



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB6700

by Rep. John A. Fritchey - Jay C. Hoffman - David E. Miller

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Governmental Ethics Act, the Election Code, the Compensation Review Act, and the Illinois Procurement Code. Prohibits members of the General Assembly from being employed by the State, a municipality, or a unit of local government, with specified exceptions. Requires members of and candidates for the General Assembly to disclose information concerning lobbying activities and representation cases on their statements of economic interests. Requires the Compensation Review Board to file separate reports for (i) judges and State's Attorneys and (ii) all other positions. Requires the General Assembly to approve or reduce a report for it to take effect (now, must disapprove or reduce a report to prevent it from taking effect). Prohibits campaign contributions from a business entity with annual aggregate State contracts or pending State contract bids of more than \$50,000, or from the business entity's affiliates, to any political committee (i) established to promote the candidacy of a State executive branch constitutional officer, legislator, or candidate for one of those offices or (ii) of a state central committee represented by a State executive branch constitutional officer or legislator. Defines State contracts as contracts awarded by executive or legislative branch agencies or the Auditor General. Specifies the duration of the contribution prohibition and the penalties for violations. Requires that business entities subject to the prohibition electronically register with the State Board of Elections, including disclosure of their affiliates. Specifies penalties for failure to register or to maintain accurate registration. Makes other changes.

LRB095 22445 JAM 52785 b

FISCAL NOTE ACT  
MAY APPLY

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 Illinois Governmental Ethics Act is amended  
5 by changing Sections 4A-102 and 4A-103 and by adding Section  
6 2-106 as follows:

7 (5 ILCS 420/2-106 new)

8 Sec. 2-106. Dual employment. No member of the General  
9 Assembly, during the term for which he has been elected or  
10 appointed, may be employed by the State, a municipality, or  
11 unit of local government. This prohibition does not extend to  
12 employment as an elected official, firefighter, police  
13 officer, school counselor, teacher, or university instructor.

14 As used in this Section:

15 "Elected official" means any individual who was  
16 elected to an office in an election certified by the State  
17 Board of Elections.

18 "Firefighter" means an individual employed by a fire  
19 service.

20 "Police officer" means an individual employed in a  
21 regularly constituted police department appointed and  
22 sworn or designated by law as a peace officer.

23 "School counselor" has the meaning ascribed to it in

1       Section 10-22.24a of the School Code.

2       "Teacher" means any or all school district employees  
3       regularly required to be certified under laws relating to  
4       the certification of teachers.

5       "University instructor" means any member of the  
6       educational staff of the University of Illinois, Southern  
7       Illinois University, Chicago State University, Eastern  
8       Illinois University, Governors State University, Illinois  
9       State University, Northeastern Illinois University,  
10       Northern Illinois University, Western Illinois University,  
11       or the Illinois Mathematics and Science Academy whose  
12       employment is permanent and continuous or who is employed  
13       in a position in which services are expected to be rendered  
14       on a continuous basis for at least 4 months or one academic  
15       term, whichever is less.

16       (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

17       Sec. 4A-102. The statement of economic interests required  
18       by this Article shall include the economic interests of the  
19       person making the statement as provided in this Section. The  
20       interest (if constructively controlled by the person making the  
21       statement) of a spouse or any other party, shall be considered  
22       to be the same as the interest of the person making the  
23       statement. Campaign receipts shall not be included in this  
24       statement.

25       (a) The following interests shall be listed by all persons

1 required to file:

2 (1) The name, address and type of practice of any  
3 professional organization or individual professional  
4 practice in which the person making the statement was an  
5 officer, director, associate, partner or proprietor, or  
6 served in any advisory capacity, from which income in  
7 excess of \$1200 was derived during the preceding calendar  
8 year;

9 (2) The nature of professional services (other than  
10 services rendered to the unit or units of government in  
11 relation to which the person is required to file) and the  
12 nature of the entity to which they were rendered if fees  
13 exceeding \$5,000 were received during the preceding  
14 calendar year from the entity for professional services  
15 rendered by the person making the statement.

