



Sen. Don Harmon

Filed: 11/15/2022

10200HB1293sam001

LRB102 03303 RPS 41682 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 launched an unprecedented military assault
8 on Ukraine that has left many dead, and the fighting in
9 Ukraine appears to be some of the worst conventional
10 warfare Europe has seen since World War II and the
11 conflicts in the Balkans in the 1990s;

12 (2) Western leaders have been united in their swift
13 and strong condemnation of Russia's military action;

14 (3) President Biden has stated that Russian President
15 Putin had "committed an assault on the very principles
16 that uphold the global peace", and the United States has,

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 14,000,000 Ukrainians have already been displaced within
17 the country and more than 7,000,000 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) all municipalities to reconsider any sister-city
13 relationships they may have with cities in Russia; and

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

16 Article 5.

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

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

22 (1) the United States Department of Treasury's
23 Financial Crimes Enforcement Network found, in 2017, that

1 30% of all high-end real estate purchases in major
2 metropolitan areas involved beneficial owners or
3 purchasers who were the subject of previous suspicious
4 activity reports;

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

8 (3) the lack of beneficial ownership transparency is
9 an important factor in facilitating money laundering in
10 real estate; and

11 (4) money laundering in real estate has negative
12 consequences for local communities, including the
13 dislocation of residents from and within major
14 metropolitan areas.

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

16 (a) The Money Laundering in Real Estate Task Force is
17 created. The Task Force shall consist of the following
18 members:

19 (1) 4 members appointed one each by the Speaker of the
20 House of Representatives, the Minority Leader of the House
21 of Representatives, the President of the Senate, and the
22 Minority Leader of the Senate;

23 (2) the Secretary of Financial and Professional
24 Regulation or the Secretary's designee;

25 (3) the Director of Revenue or the Director's

1 designee;

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

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

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

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

13 (8) 2 representatives of a statewide organization
14 representing real estate brokers, appointed by the
15 Governor; and

16 (9) 4 members with backgrounds in real estate,
17 financial institutions, or law, appointed one each by the
18 Speaker of the House of Representatives, the Minority
19 Leader of the House of Representatives, the President of
20 the Senate, and the Minority Leader of the Senate.

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

1 meeting, the Task Force shall elect its chairperson and any
2 other officers from among its members.

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

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

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

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

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

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

23 (5) assess real estate due diligence and reporting
24 practices, requirements, and laws in Illinois and
25 recommend changes needed to eliminate systemic

1 vulnerabilities that facilitate foreign money laundering.

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

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

18 Article 10.

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

21 (5 ILCS 100/5-45.35 new)

1 Sec. 5-45.35. Emergency rulemaking; Refugee Resettlement
2 Program. To ensure the availability of refugee resettlement
3 program services in the case of an imminent, large-scale
4 refugee resettlement event, emergency rules may be adopted in
5 accordance with Section 5-45 by the Department of Human
6 Services. The adoption of emergency rules authorized by
7 Section 5-45 and this Section is deemed to be necessary for the
8 public interest, safety, and welfare.

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

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

13 (10 ILCS 5/1-22 new)

14 Sec. 1-22. The Illinois Elections and Infrastructure
15 Integrity Task Force.

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

19 (1) 4 members appointed one each by the Speaker of the
20 House of Representatives, the Minority Leader of the House
21 of Representatives, the President of the Senate, and the
22 Minority Leader of the Senate;

23 (2) one member with subject matter expertise regarding
24 cybersecurity, appointed by the Minority Leader of the

1 House of Representatives;

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

5 (4) one member who is an individual with current
6 experience in operational cybersecurity, preferably
7 international operational cybersecurity, appointed by the
8 President of the Senate;

9 (5) one county clerk, appointed by the Minority Leader
10 of the Senate;

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

13 (7) the county clerk of Cook County;

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

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

18 (10) the Secretary of State or the Secretary's
19 designee;

20 (11) the Director of the Illinois Emergency Management
21 Agency or the Director's designee;

22 (12) the Secretary of Innovation and Technology or the
23 Secretary's designee; and

24 (13) the Attorney General or the Attorney General's
25 designee.

26 (b) The Task Force shall evaluate and make recommendations

1 to prepare for and prevent foreign interference in elections
2 in advance of the 2024 election and all future elections in the
3 State and to prepare for and prevent potential cyberattacks on
4 State infrastructure. In carrying out its duties, the Task
5 Force shall prioritize the security of all Illinois residents
6 and cooperation with other states and with law enforcement to
7 protect United States national sovereignty. The Task Force
8 shall submit a report containing its findings and
9 recommendations to the Governor and the General Assembly not
10 later than January 1, 2024. The Task Force shall also submit a
11 report evaluating the 2024 election to the Governor and the
12 General Assembly not later than March 1, 2025.

