



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2152

Introduced 2/10/2023, by Sen. Bill Cunningham

SYNOPSIS AS INTRODUCED:

40 ILCS 5/15-177.5 new
40 ILCS 5/16-188 new
40 ILCS 5/22A-113.4 new

Amends the State Universities, Downstate Teachers, and Board of Investment Articles of the Illinois Pension Code. Provides that the State Treasurer shall manage the System's or Investment Board's domestic and international proxy voting activity and execute required ballots on behalf of the System or Investment Board. Requires the State Treasurer to provide the Board of the System or Investment Board with comprehensive proxy voting reports on a quarterly basis and as requested by the Board of the System or Investment Board. Requires the Board of the System and the Investment Board to annually publish a report on its website describing how the Board is considering sustainability factors as defined in the Illinois Sustainable Investing Act and other information. Effective January 1, 2024.

LRB103 30754 RPS 57236 b

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by adding
5 Sections 15-177.5, 16-188, and 22A-113.4 as follows:

6 (40 ILCS 5/15-177.5 new)

7 Sec. 15-177.5. Proxy voting. Notwithstanding the Board's
8 investment authority, the State Treasurer shall manage the
9 System's domestic and international proxy voting activity and
10 execute required ballots on behalf of the System. The State
11 Treasurer shall provide the Board with comprehensive proxy
12 voting reports on a quarterly basis and as requested by the
13 Board.

14 On or before December 31, 2024, and annually thereafter,
15 the Board shall publish a report on its website describing how
16 the Board is considering sustainability factors as defined in
17 the Illinois Sustainable Investing Act. The report shall:

18 (1) describe the Board's strategy as it relates to the
19 consideration of sustainable investment factors;

20 (2) outline the process for regular assessment across
21 the total portfolio of potential effects from systemic and
22 regulatory risks and opportunities, including, but not
23 limited to, environmental factors on the assets of the

1 plan;

2 (3) disclose how each investment manager used
3 integrates sustainability factors into the investment
4 manager's decision-making; and

5 (4) include any other information the Board deems
6 necessary.

7 (40 ILCS 5/16-188 new)

8 Sec. 16-188. Proxy voting. Notwithstanding the Board's
9 investment authority, the State Treasurer shall manage the
10 System's domestic and international proxy voting activity and
11 execute required ballots on behalf of the System. The State
12 Treasurer shall provide the Board with comprehensive proxy
13 voting reports on a quarterly basis and as requested by the
14 Board.

15 On or before December 31, 2024, and annually thereafter,
16 the Board shall publish a report on its website describing how
17 the Board is considering sustainability factors as defined in
18 the Illinois Sustainable Investing Act. The report shall:

19 (1) describe the Board's strategy as it relates to the
20 consideration of sustainable investment factors;

21 (2) outline the process for regular assessment across
22 the total portfolio of potential effects from systemic and
23 regulatory risks and opportunities, including, but not
24 limited to, environmental factors on the assets of the
25 plan;

1 (3) disclose how each investment manager used
2 integrates sustainability factors into the investment
3 manager's decision-making; and
4 (4) include any other information the Board deems
5 necessary.

6 (40 ILCS 5/22A-113.4 new)

7 Sec. 22A-113.4. Proxy voting. Notwithstanding the Board's
8 investment authority, the State Treasurer shall manage the
9 Board's domestic and international proxy voting activity and
10 execute required ballots on behalf of the Board. The State
11 Treasurer shall provide the Board with comprehensive proxy
12 voting reports on a quarterly basis and as requested.

13 On or before December 31, 2024, and annually thereafter,
14 the Board shall publish a report on its website describing how
15 the Board is considering sustainability factors as defined in
16 the Illinois Sustainable Investing Act. The report shall:

17 (1) describe the Board's strategy as it relates to the
18 consideration of sustainable investment factors;

19 (2) outline the process for regular assessment across
20 the total portfolio of potential effects from systemic and
21 regulatory risks and opportunities, including, but not
22 limited to, environmental factors on the assets of the
23 plan;

24 (3) disclose how each investment manager used
25 integrates sustainability factors into the investment

1 manager's decision-making; and
2 (4) include any other information the Board deems
3 necessary.

4 Section 99. Effective date. This Act takes effect January
5 1, 2024.