16 (3) The identity (including the address or legal  
17 description of real estate) of any capital asset from which  
18 a capital gain of \$5,000 or more was realized in the  
19 preceding calendar year.

20 (4) The name of any unit of government which has  
21 employed the person making the statement during the  
22 preceding calendar year other than the unit or units of  
23 government in relation to which the person is required to  
24 file.

25 (5) The name of any entity from which a gift or gifts,  
26 or honorarium or honoraria, valued singly or in the

1 aggregate in excess of \$500, was received during the  
2 preceding calendar year.

3 (b) The following interests shall also be listed by persons  
4 listed in items (a) through (f) and item (l) of Section 4A-101:

5 (1) The name and instrument of ownership in any entity  
6 doing business in the State of Illinois, in which an  
7 ownership interest held by the person at the date of filing  
8 is in excess of \$5,000 fair market value or from which  
9 dividends of in excess of \$1,200 were derived during the  
10 preceding calendar year. (In the case of real estate,  
11 location thereof shall be listed by street address, or if  
12 none, then by legal description). No time or demand deposit  
13 in a financial institution, nor any debt instrument need be  
14 listed;

15 (2) Except for professional service entities, the name  
16 of any entity and any position held therein from which  
17 income of in excess of \$1,200 was derived during the  
18 preceding calendar year, if the entity does business in the  
19 State of Illinois. No time or demand deposit in a financial  
20 institution, nor any debt instrument need be listed.

21 (3) The identity of any compensated lobbyist with whom  
22 the person making the statement maintains a close economic  
23 association, including the name of the lobbyist and  
24 specifying the legislative matter or matters which are the  
25 object of the lobbying activity, and describing the general  
26 type of economic activity of the client or principal on

1           whose behalf that person is lobbying.

2           (c) The following interests shall also be listed by persons  
3 listed in items (g), (h), and (i) of Section 4A-101:

4           (1) The name and instrument of ownership in any entity  
5 doing business with a unit of local government in relation  
6 to which the person is required to file if the ownership  
7 interest of the person filing is greater than \$5,000 fair  
8 market value as of the date of filing or if dividends in  
9 excess of \$1,200 were received from the entity during the  
10 preceding calendar year. (In the case of real estate,  
11 location thereof shall be listed by street address, or if  
12 none, then by legal description). No time or demand deposit  
13 in a financial institution, nor any debt instrument need be  
14 listed.

15           (2) Except for professional service entities, the name  
16 of any entity and any position held therein from which  
17 income in excess of \$1,200 was derived during the preceding  
18 calendar year if the entity does business with a unit of  
19 local government in relation to which the person is  
20 required to file. No time or demand deposit in a financial  
21 institution, nor any debt instrument need be listed.

22           (3) The name of any entity and the nature of the  
23 governmental action requested by any entity which has  
24 applied to a unit of local government in relation to which  
25 the person must file for any license, franchise or permit  
26 for annexation, zoning or rezoning of real estate during

1 the preceding calendar year if the ownership interest of  
2 the person filing is in excess of \$5,000 fair market value  
3 at the time of filing or if income or dividends in excess  
4 of \$1,200 were received by the person filing from the  
5 entity during the preceding calendar year.

6 (d) The following interests shall also be listed by persons  
7 listed in item (a) of Section 4A-101:

8 (1) the name of each client or entity on behalf of whom  
9 the individual filing the statement or his or her spouse  
10 personally engaged in lobbying or a representation case in  
11 the preceding 12 months, for which compensation in excess  
12 of \$5,000 was received by either the individual filing the  
13 statement or his or her spouse, or by any other entity in  
14 which the individual filing the statement or his or her  
15 spouse was an officer, director, associate, partner,  
16 member, proprietor, or served in an advisory capacity;

17 (2) the name of each client or entity that retained,  
18 hired, or otherwise engaged an entity in which the  
19 individual filing the statement or his or her spouse has an  
20 ownership interest in excess of 7 1/2%, for the purpose of  
21 lobbying or a representation case in the preceding 12  
22 months, for which compensation in excess of \$5,000 was  
23 received by the entity; and

24 (3) the name of each client or entity that retained,  
25 hired, or otherwise engaged any entity for the purpose of  
26 lobbying or a representation case in the preceding 12

1 months, as a result of which the individual filing the  
2 statement or his or her spouse received financial  
3 compensation in excess of \$5,000.

