

1 AN ACT in relation to 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  
5 adding Section 1-109.3 as follows:

6 (40 ILCS 5/1-109.3 new)

7 Sec. 1-109.3. Responsible contractor policy.

8 (a) As used in the Section:

9 "Responsible contractor policy" means a written policy  
10 requiring the trustees, investment managers, and other  
11 persons responsible for investing the assets of a pension  
12 fund or retirement system to require, as a condition of any  
13 investment in real estate, that the property owner or manager  
14 of the real estate demonstrate that the construction and  
15 building operation contractors and subcontractors working on  
16 or in the property are paid fair wages and benefits.

17 "Investment in real estate" includes both direct holdings  
18 and investments in real estate holding companies, trusts, and  
19 partnerships.

20 (b) By July 1, 2004, the Public Pension Division of the  
21 Department of Insurance (with respect to pension funds  
22 established under Article 3 or 4), the State Board of  
23 Investment (with respect to retirement systems whose  
24 investments it manages), and the board of trustees of every  
25 other pension fund or retirement system established under  
26 this Code shall each adopt and implement a responsible  
27 contractor policy.

28 In formulating and adopting a responsible contractor  
29 policy, the Division, State Board, or board of trustees shall  
30 review and consider the Responsible Contractor Program Policy  
31 adopted by the California Public Employees' Retirement System

1 and the Contractor Selection Program Investment Policy  
2 adopted by the New York Common Retirement Fund.

3 The responsible contractor policy shall be filed with the  
4 Illinois Pension Laws Commission within 30 days after its  
5 adoption. Whenever an amendment to a responsible contractor  
6 policy is adopted, a copy of the new policy shall be filed  
7 with the Illinois Pension Laws Commission within 30 days  
8 after its adoption.

9 (c) The State Board of Investment and the board of  
10 trustees of every pension fund or retirement system  
11 established under this Code shall include in its annual  
12 report an evaluation of its implementation of the applicable  
13 responsible contractor policy.

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.