



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB2984

Introduced 2/16/2023, by Rep. Blaine Wilhour

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Deposit of State Moneys Act and the Public Funds Investment Act. Prohibits the investment of State moneys and public funds in certain investments or institutions tied to the Chinese Communist Party or the People's Republic of China. Amends the Procurement Code. Provides that each bid or offer submitted for a State contract shall include a disclosure of whether or not the bidder, offeror, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid or offer had business operations that involved contracts with or provision of supplies or services to the Chinese Communist Party and certain other companies tied to the Chinese Communist Party. Amends the Illinois Pension Code. Provides that the State-funded retirement systems shall not invest moneys in Chinese Communist Party sovereign debt, Chinese Communist Party-backed securities, any investment instrument issued by an entity that is domiciled or has its principal place of business in the People's Republic of China, or any investment instrument issued by a company that is subject to Chinese Military-Industrial Complex Companies Sanctions. Provides that as soon as practicable, each State-funded retirement system shall instruct its investment advisors to sell, redeem, divest, or withdraw all direct holdings of Chinese Communist Party sovereign debt and direct holdings of Chinese Communist Party-backed securities. Requires the Illinois Investment Policy Board to make its best efforts to identify all companies that are domiciled or have their principal place of business in the People's Republic of China and companies subject to Chinese Military-Industrial Complex Companies Sanctions and to include those companies in the list of restricted companies. Makes other changes. Amends the Board of Higher Education Act. Provides that the Board of Higher Education shall require a public institution of higher education to disclose to the Board any endowment or other donation given to the institution from a source associated with any company that is domiciled or has its principal place of business in the People's Republic of China and is on the list of restricted companies developed by the Illinois Investment Policy Board. Makes other changes.

LRB103 29864 RPS 56273 b

A BILL FOR

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Deposit of State Moneys Act is amended by  
5 adding Section 22.10 as follows:

6 (15 ILCS 520/22.10 new)

7 Sec. 22.10. Chinese investments prohibited.

8 Notwithstanding any provision of law to the contrary, the  
9 State Treasurer shall not invest State money in Chinese  
10 Communist Party sovereign debt, Chinese Communist Party-backed  
11 securities, any investment instrument issued by an entity that  
12 is domiciled or has its principal place of business in the  
13 People's Republic of China, or any investment instrument  
14 issued by a company that is subject to Chinese  
15 Military-Industrial Complex Companies Sanctions, as that term  
16 is defined under Section 1-110.16 of the Illinois Pension  
17 Code, and shall not invest or deposit State money in any bank  
18 that is domiciled or has its principal place of business in the  
19 People's Republic of China or in any other financial  
20 institution that is domiciled or has its principal place of  
21 business in the People's Republic of China or that is subject  
22 to Chinese Military-Industrial Complex Companies Sanctions.

1 Section 10. The Public Funds Investment Act is amended by  
2 adding Section 2.4 as follows:

3 (30 ILCS 235/2.4 new)

4 Sec. 2.4. Chinese investments prohibited. Notwithstanding  
5 any provision of law to the contrary, a public agency shall not  
6 invest public funds in Chinese Communist Party sovereign debt,  
7 Chinese Communist Party-backed securities, or any investment  
8 instrument issued by an entity that is domiciled or has its  
9 principal place of business in the People's Republic of China,  
10 or any investment instrument issued by a company that is  
11 subject to Chinese Military-Industrial Complex Companies  
12 Sanctions, as that term is defined under Section 1-110.16 of  
13 the Illinois Pension Code, and shall not invest or deposit  
14 public funds in any bank that is domiciled or has its principal  
15 place of business in the People's Republic of China or in any  
16 other financial institution that is domiciled or has its  
17 principal place of business in the People's Republic of China  
18 or that is subject to Chinese Military-Industrial Complex  
19 Companies Sanctions.

20 Section 15. The Illinois Procurement Code is amended by  
21 adding Section 50-36.5 as follows:

22 (30 ILCS 500/50-36.5 new)

23 Sec. 50-36.5. Disclosure of business in the People's

1 Republic of China.

2 (a) As used in this Section:

3 "Business operations" means engaging in commerce in any  
4 form in the People's Republic of China, including, but not  
5 limited to, acquiring, developing, maintaining, owning,  
6 selling, possessing, leasing, or operating equipment,  
7 facilities, personnel, products, services, personal property,  
8 real property, or any other apparatus of business or commerce.

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

16 (b) Each bid or offer submitted for a State contract shall  
17 include a disclosure of whether or not the bidder, offeror, or  
18 any of its corporate parents or subsidiaries, within the 24  
19 months before submission of the bid or offer had business  
20 operations that involved contracts with or provision of  
21 supplies or services to the Chinese Communist Party, companies  
22 in which the Chinese Communist Party has any direct or  
23 indirect equity share, consortiums or projects commissioned by  
24 the Chinese Communist Party, or companies involved in  
25 consortiums or projects commissioned by the Chinese Communist  
26 Party.