4 For each client or entity listed pursuant to this  
5 subsection, the exact amount of compensation received from  
6 services rendered in connection with the lobbying or  
7 representation case listed, and the identity of the unit of  
8 government before which such services were rendered.

9 As used in this subsection:

10 "Lobbying" means communicating with representatives of  
11 a municipality, unit of local government, State agency, or  
12 the General Assembly for the ultimate purpose of  
13 influencing executive, legislative, or administrative  
14 action. "Lobbying" does not include communications with a  
15 State agency, a municipality, a unit of local government,  
16 or a member of the General Assembly made in the course of a  
17 member of the General Assembly's legislative duties.

18 "Representation case" means the representation of any  
19 person, client, or principal in any matter before any State  
20 agency, municipality, or unit of local government where the  
21 action or non-action of the State agency, municipality, or  
22 unit of local government involves the exercise of  
23 discretion. For purposes of this subsection,  
24 "representation case" does not include (i) the  
25 professional representation of any person, client, or  
26 principal in any matter before any court created under



1       Article VI of the Constitution of the State of Illinois or  
 2       any court created under Article III of the Constitution of  
 3       the United States, or (ii) inquiries for information or  
 4       other services rendered in a legislative capacity on behalf  
 5       of a constituent or other member of the public.

6       (Source: P.A. 92-101, eff. 1-1-02; 93-617, eff. 12-9-03.)

7             (5 ILCS 420/4A-103) (from Ch. 127, par. 604A-103)

8             Sec. 4A-103. The statement of economic interests required  
 9     by this Article to be filed with the Secretary of State shall  
 10    be filled in by typewriting or hand printing, shall be  
 11    verified, dated, and signed by the person making the statement  
 12    and shall contain substantially the following:

13                             STATEMENT OF ECONOMIC INTEREST

14                                     (TYPE OR HAND PRINT)

15       .....

16       (name)

17       .....

18       (each office or position of employment for which this statement  
 19       is filed)

20       .....

21       (full mailing address)

22       GENERAL DIRECTIONS:

23             The interest (if constructively controlled by the person  
 24     making the statement) of a spouse or any other party, shall be  
 25     considered to be the same as the interest of the person making

1 the statement.

2 Campaign receipts shall not be included in this statement.

3 If additional space is needed, please attach supplemental  
4 listing.

5 1. List the name and instrument of ownership in any entity  
6 doing business in the State of Illinois, in which the ownership  
7 interest held by the person at the date of filing is in excess  
8 of \$5,000 fair market value or from which dividends in excess  
9 of \$1,200 were derived during the preceding calendar year. (In  
10 the case of real estate, location thereof shall be listed by  
11 street address, or if none, then by legal description.) No time  
12 or demand deposit in a financial institution, nor any debt  
13 instrument need be listed.

14 Business Entity	Instrument of Ownership
15 .....	.....
16 .....	.....
17 .....	.....
18 .....	.....

19 2. List the name, address and type of practice of any  
20 professional organization in which the person making the  
21 statement was an officer, director, associate, partner or  
22 proprietor or served in any advisory capacity, from which  
23 income in excess of \$1,200 was derived during the preceding  
24 calendar year.

25 Name	Address	Type of Practice
26 .....	.....	.....

1 .....  
2 .....

3 3. List the nature of professional services rendered (other  
4 than to the State of Illinois) to each entity from which income  
5 exceeding \$5,000 was received for professional services  
6 rendered during the preceding calendar year by the person  
7 making the statement.

8 .....  
9 .....

10 4. List the identity (including the address or legal  
11 description of real estate) of any capital asset from which a  
12 capital gain of \$5,000 or more was realized during the  
13 preceding calendar year.

14 .....  
15 .....

