



Sen. Jacqueline Y. Collins

Filed: 3/23/2007

09500SB1169sam001

LRB095 10981 AMC 34554 a

1 AMENDMENT TO SENATE BILL 1169

2 AMENDMENT NO. _____. Amend Senate Bill 1169 by replacing
3 the title with the following:

4 "AN ACT to disassociate from genocide and terrorism in
5 Sudan."; and

6 by replacing everything after the enacting clause with the
7 following:

8 "Section 1. Findings. The Government of the United States
9 has determined that Sudan is a nation that sponsors terrorism
10 and genocide. The General Assembly finds that acts of terrorism
11 have caused injury and death to Illinois and United States
12 residents who serve in the United States military, and pose a
13 significant threat to safety and health in Illinois. The
14 General Assembly finds that public employees and their
15 families, including police officers and firefighters, are more
16 likely than others to be affected by acts of terrorism. The

1 General Assembly finds that Sudan continues to solicit
2 investment and commercial activities by forbidden entities,
3 including private market funds. The General Assembly finds that
4 investments in forbidden entities are inherently and unduly
5 risky, not in the interests of public pensioners and Illinois
6 taxpayers, and against public policy. The General Assembly
7 finds that Sudan's capacity to sponsor terrorism and genocide
8 depends on or is supported by the activities of forbidden
9 entities. The General Assembly further finds and re-affirms
10 that the people of the State, acting through their
11 representatives, do not want to be associated with forbidden
12 entities, genocide, and terrorism.

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

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

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

18 Sec. 22.5. Permitted investments. The State Treasurer may,
19 with the approval of the Governor, invest and reinvest any
20 State money in the treasury which is not needed for current
21 expenditures due or about to become due, in obligations of the
22 United States government or its agencies or of National
23 Mortgage Associations established by or under the National
24 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage

1 participation certificates representing undivided interests in
2 specified, first-lien conventional residential Illinois
3 mortgages that are underwritten, insured, guaranteed, or
4 purchased by the Federal Home Loan Mortgage Corporation or in
5 Affordable Housing Program Trust Fund Bonds or Notes as defined
6 in and issued pursuant to the Illinois Housing Development Act.
7 All such obligations shall be considered as cash and may be
8 delivered over as cash by a State Treasurer to his successor.

9 The State Treasurer may, with the approval of the Governor,
10 purchase any state bonds with any money in the State Treasury
11 that has been set aside and held for the payment of the
12 principal of and interest on the bonds. The bonds shall be
13 considered as cash and may be delivered over as cash by the
14 State Treasurer to his successor.

15 The State Treasurer may, with the approval of the Governor,
16 invest or reinvest any State money in the treasury that is not
17 needed for current expenditure due or about to become due, or
18 any money in the State Treasury that has been set aside and
19 held for the payment of the principal of and the interest on
20 any State bonds, in shares, withdrawable accounts, and
21 investment certificates of savings and building and loan
22 associations, incorporated under the laws of this State or any
23 other state or under the laws of the United States; provided,
24 however, that investments may be made only in those savings and
25 loan or building and loan associations the shares and
26 withdrawable accounts or other forms of investment securities

1 of which are insured by the Federal Deposit Insurance
2 Corporation.

3 The State Treasurer may not invest State money in any
4 savings and loan or building and loan association unless a
5 commitment by the savings and loan (or building and loan)
6 association, executed by the president or chief executive
7 officer of that association, is submitted in the following
8 form:

9 The Savings and Loan (or Building
10 and Loan) Association pledges not to reject arbitrarily
11 mortgage loans for residential properties within any
12 specific part of the community served by the savings and
13 loan (or building and loan) association because of the
14 location of the property. The savings and loan (or building
15 and loan) association also pledges to make loans available
16 on low and moderate income residential property throughout
17 the community within the limits of its legal restrictions
18 and prudent financial practices.

