



Rep. Lindsey LaPointe

Filed: 4/1/2022

10200HB1293ham005

LRB102 03303 RPS 38523 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) 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; and

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

6 (1) the pension funds and retirement systems
7 established under the Illinois Pension Code to divest
8 their holdings in any companies that are domiciled in
9 Russia or Belarus and that are on the list of restricted
10 companies developed by the Illinois Investment Policy
11 Board;

12 (2) the cities of Bloomington and Normal to renounce
13 their sister-city relationship with Vladimir, Russia; the
14 City of Chicago to renounce its sister-city relationship
15 with Moscow, Russia; the City of Dixon to renounce its
16 sister-city relationship with Dikson, Russia; and all
17 other municipalities to renounce any sister-city
18 relationships they may have with cities in Russia; and

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

21 Article 5.

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

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

3 (1) the United States Department of Treasury's
4 Financial Crimes Enforcement Network found, in 2017, that
5 30% of all high-end real estate purchases in major
6 metropolitan areas involved beneficial owners or
7 purchasers who were the subject of previous suspicious
8 activity reports;

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

12 (3) the lack of beneficial ownership transparency is
13 an important factor in facilitating money laundering in
14 real estate; and

15 (4) money laundering in real estate has negative
16 consequences for local communities, including the
17 dislocation of residents from and within major
18 metropolitan areas.

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

20 (a) The Money Laundering in Real Estate Task Force is
21 created. The Task Force shall consist of the following
22 members:

23 (1) 4 members appointed one each by the Speaker of the
24 House of Representatives, the Minority Leader of the House

1 of Representatives, the President of the Senate, and the
2 Minority Leader of the Senate;

3 (2) the Secretary of Financial and Professional
4 Regulation or the Secretary's designee;

5 (3) the Director of Revenue or the Director's
6 designee;

7 (4) 2 members of the faculty of an institution of
8 higher education in the State with subject matter
9 expertise regarding money laundering in real estate,
10 appointed by the Governor;

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

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

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

19 (8) 2 representatives of a statewide organization
20 representing real estate brokers, appointed by the
21 Governor.

22 (b) Initial appointments to the Task Force shall be made
23 as soon as practicable after the effective date of this Act.
24 The Task Force shall hold its first meeting within a
25 reasonable period of time after its members have been
26 appointed and shall convene regularly to carry out its duties

1 and submit the reports required under this Act. At its first
2 meeting, the Task Force shall elect its chairperson and any
3 other officers from among its members.

4 (c) The Department of Financial and Professional
5 Regulation and the Department of Revenue shall provide
6 administrative and other support to the Task Force.

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

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

10 (2) provide guidance to help actors in the real estate
11 sector identify suspicious transactions and report them to
12 the proper authorities;

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

19 (4) assess the exposure of the residential,
20 industrial, and commercial real estate sectors in Illinois
21 to illicit Russian money, including, but not limited to,
22 luxury real estate in Chicago and nonresidential real
23 estate in downstate communities; and

24 (5) assess real estate due diligence and reporting
25 practices, requirements, and laws in Illinois and

1 recommend changes needed to eliminate systemic
2 vulnerabilities that facilitate foreign money laundering.

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

16 Section 5-20. Dissolution of Task Force; repeal. The Task
17 Force is dissolved on January 1, 2025. This Act is repealed on
18 January 1, 2026.

19 Article 10.

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

1 (5 ILCS 100/5-45.21 new)

2 Sec. 5-45.21. Emergency rulemaking; Refugee Resettlement
3 Program. To ensure the availability of refugee resettlement
4 program services in the case of an imminent, large-scale
5 refugee resettlement event, emergency rules may be adopted in
6 accordance with Section 5-45 by the Department of Human
7 Services. The adoption of emergency rules authorized by
8 Section 5-45 and this Section is deemed to be necessary for the
9 public interest, safety, and welfare.

