarily
15 responsible manner.

16 (c) The prohibition in this Section does not apply to
17 moneys held in mutual funds, index funds, or other indirect
18 holdings in commingled funds or accounts.

19 (40 ILCS 5/1-110.16)

20 Sec. 1-110.16. Transactions prohibited by retirement
21 systems; companies that boycott Israel, for-profit companies
22 that contract to shelter migrant children, Iran-restricted
23 companies, Sudan-restricted companies, ~~and~~ expatriated
24 entities, companies domiciled or that have their principal
25 place of business in Russia or Belarus, and companies subject

1 to Russian Harmful Foreign Activities Sanctions.

2 (a) As used in this Section:

3 "Boycott Israel" means engaging in actions that are
4 politically motivated and are intended to penalize,
5 inflict economic harm on, or otherwise limit commercial
6 relations with the State of Israel or companies based in
7 the State of Israel or in territories controlled by the
8 State of Israel.

9 "Company" means any sole proprietorship, organization,
10 association, corporation, partnership, joint venture,
11 limited partnership, limited liability partnership,
12 limited liability company, or other entity or business
13 association, including all wholly owned subsidiaries,
14 majority-owned subsidiaries, parent companies, or
15 affiliates of those entities or business associations,
16 that exist for the purpose of making profit.

17 "Company subject to Russian Harmful Foreign Activities
18 Sanctions" means a company that is subject to sanctions
19 under the Russian Harmful Foreign Activities Sanctions
20 Regulations (31 CFR Part 587), any Presidential Executive
21 Order imposing sanctions against Russia, or any federal
22 directive issued pursuant to any such Executive Order.

23 "Contract to shelter migrant children" means entering
24 into a contract with the federal government to shelter
25 migrant children under the federal Unaccompanied Alien
26 Children Program or a substantially similar federal

1 program.

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

4 "Direct holdings" in a company means all publicly
5 traded securities of that company that are held directly
6 by the retirement system in an actively managed account or
7 fund in which the retirement system owns all shares or
8 interests.

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

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

13 "Indirect holdings" in a company means all securities
14 of that company that are held in an account or fund, such
15 as a mutual fund, managed by one or more persons not
16 employed by the retirement system, in which the retirement
17 system owns shares or interests together with other
18 investors not subject to the provisions of this Section or
19 that are held in an index fund.

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

22 "Private market fund" means any private equity fund,
23 private equity funds of funds, venture capital fund, hedge
24 fund, hedge fund of funds, real estate fund, or other
25 investment vehicle that is not publicly traded.

26 "Restricted companies" means companies that boycott

1 Israel, for-profit companies that contract to shelter
2 migrant children, Iran-restricted companies,
3 Sudan-restricted companies, ~~and~~ expatriated entities,
4 companies domiciled or that have their principal place of
5 business in Russia or Belarus, and companies subject to
6 Russian Harmful Foreign Activities Sanctions.

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

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

12 (b) There shall be established an Illinois Investment
13 Policy Board. The Illinois Investment Policy Board shall
14 consist of 7 members. Each board of a pension fund or
15 investment board created under Article 15, 16, or 22A of this
16 Code shall appoint one member, and the Governor shall appoint
17 4 members.

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 domiciled or that have their principal
16 place of business in Russia or Belarus and companies subject
17 to Russian Harmful Foreign Activities Sanctions and include
18 those companies in the list of restricted companies
19 distributed to each retirement system. These efforts shall
20 include the following, as appropriate in the Illinois
21 Investment Policy Board's judgment:

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

1 organizations, research firms, and government entities;

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

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

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

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

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

24 (2) If, following the Illinois Investment Policy
25 Board's engagement pursuant to this subsection (e) with a
26 restricted company, that company ceases activity that

1 designates the company to be an Iran-restricted company, a
2 Sudan-restricted company, a company that boycotts Israel,
3 an expatriated entity, or a for-profit company that
4 contracts to shelter migrant children, the company shall
5 be removed from the list of restricted companies and the
6 provisions of this Section shall cease to apply to it
7 unless it resumes such activities.

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

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

26 (f) Except as provided in subsection (f-1) of this Section

1 the retirement system shall adhere to the following procedures
2 for companies on the list of restricted companies:

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

7 (2) The retirement system shall instruct its
8 investment advisors to sell, redeem, divest, or withdraw
9 all direct holdings of restricted companies from the
10 retirement system's assets under management in an orderly
11 and fiduciarily responsible manner within 12 months, or an
12 earlier period of time if an earlier period of time is
13 otherwise required by law, after the company's most recent
14 appearance on the list of restricted companies.

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

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

1 expedited timeframe consistent with prudent investing
2 standards.

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

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

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

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

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

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

1 (h) Notwithstanding any provision of this Section to the
2 contrary, a retirement system may cease divesting from
3 companies pursuant to subsection (f) if clear and convincing
4 evidence shows that the value of investments in such companies
5 becomes equal to or less than 0.5% of the market value of all
6 assets under management by the retirement system. For any
7 cessation of divestment authorized by this subsection (h), the
8 retirement system shall provide a written notice to the
9 Illinois Investment Policy Board in advance of the cessation
10 of divestment, setting forth the reasons and justification,
11 supported by clear and convincing evidence, for its decision
12 to cease divestment under subsection (f).

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

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

25 (k) It is not the intent of the General Assembly in
26 enacting this amendatory Act of the 99th General Assembly to

1 cause divestiture from any company based in the United States
2 of America. The Illinois Investment Policy Board shall
3 consider this intent when developing or reviewing the list of
4 restricted companies.

5 (1) If any provision of this amendatory Act of the 99th
6 General Assembly or its application to any person or
7 circumstance is held invalid, the invalidity of that provision
8 or application does not affect other provisions or
9 applications of this amendatory Act of the 99th General
10 Assembly that can be given effect without the invalid
11 provision or application.

12 If any provision of Public Act 100-551 or its application
13 to any person or circumstance is held invalid, the invalidity
14 of that provision or application does not affect other
15 provisions or applications of Public Act 100-551 that can be
16 given effect without the invalid provision or application.

17 If any provision of Public Act 102-118 ~~this amendatory Act~~
18 ~~of the 102nd General Assembly~~ or its application to any person
19 or circumstance is held invalid, the invalidity of that
20 provision or application does not affect other provisions or
21 applications of Public Act 102-118 ~~this amendatory Act of the~~
22 ~~102nd General Assembly~~ that can be given effect without the
23 invalid provision or application.

24 If any provision of this amendatory Act of the 102nd
25 General Assembly or its application to any person or
26 circumstance is held invalid, the invalidity of that provision

1 or application does not affect other provisions or
2 applications of this amendatory Act of the 102nd General
3 Assembly that can be given effect without the invalid
4 provision or application.

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

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.".