

1 AN ACT concerning finance.

2 WHEREAS, This amendatory Act of the 95th General Assembly
3 may also be cited as an Act to disassociate from genocide and
4 terrorism in Sudan; therefore

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

7 Section 1. Findings. The Government of the United States
8 has determined that Sudan is a nation that sponsors terrorism
9 and genocide. The General Assembly finds that acts of terrorism
10 have caused injury and death to Illinois and United States
11 residents who serve in the United States military, and pose a
12 significant threat to safety and health in Illinois. The
13 General Assembly finds that public employees and their
14 families, including police officers and firefighters, are more
15 likely than others to be affected by acts of terrorism. The
16 General Assembly finds that Sudan continues to solicit
17 investment and commercial activities by forbidden entities,
18 including private market funds. The General Assembly finds that
19 investments in forbidden entities are inherently and unduly
20 risky, not in the interests of public pensioners and Illinois
21 taxpayers, and against public policy. The General Assembly
22 finds that Sudan's capacity to sponsor terrorism and genocide
23 depends on or is supported by the activities of forbidden

1 entities. The General Assembly further finds and re-affirms
2 that the people of the State, acting through their
3 representatives, do not want to be associated with forbidden
4 entities, genocide, and terrorism.

5 Section 5. The Deposit of State Moneys Act is amended by
6 reenacting and changing Section 22.5 as follows:

7 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

8 (For force and effect of certain provisions, see Section 90
9 of P.A. 94-79)

10 Sec. 22.5. Permitted investments. The State Treasurer may,
11 with the approval of the Governor, invest and reinvest any
12 State money in the treasury which is not needed for current
13 expenditures due or about to become due, in obligations of the
14 United States government or its agencies or of National
15 Mortgage Associations established by or under the National
16 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage
17 participation certificates representing undivided interests in
18 specified, first-lien conventional residential Illinois
19 mortgages that are underwritten, insured, guaranteed, or
20 purchased by the Federal Home Loan Mortgage Corporation or in
21 Affordable Housing Program Trust Fund Bonds or Notes as defined
22 in and issued pursuant to the Illinois Housing Development Act.
23 All such obligations shall be considered as cash and may be
24 delivered over as cash by a State Treasurer to his successor.

1 The State Treasurer may, with the approval of the Governor,
2 purchase any state bonds with any money in the State Treasury
3 that has been set aside and held for the payment of the
4 principal of and interest on the bonds. The bonds shall be
5 considered as cash and may be delivered over as cash by the
6 State Treasurer to his successor.

7 The State Treasurer may, with the approval of the Governor,
8 invest or reinvest any State money in the treasury that is not
9 needed for current expenditure due or about to become due, or
10 any money in the State Treasury that has been set aside and
11 held for the payment of the principal of and the interest on
12 any State bonds, in shares, withdrawable accounts, and
13 investment certificates of savings and building and loan
14 associations, incorporated under the laws of this State or any
15 other state or under the laws of the United States; provided,
16 however, that investments may be made only in those savings and
17 loan or building and loan associations the shares and
18 withdrawable accounts or other forms of investment securities
19 of which are insured by the Federal Deposit Insurance
20 Corporation.

21 The State Treasurer may not invest State money in any
22 savings and loan or building and loan association unless a
23 commitment by the savings and loan (or building and loan)
24 association, executed by the president or chief executive
25 officer of that association, is submitted in the following
26 form:

1 The Savings and Loan (or Building
2 and Loan) Association pledges not to reject arbitrarily
3 mortgage loans for residential properties within any
4 specific part of the community served by the savings and
5 loan (or building and loan) association because of the
6 location of the property. The savings and loan (or building
7 and loan) association also pledges to make loans available
8 on low and moderate income residential property throughout
9 the community within the limits of its legal restrictions
10 and prudent financial practices.

