



Sen. Don Harmon

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1 AMENDMENT TO HOUSE BILL 824

2 AMENDMENT NO. _____. Amend House Bill 824, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Election Code is amended by adding Section
6 9-35 as follows:

7 (10 ILCS 5/9-35 new)

8 Sec. 9-35. Registration of business entities.

9 (a) This Section governs the procedures for the
10 registration required under Section 20-160 of the Illinois
11 Procurement Code.

12 For the purposes of this Section, the terms "officeholder",
13 "business entity", "State agency", "affiliated entity", and
14 "affiliated person" have the meanings ascribed to those terms
15 in Section 50-37 of the Illinois Procurement Code.

16 (b) Registration under Section 20-160 of the Illinois

1 Procurement Code, and any changes to that registration, must be
2 made electronically. The State Board of Elections by rule shall
3 provide for electronic registration, which must contain
4 substantially the following:

5 (1) The name and address of the business entity.

6 (2) The name and address of any affiliated entity of
7 the business entity, including a description of the
8 affiliation.

9 (3) The name and address of any affiliated person of
10 the business entity, including a description of the
11 affiliation.

12 (c) The Board shall provide a certificate of registration
13 to the business entity. The certificate shall be electronic and
14 accessible to the business entity through the State Board of
15 Elections' website and protected by a password.

16 (d) Any business entity required to register under Section
17 20-160 of the Illinois Procurement Code shall provide a copy of
18 the registration certificate, by first class mail or hand
19 delivery within 10 days after registration, to each affiliated
20 entity or affiliated person whose identity is required to be
21 disclosed. Failure to provide notice to an affiliated entity or
22 affiliated person is a business offense for which the business
23 entity is subject to a fine not to exceed \$1,001.

24 (e) In addition to any penalty under Section 20-160 of the
25 Illinois Procurement Code, intentional, willful, or material
26 failure to disclose information required for registration is

1 subject to a civil penalty imposed by the State Board of
2 Elections. The State Board shall impose a civil penalty of
3 \$1,000 per business day for failure to update a registration.

4 (f) Any business entity required to register under Section
5 20-160 of the Illinois Procurement Code shall notify any
6 political committee to which it makes a contribution, at the
7 time of the contribution, that the business entity is
8 registered with the State Board of Elections under Section
9 20-160 of the Illinois Procurement Code. Any affiliated entity
10 or affiliated person of a business entity required to register
11 under Section 20-160 of the Illinois Procurement Code shall
12 notify any political committee to which it makes a contribution
13 that it is affiliated with a business entity registered with
14 the State Board of Elections under Section 20-160 of the
15 Illinois Procurement Code.

16 (g) The State Board of Elections on its official website
17 shall have a searchable database containing (i) all information
18 required to be submitted to the Board under Section 20-160 of
19 the Illinois Procurement Code and (ii) all reports filed under
20 this Article with the State Board of Elections by all political
21 committees. For the purposes of databases maintained by the
22 State Board of Elections, "searchable" means able to search by
23 "political committee", as defined in this Article, and by
24 "officeholder", "State agency", "business entity", "affiliated
25 entity", and "affiliated person". In addition, the State Board
26 of Elections on its official website shall provide an

1 electronic connection to any searchable database of State
2 contracts maintained by the Comptroller, searchable by
3 business entity.

4 (h) The State Board of Elections shall have rulemaking
5 authority to implement this Section.

6 Section 10. The Illinois Procurement Code is amended by
7 adding Sections 20-160 and 50-37 as follows:

8 (30 ILCS 500/20-160 new)

9 Sec. 20-160. Business entities; certification;
10 registration with the State Board of Elections.

11 (a) For purposes of this Section, the terms "business
12 entity", "State agency", "affiliated entity", and "affiliated
13 person" have the meanings ascribed to those terms in Section
14 50-37.

15 (b) Every bid submitted to and every contract executed by
16 the State on or after the effective date of this amendatory Act
17 of the 95th General Assembly shall contain (1) a certification
18 by the bidder or contractor that either (i) the bidder or
19 contractor is not required to register as a business entity
20 with the State Board of Elections pursuant to this Section or
21 (ii) the bidder or contractor has registered as a business
22 entity with the State Board of Elections and acknowledges a
23 continuing duty to update the registration and (2) a statement
24 that the contract is voidable under Section 50-60 for the

1 bidder's or contractor's failure to comply with this Section.