19 The State Treasurer may, with the approval of the Governor,
20 invest or reinvest, at a price not to exceed par, any State
21 money in the treasury that is not needed for current
22 expenditures due or about to become due, or any money in the
23 State Treasury that has been set aside and held for the payment
24 of the principal of and interest on any State bonds, in bonds
25 issued by counties or municipal corporations of the State of
26 Illinois.

1 The State Treasurer may, with the approval of the Governor,
2 invest or reinvest any State money in the Treasury which is not
3 needed for current expenditure, due or about to become due, or
4 any money in the State Treasury which has been set aside and
5 held for the payment of the principal of and the interest on
6 any State bonds, in participations in loans, the principal of
7 which participation is fully guaranteed by an agency or
8 instrumentality of the United States government; provided,
9 however, that such loan participations are represented by
10 certificates issued only by banks which are incorporated under
11 the laws of this State or any other state or under the laws of
12 the United States, and such banks, but not the loan
13 participation certificates, are insured by the Federal Deposit
14 Insurance Corporation.

15 The State Treasurer may, with the approval of the Governor,
16 invest or reinvest any State money in the Treasury that is not
17 needed for current expenditure, due or about to become due, or
18 any money in the State Treasury that has been set aside and
19 held for the payment of the principal of and the interest on
20 any State bonds, in any of the following:

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

25 (2) Bonds, notes, debentures, or other similar
26 obligations of the United States of America, its agencies,

1 and instrumentalities.

2 (2.5) Bonds, notes, debentures, or other similar
3 obligations of a foreign government, other than the
4 Republic of the Sudan, that are guaranteed by the full
5 faith and credit of that government as to principal and
6 interest, but only if the foreign government has not
7 defaulted and has met its payment obligations in a timely
8 manner on all similar obligations for a period of at least
9 25 years immediately before the time of acquiring those
10 obligations.

11 (3) Interest-bearing savings accounts,
12 interest-bearing certificates of deposit, interest-bearing
13 time deposits, or any other investments constituting
14 direct obligations of any bank as defined by the Illinois
15 Banking Act.

16 (4) Interest-bearing accounts, certificates of
17 deposit, or any other investments constituting direct
18 obligations of any savings and loan associations
19 incorporated under the laws of this State or any other
20 state or under the laws of the United States.

21 (5) Dividend-bearing share accounts, share certificate
22 accounts, or class of share accounts of a credit union
23 chartered under the laws of this State or the laws of the
24 United States; provided, however, the principal office of
25 the credit union must be located within the State of
26 Illinois.

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

5 (7) Short-term obligations of corporations organized
6 in the United States with assets exceeding \$500,000,000 if
7 (i) the obligations are rated at the time of purchase at
8 one of the 3 highest classifications established by at
9 least 2 standard rating services and mature not later than
10 180 days from the date of purchase, (ii) the purchases do
11 not exceed 10% of the corporation's outstanding
12 obligations, (iii) no more than one-third of the public
13 agency's funds are invested in short-term obligations of
14 corporations, and (iv) the corporation has not been
15 identified as a forbidden entity, as that term is defined
16 in Section 1-110.6 of the Illinois Pension Code, by an
17 independent researching firm that specializes in global
18 security risk that has been engaged by the State Treasurer
19 ~~is not a forbidden entity, as defined in Section 22.6 of~~
20 ~~the Deposit of State Moneys Act.~~

21 (8) Money market mutual funds registered under the
22 Investment Company Act of 1940, provided that the portfolio
23 of the money market mutual fund is limited to obligations
24 described in this Section and to agreements to repurchase
25 such obligations.

26 (9) The Public Treasurers' Investment Pool created

1 under Section 17 of the State Treasurer Act or in a fund
2 managed, operated, and administered by a bank.

3 (10) Repurchase agreements of government securities
4 having the meaning set out in the Government Securities Act
5 of 1986 subject to the provisions of that Act and the
6 regulations issued thereunder.