11 The State Treasurer may, with the approval of the Governor,
12 invest or reinvest, at a price not to exceed par, any State
13 money in the treasury that is not needed for current
14 expenditures due or about to become due, or any money in the
15 State Treasury that has been set aside and held for the payment
16 of the principal of and interest on any State bonds, in bonds
17 issued by counties or municipal corporations of the State of
18 Illinois.

19 The State Treasurer may, with the approval of the Governor,
20 invest or reinvest any State money in the Treasury which is not
21 needed for current expenditure, due or about to become due, or
22 any money in the State Treasury which has been set aside and
23 held for the payment of the principal of and the interest on
24 any State bonds, in participations in loans, the principal of
25 which participation is fully guaranteed by an agency or
26 instrumentality of the United States government; provided,

1 however, that such loan participations are represented by
2 certificates issued only by banks which are incorporated under
3 the laws of this State or any other state or under the laws of
4 the United States, and such banks, but not the loan
5 participation certificates, are insured by the Federal Deposit
6 Insurance Corporation.

7 The State Treasurer may, with the approval of the Governor,
8 invest or reinvest any State money in the Treasury that is not
9 needed for current expenditure, due or about to become due, or
10 any money in the State Treasury that has been set aside and
11 held for the payment of the principal of and the interest on
12 any State bonds, in any of the following:

13 (1) Bonds, notes, certificates of indebtedness,
14 Treasury bills, or other securities now or hereafter issued
15 that are guaranteed by the full faith and credit of the
16 United States of America as to principal and interest.

17 (2) Bonds, notes, debentures, or other similar
18 obligations of the United States of America, its agencies,
19 and instrumentalities.

20 (2.5) Bonds, notes, debentures, or other similar
21 obligations of a foreign government, other than the
22 Republic of the Sudan, that are guaranteed by the full
23 faith and credit of that government as to principal and
24 interest, but only if the foreign government has not
25 defaulted and has met its payment obligations in a timely
26 manner on all similar obligations for a period of at least

1 25 years immediately before the time of acquiring those
2 obligations.

3 (3) Interest-bearing savings accounts,
4 interest-bearing certificates of deposit, interest-bearing
5 time deposits, or any other investments constituting
6 direct obligations of any bank as defined by the Illinois
7 Banking Act.

8 (4) Interest-bearing accounts, certificates of
9 deposit, or any other investments constituting direct
10 obligations of any savings and loan associations
11 incorporated under the laws of this State or any other
12 state or under the laws of the United States.

13 (5) Dividend-bearing share accounts, share certificate
14 accounts, or class of share accounts of a credit union
15 chartered under the laws of this State or the laws of the
16 United States; provided, however, the principal office of
17 the credit union must be located within the State of
18 Illinois.

19 (6) Bankers' acceptances of banks whose senior
20 obligations are rated in the top 2 rating categories by 2
21 national rating agencies and maintain that rating during
22 the term of the investment.

23 (7) Short-term obligations of corporations organized
24 in the United States with assets exceeding \$500,000,000 if
25 (i) the obligations are rated at the time of purchase at
26 one of the 3 highest classifications established by at

1 least 2 standard rating services and mature not later than
2 180 days from the date of purchase, (ii) the purchases do
3 not exceed 10% of the corporation's outstanding
4 obligations, (iii) no more than one-third of the public
5 agency's funds are invested in short-term obligations of
6 corporations, and (iv) the corporation has not been
7 identified as a forbidden entity, as that term is defined
8 in Section 1-110.6 of the Illinois Pension Code, by an
9 independent researching firm that specializes in global
10 security risk that has been engaged by the State Treasurer
11 ~~is not a forbidden entity, as defined in Section 22.6 of~~
12 ~~the Deposit of State Moneys Act.~~

13 (8) Money market mutual funds registered under the
14 Investment Company Act of 1940, provided that the portfolio
15 of the money market mutual fund is limited to obligations
16 described in this Section and to agreements to repurchase
17 such obligations.

