



Sen. Jeffrey M. Schoenberg

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LRB095 10735 JAM 33679 a

1 AMENDMENT TO SENATE BILL 1305

2 AMENDMENT NO. _____. Amend Senate Bill 1305 by replacing
3 everything after the enacting clause with the following:

4 "Section 3. The Illinois Governmental Ethics Act is amended
5 by changing Sections 4A-101, 4A-102, 4A-105, 4A-106, and 4A-107
6 as follows:

7 (5 ILCS 420/4A-101) (from Ch. 127, par. 604A-101)

8 Sec. 4A-101. Persons required to file. The following
9 persons shall file verified written statements of economic
10 interests, as provided in this Article:

11 (a) Members of the General Assembly and candidates for
12 nomination or election to the General Assembly.

13 (b) Persons holding an elected office in the Executive
14 Branch of this State, and candidates for nomination or
15 election to these offices.

16 (c) Members of a Commission or Board created by the

1 Illinois Constitution, and candidates for nomination or
2 election to such Commission or Board.

3 (d) Persons whose appointment to office is subject to
4 confirmation by the Senate.

5 (e) Holders of, and candidates for nomination or
6 election to, the office of judge or associate judge of the
7 Circuit Court and the office of judge of the Appellate or
8 Supreme Court.

9 (f) Persons who are employed by any branch, agency,
10 authority or board of the government of this State,
11 including but not limited to, the Illinois State Toll
12 Highway Authority, the Illinois Housing Development
13 Authority, the Illinois Community College Board, and
14 institutions under the jurisdiction of the Board of
15 Trustees of the University of Illinois, Board of Trustees
16 of Southern Illinois University, Board of Trustees of
17 Chicago State University, Board of Trustees of Eastern
18 Illinois University, Board of Trustees of Governor's State
19 University, Board of Trustees of Illinois State
20 University, Board of Trustees of Northeastern Illinois
21 University, Board of Trustees of Northern Illinois
22 University, Board of Trustees of Western Illinois
23 University, or Board of Trustees of the Illinois
24 Mathematics and Science Academy, and are compensated for
25 services as employees and not as independent contractors
26 and who:

1 (1) are, or function as, the head of a department,
2 commission, board, division, bureau, authority or
3 other administrative unit within the government of
4 this State, or who exercise similar authority within
5 the government of this State;

6 (2) have direct supervisory authority over, or
7 direct responsibility for the formulation,
8 negotiation, issuance or execution of contracts
9 entered into by the State in the amount of \$5,000 or
10 more;

11 (3) have authority for the issuance or
12 promulgation of rules and regulations within areas
13 under the authority of the State;

14 (4) have authority for the approval of
15 professional licenses;

16 (5) have responsibility with respect to the
17 financial inspection of regulated nongovernmental
18 entities;

19 (6) adjudicate, arbitrate, or decide any judicial
20 or administrative proceeding, or review the
21 adjudication, arbitration or decision of any judicial
22 or administrative proceeding within the authority of
23 the State;

24 (7) have supervisory responsibility for 20 or more
25 employees of the State; or

26 (8) negotiate, assign, authorize, or grant naming

1 rights or sponsorship rights regarding any property or
2 asset of the State, whether real, personal, tangible,
3 or intangible.

4 (g) Persons who are elected to office in a unit of
5 local government, and candidates for nomination or
6 election to that office, including regional
7 superintendents of school districts.

8 (h) Persons appointed to the governing board of a unit
9 of local government, or of a special district, and persons
10 appointed to a zoning board, or zoning board of appeals, or
11 to a regional, county, or municipal plan commission, or to
12 a board of review of any county, and persons appointed to
13 the Board of the Metropolitan Pier and Exposition Authority
14 and any Trustee appointed under Section 22 of the
15 Metropolitan Pier and Exposition Authority Act, and
16 persons appointed to a board or commission of a unit of
17 local government who have authority to authorize the
18 expenditure of public funds. This subsection does not apply
19 to members of boards or commissions who function in an
20 advisory capacity.

21 (i) Persons who are employed by a unit of local
22 government and are compensated for services as employees
23 and not as independent contractors and who:

24 (1) are, or function as, the head of a department,
25 division, bureau, authority or other administrative
26 unit within the unit of local government, or who

1 exercise similar authority within the unit of local
2 government;

3 (2) have direct supervisory authority over, or
4 direct responsibility for the formulation,
5 negotiation, issuance or execution of contracts
6 entered into by the unit of local government in the
7 amount of \$1,000 or greater;

8 (3) have authority to approve licenses and permits
9 by the unit of local government; this item does not
10 include employees who function in a ministerial
11 capacity;

12 (4) adjudicate, arbitrate, or decide any judicial
13 or administrative proceeding, or review the
14 adjudication, arbitration or decision of any judicial
15 or administrative proceeding within the authority of
16 the unit of local government;

17 (5) have authority to issue or promulgate rules and
18 regulations within areas under the authority of the
19 unit of local government; or

20 (6) have supervisory responsibility for 20 or more
21 employees of the unit of local government.

22 (j) Persons on the Board of Trustees of the Illinois
23 Mathematics and Science Academy.

24 (k) Persons employed by a school district in positions
25 that require that person to hold an administrative or a
26 chief school business official endorsement.

1 (1) Special government agents. A "special government
2 agent" is a person who is directed, retained, designated,
3 appointed, or employed, with or without compensation, by or
4 on behalf of a statewide executive branch constitutional
5 officer to make an ex parte communication under Section
6 5-50 of the State Officials and Employees Ethics Act or
7 Section 5-165 of the Illinois Administrative Procedure
8 Act.

9 (m) Members of the board of any pension fund or
10 retirement system established under Article 2, 14, 15, 16,
11 or 18 of the Illinois Pension Code and members of the
12 Illinois State Board of Investment, if not required to file
13 under any other provision of this Section.

14 (n) Members of the board of any pension fund or
15 retirement system established under Article 3, 4, 5, 6, 7,
16 8, 9, 10, 11, 12, 13, 17, 19, or 22 of the Illinois Pension
17 Code, if not required to file under any other provision of
18 this Section.

19 This Section shall not be construed to prevent any unit of
20 local government from enacting financial disclosure
21 requirements that mandate more information than required by
22 this Act.

23 (Source: P.A. 93-617, eff. 12-9-03; 93-816, eff. 7-27-04.)

24 (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

25 Sec. 4A-102. The statement of economic interests required

1 by this Article shall include the economic interests of the
2 person making the statement as provided in this Section. The
3 interest (if constructively controlled by the person making the
4 statement) of a spouse or any other party, shall be considered
5 to be the same as the interest of the person making the
6 statement. Campaign receipts shall not be included in this
7 statement.

8 (a) The following interests shall be listed by all persons
9 required to file:

10 (1) The name, address and type of practice of any
11 professional organization or individual professional
12 practice in which the person making the statement was an
13 officer, director, associate, partner or proprietor, or
14 served in any advisory capacity, from which income in
15 excess of \$1200 was derived during the preceding calendar
16 year;

17 (2) The nature of professional services (other than
18 services rendered to the unit or units of government in
19 relation to which the person is required to file) and the
20 nature of the entity to which they were rendered if fees
21 exceeding \$5,000 were received during the preceding
22 calendar year from the entity for professional services
23 rendered by the person making the statement.

24 (3) The identity (including the address or legal
25 description of real estate) of any capital asset from which
26 a capital gain of \$5,000 or more was realized in the

1 preceding calendar year.

2 (4) The name of any unit of government which has
3 employed the person making the statement during the
4 preceding calendar year other than the unit or units of
5 government in relation to which the person is required to
6 file.

7 (5) The name of any entity from which a gift or gifts,
8 or honorarium or honoraria, valued singly or in the
9 aggregate in excess of \$500, was received during the
10 preceding calendar year.

11 (b) The following interests shall also be listed by persons
12 listed in items (a) through (f), ~~and~~ item (l), and item (m) of
13 Section 4A-101:

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

24 (2) Except for professional service entities, the name
25 of any entity and any position held therein from which
26 income of in excess of \$1,200 was derived during the

1 preceding calendar year, if the entity does business in the
2 State of Illinois. No time or demand deposit in a financial
3 institution, nor any debt instrument need be listed.

4 (3) The identity of any compensated lobbyist with whom
5 the person making the statement maintains a close economic
6 association, including the name of the lobbyist and
7 specifying the legislative matter or matters which are the
8 object of the lobbying activity, and describing the general
9 type of economic activity of the client or principal on
10 whose behalf that person is lobbying.

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

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

24 (2) Except for professional service entities, the name
25 of any entity and any position held therein from which
26 income in excess of \$1,200 was derived during the preceding

1 calendar year if the entity does business with a unit of
2 local government in relation to which the person is
3 required to file. No time or demand deposit in a financial
4 institution, nor any debt instrument need be listed.

5 (3) The name of any entity and the nature of the
6 governmental action requested by any entity which has
7 applied to a unit of local government in relation to which
8 the person must file for any license, franchise or permit
9 for annexation, zoning or rezoning of real estate during
10 the preceding calendar year if the ownership interest of
11 the person filing is in excess of \$5,000 fair market value
12 at the time of filing or if income or dividends in excess
13 of \$1,200 were received by the person filing from the
14 entity during the preceding calendar year.

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

16 (5 ILCS 420/4A-105) (from Ch. 127, par. 604A-105)

17 Sec. 4A-105. Time for filing. Except as provided in
18 Section 4A-106.1, by May 1 of each year a statement must be
19 filed by each person whose position at that time subjects him
20 to the filing requirements of Section 4A-101 unless he has
21 already filed a statement in relation to the same unit of
22 government in that calendar year.

23 Statements must also be filed as follows:

24 (a) A candidate for elective office shall file his
25 statement not later than the end of the period during which

1 he can take the action necessary under the laws of this
2 State to attempt to qualify for nomination, election, or
3 retention to such office if he has not filed a statement in
4 relation to the same unit of government within a year
5 preceding such action.

6 (b) A person whose appointment to office is subject to
7 confirmation by the Senate shall file his statement at the
8 time his name is submitted to the Senate for confirmation.

9 (b-5) A special government agent, as defined in item
10 (1) of Section 4A-101 of this Act, shall file a statement
11 within 60 days after assuming responsibilities as a special
12 government agent ~~30 days after making the first ex parte~~
13 ~~communication~~ and each May 1 thereafter if he or she has
14 made an ex parte communication within the previous 12
15 months.

16 (c) Any other person required by this Article to file
17 the statement shall file a statement at the time of his or
18 her initial appointment or employment in relation to that
19 unit of government if appointed or employed by May 1.

20 If any person who is required to file a statement of
21 economic interests fails to file such statement by May 1 of any
22 year, the officer with whom such statement is to be filed under
23 Section 4A-106 of this Act shall, within 7 days after May 1,
24 notify such person by certified mail of his or her failure to
25 file by the specified date. Except as may be prescribed by rule
26 of the Secretary of State, such person shall file his or her

1 statement of economic interests on or before May 15 with the
2 appropriate officer, together with a \$15 late filing fee. Any
3 such person who fails to file by May 15 shall be subject to a
4 penalty of \$100 for each day from May 16 to the date of filing,
5 which shall be in addition to the \$15 late filing fee specified
6 above. Failure to file by May 31 shall result in a forfeiture
7 in accordance with Section 4A-107 of this Act.

8 Any person who takes office or otherwise becomes required
9 to file a statement of economic interests within 30 days prior
10 to May 1 of any year may file his or her statement at any time
11 on or before May 31 without penalty. If such person fails to
12 file such statement by May 31, the officer with whom such
13 statement is to be filed under Section 4A-106 of this Act
14 shall, within 7 days after May 31, notify such person by
15 certified mail of his or her failure to file by the specified
16 date. Such person shall file his or her statement of economic
17 interests on or before June 15 with the appropriate officer,
18 together with a \$15 late filing fee. Any such person who fails
19 to file by June 15 shall be subject to a penalty of \$100 per day
20 for each day from June 16 to the date of filing, which shall be
21 in addition to the \$15 late filing fee specified above. Failure
22 to file by June 30 shall result in a forfeiture in accordance
23 with Section 4A-107 of this Act.

24 All late filing fees and penalties collected pursuant to
25 this Section shall be paid into the General Revenue Fund in the
26 State treasury, if the Secretary of State receives such

1 statement for filing, or into the general fund in the county
2 treasury, if the county clerk receives such statement for
3 filing. The Attorney General, with respect to the State, and
4 the several State's Attorneys, with respect to counties, shall
5 take appropriate action to collect the prescribed penalties.

6 Failure to file a statement of economic interests within
7 the time prescribed shall not result in a fine or ineligibility
8 for, or forfeiture of, office or position of employment, as the
9 case may be; provided that the failure to file results from not
10 being included for notification by the appropriate agency,
11 clerk, secretary, officer or unit of government, as the case
12 may be, and that a statement is filed within 30 days of actual
13 notice of the failure to file.

14 (Source: P.A. 93-617, eff. 12-9-03.)

15 (5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

16 Sec. 4A-106. The statements of economic interests required
17 of persons listed in items (a) through (f), item (j), ~~and~~ item
18 (l), and item (m) of Section 4A-101 shall be filed with the
19 Secretary of State. The statements of economic interests
20 required of persons listed in items (g), (h), (i), ~~and~~ (k), and
21 (n) of Section 4A-101 shall be filed with the county clerk of
22 the county in which the principal office of the unit of local
23 government with which the person is associated is located. If
24 it is not apparent which county the principal office of a unit
25 of local government is located, the chief administrative

1 officer, or his or her designee, has the authority, for
2 purposes of this Act, to determine the county in which the
3 principal office is located. On or before February 1 annually,
4 (1) the chief administrative officer of any State agency in the
5 executive, legislative, or judicial branch employing persons
6 required to file under item (f) or item (l) of Section 4A-101
7 and the chief administrative officer of a board described in
8 item (m) of Section 4A-101 shall certify to the Secretary of
9 State the names and mailing addresses of ~~those~~ persons required
10 to file under those items, and (2) the chief administrative
11 officer, or his or her designee, of each unit of local
12 government with persons described in items (h), (i), ~~and~~ (k),
13 and (n) of Section 4A-101 shall certify to the appropriate
14 county clerk a list of names and addresses of persons described
15 in items (h), (i), ~~and~~ (k), and (n) of Section 4A-101 that are
16 required to file. In preparing the lists, each chief
17 administrative officer, or his or her designee, shall set out
18 the names in alphabetical order.

