



Rep. Lindsey LaPointe

Filed: 3/28/2022

10200HB1293ham002

LRB102 03303 RPS 38068 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 (3) the United States Department of State to resettle
2 Ukrainian refugees in Illinois.

3 Article 5.

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

7 Section 5-3. Findings. The General Assembly finds and
8 declares the following:

9 (1) the United States Department of Treasury's
10 Financial Crimes Enforcement Network found, in 2017, that
11 30% of all high-end real estate purchases in major
12 metropolitan areas involved beneficial owners or
13 purchasers who were the subject of previous suspicious
14 activity reports;

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

18 (3) the lack of beneficial ownership transparency is
19 an important factor in facilitating money laundering in
20 real estate; and

21 (4) money laundering in real estate has negative
22 consequences for local communities, including the
23 dislocation of residents from and within major

1 metropolitan areas.

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (2) provide guidance to help actors in the real estate
16 sector identify suspicious transactions and report them to
17 the proper 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 10-5. 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 10-7. The Election Code is amended by adding
18 Section 1-21 as follows:

19 (10 ILCS 5/1-21 new)

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

22 (a) The Illinois Elections and Infrastructure Integrity

1 Task Force is created. The Task Force shall consist of the
2 following members:

3 (1) 4 members appointed one each by the Speaker of the
4 House of Representatives, the Minority Leader of the House
5 of Representatives, the President of the Senate, and the
6 Minority Leader of the Senate;

7 (2) one member of the faculty of an institution of
8 higher education in the State with subject matter
9 expertise regarding cybersecurity, appointed by the
10 Governor;

11 (3) one member of the faculty of an institution of
12 higher education in the State with subject matter
13 expertise regarding voting technology or election
14 integrity, appointed by the Governor;

15 (4) one member of the Board of Election Commissioners
16 for the City of Chicago, appointed by the Mayor of the City
17 of Chicago, or that member's designee;

18 (5) the Executive Director of the State Board of
19 Elections or the Executive Director's designee;

20 (6) the Secretary of State or the Secretary's
21 designee;

22 (7) the Director of the Illinois Emergency Management
23 Agency or the Director's designee; and

24 (8) the Secretary of Innovation and Technology or the
25 Secretary's designee.

26 (b) The Task Force shall evaluate Russian and other

1 foreign actors' interference in the 2016 and 2020 elections in
2 the State and shall make recommendations to prepare for and
3 prevent foreign interference in elections in advance of the
4 2024 election in the State and to prepare for and prevent
5 potential cyberattacks on State infrastructure, including, but
6 not limited to, infrastructure related to the Office of the
7 State Treasurer, the Department of Revenue, the Department of
8 Commerce and Economic Opportunity, the Illinois Emergency
9 Management Agency, and the Department of Innovation and
10 Technology. The Task Force shall submit a report containing
11 its findings and recommendations to the Governor and the
12 General Assembly not later than 18 months after the effective
13 date of this amendatory Act of the 102nd General Assembly.

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

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

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

20 (15 ILCS 520/22.7 new)

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

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

12 Section 10-15. The Department of Human Services Act is
13 amended by adding Section 1-75 as follows:

14 (20 ILCS 1305/1-75 new)

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

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

12 Section 10-20. The Illinois State Police Law of the Civil
13 Administrative Code of Illinois is amended by changing Section
14 2605-35 as follows:

15 (20 ILCS 2605/2605-35) (was 20 ILCS 2605/55a-3)

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

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

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

23 (2) Investigate the origins, activities, personnel,
24 and incidents of crime and enforce the criminal laws of

1 this State related thereto.

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

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

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

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

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

24 (8) Investigate public corruption.↵

25 (9) Exercise other duties that may be assigned by the
26 Director in order to fulfill the responsibilities and

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

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

12 (b) (Blank).

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

14 Section 10-25. The State Finance Act is amended by adding
15 Section 5.970 as follows:

16 (30 ILCS 105/5.970 new)

17 Sec. 5.970. The Ukrainian Refugee Resettlement Fund.

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

20 (30 ILCS 235/2.3 new)

21 Sec. 2.3. Russian or Belarusian investments prohibited.
22 Notwithstanding any provision of law to the contrary, a public

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

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

16 (40 ILCS 5/1-110.16)

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

24 (a) As used in this Section:

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

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

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

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

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

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

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

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

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

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

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

25 "Restricted companies" means companies that boycott
26 Israel, for-profit companies that contract to shelter

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

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

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

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

17 (c) Notwithstanding any provision of law to the contrary,
18 beginning January 1, 2016, Sections 1-110.15 ~~1-10.15~~ and
19 1-110.6 of this Code shall be administered in accordance with
20 this Section.

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

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

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

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

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

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

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

25 By April 1, 2018, the Illinois Investment Policy Board
26 shall make its best efforts to identify all expatriated

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

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

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

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

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

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

23 (1) reviewing and relying on publicly available
24 information regarding for-profit companies that contract
25 to shelter migrant children, including information
26 provided by nonprofit organizations, research firms, and

1 government entities;

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

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

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

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

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

1 entities;

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

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

12 (4) retaining an independent research firm to identify
13 companies that are domiciled or have their principal place
14 of business in Russia or Belarus and companies that are
15 subject to 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, unless it
21 determines by an affirmative vote that it is unfeasible,
22 shall send a written notice informing the company of its
23 status and that it may become subject to divestment or
24 shareholder activism by the retirement systems.

25 (2) If, following the Illinois Investment Policy
26 Board's engagement pursuant to this subsection (e) with a

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

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

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

1 Activities Sanctions.

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

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

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

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

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

1 investments with investments in the similar fund in an
2 expedited timeframe consistent with prudent investing
3 standards.

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

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

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

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

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

24 (f-5) Beginning on the effective date of this amendatory
25 Act of the 102nd General Assembly, no retirement system shall
26 invest moneys in Russian or Belarusian sovereign debt, Russian

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

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

1 justification, supported by clear and convincing evidence, for
2 its decision to cease divestment under this subsection (f-5).

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

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

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

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

26 (j) With respect to actions taken in compliance with this

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

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

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

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

26 If any provision of Public Act 102-118 ~~this amendatory Act~~

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

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

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

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

17 (110 ILCS 205/9.41 new)

18 Sec. 9.41. Disclosure of donations from certain Russian,
19 Belarusian, or sanctioned sources. The Board shall require
20 each public institution of higher education to disclose to the
21 Board any endowment or other donation given to the institution
22 from a source associated with any individual or entity listed
23 on the sanctions list maintained by the U.S. Department of
24 Treasury's Office of Foreign Asset Control or any company that

1 is domiciled or has its principal place of business in Russia
2 or Belarus and is on the list of restricted companies
3 developed by the Illinois Investment Policy Board under
4 Section 1-110.16 of the Illinois Pension Code.

5 Article 99.

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

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