18 (9) The Public Treasurers' Investment Pool created
19 under Section 17 of the State Treasurer Act or in a fund
20 managed, operated, and administered by a bank.

21 (10) Repurchase agreements of government securities
22 having the meaning set out in the Government Securities Act
23 of 1986 subject to the provisions of that Act and the
24 regulations issued thereunder.

25 (11) Investments made in accordance with the
26 Technology Development Act.

1 For purposes of this Section, "agencies" of the United
2 States Government includes:

3 (i) the federal land banks, federal intermediate
4 credit banks, banks for cooperatives, federal farm credit
5 banks, or any other entity authorized to issue debt
6 obligations under the Farm Credit Act of 1971 (12 U.S.C.
7 2001 et seq.) and Acts amendatory thereto;

8 (ii) the federal home loan banks and the federal home
9 loan mortgage corporation;

10 (iii) the Commodity Credit Corporation; and

11 (iv) any other agency created by Act of Congress.

12 The Treasurer may, with the approval of the Governor, lend
13 any securities acquired under this Act. However, securities may
14 be lent under this Section only in accordance with Federal
15 Financial Institution Examination Council guidelines and only
16 if the securities are collateralized at a level sufficient to
17 assure the safety of the securities, taking into account market
18 value fluctuation. The securities may be collateralized by cash
19 or collateral acceptable under Sections 11 and 11.1.

20 (Source: P.A. 94-79, eff. 1-27-06; for force and effect of
21 certain provisions, see Section 90 of P.A. 94-79.)

22 Section 10. The State Treasurer Act is amended by changing
23 Section 16.5 as follows:

24 (15 ILCS 505/16.5)

1 Sec. 16.5. College Savings Pool. The State Treasurer may
2 establish and administer a College Savings Pool to supplement
3 and enhance the investment opportunities otherwise available
4 to persons seeking to finance the costs of higher education.
5 The State Treasurer, in administering the College Savings Pool,
6 may receive moneys paid into the pool by a participant and may
7 serve as the fiscal agent of that participant for the purpose
8 of holding and investing those moneys.

9 "Participant", as used in this Section, means any person
10 who makes investments in the pool. "Designated beneficiary", as
11 used in this Section, means any person on whose behalf an
12 account is established in the College Savings Pool by a
13 participant. Both in-state and out-of-state persons may be
14 participants and designated beneficiaries in the College
15 Savings Pool.

16 New accounts in the College Savings Pool shall be processed
17 through participating financial institutions. "Participating
18 financial institution", as used in this Section, means any
19 financial institution insured by the Federal Deposit Insurance
20 Corporation and lawfully doing business in the State of
21 Illinois and any credit union approved by the State Treasurer
22 and lawfully doing business in the State of Illinois that
23 agrees to process new accounts in the College Savings Pool.
24 Participating financial institutions may charge a processing
25 fee to participants to open an account in the pool that shall
26 not exceed \$30 until the year 2001. Beginning in 2001 and every

1 year thereafter, the maximum fee limit shall be adjusted by the
2 Treasurer based on the Consumer Price Index for the North
3 Central Region as published by the United States Department of
4 Labor, Bureau of Labor Statistics for the immediately preceding
5 calendar year. Every contribution received by a financial
6 institution for investment in the College Savings Pool shall be
7 transferred from the financial institution to a location
8 selected by the State Treasurer within one business day
9 following the day that the funds must be made available in
10 accordance with federal law. All communications from the State
11 Treasurer to participants shall reference the participating
12 financial institution at which the account was processed.