19 On or before April 1 annually, the Secretary of State shall
20 notify (1) all persons whose names have been certified to him
21 under items (f), ~~and~~ (l), and (m) of Section 4A-101, and (2)
22 all persons described in items (a) through (e) and item (j) of
23 Section 4A-101, other than candidates for office who have filed
24 their statements with their nominating petitions, of the
25 requirements for filing statements of economic interests. A
26 person required to file with the Secretary of State by virtue

1 of more than one item among items (a) through (f) and items
2 (j), ~~and~~ (l), and (m) shall be notified of and is required to
3 file only one statement of economic interests relating to all
4 items under which the person is required to file with the
5 Secretary of State.

6 On or before April 1 annually, the county clerk of each
7 county shall notify all persons whose names have been certified
8 to him under items (g), (h), (i), ~~and~~ (k), and (n) of Section
9 4A-101, other than candidates for office who have filed their
10 statements with their nominating petitions, of the
11 requirements for filing statements of economic interests. A
12 person required to file with a county clerk by virtue of more
13 than one item among items (g), (h), (i), ~~and~~ (k), and (n) shall
14 be notified of and is required to file only one statement of
15 economic interests relating to all items under which the person
16 is required to file with that county clerk.

17 Except as provided in Section 4A-106.1, the notices
18 provided for in this Section shall be in writing and deposited
19 in the U.S. Mail, properly addressed, first class postage
20 prepaid, on or before the day required by this Section for the
21 sending of the notice. A certificate executed by the Secretary
22 of State or county clerk attesting that he has mailed the
23 notice constitutes prima facie evidence thereof.

24 From the lists certified to him under this Section of
25 persons described in items (g), (h), (i), ~~and~~ (k), and (n) of
26 Section 4A-101, the clerk of each county shall compile an

1 alphabetical listing of persons required to file statements of
2 economic interests in his office under any of those items. As
3 the statements are filed in his office, the county clerk shall
4 cause the fact of that filing to be indicated on the
5 alphabetical listing of persons who are required to file
6 statements. Within 30 days after the due dates, the county
7 clerk shall mail to the State Board of Elections a true copy of
8 that listing showing those who have filed statements.

9 The county clerk of each county shall note upon the
10 alphabetical listing the names of all persons required to file
11 a statement of economic interests who failed to file a
12 statement on or before May 1. It shall be the duty of the
13 several county clerks to give notice as provided in Section
14 4A-105 to any person who has failed to file his or her
15 statement with the clerk on or before May 1.

16 Any person who files or has filed a statement of economic
17 interest under this Act is entitled to receive from the
18 Secretary of State or county clerk, as the case may be, a
19 receipt indicating that the person has filed such a statement,
20 the date of such filing, and the identity of the governmental
21 unit or units in relation to which the filing is required.

22 The Secretary of State may employ such employees and
23 consultants as he considers necessary to carry out his duties
24 hereunder, and may prescribe their duties, fix their
25 compensation, and provide for reimbursement of their expenses.

26 All statements of economic interests filed under this

1 Section shall be available for examination and copying by the
2 public at all reasonable times. Not later than 12 months after
3 the effective date of this amendatory Act of the 93rd General
4 Assembly, beginning with statements filed in calendar year
5 2004, the Secretary of State shall make statements of economic
6 interests filed with the Secretary available for inspection and
7 copying via the Secretary's website.

8 (Source: P.A. 93-617, eff. 12-9-03; 94-603, eff. 8-16-05.)

9 (5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

10 Sec. 4A-107. Any person required to file a statement of
11 economic interests under this Article who willfully files a
12 false or incomplete statement shall be guilty of a Class A
13 misdemeanor.

14 Failure to file a statement within the time prescribed
15 shall result in ineligibility for, or forfeiture of, office or
16 position of employment, as the case may be; provided, however,
17 that if the notice of failure to file a statement of economic
18 interests provided in Section 4A-105 of this Act is not given
19 by the Secretary of State or the county clerk, as the case may
20 be, no forfeiture shall result if a statement is filed within
21 30 days of actual notice of the failure to file.

22 The Attorney General, with respect to offices or positions
23 described in items (a) through (f) and items (j), ~~and~~ (l), and
24 (m) of Section 4A-101 of this Act, or the State's Attorney of
25 the county of the entity for which the filing of statements of

1 economic interests is required, with respect to offices or
2 positions described in items (g) through (i), ~~and~~ item (k), and
3 item (n) of Section 4A-101 of this Act, shall bring an action
4 in quo warranto against any person who has failed to file by
5 either May 31 or June 30 of any given year.

6 (Source: P.A. 93-617, eff. 12-9-03.)

7 Section 5. The State Officials and Employees Ethics Act is
8 amended by changing Sections 1-5, 5-10, 5-20, 5-45, 20-5,
9 20-23, 20-40, 25-5, 25-10, and 25-23 as follows:

10 (5 ILCS 430/1-5)

11 Sec. 1-5. Definitions. As used in this Act:

12 "Appointee" means a person appointed to a position in or
13 with a State agency, regardless of whether the position is
14 compensated.

15 "Campaign for elective office" means any activity in
16 furtherance of an effort to influence the selection,
17 nomination, election, or appointment of any individual to any
18 federal, State, or local public office or office in a political
19 organization, or the selection, nomination, or election of
20 Presidential or Vice-Presidential electors, but does not
21 include activities (i) relating to the support or opposition of
22 any executive, legislative, or administrative action (as those
23 terms are defined in Section 2 of the Lobbyist Registration
24 Act), (ii) relating to collective bargaining, or (iii) that are

1 otherwise in furtherance of the person's official State duties.

2 "Candidate" means a person who has filed nominating papers
3 or petitions for nomination or election to an elected State
4 office, or who has been appointed to fill a vacancy in
5 nomination, and who remains eligible for placement on the
6 ballot at either a general primary election or general
7 election.

8 "Collective bargaining" has the same meaning as that term
9 is defined in Section 3 of the Illinois Public Labor Relations
10 Act.

11 "Commission" means an ethics commission created by this
12 Act.

13 "Compensated time" means any time worked by or credited to
14 a State employee that counts toward any minimum work time
15 requirement imposed as a condition of employment with a State
16 agency, but does not include any designated State holidays or
17 any period when the employee is on a leave of absence.

18 "Compensatory time off" means authorized time off earned by
19 or awarded to a State employee to compensate in whole or in
20 part for time worked in excess of the minimum work time
21 required of that employee as a condition of employment with a
22 State agency.

23 "Contribution" has the same meaning as that term is defined
24 in Section 9-1.4 of the Election Code.

25 "Employee" means (i) any person employed full-time,
26 part-time, or pursuant to a contract and whose employment

1 duties are subject to the direction and control of an employer
2 with regard to the material details of how the work is to be
3 performed, ~~or~~ (ii) any appointed or elected commissioner,
4 trustee, director, or board member of a board of a State
5 agency, or (iii) any other appointee.

6 "Executive branch constitutional officer" means the
7 Governor, Lieutenant Governor, Attorney General, Secretary of
8 State, Comptroller, and Treasurer.

9 "Gift" means any gratuity, discount, entertainment,
10 hospitality, loan, forbearance, or other tangible or
11 intangible item having monetary value including, but not
12 limited to, cash, food and drink, and honoraria for speaking
13 engagements related to or attributable to government
14 employment or the official position of an employee, member, or
15 officer. "Gift", however, does not include anything of value
16 solicited from a prohibited source by an officer, member, or
17 employee and given by the prohibited source to a not-for-profit
18 organization organized under Section 501(c)(3) of the Internal
19 Revenue Code of 1986, as now or hereafter amended, renumbered,
20 or succeeded. The amendment to the definition of "gift" made by
21 this amendatory Act of the 95th General Assembly is declarative
22 of existing law.

23 "Governmental entity" means a unit of local government or a
24 school district but not a State agency.

25 "Leave of absence" means any period during which a State
26 employee does not receive (i) compensation for State

1 employment, (ii) service credit towards State pension
2 benefits, and (iii) health insurance benefits paid for by the
3 State.

4 "Legislative branch constitutional officer" means a member
5 of the General Assembly and the Auditor General.

6 "Legislative leader" means the President and Minority
7 Leader of the Senate and the Speaker and Minority Leader of the
8 House of Representatives.

9 "Member" means a member of the General Assembly.

10 "Officer" means an executive branch constitutional officer
11 or a legislative branch constitutional officer.

12 "Political" means any activity in support of or in
13 connection with any campaign for elective office or any
14 political organization, but does not include activities (i)
15 relating to the support or opposition of any executive,
16 legislative, or administrative action (as those terms are
17 defined in Section 2 of the Lobbyist Registration Act), (ii)
18 relating to collective bargaining, or (iii) that are otherwise
19 in furtherance of the person's official State duties or
20 governmental and public service functions.

21 "Political organization" means a party, committee,
22 association, fund, or other organization (whether or not
23 incorporated) that is required to file a statement of
24 organization with the State Board of Elections or a county
25 clerk under Section 9-3 of the Election Code, but only with
26 regard to those activities that require filing with the State

1 Board of Elections or a county clerk.

2 "Prohibited political activity" means:

3 (1) Preparing for, organizing, or participating in any
4 political meeting, political rally, political
5 demonstration, or other political event.

6 (2) Soliciting contributions, including but not
7 limited to the purchase of, selling, distributing, or
8 receiving payment for tickets for any political
9 fundraiser, political meeting, or other political event.

10 (3) Soliciting, planning the solicitation of, or
11 preparing any document or report regarding any thing of
12 value intended as a campaign contribution.

13 (4) Planning, conducting, or participating in a public
14 opinion poll in connection with a campaign for elective
15 office or on behalf of a political organization for
16 political purposes or for or against any referendum
17 question.

18 (5) Surveying or gathering information from potential
19 or actual voters in an election to determine probable vote
20 outcome in connection with a campaign for elective office
21 or on behalf of a political organization for political
22 purposes or for or against any referendum question.

23 (6) Assisting at the polls on election day on behalf of
24 any political organization or candidate for elective
25 office or for or against any referendum question.

26 (7) Soliciting votes on behalf of a candidate for

1 elective office or a political organization or for or
2 against any referendum question or helping in an effort to
3 get voters to the polls.

4 (8) Initiating for circulation, preparing,
5 circulating, reviewing, or filing any petition on behalf of
6 a candidate for elective office or for or against any
7 referendum question.

8 (9) Making contributions on behalf of any candidate for
9 elective office in that capacity or in connection with a
10 campaign for elective office.

11 (10) Preparing or reviewing responses to candidate
12 questionnaires in connection with a campaign for elective
13 office or on behalf of a political organization for
14 political purposes.

15 (11) Distributing, preparing for distribution, or
16 mailing campaign literature, campaign signs, or other
17 campaign material on behalf of any candidate for elective
18 office or for or against any referendum question.

19 (12) Campaigning for any elective office or for or
20 against any referendum question.

21 (13) Managing or working on a campaign for elective
22 office or for or against any referendum question.

23 (14) Serving as a delegate, alternate, or proxy to a
24 political party convention.

25 (15) Participating in any recount or challenge to the
26 outcome of any election, except to the extent that under

1 subsection (d) of Section 6 of Article IV of the Illinois
2 Constitution each house of the General Assembly shall judge
3 the elections, returns, and qualifications of its members.

4 "Prohibited source" means any person or entity who:

5 (1) is seeking official action (i) by the member or
6 officer or (ii) in the case of an employee, by the employee
7 or by the member, officer, State agency, or other employee
8 directing the employee;

9 (2) does business or seeks to do business (i) with the
10 member or officer or (ii) in the case of an employee, with
11 the employee or with the member, officer, State agency, or
12 other employee directing the employee;

13 (3) conducts activities regulated (i) by the member or
14 officer or (ii) in the case of an employee, by the employee
15 or by the member, officer, State agency, or other employee
16 directing the employee;

17 (4) has interests that may be substantially affected by
18 the performance or non-performance of the official duties
19 of the member, officer, or employee; or

20 (5) is registered or required to be registered with the
21 Secretary of State under the Lobbyist Registration Act,
22 except that an entity not otherwise a prohibited source
23 does not become a prohibited source merely because a
24 registered lobbyist is one of its members or serves on its
25 board of directors.

26 "State agency" includes all officers, boards, commissions

1 and agencies created by the Constitution, whether in the
2 executive or legislative branch; all officers, departments,
3 boards, commissions, agencies, institutions, authorities,
4 public institutions of higher learning as defined in Section 2
5 of the Higher Education Cooperation Act, and bodies politic and
6 corporate of the State; and administrative units or corporate
7 outgrowths of the State government which are created by or
8 pursuant to statute, other than units of local government and
9 their officers, school districts, and boards of election
10 commissioners; and all administrative units and corporate
11 outgrowths of the above and as may be created by executive
12 order of the Governor. "State agency" includes the General
13 Assembly, the Senate, the House of Representatives, the
14 President and Minority Leader of the Senate, the Speaker and
15 Minority Leader of the House of Representatives, the Senate
16 Operations Commission, and the legislative support services
17 agencies. "State agency" includes the Office of the Auditor
18 General. "State agency" does not include the judicial branch.

19 "State employee" means any employee of a State agency.

20 "Ultimate jurisdictional authority" means the following:

21 (1) For members, legislative partisan staff, and
22 legislative secretaries, the appropriate legislative
23 leader: President of the Senate, Minority Leader of the
24 Senate, Speaker of the House of Representatives, or
25 Minority Leader of the House of Representatives.

26 (2) For State employees who are professional staff or

1 employees of the Senate and not covered under item (1), the
2 Senate Operations Commission.

3 (3) For State employees who are professional staff or
4 employees of the House of Representatives and not covered
5 under item (1), the Speaker of the House of
6 Representatives.

7 (4) For State employees who are employees of the
8 legislative support services agencies, the Joint Committee
9 on Legislative Support Services.

10 (5) For State employees of the Auditor General, the
11 Auditor General.

12 (6) For State employees of public institutions of
13 higher learning as defined in Section 2 of the Higher
14 Education Cooperation Act, the board of trustees of the
15 appropriate public institution of higher learning.

16 (7) For State employees of an executive branch
17 constitutional officer other than those described in
18 paragraph (6), the appropriate executive branch
19 constitutional officer.