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

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

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

25 (c) Notwithstanding any provision of law to the contrary,
26 beginning January 1, 2016, Sections 1-110.15 ~~110.15~~ and

1 1-110.6 of this Code shall be administered in accordance with
2 this Section.

3 (d) By April 1, 2016, the Illinois Investment Policy Board
4 shall make its best efforts to identify all Iran-restricted
5 companies, Sudan-restricted companies, and companies that
6 boycott Israel and assemble those identified companies into a
7 list of restricted companies, to be distributed to each
8 retirement system.

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

11 (1) reviewing and relying on publicly available
12 information regarding Iran-restricted companies,
13 Sudan-restricted companies, and companies that boycott
14 Israel, including information provided by nonprofit
15 organizations, research firms, and government entities;

16 (2) contacting asset managers contracted by the
17 retirement systems that invest in Iran-restricted
18 companies, Sudan-restricted companies, and companies that
19 boycott Israel;

20 (3) contacting other institutional investors that have
21 divested from or engaged with Iran-restricted companies,
22 Sudan-restricted companies, and companies that boycott
23 Israel; and

24 (4) retaining an independent research firm to identify
25 Iran-restricted companies, Sudan-restricted companies,
26 and companies that boycott Israel.

1 The Illinois Investment Policy Board shall review the list
2 of restricted companies on a quarterly basis based on evolving
3 information from, among other sources, those listed in this
4 subsection (d) and distribute any updates to the list of
5 restricted companies to the retirement systems and the State
6 Treasurer.

7 By April 1, 2018, the Illinois Investment Policy Board
8 shall make its best efforts to identify all expatriated
9 entities and include those companies in the list of restricted
10 companies distributed to each retirement system and the State
11 Treasurer. These efforts shall include the following, as
12 appropriate in the Illinois Investment Policy Board's
13 judgment:

14 (1) reviewing and relying on publicly available
15 information regarding expatriated entities, including
16 information provided by nonprofit organizations, research
17 firms, and government entities;

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

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

22 (4) retaining an independent research firm to identify
23 expatriated entities.

24 By July 1, 2022, the Illinois Investment Policy Board
25 shall make its best efforts to identify all for-profit
26 companies that contract to shelter migrant children and

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

5 (1) reviewing and relying on publicly available
6 information regarding for-profit companies that contract
7 to shelter migrant children, including information
8 provided by nonprofit organizations, research firms, and
9 government entities;

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

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

16 (4) retaining an independent research firm to identify
17 for-profit companies that contract to shelter migrant
18 children.

19 No later than 6 months after the effective date of this
20 amendatory Act of the 102nd General Assembly, the Illinois
21 Investment Policy Board shall make its best efforts to
22 identify all companies that are domiciled or have their
23 principal place of business in Russia or Belarus and companies
24 that are subject to Russian Harmful Foreign Activities
25 Sanctions and include those companies in the list of
26 restricted companies distributed to each retirement system.

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

3 (1) reviewing and relying on publicly available
4 information regarding companies that are domiciled or have
5 their principal place of business in Russia or Belarus and
6 companies that are subject to Russian Harmful Foreign
7 Activities Sanctions, including information provided by
8 nonprofit organizations, research firms, and government
9 entities;

10 (2) contacting asset managers contracted by the
11 retirement systems that invest in companies that are
12 domiciled or have their principal place of business in
13 Russia or Belarus and companies that are subject to
14 Russian Harmful Foreign Activities Sanctions;

15 (3) contacting other institutional investors that have
16 divested from or engaged with companies that are domiciled
17 or have their principal place of business in Russia or
18 Belarus and companies that are subject to Russian Harmful
19 Foreign Activities Sanctions; and

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

24 (e) The Illinois Investment Policy Board shall adhere to
25 the following procedures for companies on the list of
26 restricted companies:

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

7 (2) If, following the Illinois Investment Policy
8 Board's engagement pursuant to this subsection (e) with a
9 restricted company, that company ceases activity that
10 designates the company to be an Iran-restricted company, a
11 Sudan-restricted company, a company that boycotts Israel,
12 an expatriated entity, or a for-profit company that
13 contracts to shelter migrant children, the company shall
14 be removed from the list of restricted companies and the
15 provisions of this Section shall cease to apply to it
16 unless it resumes such activities.

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

1 (4) For a company that is subject to Russian Harmful
2 Foreign Activities Sanctions, if, following the Illinois
3 Investment Policy Board's engagement pursuant to this
4 subsection (e), that company is no longer subject to
5 Russian Harmful Foreign Activities Sanctions, the company
6 shall be removed from the list of restricted companies and
7 the provisions of this Section shall cease to apply to it
8 unless it becomes subject to Russian Harmful Foreign
9 Activities Sanctions.