13 The Treasurer may invest the moneys in the College Savings
14 Pool in the same manner, in the same types of investments, ~~and~~
15 ~~subject to the same limitations~~ provided for the investment of
16 moneys by the Illinois State Board of Investment. To enhance
17 the safety and liquidity of the College Savings Pool, to ensure
18 the diversification of the investment portfolio of the pool,
19 and in an effort to keep investment dollars in the State of
20 Illinois, the State Treasurer shall make a percentage of each
21 account available for investment in participating financial
22 institutions doing business in the State. The State Treasurer
23 shall deposit with the participating financial institution at
24 which the account was processed the following percentage of
25 each account at a prevailing rate offered by the institution,
26 provided that the deposit is federally insured or fully

1 collateralized and the institution accepts the deposit: 10% of
2 the total amount of each account for which the current age of
3 the beneficiary is less than 7 years of age, 20% of the total
4 amount of each account for which the beneficiary is at least 7
5 years of age and less than 12 years of age, and 50% of the total
6 amount of each account for which the current age of the
7 beneficiary is at least 12 years of age. The State Treasurer
8 shall adjust each account at least annually to ensure
9 compliance with this Section. The Treasurer shall develop,
10 publish, and implement an investment policy covering the
11 investment of the moneys in the College Savings Pool. The
12 policy shall be published (i) at least once each year in at
13 least one newspaper of general circulation in both Springfield
14 and Chicago and (ii) each year as part of the audit of the
15 College Savings Pool by the Auditor General, which shall be
16 distributed to all participants. The Treasurer shall notify all
17 participants in writing, and the Treasurer shall publish in a
18 newspaper of general circulation in both Chicago and
19 Springfield, any changes to the previously published
20 investment policy at least 30 calendar days before implementing
21 the policy. Any investment policy adopted by the Treasurer
22 shall be reviewed and updated if necessary within 90 days
23 following the date that the State Treasurer takes office.

24 Participants shall be required to use moneys distributed
25 from the College Savings Pool for qualified expenses at
26 eligible educational institutions. "Qualified expenses", as

1 used in this Section, means the following: (i) tuition, fees,
2 and the costs of books, supplies, and equipment required for
3 enrollment or attendance at an eligible educational
4 institution and (ii) certain room and board expenses incurred
5 while attending an eligible educational institution at least
6 half-time. "Eligible educational institutions", as used in
7 this Section, means public and private colleges, junior
8 colleges, graduate schools, and certain vocational
9 institutions that are described in Section 481 of the Higher
10 Education Act of 1965 (20 U.S.C. 1088) and that are eligible to
11 participate in Department of Education student aid programs. A
12 student shall be considered to be enrolled at least half-time
13 if the student is enrolled for at least half the full-time
14 academic work load for the course of study the student is
15 pursuing as determined under the standards of the institution
16 at which the student is enrolled. Distributions made from the
17 pool for qualified expenses shall be made directly to the
18 eligible educational institution, directly to a vendor, or in
19 the form of a check payable to both the beneficiary and the
20 institution or vendor. Any moneys that are distributed in any
21 other manner or that are used for expenses other than qualified
22 expenses at an eligible educational institution shall be
23 subject to a penalty of 10% of the earnings unless the
24 beneficiary dies, becomes disabled, or receives a scholarship
25 that equals or exceeds the distribution. Penalties shall be
26 withheld at the time the distribution is made.

1 The Treasurer shall limit the contributions that may be
2 made on behalf of a designated beneficiary based on an
3 actuarial estimate of what is required to pay tuition, fees,
4 and room and board for 5 undergraduate years at the highest
5 cost eligible educational institution. The contributions made
6 on behalf of a beneficiary who is also a beneficiary under the
7 Illinois Prepaid Tuition Program shall be further restricted to
8 ensure that the contributions in both programs combined do not
9 exceed the limit established for the College Savings Pool. The
10 Treasurer shall provide the Illinois Student Assistance
11 Commission each year at a time designated by the Commission, an
12 electronic report of all participant accounts in the
13 Treasurer's College Savings Pool, listing total contributions
14 and disbursements from each individual account during the
15 previous calendar year. As soon thereafter as is possible
16 following receipt of the Treasurer's report, the Illinois
17 Student Assistance Commission shall, in turn, provide the
18 Treasurer with an electronic report listing those College
19 Savings Pool participants who also participate in the State's
20 prepaid tuition program, administered by the Commission. The
21 Commission shall be responsible for filing any combined tax
22 reports regarding State qualified savings programs required by
23 the United States Internal Revenue Service. The Treasurer shall
24 work with the Illinois Student Assistance Commission to
25 coordinate the marketing of the College Savings Pool and the
26 Illinois Prepaid Tuition Program when considered beneficial by