20 (8) For State employees not under the jurisdiction of
21 paragraph (1), (2), (3), (4), (5), (6), ~~or~~ (7), or (9), the
22 Governor.

23 (9) For the Legislative Inspector General, State
24 employees of the Office of the Legislative Inspector
25 General, commissioners of the Legislative Ethics
26 Commission, and State employees of the Legislative Ethics

1 Commission, the Legislative Ethics Commission.

2 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
3 93-685, eff. 7-8-04.)

4 (5 ILCS 430/5-10)

5 Sec. 5-10. Ethics training. Each officer, member, and
6 employee must complete, at least annually beginning in 2004, an
7 ethics training program conducted by the appropriate State
8 agency. Each ultimate jurisdictional authority must implement
9 an ethics training program for its officers, members, and
10 employees. ~~These ethics training programs shall be overseen by~~
11 ~~the appropriate Ethics Commission and Inspector General~~
12 ~~appointed pursuant to this Act in consultation with the Office~~
13 ~~of the Attorney General.~~

14 Each Executive Inspector General and each ultimate
15 jurisdictional authority for the legislative branch shall set
16 standards and determine the hours and frequency of training
17 necessary for each position or category of positions. A person
18 who fills a vacancy in an elective or appointed position that
19 requires training and a person employed in a position that
20 requires training must complete his or her initial ethics
21 training within 6 months after commencement of his or her
22 office or employment.

23 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)

24 (5 ILCS 430/5-20)

1 Sec. 5-20. Public service announcements; other promotional
2 material.

3 (a) ~~No Beginning January 1, 2004, no~~ public service
4 announcement or advertisement that identifies any specific
5 program administered by a State agency is on behalf of any
6 ~~State administered program~~ and contains the proper name, image,
7 or voice of any executive branch constitutional officer or
8 member of the General Assembly shall be broadcast or aired on
9 radio or television or printed in a commercial newspaper or a
10 commercial magazine at any time.

11 (b) The proper name or image of any executive branch
12 constitutional officer or member of the General Assembly may
13 not appear on any (i) bumper stickers, (ii) commercial
14 billboards, (iii) lapel pins or buttons, (iv) magnets, (v)
15 stickers, and (vi) other similar promotional items, that are
16 not in furtherance of the person's official State duties or
17 governmental and public service functions, if designed, paid
18 for, prepared, or distributed using public dollars. This
19 subsection does not apply to stocks of items existing on the
20 effective date of this amendatory Act of the 93rd General
21 Assembly.

22 (c) This Section does not apply to communications funded
23 through expenditures required to be reported under Article 9 of
24 the Election Code.

25 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
26 93-685, eff. 7-8-04.)

1 (5 ILCS 430/5-45)

2 Sec. 5-45. Procurement; revolving door prohibition.

3 (a) No current or former officer, member, or State
4 employee, or spouse or immediate family member living with such
5 person, shall, during the period of State employment or within
6 a period of one year immediately after termination of State
7 employment, knowingly accept employment or receive
8 compensation or fees for services from a person or entity if
9 the officer, member, or State employee, during the immediately
10 preceding 2 years of State employment with respect to a current
11 officer, member, or State employee, or during the year
12 immediately preceding termination of State employment with
13 respect to a former officer, member, or State employee,
14 participated personally and substantially in the decision to
15 award State contracts with a cumulative value of over \$25,000
16 to the person or entity, or its parent or subsidiary.

17 (b) No current or former officer of the executive branch or
18 State employee of the executive branch with regulatory or
19 licensing authority, or spouse or immediate family member
20 living with such person, shall, during the period of State
21 employment or within a period of one year immediately after
22 termination of State employment, knowingly accept employment
23 or receive compensation of fees for services from a person or
24 entity if the officer or State employee, during the immediately
25 preceding 2 years of State employment with respect to a current

1 officer, member, or State employee, or during the year
2 immediately preceding termination of State employment with
3 respect to a former officer, member, or State employee, made a
4 regulatory or licensing decision that directly applied to the
5 person or entity, or its parent or subsidiary.

6 (c) The requirements of this Section may be waived (i) for
7 the executive branch, in writing by the Executive Ethics
8 Commission, (ii) for the legislative branch, in writing by the
9 Legislative Ethics Commission, and (iii) for the Auditor
10 General, in writing by the Auditor General. During the time
11 period from the effective date of this amendatory Act of the
12 93rd General Assembly until the Executive Ethics Commission
13 first meets, the requirements of this Section may be waived in
14 writing by the appropriate ultimate jurisdictional authority.
15 During the time period from the effective date of this
16 amendatory Act of the 93rd General Assembly until the
17 Legislative Ethics Commission first meets, the requirements of
18 this Section may be waived in writing by the appropriate
19 ultimate jurisdictional authority. The waiver shall be granted
20 upon the person seeking the waiver proving by clear and
21 convincing evidence ~~a showing~~ that the prospective employment
22 or relationship did not affect the decisions referred to in
23 sections (a) and (b).

24 (d) With respect to former officers, members, State
25 employees, spouses, and family members, this ~~This~~ Section
26 applies only with respect to persons who terminate an affected

1 position on or after December 19, 2003 (the effective date of
2 Public ~~this amendatory~~ Act 93-617 ~~of the 93rd General~~
3 ~~Assembly~~).

4 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)

5 (5 ILCS 430/20-5)

6 Sec. 20-5. Executive Ethics Commission.

7 (a) The Executive Ethics Commission is created.

8 (b) The Executive Ethics Commission shall consist of 9
9 commissioners. The Governor shall appoint 5 commissioners, and
10 the Attorney General, Secretary of State, Comptroller, and
11 Treasurer shall each appoint one commissioner. Appointments
12 shall be made by and with the advice and consent of the Senate
13 by three-fifths of the elected members concurring by record
14 vote. Any nomination not acted upon by the Senate within 60
15 session days of the receipt thereof shall be deemed to have
16 received the advice and consent of the Senate. If, during a
17 recess of the Senate, there is a vacancy in an office of
18 commissioner, the appointing authority shall make a temporary
19 appointment until the next meeting of the Senate when the
20 appointing authority shall make a nomination to fill that
21 office. No person rejected for an office of commissioner shall,
22 except by the Senate's request, be nominated again for that
23 office at the same session of the Senate or be appointed to
24 that office during a recess of that Senate. No more than 5
25 commissioners may be of the same political party.

1 The terms of the initial commissioners shall commence upon
2 qualification. Four initial appointees of the Governor, as
3 designated by the Governor, shall serve terms running through
4 June 30, 2007. One initial appointee of the Governor, as
5 designated by the Governor, and the initial appointees of the
6 Attorney General, Secretary of State, Comptroller, and
7 Treasurer shall serve terms running through June 30, 2008. The
8 initial appointments shall be made within 60 days after the
9 effective date of this Act.

10 After the initial terms, commissioners shall serve for
11 4-year terms commencing on July 1 of the year of appointment
12 and running through June 30 of the fourth following year.
13 Commissioners may be reappointed to one or more subsequent
14 terms.

15 Vacancies occurring other than at the end of a term shall
16 be filled by the appointing authority only for the balance of
17 the term of the commissioner whose office is vacant.

18 Terms shall run regardless of whether the position is
19 filled.

20 (c) The appointing authorities shall appoint commissioners
21 who have experience holding governmental office or employment
22 and shall appoint commissioners from the general public. A
23 person is not eligible to serve as a commissioner if that
24 person (i) has been convicted of a felony or a crime of
25 dishonesty or moral turpitude, (ii) is, or was within the
26 preceding 12 months, engaged in activities that require

1 registration under the Lobbyist Registration Act, (iii) is
2 related to the appointing authority, or (iv) is a State officer
3 or employee.

4 (d) The Executive Ethics Commission shall have
5 jurisdiction over all officers and employees of State agencies
6 other than the General Assembly, the Senate, the House of
7 Representatives, the President and Minority Leader of the
8 Senate, the Speaker and Minority Leader of the House of
9 Representatives, the Senate Operations Commission, the
10 legislative support services agencies, the Legislative Ethics
11 Commission, the Office of the Legislative Inspector General,
12 and the Office of the Auditor General. The jurisdiction of the
13 Commission is limited to matters arising under this Act.

14 (e) The Executive Ethics Commission must meet, either in
15 person or by other technological means, at least monthly and as
16 often as necessary. At the first meeting of the Executive
17 Ethics Commission, the commissioners shall choose from their
18 number a chairperson and other officers that they deem
19 appropriate. The terms of officers shall be for 2 years
20 commencing July 1 and running through June 30 of the second
21 following year. Meetings shall be held at the call of the
22 chairperson or any 3 commissioners. Official action by the
23 Commission shall require the affirmative vote of 5
24 commissioners, and a quorum shall consist of 5 commissioners.
25 Commissioners shall receive compensation in an amount equal to
26 the compensation of members of the State Board of Elections and

1 may be reimbursed for their reasonable expenses actually
2 incurred in the performance of their duties.

3 (f) No commissioner or employee of the Executive Ethics
4 Commission may during his or her term of appointment or
5 employment:

6 (1) become a candidate for any elective office;

7 (2) hold any other elected or appointed public office
8 except for appointments on governmental advisory boards or
9 study commissions or as otherwise expressly authorized by
10 law;

11 (3) be actively involved in the affairs of any
12 political party or political organization; or

13 (4) actively participate in any campaign for any
14 elective office.

15 (g) An appointing authority may remove a commissioner only
16 for cause.

17 (h) The Executive Ethics Commission shall appoint an
18 Executive Director. The compensation of the Executive Director
19 shall be as determined by the Commission or by the Compensation
20 Review Board, whichever amount is higher. The Executive
21 Director of the Executive Ethics Commission may employ and
22 determine the compensation of staff, as appropriations permit.

23 (Source: P.A. 93-617, eff. 12-9-03.)

24 (5 ILCS 430/20-23)

25 Sec. 20-23. Ethics Officers. Each officer and the head of

1 each State agency under the jurisdiction of the Executive
2 Ethics Commission, including without limitation the Executive
3 Ethics Commission and each Executive Inspector General, shall
4 designate an Ethics Officer for the office or State agency.
5 Ethics Officers shall:

6 (1) act as liaisons between the State agency and the
7 appropriate Executive Inspector General and between the
8 State agency and the Executive Ethics Commission;

9 (2) review statements of economic interest and
10 disclosure forms of officers, senior employees, and
11 contract monitors before they are filed with the Secretary
12 of State; and

13 (3) provide guidance to officers and employees in the
14 interpretation and implementation of this Act, which the
15 officer or employee may in good faith rely upon. Such
16 guidance shall be based, wherever possible, upon legal
17 precedent in court decisions, opinions of the Attorney
18 General, and the findings and opinions of the Executive
19 Ethics Commission.

20 (Source: P.A. 93-617, eff. 12-9-03.)

21 (5 ILCS 430/20-40)

22 Sec. 20-40. Collective bargaining agreements. Any
23 investigation or inquiry by an Executive Inspector General or
24 any agent or representative of an Executive Inspector General
25 must be conducted with awareness of the provisions of a

1 collective bargaining agreement that applies to the employees
2 of the relevant State agency and with an awareness of the
3 rights of the employees as set forth by State and federal law
4 and applicable judicial decisions. In implementing any ~~Any~~
5 recommendation for discipline or in taking any action ~~taken~~
6 against any State employee pursuant to this Act, the ultimate
7 jurisdictional authority must comply with the provisions of the
8 collective bargaining agreement that applies to the State
9 employee.

10 (Source: P.A. 93-617, eff. 12-9-03.)

11 (5 ILCS 430/25-5)

12 Sec. 25-5. Legislative Ethics Commission.

13 (a) The Legislative Ethics Commission is created.

14 (b) The Legislative Ethics Commission shall consist of 8
15 commissioners appointed 2 each by the President and Minority
16 Leader of the Senate and the Speaker and Minority Leader of the
17 House of Representatives.

18 The terms of the initial commissioners shall commence upon
19 qualification. Each appointing authority shall designate one
20 appointee who shall serve for a 2-year term running through
21 June 30, 2005. Each appointing authority shall designate one
22 appointee who shall serve for a 4-year term running through
23 June 30, 2007. The initial appointments shall be made within 60
24 days after the effective date of this Act.

25 After the initial terms, commissioners shall serve for

1 4-year terms commencing on July 1 of the year of appointment
2 and running through June 30 of the fourth following year.
3 Commissioners may be reappointed to one or more subsequent
4 terms.

5 Vacancies occurring other than at the end of a term shall
6 be filled by the appointing authority only for the balance of
7 the term of the commissioner whose office is vacant.

8 Terms shall run regardless of whether the position is
9 filled.

10 (c) The appointing authorities shall appoint commissioners
11 who have experience holding governmental office or employment
12 and may appoint commissioners who are members of the General
13 Assembly as well as commissioners from the general public. A
14 commissioner who is a member of the General Assembly must
15 recuse himself or herself from participating in any matter
16 relating to any investigation or proceeding in which he or she
17 is the subject. A person is not eligible to serve as a
18 commissioner if that person (i) has been convicted of a felony
19 or a crime of dishonesty or moral turpitude, (ii) is, or was
20 within the preceding 12 months, engaged in activities that
21 require registration under the Lobbyist Registration Act,
22 (iii) is a relative of the appointing authority, or (iv) is a
23 State officer or employee other than a member of the General
24 Assembly.

25 (d) The Legislative Ethics Commission shall have
26 jurisdiction over members of the General Assembly and all State

1 employees whose ultimate jurisdictional authority is (i) a
2 legislative leader, (ii) the Senate Operations Commission, ~~or~~
3 (iii) the Joint Committee on Legislative Support Services, or
4 (iv) the Legislative Ethics Commission. The jurisdiction of the
5 Commission is limited to matters arising under this Act.

6 (e) The Legislative Ethics Commission must meet, either in
7 person or by other technological means, monthly or as often as
8 necessary. At the first meeting of the Legislative Ethics
9 Commission, the commissioners shall choose from their number a
10 chairperson and other officers that they deem appropriate. The
11 terms of officers shall be for 2 years commencing July 1 and
12 running through June 30 of the second following year. Meetings
13 shall be held at the call of the chairperson or any 3
14 commissioners. Official action by the Commission shall require
15 the affirmative vote of 5 commissioners, and a quorum shall
16 consist of 5 commissioners. Commissioners shall receive no
17 compensation but may be reimbursed for their reasonable
18 expenses actually incurred in the performance of their duties.