2 (c) Within 30 days after the effective date of this
3 amendatory Act of the 95th General Assembly, each business
4 entity (i) whose aggregate bids and proposals on State
5 contracts annually total more than \$50,000, (ii) whose
6 aggregate bids and proposals on State contracts combined with
7 the business entity's aggregate annual total value of State
8 contracts exceed \$50,000, or (iii) whose contracts with State
9 agencies, in the aggregate, annually total more than \$50,000
10 shall register with the State Board of Elections in accordance
11 with Section 9-35 of the Election Code. A business entity
12 required to register under this subsection shall submit a copy
13 of the certificate of registration to the applicable chief
14 procurement officer within 90 days after the effective date of
15 this amendatory Act of the 95th General Assembly. A business
16 entity required to register under this subsection due to item
17 (i) or (ii) has a continuing duty to ensure that the
18 registration is accurate during the period beginning on the
19 date of registration and ending on the day after the date the
20 contract is awarded; any change in information must be reported
21 to the State Board of Elections within 2 business days
22 following such change. A business entity required to register
23 under this subsection due to item (iii) has a continuing duty
24 to ensure that the registration is accurate in accordance with
25 subsection (f).

26 (d) Any business entity, not required under subsection (c)

1 to register within 30 days after the effective date of this
2 amendatory Act of the 95th General Assembly, whose aggregate
3 bids and proposals on State contracts annually total more than
4 \$50,000, or whose aggregate bids and proposals on State
5 contracts combined with the business entity's aggregate annual
6 total value of State contracts exceed \$50,000, shall register
7 with the State Board of Elections in accordance with Section
8 9-35 of the Election Code prior to submitting to a State agency
9 the bid or proposal whose value causes the business entity to
10 fall within the monetary description of this subsection. A
11 business entity required to register under this subsection has
12 a continuing duty to ensure that the registration is accurate
13 during the period beginning on the date of registration and
14 ending on the day after the date the contract is awarded. Any
15 change in information must be reported to the State Board of
16 Elections within 2 business days following such change.

17 (e) A business entity whose contracts with State agencies,
18 in the aggregate, annually total more than \$50,000 must
19 maintain its registration under this Section and has a
20 continuing duty to ensure that the registration is accurate for
21 the duration of the term of office of the incumbent
22 officeholder awarding the contracts or for a period of 2 years
23 following the expiration or termination of the contracts,
24 whichever is longer. Any change in information shall be
25 reported to the State Board of Elections within 10 days
26 following such change; however, if a business entity required

1 to register under this subsection has a pending bid or
2 proposal, any change in information shall be reported to the
3 State Board of Elections within 2 business days.

4 (f) A business entity's continuing duty under this Section
5 to ensure the accuracy of its registration includes the
6 requirement that the business entity notify the State Board of
7 Elections of any change in information, including but not
8 limited to changes of affiliated entities or affiliated
9 persons.

10 (g) A copy of a certificate of registration must accompany
11 any bid or proposal for a contract with a State agency by a
12 business entity required to register under this Section. A
13 chief procurement officer shall not accept a bid or proposal
14 unless the certificate is submitted to the agency with the bid
15 or proposal.

16 (h) A registration, and any changes to a registration, must
17 include the business entity's verification of accuracy and
18 subjects the business entity to the penalties of the laws of
19 this State for perjury.

20 In addition to any penalty under Section 9-35 of the
21 Election Code, intentional, willful, or material failure to
22 disclose information required for registration shall render
23 the contract, bid, proposal, or other procurement relationship
24 voidable by the chief procurement officer if he or she deems it
25 to be in the best interest of the State of Illinois.

26 (i) This Section applies regardless of the method of source

1 selection used in awarding the contract.

2 (30 ILCS 500/50-37 new)

3 Sec. 50-37. Prohibition of political contributions.

4 (a) As used in this Section:

5 "Contribution" means a contribution as defined in
6 Section 9-1.4 of the Election Code.

7 "Declared candidate" means a person who has filed a
8 statement of candidacy and petition for nomination or
9 election in the principal office of the State Board of
10 Elections.

11 "State agency" means and includes all boards,
12 commissions, agencies, institutions, authorities, and
13 bodies politic and corporate of the State, created by or in
14 accordance with the Illinois Constitution or State
15 statute, of the executive branch of State government and
16 does include colleges, universities, public employee
17 retirement systems, and institutions under the
18 jurisdiction of the governing boards of the University of
19 Illinois, Southern Illinois University, Illinois State
20 University, Eastern Illinois University, Northern Illinois
21 University, Western Illinois University, Chicago State
22 University, Governor State University, Northeastern
23 Illinois University, and the Illinois Board of Higher
24 Education.