7 (11) Investments made in accordance with the
8 Technology Development Act.

9 For purposes of this Section, "agencies" of the United
10 States Government includes:

11 (i) the federal land banks, federal intermediate
12 credit banks, banks for cooperatives, federal farm credit
13 banks, or any other entity authorized to issue debt
14 obligations under the Farm Credit Act of 1971 (12 U.S.C.
15 2001 et seq.) and Acts amendatory thereto;

16 (ii) the federal home loan banks and the federal home
17 loan mortgage corporation;

18 (iii) the Commodity Credit Corporation; and

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

20 The Treasurer may, with the approval of the Governor, lend
21 any securities acquired under this Act. However, securities may
22 be lent under this Section only in accordance with Federal
23 Financial Institution Examination Council guidelines and only
24 if the securities are collateralized at a level sufficient to
25 assure the safety of the securities, taking into account market
26 value fluctuation. The securities may be collateralized by cash

1 or collateral acceptable under Sections 11 and 11.1.

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

4 Section 10. The State Treasurer Act is amended by changing
5 Section 16.5 as follows:

6 (15 ILCS 505/16.5)

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

15 "Participant", as used in this Section, means any person
16 who makes investments in the pool. "Designated beneficiary", as
17 used in this Section, means any person on whose behalf an
18 account is established in the College Savings Pool by a
19 participant. Both in-state and out-of-state persons may be
20 participants and designated beneficiaries in the College
21 Savings Pool.

22 New accounts in the College Savings Pool shall be processed
23 through participating financial institutions. "Participating
24 financial institution", as used in this Section, means any

1 financial institution insured by the Federal Deposit Insurance
2 Corporation and lawfully doing business in the State of
3 Illinois and any credit union approved by the State Treasurer
4 and lawfully doing business in the State of Illinois that
5 agrees to process new accounts in the College Savings Pool.
6 Participating financial institutions may charge a processing
7 fee to participants to open an account in the pool that shall
8 not exceed \$30 until the year 2001. Beginning in 2001 and every
9 year thereafter, the maximum fee limit shall be adjusted by the
10 Treasurer based on the Consumer Price Index for the North
11 Central Region as published by the United States Department of
12 Labor, Bureau of Labor Statistics for the immediately preceding
13 calendar year. Every contribution received by a financial
14 institution for investment in the College Savings Pool shall be
15 transferred from the financial institution to a location
16 selected by the State Treasurer within one business day
17 following the day that the funds must be made available in
18 accordance with federal law. All communications from the State
19 Treasurer to participants shall reference the participating
20 financial institution at which the account was processed.

21 The Treasurer may invest the moneys in the College Savings
22 Pool in the same manner, in the same types of investments, ~~and~~
23 ~~subject to the same limitations~~ provided for the investment of
24 moneys by the Illinois State Board of Investment. To enhance
25 the safety and liquidity of the College Savings Pool, to ensure
26 the diversification of the investment portfolio of the pool,

1 and in an effort to keep investment dollars in the State of
2 Illinois, the State Treasurer shall make a percentage of each
3 account available for investment in participating financial
4 institutions doing business in the State. The State Treasurer
5 shall deposit with the participating financial institution at
6 which the account was processed the following percentage of
7 each account at a prevailing rate offered by the institution,
8 provided that the deposit is federally insured or fully
9 collateralized and the institution accepts the deposit: 10% of
10 the total amount of each account for which the current age of
11 the beneficiary is less than 7 years of age, 20% of the total
12 amount of each account for which the beneficiary is at least 7
13 years of age and less than 12 years of age, and 50% of the total
14 amount of each account for which the current age of the
15 beneficiary is at least 12 years of age. The State Treasurer
16 shall adjust each account at least annually to ensure
17 compliance with this Section. The Treasurer shall develop,
18 publish, and implement an investment policy covering the
19 investment of the moneys in the College Savings Pool. The
20 policy shall be published (i) at least once each year in at
21 least one newspaper of general circulation in both Springfield
22 and Chicago and (ii) each year as part of the audit of the
23 College Savings Pool by the Auditor General, which shall be
24 distributed to all participants. The Treasurer shall notify all
25 participants in writing, and the Treasurer shall publish in a
26 newspaper of general circulation in both Chicago and