1       (c) A bid or offer that does not include the disclosure  
2 required by subsection (b) may be given a period after the bid  
3 or offer is submitted to cure non-disclosure. A chief  
4 procurement officer may consider the disclosure when  
5 evaluating the bid or offer or awarding the contract.

6       (d) Each chief procurement officer shall provide the State  
7 Comptroller with the name of each entity disclosed under  
8 subsection (b) as doing business or having done business in  
9 the People's Republic of China. The State Comptroller shall  
10 post that information on his or her official website.

11       Section 20. 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; Illinois Investment Policy Board ~~companies that~~  
16 ~~boycott Israel, for profit companies that contract to shelter~~  
17 ~~migrant children, Iran restricted companies, Sudan restricted~~  
18 ~~companies, expatriated entities, companies that are domiciled~~  
19 ~~or have their principal place of business in Russia or~~  
20 ~~Belarus, and companies that are subject to Russian Harmful~~  
21 ~~Foreign Activities Sanctions.~~

22       (a) As used in this Section:

23               "Boycott Israel" means engaging in actions that are  
24 politically motivated and are intended to penalize,

1 inflict economic harm on, or otherwise limit commercial  
2 relations with the State of Israel or companies based in  
3 the State of Israel or in territories controlled by the  
4 State of Israel.

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

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

20 "Company that is subject to Chinese  
21 Military-Industrial Complex Companies Sanctions" means a  
22 company that is subject to sanctions under the Chinese  
23 Military-Industrial Complex Companies Sanctions  
24 Regulations (31 CFR Part 586), any Presidential Executive  
25 Order imposing sanctions against the People's Republic of  
26 China or the Chinese Communist Party, or any federal

1 directive issued pursuant to any such Executive Order.

2 "Contract to shelter migrant children" means entering  
3 into a contract with the federal government to shelter  
4 migrant children under the federal Unaccompanied Alien  
5 Children Program or a substantially similar federal  
6 program.

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

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

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

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

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

25 "Private market fund" means any private equity fund,  
26 private equity funds of funds, venture capital fund, hedge

1 fund, hedge fund of funds, real estate fund, or other  
2 investment vehicle that is not publicly traded.

3 "Restricted companies" means companies that boycott  
4 Israel, for-profit companies that contract to shelter  
5 migrant children, Iran-restricted companies,  
6 Sudan-restricted companies, expatriated entities,  
7 companies that are domiciled or have their principal place  
8 of business in Russia or Belarus, ~~and~~ companies that are  
9 subject to Russian Harmful Foreign Activities Sanctions,  
10 companies that are domiciled or have their principal place  
11 of business in the People's Republic of China, and  
12 companies that are subject to Chinese Military-Industrial  
13 Complex Companies Sanctions.

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

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

19 (b) There shall be established an Illinois Investment  
20 Policy Board. The Illinois Investment Policy Board shall  
21 consist of 7 members. Each board of a pension fund or  
22 investment board created under Article 15, 16, or 22A of this  
23 Code shall appoint one member, and the Governor shall appoint  
24 4 members. The Governor shall designate one member of the  
25 Board as the Chairperson.

26 (b-5) The term of office of each member appointed by the



1 Governor, who is serving on the Board on June 30, 2022, is  
2 abolished on that date. The terms of office of members  
3 appointed by the Governor after June 30, 2022 shall be as  
4 follows: 2 initial members shall be appointed for terms of 2  
5 years, and 2 initial members shall be appointed for terms of 4  
6 years. Thereafter, the members appointed by the Governor shall  
7 hold office for 4 years, except that any member chosen to fill  
8 a vacancy occurring otherwise than by expiration of a term  
9 shall be appointed only for the unexpired term of the member  
10 whom he or she shall succeed. Board members may be  
11 reappointed. The Governor may remove a Governor's appointee to  
12 the Board for incompetence, neglect of duty, malfeasance, or  
13 inability to serve.