1 the Treasurer and the Director of the Illinois Student
2 Assistance Commission. The Treasurer's office shall not
3 publicize or otherwise market the College Savings Pool or
4 accept any moneys into the College Savings Pool prior to March
5 1, 2000. The Treasurer shall provide a separate accounting for
6 each designated beneficiary to each participant, the Illinois
7 Student Assistance Commission, and the participating financial
8 institution at which the account was processed. No interest in
9 the program may be pledged as security for a loan.

10 The assets of the College Savings Pool and its income and
11 operation shall be exempt from all taxation by the State of
12 Illinois and any of its subdivisions. The accrued earnings on
13 investments in the Pool once disbursed on behalf of a
14 designated beneficiary shall be similarly exempt from all
15 taxation by the State of Illinois and its subdivisions, so long
16 as they are used for qualified expenses. Contributions to a
17 College Savings Pool account during the taxable year may be
18 deducted from adjusted gross income as provided in Section 203
19 of the Illinois Income Tax Act. The provisions of this
20 paragraph are exempt from Section 250 of the Illinois Income
21 Tax Act.

22 The Treasurer shall adopt rules he or she considers
23 necessary for the efficient administration of the College
24 Savings Pool. The rules shall provide whatever additional
25 parameters and restrictions are necessary to ensure that the
26 College Savings Pool meets all of the requirements for a

1 qualified state tuition program under Section 529 of the
2 Internal Revenue Code (26 U.S.C. 529). The rules shall provide
3 for the administration expenses of the pool to be paid from its
4 earnings and for the investment earnings in excess of the
5 expenses and all moneys collected as penalties to be credited
6 or paid monthly to the several participants in the pool in a
7 manner which equitably reflects the differing amounts of their
8 respective investments in the pool and the differing periods of
9 time for which those amounts were in the custody of the pool.
10 Also, the rules shall require the maintenance of records that
11 enable the Treasurer's office to produce a report for each
12 account in the pool at least annually that documents the
13 account balance and investment earnings. Notice of any proposed
14 amendments to the rules and regulations shall be provided to
15 all participants prior to adoption. Amendments to rules and
16 regulations shall apply only to contributions made after the
17 adoption of the amendment.

18 Upon creating the College Savings Pool, the State Treasurer
19 shall give bond with 2 or more sufficient sureties, payable to
20 and for the benefit of the participants in the College Savings
21 Pool, in the penal sum of \$1,000,000, conditioned upon the
22 faithful discharge of his or her duties in relation to the
23 College Savings Pool.

24 (Source: P.A. 92-16, eff. 6-28-01; 92-439, eff. 8-17-01;
25 92-626, eff. 7-11-02; 93-812, eff. 1-1-05.)

1 Section 15. The Illinois Pension Code is amended by adding
2 Section 1-110.6 and changing Section 22-401 as follows:

3 (40 ILCS 5/1-110.6 new)

4 Sec. 1-110.6. Transactions prohibited by retirement
5 systems, local pension funds, or large Article 3 or 4 pension
6 funds; Sudan.

7 (a) For purposes of this Section:

8 "Company" is any entity capable of affecting commerce,
9 including but not limited to (i) a government, government
10 agency, natural person, legal person, sole proprietorship,
11 partnership, firm, corporation, subsidiary, affiliate,
12 franchisor, franchisee, joint venture, trade association,
13 financial institution, utility, public franchise, provider of
14 financial services, trust, or enterprise; and (ii) any
15 association thereof.