19 (f) No commissioner, other than a commissioner who is a
20 member of the General Assembly, or employee of the Legislative
21 Ethics Commission may during his or her term of appointment or
22 employment:

23 (1) become a candidate for any elective office;

24 (2) hold any other elected or appointed public office
25 except for appointments on governmental advisory boards or
26 study commissions or as otherwise expressly authorized by

1 law;

2 (3) be actively involved in the affairs of any
3 political party or political organization; or

4 (4) actively participate in any campaign for any
5 elective office.

6 (g) An appointing authority may remove a commissioner only
7 for cause.

8 (h) The Legislative Ethics Commission shall appoint an
9 Executive Director subject to the approval of at least 3 of the
10 4 legislative leaders. The compensation of the Executive
11 Director shall be as determined by the Commission or by the
12 Compensation Review Board, whichever amount is higher. The
13 Executive Director of the Legislative Ethics Commission may
14 employ, subject to the approval of at least 3 of the 4
15 legislative leaders, and determine the compensation of staff,
16 as appropriations permit.

17 (Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

18 (5 ILCS 430/25-10)

19 Sec. 25-10. Office of Legislative Inspector General.

20 (a) The independent Office of the Legislative Inspector
21 General is created. The Office shall be under the direction and
22 supervision of the Legislative Inspector General and shall be a
23 fully independent office with its own appropriation.

24 (b) The Legislative Inspector General shall be appointed
25 without regard to political affiliation and solely on the basis

1 of integrity and demonstrated ability. The Legislative Ethics
2 Commission shall diligently search out qualified candidates
3 for Legislative Inspector General and shall make
4 recommendations to the General Assembly.

5 The Legislative Inspector General shall be appointed by a
6 joint resolution of the Senate and the House of
7 Representatives, which may specify the date on which the
8 appointment takes effect. A joint resolution, or other document
9 as may be specified by the Joint Rules of the General Assembly,
10 appointing the Legislative Inspector General must be certified
11 by the Speaker of the House of Representatives and the
12 President of the Senate as having been adopted by the
13 affirmative vote of three-fifths of the members elected to each
14 house, respectively, and be filed with the Secretary of State.
15 The appointment of the Legislative Inspector General takes
16 effect on the day the appointment is completed by the General
17 Assembly, unless the appointment specifies a later date on
18 which it is to become effective.

19 The Legislative Inspector General shall have the following
20 qualifications:

21 (1) has not been convicted of any felony under the laws
22 of this State, another state, or the United States;

23 (2) has earned a baccalaureate degree from an
24 institution of higher education; and

25 (3) has 5 or more years of cumulative service (A) with
26 a federal, State, or local law enforcement agency, at least

1 2 years of which have been in a progressive investigatory
2 capacity; (B) as a federal, State, or local prosecutor; (C)
3 as a senior manager or executive of a federal, State, or
4 local agency; (D) as a member, an officer, or a State or
5 federal judge; or (E) representing any combination of (A)
6 through (D).

7 The Legislative Inspector General may not be a relative of
8 a commissioner.

9 The term of the initial Legislative Inspector General shall
10 commence upon qualification and shall run through June 30,
11 2008.

12 After the initial term, the Legislative Inspector General
13 shall serve for 5-year terms commencing on July 1 of the year
14 of appointment and running through June 30 of the fifth
15 following year. The Legislative Inspector General may be
16 reappointed to one or more subsequent terms.

17 A vacancy occurring other than at the end of a term shall
18 be filled in the same manner as an appointment only for the
19 balance of the term of the Legislative Inspector General whose
20 office is vacant.

21 Terms shall run regardless of whether the position is
22 filled.

23 (c) The Legislative Inspector General shall have
24 jurisdiction over the members of the General Assembly and all
25 State employees whose ultimate jurisdictional authority is (i)
26 a legislative leader, (ii) the Senate Operations Commission, ~~or~~

1 (iii) the Joint Committee on Legislative Support Services, or
2 (iv) the Legislative Ethics Commission.

3 The jurisdiction of each Legislative Inspector General is
4 to investigate allegations of fraud, waste, abuse,
5 mismanagement, misconduct, nonfeasance, misfeasance,
6 malfeasance, or violations of this Act or violations of other
7 related laws and rules.

8 (d) The compensation of the Legislative Inspector General
9 shall be the greater of an amount (i) determined by the
10 Commission or (ii) by joint resolution of the General Assembly
11 passed by a majority of members elected in each chamber.
12 Subject to Section 25-45 of this Act, the Legislative Inspector
13 General has full authority to organize the Office of the
14 Legislative Inspector General, including the employment and
15 determination of the compensation of staff, such as deputies,
16 assistants, and other employees, as appropriations permit.
17 Employment of staff is subject to the approval of at least 3 of
18 the 4 legislative leaders.

19 (e) No Legislative Inspector General or employee of the
20 Office of the Legislative Inspector General may, during his or
21 her term of appointment or employment:

22 (1) become a candidate for any elective office;

23 (2) hold any other elected or appointed public office
24 except for appointments on governmental advisory boards or
25 study commissions or as otherwise expressly authorized by
26 law;

1 (3) be actively involved in the affairs of any
2 political party or political organization; or

3 (4) actively participate in any campaign for any
4 elective office.

5 In this subsection an appointed public office means a
6 position authorized by law that is filled by an appointing
7 authority as provided by law and does not include employment by
8 hiring in the ordinary course of business.

9 (e-1) No Legislative Inspector General or employee of the
10 Office of the Legislative Inspector General may, for one year
11 after the termination of his or her appointment or employment:

12 (1) become a candidate for any elective office;

13 (2) hold any elected public office; or

14 (3) hold any appointed State, county, or local judicial
15 office.

16 (e-2) The requirements of item (3) of subsection (e-1) may
17 be waived by the Legislative Ethics Commission.

18 (f) The Commission may remove the Legislative Inspector
19 General only for cause. At the time of the removal, the
20 Commission must report to the General Assembly the
21 justification for the removal.

22 (Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

23 (5 ILCS 430/25-23)

24 Sec. 25-23. Ethics Officers. The President and Minority
25 Leader of the Senate and the Speaker and Minority Leader of the

1 House of Representatives shall each appoint an ethics officer
2 for the members and employees of his or her legislative caucus.
3 The commissioners of the Legislative Ethics Commission shall
4 designate an ethics officer for the Legislative Ethics
5 Commission. The Legislative Inspector General shall designate
6 an ethics officer for the Office of the Legislative Inspector
7 General. No later than January 1, 2004, the head of each other
8 State agency under the jurisdiction of the Legislative Ethics
9 Commission, other than the General Assembly, shall designate an
10 ethics officer for the State agency. Ethics Officers shall:

11 (1) act as liaisons between the State agency and the
12 Legislative Inspector General and between the State agency
13 and the Legislative Ethics Commission;

14 (2) review statements of economic interest and
15 disclosure forms of officers, senior employees, and
16 contract monitors before they are filed with the Secretary
17 of State; and

18 (3) provide guidance to officers and employees in the
19 interpretation and implementation of this Act, which the
20 officer or employee may in good faith rely upon. Such
21 guidance shall be based, wherever possible, upon legal
22 precedent in court decisions, opinions of the Attorney
23 General, and the findings and opinions of the Legislative
24 Ethics Commission.

25 (Source: P.A. 93-617, eff. 12-9-03.)

1 Section 15. The Lobbyist Registration Act is amended by
2 changing Section 2 as follows:

3 (25 ILCS 170/2) (from Ch. 63, par. 172)

4 Sec. 2. Definitions. As used in this Act, unless the
5 context otherwise requires:

6 (a) "Person" means any individual, firm, partnership,
7 committee, association, corporation, or any other organization
8 or group of persons.

9 (b) "Expenditure" means a payment, distribution, loan,
10 advance, deposit, or gift of money or anything of value, and
11 includes a contract, promise, or agreement, whether or not
12 legally enforceable, to make an expenditure, for the ultimate
13 purpose of influencing executive, legislative, or
14 administrative action, other than compensation as defined in
15 subsection (d).

16 (c) "Official" means:

17 (1) the Governor, Lieutenant Governor, Secretary of
18 State, Attorney General, State Treasurer, and State
19 Comptroller;

20 (2) Chiefs of Staff for officials described in item
21 (1);

22 (3) Cabinet members of any elected constitutional
23 officer, including Directors, Assistant Directors and
24 Chief Legal Counsel or General Counsel;

25 (4) Members of the General Assembly.

1 (d) "Compensation" means any money, thing of value or
2 financial benefits received or to be received in return for
3 services rendered or to be rendered, for lobbying as defined in
4 subsection (e).

5 Monies paid to members of the General Assembly by the State
6 as remuneration for performance of their Constitutional and
7 statutory duties as members of the General Assembly shall not
8 constitute compensation as defined by this Act.

9 (e) "Lobbying" means any communication with (i) an official
10 of the executive or legislative branch of State government as
11 defined in subsection (c) or (ii) a State employee as defined
12 in this Section, for the ultimate purpose of influencing
13 executive, legislative, or administrative action.

14 (f) "Influencing" means any communication, action,
15 reportable expenditure as prescribed in Section 6 or other
16 means used to promote, support, affect, modify, oppose or delay
17 any executive, legislative or administrative action or to
18 promote goodwill with officials as defined in subsection (c).

19 (g) "Executive action" means the proposal, drafting,
20 development, consideration, amendment, adoption, approval,
21 promulgation, issuance, modification, rejection or
22 postponement by a State entity of a rule, regulation, order,
23 decision, determination, contractual arrangement, purchasing
24 agreement or other quasi-legislative or quasi-judicial action
25 or proceeding.

26 (h) "Legislative action" means the development, drafting,

1 introduction, consideration, modification, adoption,
2 rejection, review, enactment, or passage or defeat of any bill,
3 amendment, resolution, report, nomination, administrative rule
4 or other matter by either house of the General Assembly or a
5 committee thereof, or by a legislator. Legislative action also
6 means the action of the Governor in approving or vetoing any
7 bill or portion thereof, and the action of the Governor or any
8 agency in the development of a proposal for introduction in the
9 legislature.

10 (i) "Administrative action" means the execution or
11 rejection of any rule, regulation, legislative rule, standard,
12 fee, rate, contractual arrangement, purchasing agreement or
13 other delegated legislative or quasi-legislative action to be
14 taken or withheld by any executive agency, department, board or
15 commission of the State.

16 (j) "Lobbyist" means any person who undertakes to lobby
17 State government as provided in subsection (e).

18 (k) "State employee" is defined as that term is defined in
19 Section 1-5 of the State Officials and Employees Ethics Act.

20 (l) "Employee", with respect to a State employee, is
21 defined as that term is defined in Section 1-5 of the State
22 Officials and Employees Ethics Act.

23 (m) "State agency" is defined as that term is defined in
24 Section 1-5 of the State Officials and Employees Ethics Act.

25 (Source: P.A. 88-187.)

1 Section 25. The Illinois Procurement Code is amended by
2 changing Sections 1-15.15, 1-15.100, 15-25, 20-10, 20-30,
3 35-15, 35-20, 35-25, 35-30, 35-35, 35-40, 40-15, 40-25, 50-13,
4 50-20, and 50-30 and by adding Sections 20-43, 50-21, and 50-37
5 as follows:

6 (30 ILCS 500/1-15.15)

7 Sec. 1-15.15. Chief Procurement Officer. "Chief
8 Procurement Officer" means:

9 (1) for procurements for construction and
10 construction-related services committed by law to the
11 jurisdiction or responsibility of the Capital Development
12 Board, the executive director of the Capital Development Board.

13 (2) for procurements for all construction,
14 construction-related services, operation of any facility, and
15 the provision of any service or activity committed by law to
16 the jurisdiction or responsibility of the Illinois Department
17 of Transportation, including the direct or reimbursable
18 expenditure of all federal funds for which the Department of
19 Transportation is responsible or accountable for the use
20 thereof in accordance with federal law, regulation, or
21 procedure, the Secretary of Transportation.

22 (3) for all procurements made by a public institution of
23 higher education, (i) a representative designated by the
24 Governor for procurements made before July 1, 2007, and (ii)
25 for procurements made on or after July 1, 2007, an employee of

1 the Board of Higher Education designated by the Board of Higher
2 Education. The higher education chief procurement officer
3 designated by the Board of Higher Education shall not be a
4 trustee, officer, or employee of a public institution of higher
5 education.

6 (4) for the selection and appointment of consultants by a
7 pension fund or retirement system created under Article 2, 14,
8 15, 16, or 18 of the Illinois Pension Code or an investment
9 board created under Article 22A of the Illinois Pension Code,
10 as the term "consultant" is defined in subsection (a-5) of
11 Section 1-113.5 or subsection (e) of Section 22A-111,
12 respectively, of the Illinois Pension Code, a representative
13 designated by the board of trustees of that pension fund or
14 retirement system or by the Illinois State Board of Investment,
15 as the case may be, for a total of 6 pension chiefs of
16 procurement.

17 (5) ~~(4)~~ for all other procurements, the Director of the
18 Department of Central Management Services.

19 (Source: P.A. 90-572, eff. 2-6-98.)

20 (30 ILCS 500/1-15.100)

21 Sec. 1-15.100. State agency. "State agency" means and
22 includes all boards, commissions, agencies, institutions,
23 authorities, and bodies politic and corporate of the State,
24 created by or in accordance with the constitution or statute,
25 of the executive branch of State government and does include

1 colleges, universities, and institutions under the
2 jurisdiction of the governing boards of the University of
3 Illinois, Southern Illinois University, Illinois State
4 University, Eastern Illinois University, Northern Illinois
5 University, Western Illinois University, Chicago State
6 University, Governor State University, Northeastern Illinois
7 University, and the Board of Higher Education. However, this
8 term applies ~~does not apply~~ to public employee pension funds,
9 retirement systems, or investment boards that are subject to
10 fiduciary duties imposed by the Illinois Pension Code only to
11 the extent and for the purpose of procurements required under
12 Sections 1-113.5 and 22A-111 of the Illinois Pension Code to be
13 made in accordance with Article 35 of this Code. The term
14 "State agency" does not apply ~~or~~ to the University of Illinois
15 Foundation. "State agency" does not include units of local
16 government, school districts, community colleges under the
17 Public Community College Act, and the Illinois Comprehensive
18 Health Insurance Board.