16 5. List the identity of any compensated lobbyist with whom  
17 the person making the statement maintains a close economic  
18 association, including the name of the lobbyist and specifying  
19 the legislative matter or matters which are the object of the  
20 lobbying activity, and describing the general type of economic  
21 activity of the client or principal on whose behalf that person  
22 is lobbying.

23	Lobbyist	Legislative Matter	Client or Principal
24	.....	.....	.....
25	.....	.....	.....

26 6. List the name of any entity doing business in the State

1 of Illinois from which income in excess of \$1,200 was derived  
 2 during the preceding calendar year other than for professional  
 3 services and the title or description of any position held in  
 4 that entity. (In the case of real estate, location thereof  
 5 shall be listed by street address, or if none, then by legal  
 6 description). No time or demand deposit in a financial  
 7 institution nor any debt instrument need be listed.

8 Entity	Position Held
9 .....	.....
10 .....	.....
11 .....	.....

12 7. List the name of any unit of government which employed  
 13 the person making the statement during the preceding calendar  
 14 year other than the unit or units of government in relation to  
 15 which the person is required to file.

16 .....

17 .....

18 8. List the name of any entity from which a gift or gifts,  
 19 or honorarium or honoraria, valued singly or in the aggregate  
 20 in excess of \$500, was received during the preceding calendar  
 21 year.

22 9. For members of the General Assembly and candidates for  
 23 membership in the General Assembly, list the name of each  
 24 client or entity on behalf of whom the individual filing the  
 25 statement or his or her spouse personally engaged in lobbying  
 26 or a representation case in the preceding 12 months, for which

1 compensation in excess of \$5,000 was rendered to either the  
 2 individual filing the statement or his or her spouse, or to any  
 3 other entity in which the individual filing the statement or  
 4 his or her spouse was an officer, director, associate, partner,  
 5 member, proprietor, or served in an advisory capacity. This  
 6 includes the name of the unit of government before which the  
 7 services were rendered, as well as the exact amount of  
 8 compensation received from services rendered.

9 For purposes of this statement, "lobbying" and  
 10 "representation case" have the meanings ascribed to those terms  
 11 in Section 4A-102 of the Illinois Governmental Ethics Act.

<u>Client/Entity</u>	<u>Unit of Government</u>	<u>Amount</u>
.....	.....	.....
.....	.....	.....
.....	.....	.....

16 10. For members of the General Assembly and candidates for  
 17 membership in the General Assembly, list the name of each  
 18 client or entity that retained, hired, or otherwise engaged an  
 19 entity in which the individual filing the statement or his or  
 20 her spouse has an ownership interest in excess of 7 1/2%, for  
 21 the purpose of lobbying or a representation case in the  
 22 preceding 12 months, for compensation in excess of \$5,000. This  
 23 includes the name of the unit of government before which the  
 24 services were rendered, as well as the exact amount of  
 25 compensation received from services rendered.

26 For purposes of this statement, "lobbying" and

1 "representation case" have the meanings ascribed to those terms  
 2 in Section 4A-102 of the Illinois Governmental Ethics Act.

<u>Client/Entity</u>	<u>Unit of Government</u>	<u>Amount</u>
.....	.....	.....
.....	.....	.....
.....	.....	.....

7 11. For members of the General Assembly and candidates for  
 8 membership in the General Assembly, list the name of each  
 9 client or entity that retained, hired, or otherwise engaged any  
 10 entity for the purpose of lobbying or a representation case in  
 11 the preceding 12 months, as a result of which the individual  
 12 filing this statement or his or her spouse received financial  
 13 compensation in excess of \$5,000. This includes the name of the  
 14 unit of government before which the services were rendered, as  
 15 well as the exact amount of compensation received from services  
 16 rendered.

17 For purposes of this statement, "lobbying" and  
 18 "representation case" have the meanings ascribed to those terms  
 19 in Section 4A-102 of the Illinois Governmental Ethics Act.

<u>Client/Entity</u>	<u>Unit of Government</u>	<u>Amount</u>
.....	.....	.....
.....	.....	.....
.....	.....	.....