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

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

14 (10 ILCS 5/1-21 new)

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

17 (a) The Illinois Elections and Infrastructure Integrity
18 Task Force is created. The Task Force shall consist of the
19 following members:

20 (1) 4 members appointed one each by the Speaker of the
21 House of Representatives, the Minority Leader of the House
22 of Representatives, the President of the Senate, and the
23 Minority Leader of the Senate;

24 (2) one member of the faculty of an institution of

1 higher education in the State with subject matter
2 expertise regarding cybersecurity, appointed by the
3 Governor;

4 (3) one member of the faculty of an institution of
5 higher education in the State with subject matter
6 expertise regarding voting technology or election
7 integrity, appointed by the Governor;

8 (4) one member who is an individual with current
9 experience in operational cybersecurity, preferably
10 international operational cybersecurity, appointed by the
11 Governor;

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

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

17 (7) the Executive Director of the State Board of
18 Elections or the Executive Director's designee;

19 (8) the Secretary of State or the Secretary's
20 designee;

21 (9) the Director of the Illinois Emergency Management
22 Agency or the Director's designee;

23 (10) the Secretary of Innovation and Technology or the
24 Secretary's designee; and

25 (11) the Attorney General or the Attorney General's
26 designee.

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

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

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

17 Section 10-10. 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
23 Belarusian sovereign debt, Russian or Belarusian
24 government-backed securities, any investment instrument issued

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

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

14 (20 ILCS 2605/2605-35) (was 20 ILCS 2605/55a-3)

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

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

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

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

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

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

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

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

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

23 (8) Investigate public corruption.↵

24 (9) Exercise other duties that may be assigned by the
25 Director in order to fulfill the responsibilities and
26 achieve the purposes of the Illinois State Police, which

1 may include the coordination of gang, terrorist, and
2 organized crime prevention, control activities, and
3 assisting local law enforcement in their crime control
4 activities.

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

11 (b) (Blank).

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

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

15 (30 ILCS 235/2.3 new)

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

1 the Illinois Pension Code, and shall not invest or deposit
2 public funds in any bank that is domiciled or has its principal
3 place of business in Russia or Belarus or in any other
4 financial institution that is domiciled or has its principal
5 place of business in Russia or Belarus or that is subject to
6 Russian Harmful Foreign Activities Sanctions.

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

9 (40 ILCS 5/1-110.16)

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

17 (a) As used in this Section:

18 "Boycott Israel" means engaging in actions that are
19 politically motivated and are intended to penalize,
20 inflict economic harm on, or otherwise limit commercial
21 relations with the State of Israel or companies based in
22 the State of Israel or in territories controlled by the
23 State of Israel.

24 "Company" means any sole proprietorship, organization,

1 association, corporation, partnership, joint venture,
2 limited partnership, limited liability partnership,
3 limited liability company, or other entity or business
4 association, including all wholly owned subsidiaries,
5 majority-owned subsidiaries, parent companies, or
6 affiliates of those entities or business associations,
7 that exist for the purpose of making profit.

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

15 "Contract to shelter migrant children" means entering
16 into a contract with the federal government to shelter
17 migrant children under the federal Unaccompanied Alien
18 Children Program or a substantially similar federal
19 program.

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

22 "Direct holdings" in a company means all publicly
23 traded securities of that company that are held directly
24 by the retirement system in an actively managed account or
25 fund in which the retirement system owns all shares or
26 interests.

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

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

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

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

14 "Private market fund" means any private equity fund,
15 private equity funds of funds, venture capital fund, hedge
16 fund, hedge fund of funds, real estate fund, or other
17 investment vehicle that is not publicly traded.

18 "Restricted companies" means companies that boycott
19 Israel, for-profit companies that contract to shelter
20 migrant children, Iran-restricted companies,
21 Sudan-restricted companies, ~~and~~ expatriated entities,
22 companies that are domiciled or have their principal place
23 of business in Russia or Belarus, and companies that are
24 subject to Russian Harmful Foreign Activities Sanctions.

25 "Retirement system" means a retirement system
26 established under Article 2, 14, 15, 16, or 18 of this Code

1 or the Illinois State Board of Investment.

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

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

10 (c) Notwithstanding any provision of law to the contrary,
11 beginning January 1, 2016, Sections 1-110.15 ~~110.15~~ and
12 1-110.6 of this Code shall be administered in accordance with
13 this Section.