1 Springfield, any changes to the previously published
2 investment policy at least 30 calendar days before implementing
3 the policy. Any investment policy adopted by the Treasurer
4 shall be reviewed and updated if necessary within 90 days
5 following the date that the State Treasurer takes office.

6 Participants shall be required to use moneys distributed
7 from the College Savings Pool for qualified expenses at
8 eligible educational institutions. "Qualified expenses", as
9 used in this Section, means the following: (i) tuition, fees,
10 and the costs of books, supplies, and equipment required for
11 enrollment or attendance at an eligible educational
12 institution and (ii) certain room and board expenses incurred
13 while attending an eligible educational institution at least
14 half-time. "Eligible educational institutions", as used in
15 this Section, means public and private colleges, junior
16 colleges, graduate schools, and certain vocational
17 institutions that are described in Section 481 of the Higher
18 Education Act of 1965 (20 U.S.C. 1088) and that are eligible to
19 participate in Department of Education student aid programs. A
20 student shall be considered to be enrolled at least half-time
21 if the student is enrolled for at least half the full-time
22 academic work load for the course of study the student is
23 pursuing as determined under the standards of the institution
24 at which the student is enrolled. Distributions made from the
25 pool for qualified expenses shall be made directly to the
26 eligible educational institution, directly to a vendor, or in

1 the form of a check payable to both the beneficiary and the
2 institution or vendor. Any moneys that are distributed in any
3 other manner or that are used for expenses other than qualified
4 expenses at an eligible educational institution shall be
5 subject to a penalty of 10% of the earnings unless the
6 beneficiary dies, becomes disabled, or receives a scholarship
7 that equals or exceeds the distribution. Penalties shall be
8 withheld at the time the distribution is made.

9 The Treasurer shall limit the contributions that may be
10 made on behalf of a designated beneficiary based on an
11 actuarial estimate of what is required to pay tuition, fees,
12 and room and board for 5 undergraduate years at the highest
13 cost eligible educational institution. The contributions made
14 on behalf of a beneficiary who is also a beneficiary under the
15 Illinois Prepaid Tuition Program shall be further restricted to
16 ensure that the contributions in both programs combined do not
17 exceed the limit established for the College Savings Pool. The
18 Treasurer shall provide the Illinois Student Assistance
19 Commission each year at a time designated by the Commission, an
20 electronic report of all participant accounts in the
21 Treasurer's College Savings Pool, listing total contributions
22 and disbursements from each individual account during the
23 previous calendar year. As soon thereafter as is possible
24 following receipt of the Treasurer's report, the Illinois
25 Student Assistance Commission shall, in turn, provide the
26 Treasurer with an electronic report listing those College

1 Savings Pool participants who also participate in the State's
2 prepaid tuition program, administered by the Commission. The
3 Commission shall be responsible for filing any combined tax
4 reports regarding State qualified savings programs required by
5 the United States Internal Revenue Service. The Treasurer shall
6 work with the Illinois Student Assistance Commission to
7 coordinate the marketing of the College Savings Pool and the
8 Illinois Prepaid Tuition Program when considered beneficial by
9 the Treasurer and the Director of the Illinois Student
10 Assistance Commission. The Treasurer's office shall not
11 publicize or otherwise market the College Savings Pool or
12 accept any moneys into the College Savings Pool prior to March
13 1, 2000. The Treasurer shall provide a separate accounting for
14 each designated beneficiary to each participant, the Illinois
15 Student Assistance Commission, and the participating financial
16 institution at which the account was processed. No interest in
17 the program may be pledged as security for a loan.