16 "Forbidden entity" means any of the following:

17 (1) The government of the Republic of the Sudan and any
18 of its agencies, including but not limited to political
19 units and subdivisions;

20 (2) Any company that is wholly or partially managed or
21 controlled by the government of the Republic of the Sudan
22 and any of its agencies, including but not limited to
23 political units and subdivisions;

24 (3) Any company (i) that is established or organized
25 under the laws of the Republic of the Sudan or (ii) whose

1 principal place of business is in the Republic of the
2 Sudan;

3 (4) Any company (i) identified by the Office of Foreign
4 Assets Control in the United States Department of the
5 Treasury as sponsoring terrorist activities; or (ii)
6 fined, penalized, or sanctioned by the Office of Foreign
7 Assets Control in the United States Department of the
8 Treasury for any violation of any United States rules and
9 restrictions relating to the Republic of the Sudan that
10 occurred at any time following the effective date of this
11 Act;

12 (5) Any publicly traded company identified by an
13 independent researching firm that specializes in global
14 security risk and that has been retained by a certifying
15 company as provided in subsection (b) of this Section as
16 being a company that owns or controls property or assets
17 located in, has employees or facilities located in,
18 provides goods or services to, obtain goods or services
19 from, has distribution agreements with, issue credits or
20 loans to, purchase bonds or commercial paper issued by, or
21 invests in (A) the Republic of the Sudan; or (B) any
22 company domiciled in the Republic of the Sudan; and

23 (6) Any private market fund that:

24 (i) with respect to a commitment or investment made
25 pursuant to a written agreement executed prior to the
26 effective date of this Section, and at no additional

1 cost to the retirement system, local pension fund, or
2 large Article 3 or 4 pension fund, fails to submit to
3 the appropriate certifying company or the retirement
4 system, local pension fund, or large Article 3 or 4
5 pension fund, as the case may be:

6 (A) an affidavit sworn under oath in which an
7 expressly authorized officer of the private market
8 fund avers that the private market fund (I) does
9 not own or control any property or asset located in
10 the Republic of the Sudan and (II) did not transact
11 commercial business in the Republic of the Sudan;
12 or

13 (B) a certificate in which an expressly
14 authorized officer of the private market fund
15 certifies that the private market fund, based on
16 reasonable due diligence, has determined that,
17 other than direct or indirect investments in
18 companies certified as Non-Government
19 Organizations by the United Nations, the private
20 market fund has no direct or indirect investment in
21 any company (I) organized under the laws of the
22 Republic of Sudan; (II) whose principal place of
23 business is in the Republic of Sudan; (III) that
24 conducts operations in the Republic of Sudan; or
25 (IV) that owns any interest in real estate in the
26 Republic of Sudan, provided that the private

1 market fund further agrees that the retirement
2 system, local pension fund, or large Article 3 or 4
3 pension fund, directly or through an agent, may
4 from time to time review the certifying company's
5 certification process based on the periodic
6 reports received by the certifying company; and
7 (ii) with respect to a commitment or investment
8 made pursuant to a written agreement executed after the
9 effective date of this Section, and at no additional
10 cost to the retirement system, local pension fund, or
11 large Article 3 or 4 pension fund, fails to (A) submit
12 the affidavit or certificate required in (i); or (B)
13 agree in an enforceable written agreement that
14 provides for effective and appropriate remedies that
15 none of the assets of the retirement system, local
16 pension fund, or large Article 3 or 4 pension fund
17 shall be transferred, loaned, or otherwise invested in
18 any company that directly or indirectly (i) has
19 facilities or employees in the Republic of Sudan; (ii)
20 owns any interest in real estate in the Republic of
21 Sudan; or (iii) conducts commercial business in the
22 Republic of Sudan or with companies located in the
23 Republic of Sudan.