19 (Source: P.A. 90-572, eff. 2-6-98.)

20 (30 ILCS 500/15-25)

21 Sec. 15-25. Bulletin content.

22 (a) Invitations for bids. Notice of each and every contract
23 that is offered, including renegotiated contracts and change
24 orders, shall be published in the Bulletin. The applicable
25 chief procurement officer may provide by rule an organized

1 format for the publication of this information, but in any case
2 it must include at least the date first offered, the date
3 submission of offers is due, the location that offers are to be
4 submitted to, the purchasing State agency, the responsible
5 State purchasing officer, a brief purchase description, the
6 method of source selection, information of how to obtain a
7 comprehensive purchase description and any disclosure and
8 contract forms, and encouragement to prospective vendors to
9 hire qualified veterans, as defined by Section 45-67 of this
10 Code, and Illinois residents discharged from any Illinois adult
11 correctional center.

12 (b) Contracts let or awarded. Notice of each and every
13 contract that is let or awarded, including renegotiated
14 contracts and change orders, shall be published in the next
15 available subsequent Bulletin, and the applicable chief
16 procurement officer may provide by rule an organized format for
17 the publication of this information, but in any case it must
18 include at least all of the information specified in subsection
19 (a) as well as the name of the successful responsible bidder or
20 offeror, the contract price, the number of unsuccessful
21 responsive bidders, and any other disclosure specified in any
22 Section of this Code. This notice shall include the disclosures
23 under Section 50-37, if those disclosures are required. In
24 addition, the notice shall summarize the outreach efforts
25 undertaken by the agency to make potential bidders or offerors
26 aware of any contract offer other than publication in the

1 Bulletin. This notice must be posted in the online electronic
2 Bulletin no later than 10 business days after services or goods
3 are first provided.

4 (c) Emergency purchase disclosure. Any chief procurement
5 officer, State purchasing officer, or designee exercising
6 emergency purchase authority under this Code shall publish a
7 written description and reasons and the total cost, if known,
8 or an estimate if unknown and the name of the responsible chief
9 procurement officer and State purchasing officer, and the
10 business or person contracted with for all emergency purchases
11 in the next timely, practicable Bulletin. This notice must be
12 posted in the online electronic Bulletin within 10 business
13 days after the earlier of (i) execution of the contract or (ii)
14 whenever services or goods begin to be provided under the
15 contract and, in any event, prior to any payment by the State
16 under the contract.

17 (c-5) Each State agency shall post in the online electronic
18 Bulletin a copy of its annual report of utilization of
19 businesses owned by minorities, females, and persons with
20 disabilities as submitted to the Business Enterprises Council
21 for Minorities, Females, and Persons with Disabilities
22 pursuant to Section 6(c) of the Business Enterprise for
23 Minorities, Females, and Persons with Disabilities Act within
24 10 business days of its submission of its report to the
25 Council.

26 (c-10) Renewals. Notice of each contract renewal shall be

1 posted online on the Procurement Bulletin. The Procurement
2 Policy Board by rule shall specify the information to be
3 included in the notice, and the applicable chief procurement
4 officer by rule may provide a format for the information.

5 (d) Other required disclosure. The applicable chief
6 procurement officer shall provide by rule for the organized
7 publication of all other disclosure required in other Sections
8 of this Code in a timely manner.

9 (e) The changes to subsections (b), (c), and (c-5) of this
10 Section made by this amendatory Act of the 95th General
11 Assembly apply to reports submitted, offers made, and notices
12 on contracts executed on or after its effective date.

13 (Source: P.A. 94-1067, eff. 8-1-06.)

14 (30 ILCS 500/20-10)

15 Sec. 20-10. Competitive sealed bidding.

16 (a) Conditions for use. All contracts shall be awarded by
17 competitive sealed bidding except as otherwise provided in
18 Section 20-5.

19 (b) Invitation for bids. An invitation for bids shall be
20 issued and shall include a purchase description and the
21 material contractual terms and conditions applicable to the
22 procurement.

23 (c) Public notice. Public notice of the invitation for bids
24 shall be published in the Illinois Procurement Bulletin at
25 least 14 days before the date set in the invitation for the

1 opening of bids.

2 (d) Bid opening. Bids shall be opened publicly in the
3 presence of one or more witnesses at the time and place
4 designated in the invitation for bids. The name of each bidder,
5 the amount of each bid, and other relevant information as may
6 be specified by rule shall be recorded. After the award of the
7 contract, the winning bid and the record of each unsuccessful
8 bid shall be open to public inspection.

9 (e) Bid acceptance and bid evaluation. Bids shall be
10 unconditionally accepted without alteration or correction,
11 except as authorized in this Code. Bids shall be evaluated
12 based on the requirements set forth in the invitation for bids,
13 which may include criteria to determine acceptability such as
14 inspection, testing, quality, workmanship, delivery, and
15 suitability for a particular purpose. Those criteria that will
16 affect the bid price and be considered in evaluation for award,
17 such as discounts, transportation costs, and total or life
18 cycle costs, shall be objectively measurable. The invitation
19 for bids shall set forth the evaluation criteria to be used.

20 (f) Correction or withdrawal of bids. Correction or
21 withdrawal of inadvertently erroneous bids before or after
22 award, or cancellation of awards of contracts based on bid
23 mistakes, shall be permitted in accordance with rules. After
24 bid opening, no changes in bid prices or other provisions of
25 bids prejudicial to the interest of the State or fair
26 competition shall be permitted. All decisions to permit the

1 correction or withdrawal of bids based on bid mistakes shall be
2 supported by written determination made by a State purchasing
3 officer.

4 (g) Award. The contract shall be awarded with reasonable
5 promptness by written notice to the lowest responsible and
6 responsive bidder whose bid meets the requirements and criteria
7 set forth in the invitation for bids, except when a State
8 purchasing officer determines it is not in the best interest of
9 the State and by written explanation determines another bidder
10 shall receive the award. The explanation shall appear in the
11 appropriate volume of the Illinois Procurement Bulletin. The
12 written explanation must include:

13 (1) a description of the agency's needs;

14 (2) a determination that the anticipated cost will be
15 fair and reasonable;

16 (3) a listing of all responsible and responsive
17 bidders; and

18 (4) the name of the bidder selected, pricing, and the
19 reasons for selecting that bidder instead of the lowest
20 responsible and responsive bidder.

21 Each agency may adopt rules to implement the requirements
22 of this subsection (g).

23 The written explanation shall be filed with the Legislative
24 Audit Commission and the Procurement Policy Board and be made
25 available for inspection by the public within 30 days after the
26 agency's decision to award the contract.

1 (h) Multi-step sealed bidding. When it is considered
2 impracticable to initially prepare a purchase description to
3 support an award based on price, an invitation for bids may be
4 issued requesting the submission of unpriced offers to be
5 followed by an invitation for bids limited to those bidders
6 whose offers have been qualified under the criteria set forth
7 in the first solicitation.

8 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

9 (30 ILCS 500/20-30)

10 Sec. 20-30. Emergency purchases.

11 (a) Conditions for use. In accordance with standards set by
12 rule, a purchasing agency may make emergency procurements
13 without competitive sealed bidding or prior notice when there
14 exists a threat to public health or public safety, or when
15 immediate expenditure is necessary for repairs to State
16 property in order to protect against further loss of or damage
17 to State property, to prevent or minimize serious disruption in
18 critical State services that affect health, safety, or
19 collections of substantial State revenue, or to ensure the
20 integrity of State records; provided, however, that the term of
21 the emergency purchase shall be limited to the time reasonably
22 needed for a competitive procurement, not to exceed 6 months.
23 Emergency procurements shall be made with as much competition
24 as is practicable under the circumstances. A written
25 description of the basis for the emergency and reasons for the

1 selection of the particular contractor shall be included in the
2 contract file.

3 (b) Notice. Before the next appropriate volume of the
4 Illinois Procurement Bulletin, the purchasing agency shall
5 publish in the Illinois Procurement Bulletin a copy of each
6 written description and reasons and the total cost of each
7 emergency procurement made during the previous month. When only
8 an estimate of the total cost is known at the time of
9 publication, the estimate shall be identified as an estimate
10 and published. When the actual total cost is determined, it
11 shall also be published in like manner before the 10th day of
12 the next succeeding month.

13 (c) Affidavits. A purchasing agency making a procurement
14 under this Section shall file affidavits with the chief
15 procurement officer and the Auditor General within 10 days
16 after the procurement setting forth the amount expended, the
17 name of the contractor involved, and the conditions and
18 circumstances requiring the emergency procurement. When only
19 an estimate of the cost is available within 10 days after the
20 procurement, the actual cost shall be reported immediately
21 after it is determined. At the end of each fiscal quarter, the
22 Auditor General shall file with the Legislative Audit
23 Commission and the Governor a complete listing of all emergency
24 procurements reported during that fiscal quarter. The
25 Legislative Audit Commission shall review the emergency
26 procurements so reported and, in its annual reports, advise the

1 General Assembly of procurements that appear to constitute an
2 abuse of this Section.

3 (d) Quick purchases. The chief procurement officer may
4 promulgate rules extending the circumstances by which a
5 purchasing agency may make purchases under this Section,
6 including but not limited to the procurement of items available
7 at a discount for a limited period of time.

8 (e) The changes to this Section made by this amendatory Act
9 of the 95th General Assembly apply to procurements executed on
10 or after its effective date.

11 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

12 (30 ILCS 500/20-43 new)

13 Sec. 20-43. Bidder or offeror authorized to do business in
14 Illinois. In addition to meeting any other requirement of law
15 or rule, a person (other than an individual acting as a sole
16 proprietor) may qualify as a bidder or offeror under this Code
17 only if the person is a legal entity authorized to do business
18 in Illinois prior to submitting the bid, offer, or proposal.

19 (30 ILCS 500/35-15)

20 Sec. 35-15. Prequalification.

21 (a) The Director of Central Management Services, the
22 pension chief procurement officers, and the higher education
23 chief procurement officer shall each develop appropriate and
24 reasonable prequalification standards and categories of

1 professional and artistic services.

2 (b) The prequalifications and categorizations shall be
3 submitted to the Procurement Policy Board and published for
4 public comment prior to their submission to the Joint Committee
5 on Administrative Rules for approval.

6 (c) The Director of Central Management Services, the
7 pension chief procurement officers, and the higher education
8 chief procurement officer shall each also assemble and maintain
9 a comprehensive list of prequalified and categorized
10 businesses and persons.

11 (d) Prequalification shall not be used to bar or prevent
12 any qualified business or person for bidding or responding to
13 invitations for bid or proposal.

14 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

15 (30 ILCS 500/35-20)

16 Sec. 35-20. Uniformity in procurement.

17 (a) The Director of Central Management Services, the
18 pension chief procurement officers, and the higher education
19 chief procurement officer shall each develop, cause to be
20 printed, and distribute uniform documents for the
21 solicitation, review, and acceptance of all professional and
22 artistic services.

23 (b) All chief procurement officers, State purchasing
24 officers, and their designees shall use the appropriate uniform
25 procedures and forms specified in this Code for all

1 professional and artistic services.

2 (c) These forms shall include in detail, in writing, at
3 least:

4 (1) a description of the goal to be achieved;

5 (2) the services to be performed;

6 (3) the need for the service;

7 (4) the qualifications that are necessary; and

8 (5) a plan for post-performance review.

9 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

10 (30 ILCS 500/35-25)

11 Sec. 35-25. Uniformity in contract.

12 (a) The Director of Central Management Services, the
13 pension chief procurement officers, and the higher education
14 chief procurement officer shall each develop, cause to be
15 printed, and distribute uniform documents for the contracting
16 of professional and artistic services.

17 (b) All chief procurement officers, State purchasing
18 officers, and their designees shall use the appropriate uniform
19 contracts and forms in contracting for all professional and
20 artistic services.

21 (c) These contracts and forms shall include in detail, in
22 writing, at least:

23 (1) the detail listed in subsection (c) of Section
24 35-20;

25 (2) the duration of the contract, with a schedule of

1 delivery, when applicable;

2 (3) the method for charging and measuring cost (hourly,
3 per day, etc.);

4 (4) the rate of remuneration; and

5 (5) the maximum price.

6 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

7 (30 ILCS 500/35-30)

8 Sec. 35-30. Awards.

9 (a) All State contracts for professional and artistic
10 services, except as provided in this Section, shall be awarded
11 using the competitive request for proposal process outlined in
12 this Section.

13 (b) For each contract offered, the chief procurement
14 officer, State purchasing officer, or his or her designee shall
15 use the appropriate standard solicitation forms available from
16 the Department of Central Management Services, the appropriate
17 pension chief procurement officer, or the higher education
18 chief procurement officer.

19 (c) Prepared forms shall be submitted to the Department of
20 Central Management Services, a pension chief procurement
21 officer, or the higher education chief procurement officer,
22 whichever is appropriate, for publication in its Illinois
23 Procurement Bulletin and circulation to the Department of
24 Central Management Services', the pension chief procurement
25 officer's, or the higher education chief procurement officer's

1 list of prequalified vendors. Notice of the offer or request
2 for proposal shall appear at least 14 days before the response
3 to the offer is due.

4 (d) All interested respondents shall return their
5 responses to the Department of Central Management Services, the
6 pension chief procurement officer, or the higher education
7 chief procurement officer, whichever is appropriate, which
8 shall open and record them. The Department, the pension chief
9 procurement officer, or higher education chief procurement
10 officer then shall forward the responses, together with any
11 information it has available about the qualifications and other
12 State work of the respondents.

13 (e) After evaluation, ranking, and selection, the
14 responsible chief procurement officer, State purchasing
15 officer, or his or her designee shall notify the Department of
16 Central Management Services, the pension chief procurement
17 officer, or the higher education chief procurement officer,
18 whichever is appropriate, of the successful respondent and
19 shall forward a copy of the signed contract for the
20 Department's, pension chief procurement officer's, or higher
21 education chief procurement officer's file. The Department,
22 the pension chief procurement officer, or higher education
23 chief procurement officer shall publish the names of the
24 responsible procurement decision-maker, the agency letting the
25 contract, the successful respondent, a contract reference, and
26 value of the let contract in the next appropriate volume of the

1 Illinois Procurement Bulletin.

2 (f) For all professional and artistic contracts with
3 annualized value that exceeds \$25,000, evaluation and ranking
4 by price are required. Any chief procurement officer or State
5 purchasing officer, but not their designees, may select an
6 offeror other than the lowest bidder by price. In any case,
7 when the contract exceeds the \$25,000 threshold ~~threshold~~ and
8 the lowest bidder is not selected, the chief procurement
9 officer or the State purchasing officer shall forward together
10 with the contract notice of who the low bidder was and a
11 written decision as to why another was selected to the
12 Department of Central Management Services, the pension chief
13 procurement officer, or the higher education chief procurement
14 officer, whichever is appropriate. The Department, the pension
15 chief procurement officer, or higher education chief
16 procurement officer shall publish as provided in subsection (e)
17 of Section 35-30, but shall include notice of the chief
18 procurement officer's or State purchasing officer's written
19 decision.