18 The assets of the College Savings Pool and its income and
19 operation shall be exempt from all taxation by the State of
20 Illinois and any of its subdivisions. The accrued earnings on
21 investments in the Pool once disbursed on behalf of a
22 designated beneficiary shall be similarly exempt from all
23 taxation by the State of Illinois and its subdivisions, so long
24 as they are used for qualified expenses. Contributions to a
25 College Savings Pool account during the taxable year may be
26 deducted from adjusted gross income as provided in Section 203

1 of the Illinois Income Tax Act. The provisions of this
2 paragraph are exempt from Section 250 of the Illinois Income
3 Tax Act.

4 The Treasurer shall adopt rules he or she considers
5 necessary for the efficient administration of the College
6 Savings Pool. The rules shall provide whatever additional
7 parameters and restrictions are necessary to ensure that the
8 College Savings Pool meets all of the requirements for a
9 qualified state tuition program under Section 529 of the
10 Internal Revenue Code (26 U.S.C. 529). The rules shall provide
11 for the administration expenses of the pool to be paid from its
12 earnings and for the investment earnings in excess of the
13 expenses and all moneys collected as penalties to be credited
14 or paid monthly to the several participants in the pool in a
15 manner which equitably reflects the differing amounts of their
16 respective investments in the pool and the differing periods of
17 time for which those amounts were in the custody of the pool.
18 Also, the rules shall require the maintenance of records that
19 enable the Treasurer's office to produce a report for each
20 account in the pool at least annually that documents the
21 account balance and investment earnings. Notice of any proposed
22 amendments to the rules and regulations shall be provided to
23 all participants prior to adoption. Amendments to rules and
24 regulations shall apply only to contributions made after the
25 adoption of the amendment.

26 Upon creating the College Savings Pool, the State Treasurer

1 shall give bond with 2 or more sufficient sureties, payable to
2 and for the benefit of the participants in the College Savings
3 Pool, in the penal sum of \$1,000,000, conditioned upon the
4 faithful discharge of his or her duties in relation to the
5 College Savings Pool.

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

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

10 (40 ILCS 5/1-110.6 new)

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

14 (a) For purposes of this Section:

15 "Company" is any entity capable of affecting commerce,
16 including but not limited to (i) a government, government
17 agency, natural person, legal person, sole proprietorship,
18 partnership, firm, corporation, subsidiary, affiliate,
19 franchisor, franchisee, joint venture, trade association,
20 financial institution, utility, public franchise, provider of
21 financial services, trust, or enterprise; and (ii) any
22 association thereof.

23 "Forbidden entity" means any of the following:

24 (1) The government of the Republic of the Sudan and any

1 of its agencies, including but not limited to political
2 units and subdivisions;

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

7 (3) Any company (i) that is established or organized
8 under the laws of the Republic of the Sudan or (ii) whose
9 principal place of business is in the Republic of the
10 Sudan;

11 (4) Any company (i) identified by the Office of Foreign
12 Assets Control in the United States Department of the
13 Treasury as sponsoring terrorist activities; or (ii)
14 fined, penalized, or sanctioned by the Office of Foreign
15 Assets Control in the United States Department of the
16 Treasury for any violation of any United States rules and
17 restrictions relating to the Republic of the Sudan that
18 occurred at any time following the effective date of this
19 Act;

20 (5) Any publicly traded company identified by an
21 independent researching firm that specializes in global
22 security risk and that has been retained by a certifying
23 company as provided in subsection (b) of this Section as
24 being a company that owns or controls property or assets
25 located in, has employees or facilities located in,
26 provides goods or services to, obtain goods or services

1 from, has distribution agreements with, issue credits or
2 loans to, purchase bonds or commercial paper issued by, or
3 invests in (A) the Republic of the Sudan; or (B) any
4 company domiciled in the Republic of the Sudan; and