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

13 (1) The retirement system shall identify those
14 companies on the list of restricted companies in which the
15 retirement system owns direct holdings and indirect
16 holdings.

17 (2) The retirement system shall instruct its
18 investment advisors to sell, redeem, divest, or withdraw
19 all direct holdings of restricted companies from the
20 retirement system's assets under management in an orderly
21 and fiduciarily responsible manner within 12 months after
22 the company's most recent appearance on the list of
23 restricted companies.

24 (3) The retirement system may not acquire securities
25 of restricted companies.

26 (4) The provisions of this subsection (f) do not apply

1 to the retirement system's indirect holdings or private
2 market funds. The Illinois Investment Policy Board shall
3 submit letters to the managers of those investment funds
4 containing restricted companies requesting that they
5 consider removing the companies from the fund or create a
6 similar actively managed fund having indirect holdings
7 devoid of the companies. If the manager creates a similar
8 fund, the retirement system shall replace all applicable
9 investments with investments in the similar fund in an
10 expedited timeframe consistent with prudent investing
11 standards.

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

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

20 (2) Subject to any applicable State or Federal laws,
21 methods of shareholder activism utilized by the retirement
22 system may include, but are not limited to, bringing
23 shareholder resolutions and proxy voting on shareholder
24 resolutions.

25 (3) The retirement system shall report on its
26 shareholder activism and the outcome of such efforts to

1 the Illinois Investment Policy Board by April 1 of each
2 year.

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

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

24 Notwithstanding any provision of this Section to the
25 contrary, a retirement system may cease divestment pursuant to
26 this subsection (f-5) if clear and convincing evidence shows

1 that the value of investments in such Russian or Belarusian
2 sovereign debt and Russian or Belarusian government-backed
3 securities becomes equal to or less than 0.05% of the market
4 value of all assets under management by the retirement system.
5 For any cessation of divestment authorized by this subsection
6 (f-5), the retirement system shall provide a written notice to
7 the Illinois Investment Policy Board in advance of the
8 cessation of divestment, setting forth the reasons and
9 justification, supported by clear and convincing evidence, for
10 its decision to cease divestment under this subsection (f-5).

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

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

18 (h) Notwithstanding any provision of this Section to the
19 contrary, a retirement system may cease divesting from
20 companies pursuant to subsection (f) if clear and convincing
21 evidence shows that the value of investments in such companies
22 becomes equal to or less than 0.5% of the market value of all
23 assets under management by the retirement system. For any
24 cessation of divestment authorized by this subsection (h), the
25 retirement system shall provide a written notice to the
26 Illinois Investment Policy Board in advance of the cessation

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

4 (i) The cost associated with the activities of the
5 Illinois Investment Policy Board shall be borne by the boards
6 of each pension fund or investment board created under Article
7 15, 16, or 22A of this Code.

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

16 (k) It is not the intent of the General Assembly in
17 enacting this amendatory Act of the 99th General Assembly to
18 cause divestiture from any company based in the United States
19 of America. The Illinois Investment Policy Board shall
20 consider this intent when developing or reviewing the list of
21 restricted companies.

22 (l) If any provision of this amendatory Act of the 99th
23 General Assembly or its application to any person or
24 circumstance is held invalid, the invalidity of that provision
25 or application does not affect other provisions or
26 applications of this amendatory Act of the 99th General

1 Assembly that can be given effect without the invalid
2 provision or application.

3 If any provision of Public Act 100-551 or its application
4 to any person or circumstance is held invalid, the invalidity
5 of that provision or application does not affect other
6 provisions or applications of Public Act 100-551 that can be
7 given effect without the invalid provision or application.

8 If any provision of Public Act 102-118 ~~this amendatory Act~~
9 ~~of the 102nd General Assembly~~ or its application to any person
10 or circumstance is held invalid, the invalidity of that
11 provision or application does not affect other provisions or
12 applications of Public Act 102-118 ~~this amendatory Act of the~~
13 ~~102nd General Assembly~~ that can be given effect without the
14 invalid provision or application.

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

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

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

1 (110 ILCS 205/9.42 new)

2 Sec. 9.42. Disclosure of donations from certain Russian,
3 Belarusian, or sanctioned sources. The Board shall require
4 each public institution of higher education to disclose to the
5 Board any endowment or other donation given to the institution
6 from a source associated with any individual or entity listed
7 on the sanctions list maintained by the U.S. Department of
8 Treasury's Office of Foreign Asset Control or any company that
9 is domiciled or has its principal place of business in Russia
10 or Belarus and is on the list of restricted companies
11 developed by the Illinois Investment Policy Board under
12 Section 1-110.16 of the Illinois Pension Code.

13 Article 99.

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

16 Section 99-99. Effective date. This Act takes effect upon
17 becoming law."