14 (c) Notwithstanding any provision of law to the contrary,  
15 beginning January 1, 2016, Sections 1-110.15 and 1-110.6 of  
16 this Code shall be administered in accordance with this  
17 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 No later than 6 months after the effective date of this  
14 amendatory Act of the 103rd General Assembly, the Illinois  
15 Investment Policy Board shall make its best efforts to  
16 identify all companies that are domiciled or have their  
17 principal place of business in the People's Republic of China  
18 and companies that are subject to Chinese Military-Industrial  
19 Complex Companies Sanctions and include those companies in the  
20 list of restricted companies distributed to each retirement  
21 system. These efforts shall include the following, as  
22 appropriate in the Illinois Investment Policy Board's  
23 judgment:

24 (1) reviewing and relying on publicly available  
25 information regarding companies that are domiciled or have  
26 their principal place of business in the People's Republic

1 of China and companies that are subject to Chinese  
2 Military-Industrial Complex Companies Sanctions,  
3 including information provided by nonprofit organizations,  
4 research firms, and government entities;

5 (2) contacting asset managers contracted by the  
6 retirement systems that invest in companies that are  
7 domiciled or have their principal place of business in the  
8 People's Republic of China and companies that are subject  
9 to Chinese Military-Industrial Complex Companies  
10 Sanctions;

11 (3) contacting other institutional investors that have  
12 divested from or engaged with companies that are domiciled  
13 or have their principal place of business in the People's  
14 Republic of China and companies that are subject to  
15 Chinese Military-Industrial Complex Companies Sanctions;

16 and

17 (4) retaining an independent research firm to identify  
18 companies that are domiciled or have their principal place  
19 of business in the People's Republic of China and  
20 companies that are subject to Chinese Military-Industrial  
21 Complex Companies Sanctions.

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

25 (1) For each company newly identified in subsection

26 (d), the Illinois Investment Policy Board, unless it

1 determines by an affirmative vote that it is unfeasible,  
2 shall send a written notice informing the company of its  
3 status and that it may become subject to divestment or  
4 shareholder activism by the retirement systems.

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

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

25 (4) For a company that is subject to Russian Harmful  
26 Foreign Activities Sanctions, if, following the Illinois

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

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

18 (6) For a company that is subject to Chinese  
19 Military-Industrial Complex Companies Sanctions, if,  
20 following the Illinois Investment Policy Board's  
21 engagement pursuant to this subsection (e), that company  
22 is no longer subject to Chinese Military-Industrial  
23 Complex Companies Sanctions, the company shall be removed  
24 from the list of restricted companies and the provisions  
25 of this Section shall cease to apply to it unless it  
26 becomes subject to Chinese Military-Industrial Complex



1           Companies Sanctions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (f-10) Beginning on the effective date of this amendatory  
7 Act of the 103rd General Assembly, no retirement system shall  
8 invest moneys in Chinese Communist Party sovereign debt,  
9 Chinese Communist Party-backed securities, any investment  
10 instrument issued by an entity that is domiciled or has its  
11 principal place of business in the People's Republic of China,  
12 or any investment instrument issued by a company that is  
13 subject to Chinese Military-Industrial Complex Companies  
14 Sanctions, and no retirement system shall invest or deposit  
15 State moneys in any bank that is domiciled or has its principal  
16 place of business in the People's Republic of China. As soon as  
17 practicable after the effective date of this amendatory Act of  
18 the 103rd General Assembly, each retirement system shall  
19 instruct its investment advisors to sell, redeem, divest, or  
20 withdraw all direct holdings of Chinese Communist Party  
21 sovereign debt and direct holdings of Chinese Communist  
22 Party-backed securities from the retirement system's assets  
23 under management in an orderly and fiduciarily responsible  
24 manner.

25 Notwithstanding any provision of this Section to the  
26 contrary, a retirement system may cease divestment pursuant to

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

12 The provisions of this subsection (f-10) do not apply to  
13 the retirement system's indirect holdings or private market  
14 funds.

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

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

1 Illinois Investment Policy Board in advance of the cessation  
2 of divestment, setting forth the reasons and justification,  
3 supported by clear and convincing evidence, for its decision  
4 to cease divestment under subsection (f).

5 (i) The cost associated with the activities of the  
6 Illinois Investment Policy Board shall be borne by the boards  
7 of each pension fund or investment board created under Article  
8 15, 16, or 22A of this Code.

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

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

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

1 applications of this amendatory Act of the 99th General  
2 Assembly that can be given effect without the invalid  
3 provision or application.

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

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

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

21 If any provision of this amendatory Act of the 103rd  
22 General Assembly or its application to any person or  
23 circumstance is held invalid, the invalidity of that provision  
24 or application does not affect other provisions or  
25 applications of this amendatory Act of the 103rd General  
26 Assembly that can be given effect without the invalid

1 provision or application.

2 (Source: P.A. 102-118, eff. 7-23-21; 102-699, eff. 4-19-22;  
3 102-1108, eff. 12-21-22.)

4 Section 25. The Board of Higher Education Act is amended  
5 by changing Section 9.42 as follows:

6 (110 ILCS 205/9.42)

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

19 (Source: P.A. 102-1108, eff. 12-21-22.)



1 INDEX

2 Statutes amended in order of appearance

3 15 ILCS 520/22.10 new

4 30 ILCS 235/2.4 new

5 30 ILCS 500/50-36.5 new

6 40 ILCS 5/1-110.16

7 110 ILCS 205/9.42