5 (6) Any private market fund that:

6 (i) with respect to a commitment or investment made
7 pursuant to a written agreement executed prior to the
8 effective date of this Section, and at no additional
9 cost to the retirement system, local pension fund, or
10 large Article 3 or 4 pension fund, fails to submit to
11 the appropriate certifying company or the retirement
12 system, local pension fund, or large Article 3 or 4
13 pension fund, as the case may be:

14 (A) an affidavit sworn under oath in which an
15 expressly authorized officer of the private market
16 fund avers that the private market fund (I) does
17 not own or control any property or asset located in
18 the Republic of the Sudan and (II) did not transact
19 commercial business in the Republic of the Sudan;
20 or

21 (B) a certificate in which an expressly
22 authorized officer of the private market fund
23 certifies that the private market fund, based on
24 reasonable due diligence, has determined that,
25 other than direct or indirect investments in
26 companies certified as Non-Government

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

1 facilities or employees in the Republic of Sudan; (ii)
2 owns any interest in real estate in the Republic of
3 Sudan; or (iii) conducts commercial business in the
4 Republic of Sudan or with companies located in the
5 Republic of Sudan.

6 Notwithstanding the foregoing, the term "forbidden entity"
7 shall exclude companies that transact business in Sudan under
8 the law, license, or permit of the United States, including a
9 license from the United States Department of the Treasury, and
10 companies, except agencies of the Republic of the Sudan, who
11 are certified as Non-Government Organizations by the United
12 Nations, or who engage solely in (i) the provision of goods and
13 services intended to relieve human suffering or to promote
14 welfare, health, religious and spiritual activities, and
15 education or humanitarian purposes; or (ii) journalistic
16 activities.

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

22 "Local pension fund" means a pension fund or retirement
23 system established under this Code that (1) is not established
24 under Article 3 or 4 of this Code; and (2) receives direct
25 contributions of tax dollars from a unit of local government, a
26 political subdivision of the State, or any other body politic

1 and corporate that is not the State of Illinois or unit
2 thereof.

3 "Private market fund" means any private equity fund,
4 private equity fund of funds, venture capital fund, hedge fund,
5 hedge fund of funds, real estate fund, or other investment
6 vehicle that is not publicly traded.

7 "Retirement system" means a retirement system or pension
8 fund established under this Code that receives contributions of
9 tax dollars from the State of Illinois or any unit or agency
10 thereof.

11 (b) A retirement system, local pension fund, or large
12 Article 3 or 4 pension fund established under this Code shall
13 not transfer or disburse funds to, deposit into, acquire any
14 bonds or commercial paper from, or otherwise loan to or invest
15 in any entity unless, as provided in this Section, a certifying
16 company certifies to the retirement system, local pension fund,
17 or large Article 3 or 4 pension fund that, (1) with respect to
18 investments in a publicly traded company, the certifying
19 company has relied on information provided by an independent
20 researching firm that specializes in global security risk and
21 (2) 100% of the retirement system's, local pension fund's, or
22 large Article 3 or 4 pension fund's assets for which the
23 certifying company provides services or advice are not and have
24 not been invested or reinvested in any forbidden entity at any
25 time after 4 months after the effective date.

26 The certifying company shall make the certification

1 required under this subsection (b) to a large Article 3 or 4
2 pension fund 6 months after the effective date of this Section
3 and every 6 months thereafter, and to any other retirement
4 systems or local pension fund 6 months after the effective date
5 of this Section and annually thereafter. A large Article 3 or 4
6 pension fund shall submit the certifications to the Public
7 Pension Division of the Department of Financial and
8 Professional Regulation, and the Public Pension Division shall
9 notify the Secretary of Financial and Professional Regulation
10 if a pension fund fails to do so.