20 (g) The Department of Central Management Services, the
21 pension chief procurement officers, and higher education chief
22 procurement officer may each refine, but not contradict, this
23 Section by promulgating rules for submission to the Procurement
24 Policy Board and then to the Joint Committee on Administrative
25 Rules. Any refinement shall be based on the principles and
26 procedures of the federal Architect-Engineer Selection Law,

1 Public Law 92-582 Brooks Act, and the Architectural,
2 Engineering, and Land Surveying Qualifications Based Selection
3 Act; except that pricing shall be an integral part of the
4 selection process.

5 (Source: P.A. 90-572, eff. date - See Sec. 99-5; revised
6 10-19-05.)

7 (30 ILCS 500/35-35)

8 Sec. 35-35. Exceptions.

9 (a) Exceptions to Section 35-30 are allowed for sole source
10 procurements, emergency procurements, and at the discretion of
11 the chief procurement officer or the State purchasing officer,
12 but not their designees, for professional and artistic
13 contracts that are nonrenewable, one year or less in duration,
14 and have a value of less than \$20,000.

15 (b) All exceptions granted under this Article must still be
16 submitted to the Department of Central Management Services, the
17 appropriate pension chief procurement officer, or the higher
18 education chief procurement officer, whichever is appropriate,
19 and published as provided for in subsection (f) of Section
20 35-30, shall name the authorizing chief procurement officer or
21 State purchasing officer, and shall include a brief explanation
22 of the reason for the exception.

23 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

24 (30 ILCS 500/35-40)

1 Sec. 35-40. Subcontractors.

2 (a) Any contract granted under this Article shall state
3 whether the services of a subcontractor will be used. The
4 contract shall include the names and addresses of all
5 subcontractors and the expected amount of money each will
6 receive under the contract.

7 (b) If at any time during the term of a contract, a
8 contractor adds or changes any subcontractors, he or she shall
9 promptly notify, in writing, the Department of Central
10 Management Services, the appropriate pension chief procurement
11 officer, or the higher education chief procurement officer,
12 whichever is appropriate, and the responsible chief
13 procurement officer, State purchasing officer, or their
14 designee of the names and addresses and the expected amount of
15 money each new or replaced subcontractor will receive.

16 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

17 (30 ILCS 500/40-15)

18 Sec. 40-15. Method of source selection.

19 (a) Request for information. Except as provided in
20 subsections (b) and (c), all State contracts for leases of real
21 property or capital improvements shall be awarded by a request
22 for information process in accordance with Section 40-20.

23 (b) Other methods. A request for information process need
24 not be used in procuring any of the following leases:

25 (1) Property of less than 10,000 square feet.

1 (2) Rent of less than \$100,000 per year.

2 (3) Duration of less than one year that cannot be
3 renewed.

4 (4) Specialized space available at only one location.

5 (5) Renewal or extension of a lease ~~in effect before~~
6 ~~July 1, 2002~~; provided that: (i) the chief procurement
7 officer determines in writing that the renewal or extension
8 is in the best interest of the State; (ii) the chief
9 procurement officer submits his or her written
10 determination and the renewal or extension to the Board;
11 (iii) the Board does not object in writing to the renewal
12 or extension within 30 days after its submission; and (iv)
13 the chief procurement officer publishes the renewal or
14 extension in the appropriate volume of the Procurement
15 Bulletin.

16 (c) Leases with governmental units. Leases with other
17 governmental units may be negotiated without using the request
18 for information process when deemed by the chief procurement
19 officer to be in the best interest of the State.

20 (Source: P.A. 93-133, eff. 1-1-04; 93-839, eff. 7-30-04.)

21 (30 ILCS 500/40-25)

22 Sec. 40-25. Length of leases.

23 (a) Maximum term. Leases shall be for a term not to exceed
24 10 years and shall include a termination option in favor of the
25 State after 5 years.

1 (b) Renewal. Leases may include a renewal option. An option
2 to renew may be exercised only when a State purchasing officer
3 determines in writing that renewal is in the best interest of
4 the State and notice of the exercise of the option is published
5 in the appropriate volume of the Procurement Bulletin at least
6 60 days prior to the exercise of the option.

7 (c) Subject to appropriation. All leases shall recite that
8 they are subject to termination and cancellation in any year
9 for which the General Assembly fails to make an appropriation
10 to make payments under the terms of the lease.

11 (d) Holdover. No lease may continue on a month-to-month or
12 other holdover basis for a total of more than 6 months.

13 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

14 (30 ILCS 500/50-13)

15 Sec. 50-13. Conflicts of interest.

16 (a) Prohibition. It is unlawful for any person holding an
17 elective office in this State, holding a seat in the General
18 Assembly, or appointed to or employed in any of the offices or
19 agencies of State government ~~and who receives compensation for~~
20 ~~such employment in excess of 60% of the salary of the Governor~~
21 ~~of the State of Illinois~~, or who is an officer or employee of
22 the Capital Development Board or the Illinois Toll Highway
23 Authority, or who is the spouse or minor child of any such
24 person to have or acquire any contract, or any direct pecuniary
25 interest in any contract therein, whether for stationery,

1 printing, paper, or any services, materials, or supplies, that
2 will be wholly or partially satisfied by the payment of funds
3 appropriated by the General Assembly of the State of Illinois
4 or in any contract of the Capital Development Board or the
5 Illinois Toll Highway Authority.

6 (b) Interests. It is unlawful for any firm, partnership,
7 association, or corporation, in which any person listed in
8 subsection (a) is entitled to receive (i) more than 7 1/2% of
9 the total distributable income or (ii) an amount in excess of
10 the salary of the Governor, to have or acquire any such
11 contract or direct pecuniary interest therein.

12 (c) Combined interests. It is unlawful for any firm,
13 partnership, association, or corporation, in which any person
14 listed in subsection (a) together with his or her spouse or
15 minor children is entitled to receive (i) more than 15%, in the
16 aggregate, of the total distributable income or (ii) an amount
17 in excess of 2 times the salary of the Governor, to have or
18 acquire any such contract or direct pecuniary interest therein.

19 (c-5) Appointees and firms. In addition to any provisions
20 of this Code, the interests of certain appointees and their
21 firms are subject to Section 3A-35 of the Illinois Governmental
22 Ethics Act.

23 (d) Securities. Nothing in this Section invalidates the
24 provisions of any bond or other security previously offered or
25 to be offered for sale or sold by or for the State of Illinois.

26 (e) Prior interests. This Section does not affect the

1 validity of any contract made between the State and an officer
2 or employee of the State or member of the General Assembly, his
3 or her spouse, minor child, or other immediate family member
4 living in his or her residence or any combination of those
5 persons if that contract was in existence before his or her
6 election or employment as an officer, member, or employee. The
7 contract is voidable, however, if it cannot be completed within
8 365 days after the officer, member, or employee takes office or
9 is employed.

10 (f) Exceptions.

11 (1) Public aid payments. This Section does not apply to
12 payments made for a public aid recipient.

13 (2) Teaching. This Section does not apply to a contract
14 for personal services as a teacher or school administrator
15 between a member of the General Assembly or his or her
16 spouse, or a State officer or employee or his or her
17 spouse, and any school district, public community college
18 district, the University of Illinois, Southern Illinois
19 University, Illinois State University, Eastern Illinois
20 University, Northern Illinois University, Western Illinois
21 University, Chicago State University, Governor State
22 University, or Northeastern Illinois University.

23 (3) Ministerial duties. This Section does not apply to
24 a contract for personal services of a wholly ministerial
25 character, including but not limited to services as a
26 laborer, clerk, typist, stenographer, page, bookkeeper,

1 receptionist, or telephone switchboard operator, made by a
2 spouse or minor child of an elective or appointive State
3 officer or employee or of a member of the General Assembly.

4 (4) Child and family services. This Section does not
5 apply to payments made to a member of the General Assembly,
6 a State officer or employee, his or her spouse or minor
7 child acting as a foster parent, homemaker, advocate, or
8 volunteer for or in behalf of a child or family served by
9 the Department of Children and Family Services.

10 (5) Licensed professionals. Contracts with licensed
11 professionals, provided they are competitively bid or part
12 of a reimbursement program for specific, customary goods
13 and services through the Department of Children and Family
14 Services, the Department of Human Services, the Department
15 of Healthcare and Family Services ~~Public Aid~~, the
16 Department of Public Health, or the Department on Aging.

17 (g) Penalty. A person convicted of a violation of this
18 Section is guilty of a business offense and shall be fined not
19 less than \$1,000 nor more than \$5,000.

20 (Source: P.A. 93-615, eff. 11-19-03; revised 12-15-05.)

21 (30 ILCS 500/50-20)

22 Sec. 50-20. Exemptions. With the approval of the
23 appropriate chief procurement officer involved, the Governor,
24 or an executive ethics board or commission he or she
25 designates, may exempt named individuals from the prohibitions

1 of Section 50-13 when, in his, her, or its judgment, the public
2 interest in having the individual in the service of the State
3 outweighs the public policy evidenced in that Section. An
4 exemption is effective only when it is filed with the Secretary
5 of State and the Comptroller within 60 days after its issuance
6 or when performance of the contract begins, whichever is
7 earlier, and includes a statement setting forth the name of the
8 individual and all the pertinent facts that would make that
9 Section applicable, setting forth the reason for the exemption,
10 and declaring the individual exempted from that Section.
11 Exemptions must be filed with the Secretary of State and
12 Comptroller prior to execution of any contracts. A copy of
13 Notice of each exemption shall be published in the Illinois
14 Procurement Bulletin in its electronic form prior to execution
15 of the contract. The changes to this Section made by this
16 amendatory Act of the 95th General Assembly apply to exemptions
17 granted on or after its effective date.

18 A contract for which a waiver has been issued but has not
19 been filed in accordance with this Section is voidable.

20 (Source: P.A. 90-572, eff. 2-6-98.)

21 (30 ILCS 500/50-21 new)

22 Sec. 50-21. Bond issuances.

23 (a) A State agency shall not enter into a contract with
24 respect to the issuance of bonds or other securities by the
25 State or a State agency with any entity that uses an

1 independent consultant.

2 As used in this subsection, "independent consultant" means
3 a person used by the entity to obtain or retain securities
4 business through direct or indirect communication by the person
5 with a State official or employee on behalf of the entity when
6 the communication is undertaken by the person in exchange for
7 or with the understanding of receiving payment from the entity
8 or another person. "Independent consultant" does not include
9 (i) a finance professional employed by the entity or (ii) a
10 person whose sole basis of compensation from the entity is the
11 actual provision of legal, accounting, or engineering advice,
12 services, or assistance in connection with the securities
13 business that the entity seeks to obtain or retain.

14 (b) Each contract entered into by a State agency with
15 respect to the issuance of bonds or other securities by the
16 State or a State agency shall include a certification by any
17 contracting party subject to the Municipal Securities
18 Rulemaking Board's Rule G-38, or a successor rule, that the
19 contracting entity is and shall remain for the duration of the
20 contract in compliance with the Rule's requirements for
21 reporting political contributions. Violation of the
22 certification makes the contract voidable by the State and
23 shall bar the awarding of a State agency contract with respect
24 to the issuance of bonds or other securities to the violator
25 for a period of 10 years after the determination of the
26 violation.

1 (c) Any entity convicted of violating the Municipal
2 Securities Rulemaking Board's Rule G-37 or Rule G-38, or any
3 successor rules, with respect to the prohibitions of those
4 rules against obtaining or retaining municipal securities
5 business and the making of political contributions or payments
6 is permanently barred from participating in any State agency
7 contract with respect to the issuance of bonds or other
8 securities.

9 (30 ILCS 500/50-37 new)

10 Sec. 50-37. Contract award disclosure.

11 (a) For the purposes of this Section:

12 "Contracting entity" means an entity that would execute any
13 contract with a State agency.

14 "Key persons" means any persons who (i) have an ownership
15 or distributive income share in the contracting entity that is
16 in excess of 5%, or an amount greater than 60% of the annual
17 salary of the Governor, or (ii) serve as executive officers of
18 the contracting entity.

19 (b) For contracts with an annual value of \$50,000 or more,
20 all offers from responsive bidders or offerors shall be
21 accompanied by disclosure of the names and addresses of the
22 following:

23 (1) The contracting entity.

24 (2) Any entity that is a parent of, or owns a
25 controlling interest in, the contracting entity.

1 (3) Any entity that is a subsidiary of, or in which a
2 controlling interest is owned by, the contracting entity.

3 (4) The contracting entity's key persons.

4 (c) Notices of contracts let or awarded published in the
5 Procurement Bulletin pursuant to Section 15-25 shall include as
6 part of the notice posted online the names disclosed by the
7 winning bidder or offeror pursuant to subsection (b).

8 (d) The changes made to this Section made by this
9 amendatory Act of the 95th General Assembly apply to contracts
10 first offered on or after its effective date.

11 Section 35. The Illinois Pension Code is amended by
12 changing Sections 1-101.2, 1-101.4, 1-109.1, 1-110, 1-113.5,
13 1-113.12, 1A-113, 22A-108.1, and 22A-111 and by adding Sections
14 1-125, 1-130, 1-135, and 1-140 as follows:

15 (40 ILCS 5/1-101.2)

16 Sec. 1-101.2. Fiduciary. A person is a "fiduciary" with
17 respect to a pension fund or retirement system established
18 under this Code to the extent that the person:

19 (1) exercises any discretionary authority or
20 discretionary control respecting management of the pension
21 fund or retirement system, or exercises any authority or
22 control respecting management or disposition of its
23 assets;

24 (2) renders investment advice, or advice with respect

1 to the selection of other fiduciaries, for a fee or other
2 compensation, direct or indirect, with respect to any
3 moneys or other property of the pension fund or retirement
4 system, or has any authority or responsibility to do so; or

5 (3) has any discretionary authority or discretionary
6 responsibility in the administration of the pension fund or
7 retirement system.