24 VERIFICATION:

25 "I declare that this statement of economic interests  
 26 (including any accompanying schedules and statements) has been

1 examined by me and to the best of my knowledge and belief is a  
 2 true, correct and complete statement of my economic interests  
 3 as required by the Illinois Governmental Ethics Act. I  
 4 understand that the penalty for willfully filing a false or  
 5 incomplete statement shall be a fine not to exceed \$1,000 or  
 6 imprisonment in a penal institution other than the penitentiary  
 7 not to exceed one year, or both fine and imprisonment."

8 .....  
 9 (date of filing) (signature of person making the statement)  
 10 (Source: P.A. 95-173, eff. 1-1-08.)

11 Section 10. The Election Code is amended by adding Section  
 12 9-35 as follows:

13 (10 ILCS 5/9-35 new)

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

15 (a) This Section governs the procedures for the  
 16 registration required under Section 20-160 of the Illinois  
 17 Procurement Code.

18 For the purposes of this Section, the terms "officeholder",  
 19 "State contract", "business entity", "State agency",  
 20 "affiliated entity", and "affiliated person" have the meanings  
 21 ascribed to those terms in Section 50-37 of the Illinois  
 22 Procurement Code.

23 (b) Registration under Section 20-160 of the Illinois  
 24 Procurement Code, and any changes to that registration, must be

1 made electronically. The State Board of Elections by rule shall  
2 provide for electronic registration, which must contain  
3 substantially the following:

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

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

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

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

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

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



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

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

15 (g) The State Board of Elections on its official website  
16 shall have a searchable database containing (i) all information  
17 required to be submitted to the Board under Section 20-160 of  
18 the Illinois Procurement Code and (ii) all reports filed under  
19 this Article with the State Board of Elections by all political  
20 committees. For the purposes of databases maintained by the  
21 State Board of Elections, "searchable" means able to search by  
22 "political committee", as defined in this Article, and by  
23 "officeholder", "State agency", "business entity", "affiliated  
24 entity", and "affiliated person". The Board shall not place the  
25 name of a minor child on the website. However, the Board shall  
26 provide a link to all contributions made by anyone reporting

1 the same residential address as any affiliated person. In  
2 addition, the State Board of Elections on its official website  
3 shall provide an electronic connection to any searchable  
4 database of State contracts maintained by the Comptroller,  
5 searchable by business entity.

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

8 Section 15. The Compensation Review Act is amended by  
9 changing Sections 4 and 5 as follows:

10 (25 ILCS 120/4) (from Ch. 63, par. 904)

11 Sec. 4. Meetings of the Board; determining compensation;  
12 public hearings; reports. The Board shall meet as often as may  
13 be necessary and shall determine, upon a vote requiring at  
14 least 7 affirmative votes, the compensation for members of the  
15 General Assembly, judges, other than the county supplement,  
16 State's attorneys, other than the county supplement, the  
17 elected constitutional officers of State government, and  
18 certain appointed officers of State government.

19 In determining the compensation for each office, the  
20 Compensation Review Board shall consider the following  
21 factors:

22 (a) the skill required,

23 (b) the time required,

24 (c) the opportunity for other earned income,

1 (d) the value of public services as performed in  
2 comparable states,

3 (e) the value of such services as performed in the  
4 private sector in Illinois and comparable states based on  
5 the responsibility and discretion required in the office,

6 (f) the average consumer prices commonly known as the  
7 cost of living,

8 (g) the overall compensation presently received by the  
9 public officials and all other benefits received,

10 (h) the interests and welfare of the public and the  
11 financial ability of the State to meet those costs, and

12 (i) such other factors, not confined to the foregoing,  
13 which are normally or traditionally taken into  
14 consideration in the determination of such compensation.

15 The Board shall conduct public hearings prior to filing its  
16 reports ~~report~~.

17 At the public hearings, the Board shall allow interested  
18 persons to present their views and comments. The Board may  
19 prescribe reasonable rules for the conduct of public hearings,  
20 to prevent undue repetition. The meetings of the Board are  
21 subject to the Open Meetings Act.