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

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

22 (1) reviewing and relying on publicly available
23 information regarding Iran-restricted companies,
24 Sudan-restricted companies, and companies that boycott
25 Israel, including information provided by nonprofit
26 organizations, research firms, and government entities;

1 (2) contacting asset managers contracted by the
2 retirement systems that invest in Iran-restricted
3 companies, Sudan-restricted companies, and companies that
4 boycott Israel;

5 (3) contacting other institutional investors that have
6 divested from or engaged with Iran-restricted companies,
7 Sudan-restricted companies, and companies that boycott
8 Israel; and

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

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

18 By April 1, 2018, the Illinois Investment Policy Board
19 shall make its best efforts to identify all expatriated
20 entities and include those companies in the list of restricted
21 companies distributed to each retirement system and the State
22 Treasurer. These efforts shall include the following, as
23 appropriate in the Illinois Investment Policy Board's
24 judgment:

25 (1) reviewing and relying on publicly available
26 information regarding expatriated entities, including

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

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

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

7 (4) retaining an independent research firm to identify
8 expatriated entities.

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

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

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

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

1 (4) retaining an independent research firm to identify
2 for-profit companies that contract to shelter migrant
3 children.

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

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

21 (2) contacting asset managers contracted by the
22 retirement systems that invest in companies that are
23 domiciled or have their principal place of business in
24 Russia or Belarus and companies that are subject to
25 Russian Harmful Foreign Activities Sanctions;

26 (3) contacting other institutional investors that have

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

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

9 (e) The Illinois Investment Policy Board shall adhere to
10 the following procedures for companies on the list of
11 restricted companies:

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

18 (2) If, following the Illinois Investment Policy
19 Board's engagement pursuant to this subsection (e) with a
20 restricted company, that company ceases activity that
21 designates the company to be an Iran-restricted company, a
22 Sudan-restricted company, a company that boycotts Israel,
23 an expatriated entity, or a for-profit company that
24 contracts to shelter migrant children, the company shall
25 be removed from the list of restricted companies and the
26 provisions of this Section shall cease to apply to it

1 unless it resumes such activities.

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

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

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

24 (1) The retirement system shall identify those
25 companies on the list of restricted companies in which the
26 retirement system owns direct holdings and indirect

1 holdings.

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

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

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

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

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

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

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

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

17 (f-5) Beginning on the effective date of this amendatory
18 Act of the 102nd General Assembly, no retirement system shall
19 invest moneys in Russian or Belarusian sovereign debt, Russian
20 or Belarusian government-backed securities, any investment
21 instrument issued by an entity that is domiciled or has its
22 principal place of business in Russia or Belarus, or any
23 investment instrument issued by a company that is subject to
24 Russian Harmful Foreign Activities Sanctions, and no
25 retirement system shall invest or deposit State moneys in any
26 bank that is domiciled or has its principal place of business

1 in Russia or Belarus. As soon as practicable after the
2 effective date of this amendatory Act of the 102nd General
3 Assembly, each retirement system shall instruct its investment
4 advisors to sell, redeem, divest, or withdraw all direct
5 holdings of Russian or Belarusian sovereign debt and direct
6 holdings of Russian or Belarusian government-backed securities
7 from the retirement system's assets under management in an
8 orderly and fiduciarily responsible manner.

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

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

25 (g) Upon request, and by April 1 of each year, each
26 retirement system shall provide the Illinois Investment Policy

1 Board with information regarding investments sold, redeemed,
2 divested, or withdrawn in compliance with this Section.

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

15 (i) The cost associated with the activities of the
16 Illinois Investment Policy Board shall be borne by the boards
17 of each pension fund or investment board created under Article
18 15, 16, or 22A of this Code.

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

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

7 (l) If any provision of this amendatory Act of the 99th
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 99th General
12 Assembly that can be given effect without the invalid
13 provision or application.

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

19 If any provision of Public Act 102-118 ~~this amendatory Act~~
20 ~~of the 102nd General Assembly~~ or its application to any person
21 or circumstance is held invalid, the invalidity of that
22 provision or application does not affect other provisions or
23 applications of Public Act 102-118 ~~this amendatory Act of the~~
24 ~~102nd General Assembly~~ that can be given effect without the
25 invalid provision or application.

26 If any provision of this amendatory Act of the 102nd

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

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

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

10 (110 ILCS 205/9.41 new)

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

22 Article 99.

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

3 Section 99-99. Effective date. This Act takes effect upon
4 becoming law.".