8 (Source: P.A. 90-507, eff. 8-22-97.)

9 (40 ILCS 5/1-101.4)

10 Sec. 1-101.4. Investment adviser. A person is an
11 "investment adviser", "investment advisor", or "investment
12 manager" with respect to a pension fund or retirement system
13 established under this Code if the ~~the~~ person:

14 (1) is a fiduciary appointed by the board of trustees
15 of the pension fund or retirement system in accordance with
16 Section 1-109.1;

17 (2) has the power to manage, acquire, or dispose of any
18 asset of the retirement system or pension fund;

19 (3) has acknowledged in writing that he or she is a
20 fiduciary with respect to the pension fund or retirement
21 system; and

22 (4) is at least one of the following: (i) registered as
23 an investment adviser under the federal Investment
24 Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.); (ii)
25 registered as an investment adviser under the Illinois

1 Securities Law of 1953; (iii) a bank, as defined in the
2 Investment Advisers Act of 1940; or (iv) an insurance
3 company authorized to transact business in this State.

4 (Source: P.A. 90-507, eff. 8-22-97.)

5 (40 ILCS 5/1-109.1) (from Ch. 108 1/2, par. 1-109.1)

6 Sec. 1-109.1. Allocation and Delegation of Fiduciary
7 Duties.

8 (1) Subject to the provisions of Section 22A-113 of this
9 Code and subsections (2) and (3) of this Section, the board of
10 trustees of a retirement system or pension fund established
11 under this Code may:

12 (a) Appoint one or more investment managers as
13 fiduciaries to manage (including the power to acquire and
14 dispose of) any assets of the retirement system or pension
15 fund; and

16 (b) Allocate duties among themselves and designate
17 others as fiduciaries to carry out specific fiduciary
18 activities other than the management of the assets of the
19 retirement system or pension fund.

20 (2) The board of trustees of a pension fund established
21 under Article 5, 6, 8, 9, 10, 11, 12 or 17 of this Code may not
22 transfer its investment authority, nor transfer the assets of
23 the fund to any other person or entity for the purpose of
24 consolidating or merging its assets and management with any
25 other pension fund or public investment authority, unless the

1 board resolution authorizing such transfer is submitted for
2 approval to the contributors and pensioners of the fund at
3 elections held not less than 30 days after the adoption of such
4 resolution by the board, and such resolution is approved by a
5 majority of the votes cast on the question in both the
6 contributors election and the pensioners election. The
7 election procedures and qualifications governing the election
8 of trustees shall govern the submission of resolutions for
9 approval under this paragraph, insofar as they may be made
10 applicable.

11 (3) Pursuant to subsections (h) and (i) of Section 6 of
12 Article VII of the Illinois Constitution, the investment
13 authority of boards of trustees of retirement systems and
14 pension funds established under this Code is declared to be a
15 subject of exclusive State jurisdiction, and the concurrent
16 exercise by a home rule unit of any power affecting such
17 investment authority is hereby specifically denied and
18 preempted.

19 (4) For the purposes of this Code, "emerging investment
20 manager" means a qualified investment adviser that manages an
21 investment portfolio of at least \$10,000,000 but less than
22 \$2,000,000,000 and is a "minority owned business" or "female
23 owned business" as those terms are defined in the Business
24 Enterprise for Minorities, Females, and Persons with
25 Disabilities Act.

26 It is hereby declared to be the public policy of the State

1 of Illinois to encourage the trustees of public employee
2 retirement systems to use emerging investment managers in
3 managing their system's assets to the greatest extent feasible
4 within the bounds of financial and fiduciary prudence, and to
5 take affirmative steps to remove any barriers to the full
6 participation of emerging investment managers in investment
7 opportunities afforded by those retirement systems.

8 On or before July 1, 2006 each system or fund subject to
9 Article 2, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, or 18 of
10 this Code and the Illinois State Board of Investment shall
11 adopt a policy including quantifiable goals for the utilization
12 of emerging investment managers. This policy shall also include
13 quantifiable goals for the management of assets in specific
14 classes by emerging investment managers, including but not
15 limited to: large cap domestic equity, small and medium cap
16 domestic equity, international equity, fixed income
17 investments, and private equity.

18 Each retirement system subject to this Code shall prepare a
19 report to be submitted to the Governor and the General Assembly
20 by September 1 of each year. The report shall identify the
21 emerging investment managers used by the system, the percentage
22 of the system's assets under the investment control of emerging
23 investment managers, and the actions it has undertaken to
24 increase the use of emerging investment managers, including
25 encouraging other investment managers to use emerging
26 investment managers as subcontractors when the opportunity

1 arises.

2 The use of an emerging investment manager does not
3 constitute a transfer of investment authority for the purposes
4 of subsection (2) of this Section.

5 (Source: P.A. 94-471, eff. 8-4-05.)

6 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

7 Sec. 1-110. Prohibited Transactions.

8 (a) A fiduciary with respect to a retirement system or
9 pension fund shall not cause the retirement system or pension
10 fund to engage in a transaction if he or she knows or should
11 know that such transaction constitutes a direct or indirect:

12 (1) Sale or exchange, or leasing of any property from
13 the retirement system or pension fund to a party in
14 interest for less than adequate consideration, or from a
15 party in interest to a retirement system or pension fund
16 for more than adequate consideration.

17 (2) Lending of money or other extension of credit from
18 the retirement system or pension fund to a party in
19 interest without the receipt of adequate security and a
20 reasonable rate of interest, or from a party in interest to
21 a retirement system or pension fund with the provision of
22 excessive security or an unreasonably high rate of
23 interest.

24 (3) Furnishing of goods, services or facilities from
25 the retirement system or pension fund to a party in

1 interest for less than adequate consideration, or from a
2 party in interest to a retirement system or pension fund
3 for more than adequate consideration.

4 (4) Transfer to, or use by or for the benefit of, a
5 party in interest of any assets of a retirement system or
6 pension fund for less than adequate consideration.

7 (b) A fiduciary with respect to a retirement system or
8 pension fund established under this Code shall not:

9 (1) Deal with the assets of the retirement system or
10 pension fund in his own interest or for his own account;

11 (2) In his individual or any other capacity act in any
12 transaction involving the retirement system or pension
13 fund on behalf of a party whose interests are adverse to
14 the interests of the retirement system or pension fund or
15 the interests of its participants or beneficiaries; or

16 (3) Receive any consideration for his own personal
17 account from any party dealing with the retirement system
18 or pension fund in connection with a transaction involving
19 the assets of the retirement system or pension fund.

20 (c) Nothing in this Section shall be construed to prohibit
21 any trustee from:

22 (1) Receiving any benefit to which he may be entitled
23 as a participant or beneficiary in the retirement system or
24 pension fund.

25 (2) Receiving any reimbursement of expenses properly
26 and actually incurred in the performance of his duties with

1 the retirement system or pension fund.

2 (3) Serving as a trustee in addition to being an
3 officer, employee, agent or other representative of a party
4 in interest.

5 (d) A fiduciary with respect to a retirement system or
6 pension fund shall not knowingly cause or advise the retirement
7 system or pension fund to engage in an investment transaction
8 when the fiduciary (i) has any direct interest in the income,
9 gains, or profits of the investment advisor through which the
10 investment transaction is made or (ii) has a business
11 relationship with that investment advisor that would result in
12 a pecuniary benefit to the fiduciary as a result of the
13 investment transaction.

14 Whoever violates the provisions of this subsection (d) is
15 guilty of a Class 3 felony.

16 (Source: P.A. 88-535.)

17 (40 ILCS 5/1-113.5)

18 Sec. 1-113.5. Investment advisers; consultants; and
19 investment services.

20 (a) The board of trustees of a pension fund or retirement
21 system may appoint investment advisers as defined in Section
22 1-101.4. The board of any pension fund investing in common or
23 preferred stock under Section 1-113.4 shall appoint an
24 investment adviser before making such investments.

25 The investment adviser shall be a fiduciary, as defined in

1 Section 1-101.2, with respect to the pension fund or retirement
2 system and shall be one of the following:

3 (1) an investment adviser registered under the federal
4 Investment Advisers Act of 1940 and the Illinois Securities
5 Law of 1953;

6 (2) a bank or trust company authorized to conduct a
7 trust business in Illinois;

8 (3) a life insurance company authorized to transact
9 business in Illinois; or

10 (4) an investment company as defined and registered
11 under the federal Investment Company Act of 1940 and
12 registered under the Illinois Securities Law of 1953.

13 (a-5) Notwithstanding any other provision of law, a person
14 or entity that provides consulting services (referred to as a
15 "consultant" in this Section) to a pension fund or retirement
16 system with respect to the selection of fiduciaries may not be
17 awarded a contract to provide those consulting services that is
18 more than 5 years in duration. No contract to provide such
19 consulting services may be renewed or extended. At the end of
20 the term of a contract, however, the contractor is eligible to
21 compete for a new contract as provided in subsection (a-10). No
22 pension fund, retirement system, or consultant shall attempt to
23 avoid or contravene the restrictions of this subsection by any
24 means.

25 (a-10) For the board of trustees of a pension fund or
26 retirement system created under Article 2, 14, 15, 16, or 18,

1 the selection and appointment of a consultant, and the
2 contracting for investment services from a consultant,
3 constitute procurements of professional and artistic services
4 under the Illinois Procurement Code that must be made and
5 awarded in accordance with and through the use of the method of
6 selection required by Article 35 of that Code. For the board of
7 trustees of a pension fund or retirement system created under
8 any other Article of this Code, the selection and appointment
9 of a consultant, and the contracting for investment services by
10 a consultant, constitute procurements that must be made and
11 awarded in a manner substantially similar to the method of
12 selection required for the procurement of professional and
13 artistic services under Article 35 of the Illinois Procurement
14 Code. All offers from responsive offerors shall be accompanied
15 by disclosure of the names and addresses of the following:

16 (1) The offeror.

17 (2) Any entity that is a parent of, or owns a
18 controlling interest in, the offeror.

19 (3) Any entity that is a subsidiary of, or in which a
20 controlling interest is owned by, the offeror.

21 (4) The offeror's key persons.

22 "Key persons" means any persons who (i) have an ownership
23 or distributive income share in the offeror that is in excess
24 of 5%, or an amount greater than 60% of the annual salary of
25 the Governor, or (ii) serve as executive officers of the
26 offeror.

1 Beginning on July 1, 2006, a person, other than a trustee
2 or an employee of a pension fund or retirement system, may not
3 act as a consultant under this Section unless that person is at
4 least one of the following: (i) registered as an investment
5 adviser under the federal Investment Advisers Act of 1940 (15
6 U.S.C. 80b-1, et seq.); (ii) registered as an investment
7 adviser under the Illinois Securities Law of 1953; (iii) a
8 bank, as defined in the Investment Advisers Act of 1940; or
9 (iv) an insurance company authorized to transact business in
10 this State.

11 (b) All investment advice and services provided by an
12 investment adviser or a consultant appointed under this Section
13 shall be (i) rendered pursuant to a written contract between
14 the investment adviser or consultant and the board, awarded as
15 provided in subsection (a-10), and (ii) in accordance with the
16 board's investment policy.

17 The contract shall include all of the following:

18 (1) acknowledgement in writing by the investment
19 adviser or consultant that he or she is a fiduciary with
20 respect to the pension fund or retirement system;

21 (2) the board's investment policy;

22 (3) full disclosure of direct and indirect fees,
23 commissions, penalties, and any other compensation that
24 may be received by the investment adviser or consultant,
25 including reimbursement for expenses; and

26 (4) a requirement that the investment adviser or

1 consultant submit periodic written reports, on at least a
2 quarterly basis, for the board's review at its regularly
3 scheduled meetings. All returns on investment shall be
4 reported as net returns after payment of all fees,
5 commissions, and any other compensation.

6 (b-5) Each contract described in subsection (b) shall also
7 include (i) full disclosure of direct and indirect fees,
8 commissions, penalties, and other compensation, including
9 reimbursement for expenses, that may be paid by or on behalf of
10 the investment adviser or consultant in connection with the
11 provision of services to the pension fund or retirement system
12 and (ii) a requirement that the investment adviser or
13 consultant update the disclosure promptly after a modification
14 of those payments or an additional payment.

15 Within 30 days after the effective date of this amendatory
16 Act of the 95th General Assembly, each investment adviser and
17 consultant currently providing services or subject to an
18 existing contract for the provision of services must disclose
19 to the board of trustees all direct and indirect fees,
20 commissions, penalties, and other compensation paid by or on
21 behalf of the investment adviser or consultant in connection
22 with the provision of those services and shall update that
23 disclosure promptly after a modification of those payments or
24 an additional payment.

25 A person required to make a disclosure under subsection (d)
26 is also required to disclose direct and indirect fees,

1 commissions, penalties, or other compensation that shall or may
2 be paid by or on behalf of the person in connection with the
3 rendering of those services. The person shall update the
4 disclosure promptly after a modification of those payments or
5 an additional payment.

6 The disclosures required by this subsection shall be in
7 writing and shall include the date and amount of each payment
8 and the name and address of each recipient of a payment.

9 (c) Within 30 days after appointing an investment adviser
10 or consultant, the board shall submit a copy of the contract to
11 the Division Department of Insurance of the Department of
12 Financial and Professional Regulation.

13 (d) Investment services provided by a person other than an
14 investment adviser appointed under this Section, including but
15 not limited to services provided by the kinds of persons listed
16 in items (1) through (4) of subsection (a), shall be rendered
17 only after full written disclosure of direct and indirect fees,
18 commissions, penalties, and any other compensation that shall
19 or may be received by the person rendering those services.

20 (e) The board of trustees of each pension fund or
21 retirement system shall retain records of investment
22 transactions in accordance with the rules of the Department of
23 Financial and Professional Regulation Insurance.

24 (f) This subsection applies to the board of trustees of a
25 pension fund or retirement system created under Article 2, 14,
26 15, 16, or 18. Notwithstanding any other provision of law, a

1 board of trustees shall comply with the Business Enterprise for
2 Minorities, Females, and Persons with Disabilities Act. The
3 board of trustees shall post upon its website the percentage of
4 its contracts awarded under this Section currently and during
5 the preceding 5 fiscal years that were awarded to "minority
6 owned businesses", "female owned businesses", and "businesses
7 owned by a person with a disability", as those terms are
8 defined in the Business Enterprise for Minorities, Females, and
9 Persons with Disabilities Act.