25 "Officeholder" means the Governor, Lieutenant

1 Governor, Attorney General, Secretary of State,
2 Comptroller, or Treasurer. The Governor shall be
3 considered the officeholder responsible for awarding all
4 contracts by all officers and employees of, and vendors and
5 others doing business with, executive branch State
6 agencies under the jurisdiction of the Executive Ethics
7 Commission and not within the jurisdiction of the Attorney
8 General, the Secretary of State, the Comptroller, or the
9 Treasurer.

10 "Sponsoring entity" means a sponsoring entity as
11 defined in Section 9-3 of the Election Code.

12 "Affiliated person" means (i) any person with any
13 ownership interest or distributive share of the bidding or
14 contracting business entity in excess of 7.5%, (ii)
15 executive employees of the bidding or contracting business
16 entity, and (iii) the spouse and minor children of any such
17 persons.

18 "Affiliated entity" means (i) any subsidiary of the
19 bidding or contracting business entity, (ii) any member of
20 the same unitary business group, (iii) any organization
21 recognized by the United States Internal Revenue Service as
22 a tax-exempt organization described in Section 501(c) of
23 the Internal Revenue Code of 1986 (or any successor
24 provision of federal tax law) established by the bidding or
25 contracting business entity, any affiliated entity of that
26 business entity, or any affiliated person of that business

1 entity, or (iv) any political committee for which the
2 bidding or contracting business entity is the sponsoring
3 entity.

4 "Business entity" means any entity doing business for
5 profit, whether organized as a corporation, partnership,
6 sole proprietorship, limited liability company or
7 partnership, or otherwise.

8 "Executive employee" means the President, Chairman,
9 Chief Executive Officer, or other employee with executive
10 decision-making authority over the long-term and
11 day-to-day affairs of the entity employing the employee, or
12 an employee whose compensation is determined directly, in
13 whole or in part, by the award or payment of contracts by a
14 State agency to the entity employing the employee.

15 (b) Any business entity whose contracts with State
16 agencies, in the aggregate, annually total more than \$50,000,
17 and any affiliated entities or affiliated persons of such
18 business entity, are prohibited from making any contributions
19 to any political committees established to promote the
20 candidacy of (i) the officeholder responsible for awarding the
21 contracts or (ii) any other declared candidate for that office.
22 This prohibition shall be effective for the duration of the
23 term of office of the incumbent officeholder awarding the
24 contracts or for a period of 2 years following the expiration
25 or termination of the contracts, whichever is longer.

26 (c) Any business entity whose aggregate pending bids and

1 proposals on State contracts total more than \$50,000, or whose
2 aggregate pending bids and proposals on State contracts
3 combined with the business entity's aggregate annual total
4 value of State contracts exceed \$50,000, and any affiliated
5 entities or affiliated persons of such business entity, are
6 prohibited from making any contributions to any political
7 committee established to promote the candidacy of the
8 officeholder responsible for awarding the contract on which the
9 business entity has submitted a bid or proposal during the
10 period beginning on the date the invitation for bids or request
11 for proposals is issued and ending on the day after the date
12 the contract is awarded.

13 (d) All contracts between State agencies and a business
14 entity that violate subsection (b) or (c) shall be voidable
15 under Section 50-60. If a business entity violates subsection
16 (b) 3 or more times within a 36-month period, then all
17 contracts between State agencies and that business entity shall
18 be void, and that business entity shall not bid or respond to
19 any invitation to bid or request for proposals from any State
20 agency or otherwise enter into any contract with any State
21 agency for 3 years from the date of the last violation. A
22 notice of each violation and the penalty imposed shall be
23 published in both the Procurement Bulletin and the Illinois
24 Register.

25 (e) Any political committee that has received a
26 contribution in violation of subsection (b) or (c) shall pay an

1 amount equal to the value of the contribution to the State no
2 more than 30 days after notice of the violation concerning the
3 contribution appears in the Illinois Register. Payments
4 received by the State pursuant to this subsection shall be
5 deposited into the general revenue fund.

6 Section 97. Severability. If the provisions of this Act or
7 its application to any person or circumstance is held invalid,
8 the invalidity of that provision or application does not affect
9 the other provisions or applications of this Act that can be
10 given effect without the invalid provision or application.".