22 The Board shall propose (i) one ~~file an initial~~ report with  
23 respect to all offices and positions, except judges and State's  
24 attorneys (known as "report A") and (ii) one report with  
25 respect to judges and State's attorneys (known as "report B").

26 The Board shall file the reports with the House of

1 Representatives, the Senate, the Comptroller and the Secretary  
2 of State. ~~Subsequent reports shall be filed therewith before~~  
3 April 1 in each even-numbered year. Report A shall state  
4 ~~thereafter stating~~ the annual salary for all offices and  
5 positions, except judges and State's attorneys, for which the  
6 Board files reports. Report B shall state ~~members of the~~  
7 ~~General Assembly, the elected State constitutional officers~~  
8 ~~and certain appointed State officers and compensated employees~~  
9 ~~and members of certain State departments, agencies, boards and~~  
10 ~~commissions whose terms begin in the next calendar year; the~~  
11 annual salary for State's attorneys; ~~and the annual salary for~~  
12 ~~the Auditor General~~ and for Supreme Court, Appellate Court,  
13 Circuit Court and Associate judges. If a ~~the~~ report increases  
14 the annual salary of judges, State's attorneys, and the Auditor  
15 General, such increase shall take effect when the report is  
16 approved ~~as soon as the time period for disapproval or~~  
17 ~~reduction,~~ as provided in subsection (b) of Section 5, ~~has~~  
18 ~~expired.~~

19 The salaries in a ~~the~~ report or as reduced by the General  
20 Assembly, other than for judges, State's attorneys, and the  
21 Auditor General, shall take effect as provided by law.

22 (Source: P.A. 90-375, eff. 8-14-97; 91-798, eff. 7-9-00.)

23 (25 ILCS 120/5) (from Ch. 63, par. 905)

24 Sec. 5. (a) If the Board fails to recommend a change in  
25 salary or the General Assembly does not approve a ~~disapproves~~

1 ~~the~~ report as provided in subsection (b), and a new term for  
2 any officer provided for in this Act begins, the salary for the  
3 new term shall be the same as the salary in effect when the  
4 previous term ended.

5 (b) The General Assembly may approve a ~~disapprove the~~  
6 report of the Board in whole, or reduce it in whole  
7 proportionately, within 30 session days after each house of the  
8 legislature next convenes after the report is filed, by  
9 adoption of a resolution by a record vote of the majority of  
10 the members elected in each house directed to the Board. Such  
11 resolution shall be binding upon the Board. A resolution may  
12 approve or reduce no more than one report, and no more than one  
13 resolution may be adopted by a single vote.

14 ~~For the initial report filed by the Board after this Act~~  
15 ~~takes effect, the General Assembly may, by January 9, 1985,~~  
16 ~~disapprove the report of the Board in whole, or reduce it in~~  
17 ~~whole proportionately, after the report is filed, by the~~  
18 ~~adoption of a resolution by a record vote of the majority of~~  
19 ~~the members.~~

20 (Source: P.A. 83-1177.)

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

23 (30 ILCS 500/20-160 new)

24 Sec. 20-160. Business entities; certification;

1 registration with the State Board of Elections.

2 (a) For purposes of this Section, the terms "business  
3 entity", "contract", "State contract", "contract with a State  
4 agency", "State agency", "affiliated entity", and "affiliated  
5 person" have the meanings ascribed to those terms in Section  
6 50-37.

7 (b) Every bid submitted to and every contract executed by  
8 the State on or after the effective date of this amendatory Act  
9 of the 95th General Assembly shall contain (1) a certification  
10 by the bidder or contractor that either (i) the bidder or  
11 contractor is not required to register as a business entity  
12 with the State Board of Elections pursuant to this Section or  
13 (ii) the bidder or contractor has registered as a business  
14 entity with the State Board of Elections and acknowledges a  
15 continuing duty to update the registration and (2) a statement  
16 that the contract is voidable under Section 50-60 for the  
17 bidder's or contractor's failure to comply with this Section.