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

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

20 (1) the retirement system, local pension fund, large
21 Article 3 or 4 pension fund, or certifying company, as the
22 case may be, shall, within 90 days, divest or attempt in
23 good faith to divest the retirement system's, local pension
24 fund's, or large Article 3 or 4 pension fund's interest in
25 the private market fund, provided that the Board of the
26 retirement system, pension fund, or large Article 3 or 4

1 pension fund confirms, through resolution, that the
2 divestment does not have a material and adverse impact on
3 the retirement system or pension fund; and

4 (2) the retirement system, local pension fund, or large
5 Article 3 or 4 pension fund shall immediately notify the
6 State Board of Investment, who shall, in turn, immediately
7 notify all retirement systems, local pension funds, and
8 large Article 3 or 4 pension funds established under this
9 Code, whereupon said retirement systems, local pension
10 funds, and large Article 3 or 4 pension funds shall not
11 enter into any agreement under which the retirement system,
12 local pension fund, or large Article 3 or 4 pension fund
13 directly or indirectly invests in that private market fund.

14 (e) If a private market fund fails to fulfill the agreement
15 provided for in paragraph (ii) of item (6) of subsection (a),
16 the retirement system, local pension fund, or large Article 3
17 or 4 pension fund shall immediately take legal and other action
18 to obtain satisfaction through all remedies and penalties
19 available under the law and the agreement itself, and shall
20 immediately notify the State Board of Investment. The State
21 Board of Investment shall, in turn, immediately notify all
22 retirement systems, local pension funds, and large Article 3 or
23 4 pension funds, whereupon said retirement systems, local
24 pension funds, and large Article 3 or 4 pension funds shall not
25 enter into any agreement under which the retirement system,
26 local pension fund, or large Article 3 or 4 pension fund

1 directly or indirectly invests in that private market fund.

2 (f) The changes made to this Section by this amendatory Act
3 of the 95th General Assembly shall have full force and effect
4 during any period in which the Government of Sudan, or the
5 officials of that government, are subject to sanctions
6 authorized under any statute or executive order of the United
7 States or until such time as the State Department of the United
8 States confirms in the federal register or through other means
9 that Sudan is no longer subject to sanctions by the government
10 of the United States.

11 (g) If any provision of this Section or its application to
12 any person, body politic and corporate, or circumstance is held
13 invalid, the invalidity of that provision or application does
14 not affect other provisions or applications of this Section
15 that can be given effect without the invalid provision or
16 application.

17 (40 ILCS 5/22-401) (from Ch. 108 1/2, par. 22-401)

18 Sec. 22-401. Pension fund - body politic and corporate. Any
19 annuity and benefit fund, annuity and retirement fund or
20 retirement system, heretofore or hereafter created by the
21 legislature of the State of Illinois or pursuant to law for the
22 benefit of employees of the State or of any county, city, town,
23 municipal corporation or body politic and corporate, located in
24 the State of Illinois and functioning pursuant to legislative
25 enactment, to which the State or any such county, city, town,

1 municipal corporation or body politic and corporate is required
2 to contribute by way of tax levies, appropriations from the
3 corporate fund, or otherwise, and by whatever name such annuity
4 and benefit fund, annuity and retirement fund or retirement
5 system may be called, is hereby declared to be a pension fund
6 and to be a creature of the State and body politic and
7 corporate under the title specified in the law creating such
8 fund, limited to the performance of the duties set out in the
9 law creating such fund. The trustees of each fund are hereby
10 declared to be the officials of such body politic and
11 corporate, vested with the powers and duties set out in said
12 law.

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

16 (c) If any provision of this Section or its application to
17 any person or circumstance is held invalid, the invalidity of
18 that provision or application does not affect other provisions
19 or applications of this Section that can be given effect
20 without the invalid provision or application.

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

22 (15 ILCS 520/22.6 rep.)

23 Section 90. The Deposit of State Moneys Act is amended by
24 repealing Section 22.6.

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

2 Section 95. The Illinois Pension Code is amended by
3 repealing Section 1-110.5.

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

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.".