



Rep. Lindsey LaPointe

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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) 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,

1 as a result, taken steps to impose harsh, new sanctions
2 that are intended to punish President Putin for his
3 actions;

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

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

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

15 (7) the United Nations has estimated that more than
16 6,500,000 Ukrainians have already been displaced within
17 the country and more than 4,000,000 have left the country
18 as a result of the Russian invasion;

19 (8) the international community is making preparations
20 to meet the humanitarian needs of those refugees who are
21 displaced by this conflict;

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

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

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

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

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

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

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

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

1 Article 5.

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

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

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

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

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

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

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;

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; and

25 (8) 2 representatives of a statewide organization
26 representing real estate brokers, appointed by the

1 Governor.

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

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

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

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

16 (2) provide guidance to help actors in the real estate
17 sector identify suspicious transactions and report them to
18 the proper authorities;

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

25 (4) assess the exposure of the residential,

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

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

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

22 Section 5-20. Dissolution of Task Force; repeal. The Task
23 Force is dissolved on January 1, 2025. This Act is repealed on
24 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; Refugee Resettlement
6 Program. To ensure the availability of refugee resettlement
7 program services in the case of an imminent, large-scale
8 refugee resettlement event, emergency rules may be adopted in
9 accordance with Section 5-45 by the Department of Human
10 Services. The adoption of emergency rules authorized by
11 Section 5-45 and this Section is deemed to be necessary for the
12 public interest, safety, and welfare.

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

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

17 (10 ILCS 5/1-21 new)

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

20 (a) The Illinois Elections and Infrastructure Integrity
21 Task Force is created. The Task Force shall consist of the

1 following members:

2 (1) 4 members appointed one each by the Speaker of the
3 House of Representatives, the Minority Leader of the House
4 of Representatives, the President of the Senate, and the
5 Minority Leader of the Senate;

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

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

14 (4) one member who is an individual with current
15 experience in operational cybersecurity, preferably
16 international operational cybersecurity, appointed by the
17 Governor;

18 (5) the president of a statewide association
19 representing county clerks and reporters, appointed by the
20 Governor, or the president's designee;

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

23 (7) the Executive Director of the State Board of
24 Elections or the Executive Director's designee;

25 (8) the Secretary of State or the Secretary's
26 designee;

1 (9) the Director of the Illinois Emergency Management
2 Agency or the Director's designee; and

3 (10) the Secretary of Innovation and Technology or the
4 Secretary's designee.

5 (b) The Task Force shall evaluate and make recommendations
6 to prepare for and prevent foreign interference in elections
7 in advance of the 2024 election and all future elections in the
8 State and to prepare for and prevent potential cyberattacks on
9 State infrastructure. In carrying out its duties, the Task
10 Force shall prioritize the security of all Illinois residents
11 and cooperation with other states and with law enforcement to
12 protect United States national sovereignty. The Task Force
13 shall submit a report containing its findings and
14 recommendations to the Governor and the General Assembly not
15 later than 18 months after the effective date of this
16 amendatory Act of the 102nd General Assembly.

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

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

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

23 (15 ILCS 520/22.7 new)

24 Sec. 22.7. 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 10-20. The Illinois State Police Law of the Civil
16 Administrative Code of Illinois is amended by changing Section
17 2605-35 as follows:

18 (20 ILCS 2605/2605-35) (was 20 ILCS 2605/55a-3)

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

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

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

1 2605-215.

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

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

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

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

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

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

1 (8) Investigate public corruption.↵

2 (9) Exercise other duties that may be assigned by the
3 Director in order to fulfill the responsibilities and
4 achieve the purposes of the Illinois State Police, which
5 may include the coordination of gang, terrorist, and
6 organized crime prevention, control activities, and
7 assisting local law enforcement in their crime control
8 activities.

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

15 (b) (Blank).

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

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

19 (30 ILCS 235/2.3 new)

20 Sec. 2.3. Russian or Belarusian investments prohibited.
21 Notwithstanding any provision of law to the contrary, a public
22 agency shall not invest public funds in Russian or Belarusian
23 sovereign debt, Russian or Belarusian government-backed
24 securities, any investment instrument issued by an entity that

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

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

13 (40 ILCS 5/1-110.16)

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

21 (a) As used in this Section:

22 "Boycott Israel" means engaging in actions that are
23 politically motivated and are intended to penalize,
24 inflict economic harm on, or otherwise limit commercial

1 relations with the State of Israel or companies based in
2 the State of Israel or in territories controlled by the
3 State of Israel.

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

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

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

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

26 "Direct holdings" in a company means all publicly

1 traded securities of that company that are held directly
2 by the retirement system in an actively managed account or
3 fund in which the retirement system owns all shares or
4 interests.