18 (c) Within 30 days after the effective date of this  
19 amendatory Act of the 95th General Assembly, each business  
20 entity (i) whose aggregate bids and proposals on State  
21 contracts annually total more than \$50,000, (ii) whose  
22 aggregate bids and proposals on State contracts combined with  
23 the business entity's aggregate annual total value of State  
24 contracts exceed \$50,000, or (iii) whose contracts with State  
25 agencies, in the aggregate, annually total more than \$50,000  
26 shall register with the State Board of Elections in accordance

1 with Section 9-35 of the Election Code. A business entity  
2 required to register under this subsection shall submit a copy  
3 of the certificate of registration to the applicable chief  
4 procurement officer within 90 days after the effective date of  
5 this amendatory Act of the 95th General Assembly. A business  
6 entity required to register under this subsection due to item  
7 (i) or (ii) has a continuing duty to ensure that the  
8 registration is accurate during the period beginning on the  
9 date of registration and ending on the day after the date the  
10 contract is awarded; any change in information must be reported  
11 to the State Board of Elections within 2 business days  
12 following such change. A business entity required to register  
13 under this subsection due to item (iii) has a continuing duty  
14 to ensure that the registration is accurate in accordance with  
15 subsection (f).

16 (d) Any business entity, not required under subsection (c)  
17 to register within 30 days after the effective date of this  
18 amendatory Act of the 95th General Assembly, whose aggregate  
19 bids and proposals on State contracts annually total more than  
20 \$50,000, or whose aggregate bids and proposals on State  
21 contracts combined with the business entity's aggregate annual  
22 total value of State contracts exceed \$50,000, shall register  
23 with the State Board of Elections in accordance with Section  
24 9-35 of the Election Code prior to submitting to a State agency  
25 the bid or proposal whose value causes the business entity to  
26 fall within the monetary description of this subsection. A

1 business entity required to register under this subsection has  
2 a continuing duty to ensure that the registration is accurate  
3 during the period beginning on the date of registration and  
4 ending on the day after the date the contract is awarded. Any  
5 change in information must be reported to the State Board of  
6 Elections within 2 business days following such change.

7 (e) A business entity whose contracts with State agencies,  
8 in the aggregate, annually total more than \$50,000 must  
9 maintain its registration under this Section and has a  
10 continuing duty to ensure that the registration is accurate for  
11 the duration of the term of office of the incumbent  
12 officeholder awarding the contracts or for a period of 2 years  
13 following the expiration or termination of the contracts,  
14 whichever is longer. Any change in information shall be  
15 reported to the State Board of Elections within 10 days  
16 following such change; however, if a business entity required  
17 to register under this subsection has a pending bid or  
18 proposal, any change in information shall be reported to the  
19 State Board of Elections within 2 business days.

20 (f) A business entity's continuing duty under this Section  
21 to ensure the accuracy of its registration includes the  
22 requirement that the business entity notify the State Board of  
23 Elections of any change in information, including but not  
24 limited to changes of affiliated entities or affiliated  
25 persons.

26 (g) A copy of a certificate of registration must accompany



1 any bid or proposal for a contract with a State agency by a  
2 business entity required to register under this Section. A  
3 chief procurement officer shall not accept a bid or proposal  
4 unless the certificate is submitted to the agency with the bid  
5 or proposal.

6 (h) A registration, and any changes to a registration, must  
7 include the business entity's verification of accuracy and  
8 subjects the business entity to the penalties of the laws of  
9 this State for perjury.

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

16 (i) This Section applies regardless of the method of source  
17 selection used in awarding the contract.

18 (30 ILCS 500/50-37 new)

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

20 (a) As used in this Section:

21 The terms "contract", "State contract", and "contract  
22 with a State agency" each mean any contract, as defined in  
23 this Code, between a business entity and a State agency let  
24 or awarded pursuant to this Code. The terms "contract",  
25 "State contract", and "contract with a State agency" do not

1 include cost reimbursement contracts; purchase of care  
2 agreements as defined in Section 1-15.68 of this Code;  
3 grants, including but are not limited to grants for job  
4 training or transportation; and grants, loans, or tax  
5 credit agreements for economic development purposes.