24 Notwithstanding the foregoing, the term "forbidden entity"
25 shall exclude companies that transact business in Sudan under
26 the law, license, or permit of the United States, including a

1 license from the United States Department of the Treasury, and
2 companies, except agencies of the Republic of the Sudan, who
3 are certified as Non-Government Organizations by the United
4 Nations, or who engage solely in (i) the provision of goods and
5 services intended to relieve human suffering or to promote
6 welfare, health, religious and spiritual activities, and
7 education or humanitarian purposes; or (ii) journalistic
8 activities.

9 "Large Article 3 or 4 pension fund" means a pension fund
10 that (1) is established under Article 3 or Article 4 of this
11 Code; (2) receives direct contributions of tax dollars from a
12 unit of local government; and (3) may, under this Code,
13 directly invest in corporate stocks.

14 "Local pension fund" means a pension fund or retirement
15 system established under this Code that (1) is not established
16 under Article 3 or 4 of this Code; and (2) receives direct
17 contributions of tax dollars from a unit of local government, a
18 political subdivision of the State, or any other body politic
19 and corporate that is not the State of Illinois or unit
20 thereof.

21 "Private market fund" means any private equity fund,
22 private equity fund of funds, venture capital fund, hedge fund,
23 hedge fund of funds, real estate fund, or other investment
24 vehicle that is not publicly traded.

25 "Retirement system" means a retirement system or pension
26 fund established under this Code that receives contributions of

1 tax dollars from the State of Illinois or any unit or agency
2 thereof.

3 (b) A retirement system, local pension fund, or large
4 Article 3 or 4 pension fund established under this Code shall
5 not transfer or disburse funds to, deposit into, acquire any
6 bonds or commercial paper from, or otherwise loan to or invest
7 in any entity unless, as provided in this Section, a certifying
8 company certifies to the retirement system, local pension fund,
9 or large Article 3 or 4 pension fund that, (1) with respect to
10 investments in a publicly traded company, the certifying
11 company has relied on information provided by an independent
12 researching firm that specializes in global security risk and
13 (2) 100% of the retirement system's, local pension fund's, or
14 large Article 3 or 4 pension fund's assets for which the
15 certifying company provides services or advice are not and have
16 not been invested or reinvested in any forbidden entity at any
17 time after 4 months after the effective date.

18 The certifying company shall make the certification
19 required under this subsection (b) to a large Article 3 or 4
20 pension fund 6 months after the effective date of this Section
21 and every 6 months thereafter, and to any other retirement
22 systems or local pension fund 6 months after the effective date
23 of this Section and annually thereafter. A large Article 3 or 4
24 pension fund shall submit the certifications to the Public
25 Pension Division of the Department of Financial and
26 Professional Regulation, and the Public Pension Division shall

1 notify the Secretary of Financial and Professional Regulation
2 if a pension fund fails to do so.

3 (c) In addition to any other penalties and remedies
4 available under the law of Illinois and the United States, any
5 transaction that violates the provisions of this Act shall be
6 against public policy and void or voidable, at the sole
7 discretion of the retirement system, local pension fund, or
8 large Article 3 or 4 pension fund.

9 (d) If a private market fund fails to provide the affidavit
10 or certification required in item (6) of the definition of
11 "forbidden entity" in subsection (a) of this Section:

12 (1) the retirement system, local pension fund, large
13 Article 3 or 4 pension fund, or certifying company, as the
14 case may be, shall, within 90 days, divest or attempt in
15 good faith to divest the retirement system's, local pension
16 fund's, or large Article 3 or 4 pension fund's interest in
17 the private market fund, provided that the Board of the
18 retirement system, pension fund, or large Article 3 or 4
19 pension fund confirms, through resolution, that the
20 divestment does not have a material and adverse impact on
21 the retirement system or pension fund; and

22 (2) the retirement system, local pension fund, or large
23 Article 3 or 4 pension fund shall immediately notify the
24 State Board of Investment, who shall, in turn, immediately
25 notify all retirement systems, local pension funds, and
26 large Article 3 or 4 pension funds established under this

1 Code, whereupon said retirement systems, local pension
2 funds, and large Article 3 or 4 pension funds shall not
3 enter into any agreement under which the retirement system,
4 local pension fund, or large Article 3 or 4 pension fund
5 directly or indirectly invests in that private market fund.