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

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

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

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

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

22 "Restricted companies" means companies that boycott
23 Israel, for-profit companies that contract to shelter
24 migrant children, Iran-restricted companies,
25 Sudan-restricted companies, ~~and~~ expatriated entities,
26 companies that are domiciled or have their principal place

1 of business in Russia or Belarus, and companies that are
2 subject to Russian Harmful Foreign Activities Sanctions.

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

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

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

14 (c) Notwithstanding any provision of law to the contrary,
15 beginning January 1, 2016, Sections 1-110.15 ~~110.15~~ and
16 1-110.6 of this Code shall be administered in accordance with
17 this Section.

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

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

26 (1) reviewing and relying on publicly available

1 information regarding Iran-restricted companies,
2 Sudan-restricted companies, and companies that boycott
3 Israel, including information provided by nonprofit
4 organizations, research firms, and government entities;

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

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

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

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

22 By April 1, 2018, the Illinois Investment Policy Board
23 shall make its best efforts to identify all expatriated
24 entities and include those companies in the list of restricted
25 companies distributed to each retirement system and the State
26 Treasurer. These efforts shall include the following, as

1 appropriate in the Illinois Investment Policy Board's
2 judgment:

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

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

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

11 (4) retaining an independent research firm to identify
12 expatriated entities.

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

20 (1) reviewing and relying on publicly available
21 information regarding for-profit companies that contract
22 to shelter migrant children, including information
23 provided by nonprofit organizations, research firms, and
24 government entities;

25 (2) contacting asset managers contracted by the
26 retirement systems that invest in for-profit companies

1 that contract to shelter migrant children;

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

5 (4) retaining an independent research firm to identify
6 for-profit companies that contract to shelter migrant
7 children.

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

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

25 (2) contacting asset managers contracted by the
26 retirement systems that invest in companies that are

1 domiciled or have their principal place of business in
2 Russia or Belarus and companies that are subject to
3 Russian Harmful Foreign Activities Sanctions;

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

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

13 (e) The Illinois Investment Policy Board shall adhere to
14 the following procedures for companies on the list of
15 restricted companies:

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

22 (2) If, following the Illinois Investment Policy
23 Board's engagement pursuant to this subsection (e) with a
24 restricted company, that company ceases activity that
25 designates the company to be an Iran-restricted company, a
26 Sudan-restricted company, a company that boycotts Israel,

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

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

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

25 (f) Except as provided in subsection (f-1) of this Section
26 the retirement system shall adhere to the following procedures

1 for companies on the list of restricted companies:

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

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

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

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

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

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

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

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

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

21 (f-5) Beginning on the effective date of this amendatory
22 Act of the 102nd General Assembly, no retirement system shall
23 invest moneys in Russian or Belarusian sovereign debt, Russian
24 or Belarusian government-backed securities, any investment
25 instrument issued by an entity that is domiciled or has its
26 principal place of business in Russia or Belarus, or any

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

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

26 The provisions of this subsection (f-5) do not apply to

1 the retirement system's indirect holdings or private market
2 funds.

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

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

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

23 (j) With respect to actions taken in compliance with this
24 Section, including all good-faith determinations regarding
25 companies as required by this Section, the retirement system
26 and Illinois Investment Policy Board are exempt from any

1 conflicting statutory or common law obligations, including any
2 fiduciary duties under this Article and any obligations with
3 respect to choice of asset managers, investment funds, or
4 investments for the retirement system's securities portfolios.

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

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

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

23 If any provision of Public Act 102-118 ~~this amendatory Act~~
24 ~~of the 102nd General Assembly~~ or its application to any person
25 or circumstance is held invalid, the invalidity of that
26 provision or application does not affect other provisions or

1 applications of Public Act 102-118 ~~this amendatory Act of the~~
2 ~~102nd General Assembly~~ that can be given effect without the
3 invalid provision or application.

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

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

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

14 (110 ILCS 205/9.41 new)

15 Sec. 9.41. Disclosure of donations from certain Russian,
16 Belarusian, or sanctioned sources. The Board shall require
17 each public institution of higher education to disclose to the
18 Board any endowment or other donation given to the institution
19 from a source associated with any individual or entity listed
20 on the sanctions list maintained by the U.S. Department of
21 Treasury's Office of Foreign Asset Control or any company that
22 is domiciled or has its principal place of business in Russia
23 or Belarus and is on the list of restricted companies
24 developed by the Illinois Investment Policy Board under

1 Section 1-110.16 of the Illinois Pension Code.

2 Article 99.

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

5 Section 99-99. Effective date. This Act takes effect upon
6 becoming law.".