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

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

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

26 "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, or any 501(c)  
3 organization described in item (iii) related to that  
4 business entity, is the sponsoring entity.

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

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

16 (b) Any business entity whose contracts with State  
17 agencies, in the aggregate, annually total more than \$50,000,  
18 and any affiliated entities or affiliated persons of such  
19 business entity, are prohibited from making any contributions  
20 to (i) any political committees established to promote the  
21 candidacy of an officeholder or declared candidate for that  
22 office, (ii) any political committees established to promote  
23 the candidacy of any member of the General Assembly or declared  
24 candidate for membership in the General Assembly, or (iii) any  
25 political committee of a state central committee of any  
26 political party that is represented by an officeholder or

1 member of the General Assembly or a declared candidate for that  
2 office or membership in the General Assembly. This prohibition  
3 shall be effective for the duration of the term of the contract  
4 and for a period of 2 years following the expiration or  
5 termination of the contracts.

6 (c) Any business entity whose aggregate pending bids and  
7 proposals on State contracts total more than \$50,000, or whose  
8 aggregate pending bids and proposals on State contracts  
9 combined with the business entity's aggregate annual total  
10 value of State contracts exceed \$50,000, and any affiliated  
11 entities or affiliated persons of such business entity, are  
12 prohibited from making any contributions to (i) any political  
13 committee established to promote the candidacy of any  
14 officeholder or declared candidate for that office, (ii) any  
15 political committee established to promote the candidacy of any  
16 member of the General Assembly or declared candidate for  
17 membership in the General Assembly, or (iii) any political  
18 committee of a state central committee of any political party  
19 that is represented by an officeholder or member of the General  
20 Assembly or a declared candidate for that office or membership  
21 in the General Assembly. This prohibition shall be effective  
22 during the period beginning on the date the invitation for bids  
23 or request for proposals is issued and ending on the day after  
24 the date the contract is awarded.

25 (d) All contracts between State agencies and a business  
26 entity that violate subsection (b) or (c) shall be voidable

1 under Section 50-60. If a business entity violates subsection  
2 (b) 3 or more times within a 36-month period, then all  
3 contracts between State agencies and that business entity shall  
4 be void, and that business entity shall not bid or respond to  
5 any invitation to bid or request for proposals from any State  
6 agency or otherwise enter into any contract with any State  
7 agency for 3 years from the date of the last violation. A  
8 notice of each violation and the penalty imposed shall be  
9 published in both the Procurement Bulletin and the Illinois  
10 Register.

11 (e) Any political committee that has received a  
12 contribution in violation of subsection (b) or (c) shall pay an  
13 amount equal to the value of the contribution to the State no  
14 more than 30 days after notice of the violation concerning the  
15 contribution appears in the Illinois Register. Payments  
16 received by the State pursuant to this subsection shall be  
17 deposited into the general revenue fund.

18 (f) Nothing in this Section shall prohibit an individual  
19 from making a contribution to a political committee established  
20 to promote his or her own candidacy for office or for  
21 membership in the General Assembly.

22 (g) This Section shall not apply in circumstances when it  
23 is determined by the federal government or a court of competent  
24 jurisdiction that its application would violate federal law or  
25 regulation or otherwise prevent the State's receipt of federal  
26 funds.

1           Section 97. Severability. If the provisions of this Act or  
2           its application to any person or circumstance is held invalid,  
3           the invalidity of that provision or application does not affect  
4           the other provisions or applications of this Act that can be  
5           given effect without the invalid provision or application.

1 INDEX

2 Statutes amended in order of appearance

3 5 ILCS 420/2-106 new

4 5 ILCS 420/4A-102 from Ch. 127, par. 604A-102

5 5 ILCS 420/4A-103 from Ch. 127, par. 604A-103

6 10 ILCS 5/9-35 new

7 25 ILCS 120/4 from Ch. 63, par. 904

8 25 ILCS 120/5 from Ch. 63, par. 905

9 30 ILCS 500/20-160 new

10 30 ILCS 500/50-37 new