6 (e) If a private market fund fails to fulfill the agreement
7 provided for in paragraph (ii) of item (6) of subsection (a),
8 the retirement system, local pension fund, or large Article 3
9 or 4 pension fund shall immediately take legal and other action
10 to obtain satisfaction through all remedies and penalties
11 available under the law and the agreement itself, and shall
12 immediately notify the State Board of Investment. The State
13 Board of Investment shall, in turn, immediately notify all
14 retirement systems, local pension funds, and large Article 3 or
15 4 pension funds, whereupon said retirement systems, local
16 pension funds, and large Article 3 or 4 pension funds shall not
17 enter into any agreement under which the retirement system,
18 local pension fund, or large Article 3 or 4 pension fund
19 directly or indirectly invests in that private market fund.

20 (f) The changes made to this Section by this amendatory Act
21 of the 95th General Assembly shall have full force and effect
22 during any period in which the Government of Sudan, or the
23 officials of that government, are subject to sanctions
24 authorized under any statute or executive order of the United
25 States or until such time as the State Department of the United
26 States confirms in the federal register or through other means

1 that Sudan is no longer subject to sanctions by the government
2 of the United States.

3 (g) If any provision of this Section or its application to
4 any person, body politic and corporate, or circumstance is held
5 invalid, the invalidity of that provision or application does
6 not affect other provisions or applications of this Section
7 that can be given effect without the invalid provision or
8 application.

9 (40 ILCS 5/22-401) (from Ch. 108 1/2, par. 22-401)

10 Sec. 22-401. Pension fund - body politic and corporate. Any
11 annuity and benefit fund, annuity and retirement fund or
12 retirement system, heretofore or hereafter created by the
13 legislature of the State of Illinois or pursuant to law for the
14 benefit of employees of the State or of any county, city, town,
15 municipal corporation or body politic and corporate, located in
16 the State of Illinois and functioning pursuant to legislative
17 enactment, to which the State or any such county, city, town,
18 municipal corporation or body politic and corporate is required
19 to contribute by way of tax levies, appropriations from the
20 corporate fund, or otherwise, and by whatever name such annuity
21 and benefit fund, annuity and retirement fund or retirement
22 system may be called, is hereby declared to be a pension fund
23 and to be a creature of the State and body politic and
24 corporate under the title specified in the law creating such
25 fund, limited to the performance of the duties set out in the

1 law creating such fund. The trustees of each fund are hereby
2 declared to be the officials of such body politic and
3 corporate, vested with the powers and duties set out in said
4 law.

5 (b) This Section applies to all pending actions and all
6 actions commenced on or after the effective date of this
7 amendatory Act of the 95th General Assembly.

8 (c) If any provision of this Section or its application to
9 any person or circumstance is held invalid, the invalidity of
10 that provision or application does not affect other provisions
11 or applications of this Section that can be given effect
12 without the invalid provision or application.

13 (Source: Laws 1963, p. 161.)

14 (15 ILCS 520/22.6 rep.)

15 Section 90. The Deposit of State Moneys Act is amended by
16 repealing Section 22.6.

17 (40 ILCS 5/1-110.5 rep.)

18 Section 95. The Illinois Pension Code is amended by
19 repealing Section 1-110.5.

20 Section 97. Severability. The provisions of this Act are
21 severable under Section 1.31 of the Statute on Statutes.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.