10 (g) This Section is a denial and limitation of home rule
11 powers and functions in accordance with subsection (i) of
12 Section 6 of Article VII of the Illinois Constitution. A home
13 rule unit may not regulate investment adviser and consultant
14 contracts in a manner that is less restrictive than the
15 provisions of this Section.

16 (Source: P.A. 90-507, eff. 8-22-97.)

17 (40 ILCS 5/1-113.12)

18 Sec. 1-113.12. Application. Sections 1-113.1 through
19 1-113.10 apply only to pension funds established under Article
20 3 or 4 of this Code, except that Section 1-113.5 applies to all
21 pension funds and retirement systems established under this
22 Code.

23 (Source: P.A. 90-507, eff. 8-22-97.)

24 (40 ILCS 5/1-125 new)

1 Sec. 1-125. No monetary gain on investments. No trustee or
2 employee of the board of any retirement system or pension fund
3 or of the Illinois State Board of Investment shall have any
4 direct interest in the income, gains, or profits of any
5 investments made in behalf of the retirement system or pension
6 fund or of the Illinois State Board of Investment, nor receive
7 any pay or emolument for services in connection with any
8 investment. No trustee or employee of the board of any
9 retirement system or pension fund or the Illinois State Board
10 of Investment shall become an endorser or surety, or in any
11 manner an obligor for money loaned or borrowed from the
12 retirement system or pension fund or the Illinois State Board
13 of Investment. Whoever violates any of the provisions of this
14 Section is guilty of a Class 3 felony.

15 (40 ILCS 5/1-130 new)

16 Sec. 1-130. Fraud. Any person who knowingly makes any false
17 statement, or falsifies or permits to be falsified any record
18 of a retirement system or pension fund or of the Illinois State
19 Board of Investment, in an attempt to defraud the retirement
20 system or pension fund or the Illinois State Board of
21 Investment, is guilty of a Class 3 felony.

22 (40 ILCS 5/1-135 new)

23 Sec. 1-135. Prohibition on gifts.

24 (a) For the purposes of this Section:

1 (1) "Board" means (i) the board of trustees of a
2 pension fund or retirement system created under this Code
3 or (ii) the Illinois State Board of Investment created
4 under Article 22A of this Code.

5 (2) "Gift" means a gift as defined in Section 1-5 of
6 the State Officials and Employees Ethics Act.

7 (3) "Prohibited source" is a person or entity who:

8 (i) is seeking official action (A) by the board,
9 (B) by a board member, or (C) in the case of a board
10 employee, by the employee, the board, a board member,
11 or another employee directing the employee;

12 (ii) does business or seeks to do business (A) with
13 the board, (B) with a board member, or (C) in the case
14 of a board employee, with the employee, the board, a
15 board member, or another employee directing the
16 employee;

17 (iii) has interests that may be substantially
18 affected by the performance or non-performance of the
19 official duties of the board member or employee; or

20 (iv) is registered or required to be registered
21 with the Secretary of State under the Lobbyist
22 Registration Act, except that an entity not otherwise a
23 prohibited source does not become a prohibited source
24 merely because a registered lobbyist is one of its
25 members or serves on its board of directors.

26 (b) No board member or employee shall solicit or accept any

1 gift from a prohibited source or from an officer, agent, or
2 employee of a prohibited source. No prohibited source or
3 officer, agent, or employee of a prohibited source shall offer
4 to a board member or employee any gift.

5 (c) Violation of this Section is a Class A misdemeanor.

6 (40 ILCS 5/1-140 new)

7 Sec. 1-140. Contingent fees. No person shall retain or
8 employ another to attempt to influence the outcome of an
9 investment decision of or the procurement of investment advice
10 or services by a board of a pension fund or retirement system
11 or the Illinois State Board of Investment for compensation
12 contingent in whole or in part upon the decision or
13 procurement, and no person shall accept any such retainer or
14 employment for compensation contingent in whole or in part upon
15 the decision or procurement. Any person who violates this
16 Section is guilty of a business offense and shall be fined not
17 more than \$10,000. In addition, any person convicted of a
18 violation of this Section is prohibited for a period of 3 years
19 from conducting such activities.

20 (40 ILCS 5/1A-113)

21 Sec. 1A-113. Penalties.

22 (a) A pension fund that fails, without just cause, to file
23 its annual statement within the time prescribed under Section
24 1A-109 shall pay to the Department a penalty to be determined

1 by the Department, which shall not exceed \$100 for each day's
2 delay.

3 (b) A pension fund that fails, without just cause, to file
4 its actuarial statement within the time prescribed under
5 Section 1A-110 or 1A-111 shall pay to the Department a penalty
6 to be determined by the Department, which shall not exceed \$100
7 for each day's delay.

8 (c) A pension fund that fails to pay a fee within the time
9 prescribed under Section 1A-112 shall pay to the Department a
10 penalty of 5% of the amount of the fee for each month or part of
11 a month that the fee is late. The entire penalty shall not
12 exceed 25% of the fee due.

13 (d) This subsection applies to any governmental unit, as
14 defined in Section 1A-102, that is subject to any law
15 establishing a pension fund or retirement system for the
16 benefit of employees of the governmental unit.

17 Whenever the Division determines by examination,
18 investigation, or in any other manner that the governing body
19 or any elected or appointed officer or official of a
20 governmental unit has failed to comply with any provision of
21 that law:

22 (1) The Director shall notify in writing the governing
23 body, officer, or official of the specific provision or
24 provisions of the law with which the person has failed to
25 comply.

26 (2) Upon receipt of the notice, the person notified

1 shall take immediate steps to comply with the provisions of
2 law specified in the notice.

3 (3) If the person notified fails to comply within a
4 reasonable time after receiving the notice, the Director
5 may hold a hearing at which the person notified may show
6 cause for noncompliance with the law.

7 (4) If upon hearing the Director determines that good
8 and sufficient cause for noncompliance has not been shown,
9 the Director may order the person to submit evidence of
10 compliance within a specified period of not less than 30
11 days.

12 (5) If evidence of compliance has not been submitted to
13 the Director within the period of time prescribed in the
14 order and no administrative appeal from the order has been
15 initiated, the Director may assess a civil penalty of up to
16 \$2,000 against the governing body, officer, or official for
17 each noncompliance with an order of the Director.

18 The Director shall develop by rule, with as much
19 specificity as practicable, the standards and criteria to be
20 used in assessing penalties and their amounts. The standards
21 and criteria shall include, but need not be limited to,
22 consideration of evidence of efforts made in good faith to
23 comply with applicable legal requirements. This rulemaking is
24 subject to the provisions of the Illinois Administrative
25 Procedure Act.

26 If a penalty is not paid within 30 days of the date of

1 assessment, the Director without further notice shall report
2 the act of noncompliance to the Attorney General of this State.
3 It shall be the duty of the Attorney General or, if the
4 Attorney General so designates, the State's Attorney of the
5 county in which the governmental unit is located to apply
6 promptly by complaint on relation of the Director of Insurance
7 in the name of the people of the State of Illinois, as
8 plaintiff, to the circuit court of the county in which the
9 governmental unit is located for enforcement of the penalty
10 prescribed in this subsection or for such additional relief as
11 the nature of the case and the interest of the employees of the
12 governmental unit or the public may require.

13 (e) Whoever knowingly makes a false certificate, entry, or
14 memorandum upon any of the books or papers pertaining to any
15 pension fund or upon any statement, report, or exhibit filed or
16 offered for file with the Division or the Director of Insurance
17 in the course of any examination, inquiry, or investigation,
18 with intent to deceive the Director, the Division, or any of
19 its employees is guilty of a Class 3 felony ~~A misdemeanor~~.

20 (Source: P.A. 90-507, eff. 8-22-97.)

21 (40 ILCS 5/22A-108.1) (from Ch. 108 1/2, par. 22A-108.1)

22 Sec. 22A-108.1. Investment Advisor: Any person or business
23 entity which provides investment advice to the ~~the~~ Board on a
24 personalized basis and with an understanding of the policies
25 and goals of the Board. "Investment Advisor" shall not include

1 any person or business entity which provides statistical or
2 general market research data available for purchase or use by
3 others.

4 (Source: P.A. 79-1171.)

5 (40 ILCS 5/22A-111) (from Ch. 108 1/2, par. 22A-111)

6 Sec. 22A-111. Duties and responsibilities.

7 (a) The Board shall manage the investments of any pension
8 fund, retirement system or education fund for the purpose of
9 obtaining a total return on investments for the long term. It
10 also shall perform such other functions as may be assigned or
11 directed by the General Assembly.

12 (b) The authority of the board to manage pension fund
13 investments and the liability shall begin when there has been a
14 physical transfer of the pension fund investments to the board
15 and placed in the custody of the State Treasurer.

16 (c) The authority of the board to manage monies from the
17 education fund for investment and the liability of the board
18 shall begin when there has been a physical transfer of
19 education fund investments to the board and placed in the
20 custody of the State Treasurer.

21 (d) The board may not delegate its management functions but
22 it may arrange to compensate for personalized investment
23 advisory service for any or all investments under its control,
24 with any national or state bank or trust company authorized to
25 do a trust business and domiciled in Illinois, or other

1 financial institution organized under the laws of Illinois, or
2 an investment advisor who is qualified under Federal Investment
3 Advisors Act of 1940 and is registered under the Illinois
4 Securities Law of 1953. Nothing contained herein shall prevent
5 the Board from subscribing to general investment research
6 services available for purchase or use by others. The Board
7 shall also have the authority to compensate for accounting
8 services.

9 (e) Notwithstanding any other provision of law, a person or
10 entity that provides consulting services (referred to as a
11 "consultant" in this Section) to the board with respect to the
12 selection of fiduciaries may not be awarded a contract to
13 provide those consulting services that is more than 5 years in
14 duration. No contract to provide such consulting services may
15 be renewed or extended. At the end of the term of a contract,
16 however, the contractor is eligible to compete for a new
17 contract as provided in subsection (f). Neither the board nor a
18 consultant shall attempt to avoid or contravene the
19 restrictions of this subsection by any means.

20 (f) The selection of a consultant, and the contracting for
21 investment services from a consultant, constitute procurements
22 of professional and artistic services under the Illinois
23 Procurement Code that must be made and awarded in accordance
24 with and through the use of the method of selection required by
25 Article 35 of that Code. All offers from responsive offerors
26 shall be accompanied by disclosure of the names and addresses

1 of the following:

2 (1) The offeror.

3 (2) Any entity that is a parent of, or owns a
4 controlling interest in, the offeror.

5 (3) Any entity that is a subsidiary of, or in which a
6 controlling interest is owned by, the offeror.

7 (4) The offeror's key persons.

8 "Key persons" means any persons who (i) have an ownership
9 or distributive income share in the offeror that is in excess
10 of 5%, or an amount greater than 60% of the annual salary of
11 the Governor, or (ii) serve as executive officers of the
12 offeror.

13 Beginning on July 1, 2006, a person, other than a trustee
14 or an employee of a the board, may not act as a consultant
15 under this Section unless that person is at least one of the
16 following: (i) registered as an investment adviser under the
17 federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et
18 seq.); (ii) registered as an investment adviser under the
19 Illinois Securities Law of 1953; (iii) a bank, as defined in
20 the Investment Advisers Act of 1940; or (iv) an insurance
21 company authorized to transact business in this State.

22 In addition to any other requirement, each contract between
23 the Board and an investment advisor or consultant shall include
24 (i) full disclosure of direct and indirect fees, commissions,
25 penalties, and other compensation, including reimbursement for
26 expenses, that may be paid by or on behalf of the investment

1 advisor or consultant in connection with the provision of
2 services to the pension fund or retirement system and (ii) a
3 requirement that the investment advisor or consultant update
4 the disclosure promptly after a modification of those payments
5 or an additional payment.

6 Within 30 days after the effective date of this amendatory
7 Act of the 95th General Assembly, each investment advisor and
8 consultant currently providing services or subject to an
9 existing contract for the provision of services must disclose
10 to the Board all direct and indirect fees, commissions,
11 penalties, and other compensation paid by or on behalf of the
12 investment advisor or consultant in connection with the
13 provision of those services and shall update that disclosure
14 promptly after a modification of those payments or an
15 additional payment.

16 The disclosures required by this subsection shall be in
17 writing and shall include the date and amount of each payment
18 and the name and address of each recipient of a payment.

19 Notwithstanding any other provision of law, the Board shall
20 comply with the Business Enterprise for Minorities, Females,
21 and Persons with Disabilities Act. The Board shall post upon
22 its website the percentage of its contracts awarded under this
23 subsection currently and during the preceding 5 fiscal years
24 that were awarded to "minority owned businesses", "female owned
25 businesses", and "businesses owned by a person with a
26 disability", as those terms are defined in the Business

1 Enterprise for Minorities, Females, and Persons with
2 Disabilities Act.

3 (Source: P.A. 84-1127.)

4 (40 ILCS 5/2-152 rep.)

5 (40 ILCS 5/2-155 rep.)

6 (40 ILCS 5/12-190.3 rep.)

7 (40 ILCS 5/13-806 rep.)

8 (40 ILCS 5/14-148 rep.)

9 (40 ILCS 5/15-186 rep.)

10 (40 ILCS 5/15-189 rep.)

11 (40 ILCS 5/16-191 rep.)

12 (40 ILCS 5/16-198 rep.)

13 (40 ILCS 5/18-159 rep.)

14 (40 ILCS 5/18-162 rep.)

15 Section 40. The Illinois Pension Code is amended by
16 repealing Sections 2-152, 2-155, 12-190.3, 13-806, 14-148,
17 15-186, 15-189, 16-191, 16-198, 18-159, and 18-162.

18 Section 90. The State Mandates Act is amended by adding
19 Section 8.31 as follows:

20 (30 ILCS 805/8.31 new)

21 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
22 of this Act, no reimbursement by the State is required for the
23 implementation of any mandate created by this amendatory Act of

1 the 95th General Assembly.

2 Section 98. Severability. The provisions of this Act are
3 severable under Section 1.31 of the Statute on Statutes.

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.".