



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1342

Introduced 2/9/2007, by Sen. Jeffrey M. Schoenberg

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Governmental Ethics Act, the State Officials and Employees Ethics Act, the Lobbyist Registration Act, the Illinois Procurement Code, the State Property Control Act, and the Illinois Pension Code. Makes changes with respect to the following: statements of economic interests; gifts to State officers and employees and to members and employees of boards of pension funds and retirement systems and the Illinois State Board of Investment; ultimate jurisdictional authorities; ethics training; ethics officers; prohibited political activities; the revolving door prohibition; public service announcements; collective bargaining; lobbying; emergency procurements; holdover leases; contract disclosures; the Illinois Procurement Bulletin; lease renewals; naming or sponsorship rights relating to State assets; and investment advisers, fiduciaries, and prohibited activities relating to pension funds, retirement systems, and the Illinois State Board of Investment. Preempts home rule with respect to investment adviser and consultant contracts. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 10797 AMC 31045 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning State government.

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

4 Section 3. The Illinois Governmental Ethics Act is amended
5 by changing Sections 4A-101, 4A-102, 4A-106, and 4A-107 as
6 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
17 Illinois Constitution, and candidates for nomination or
18 election to such Commission or Board.

19 (d) Persons whose appointment to office is subject to
20 confirmation by the Senate.

21 (e) Holders of, and candidates for nomination or
22 election to, the office of judge or associate judge of the
23 Circuit Court and the office of judge of the Appellate or

1 Supreme Court.

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

20 (1) are, or function as, the head of a department,
21 commission, board, division, bureau, authority or
22 other administrative unit within the government of
23 this State, or who exercise similar authority within
24 the government of this State;

25 (2) have direct supervisory authority over, or
26 direct responsibility for the formulation,

1 negotiation, issuance or execution of contracts
2 entered into by the State in the amount of \$5,000 or
3 more;

4 (3) have authority for the issuance or
5 promulgation of rules and regulations within areas
6 under the authority of the State;

7 (4) have authority for the approval of
8 professional licenses;

9 (5) have responsibility with respect to the
10 financial inspection of regulated nongovernmental
11 entities;

12 (6) 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 State;

17 (7) have supervisory responsibility for 20 or more
18 employees of the State; or

19 (8) negotiate, assign, authorize, or grant naming
20 rights or sponsorship rights regarding any property or
21 asset of the State, whether real, personal, tangible,
22 or intangible.

23 (g) Persons who are elected to office in a unit of
24 local government, and candidates for nomination or
25 election to that office, including regional
26 superintendents of school districts.

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

14 (i) Persons who are employed by a unit of local
15 government and are compensated for services as employees
16 and not as independent contractors and who:

17 (1) are, or function as, the head of a department,
18 division, bureau, authority or other administrative
19 unit within the unit of local government, or who
20 exercise similar authority within the unit of local
21 government;

22 (2) have direct supervisory authority over, or
23 direct responsibility for the formulation,
24 negotiation, issuance or execution of contracts
25 entered into by the unit of local government in the
26 amount of \$1,000 or greater;

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

5 (4) adjudicate, arbitrate, or decide any judicial
6 or administrative proceeding, or review the
7 adjudication, arbitration or decision of any judicial
8 or administrative proceeding within the authority of
9 the unit of local government;

10 (5) have authority to issue or promulgate rules and
11 regulations within areas under the authority of the
12 unit of local government; or

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

15 (j) Persons on the Board of Trustees of the Illinois
16 Mathematics and Science Academy.

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

20 (1) Special government agents. A "special government
21 agent" is a person who is directed, retained, designated,
22 appointed, or employed, with or without compensation, by or
23 on behalf of a statewide executive branch constitutional
24 officer to make an ex parte communication under Section
25 5-50 of the State Officials and Employees Ethics Act or
26 Section 5-165 of the Illinois Administrative Procedure

1 Act.

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

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

12 This Section shall not be construed to prevent any unit of
13 local government from enacting financial disclosure
14 requirements that mandate more information than required by
15 this Act.

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

17 (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

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

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

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

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

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

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

26 (5) The name of any entity from which a gift or gifts,

1 or honorarium or honoraria, valued singly or in the
2 aggregate in excess of \$500, was received during the
3 preceding calendar year.

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

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

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

23 (3) The identity of any compensated lobbyist with whom
24 the person making the statement maintains a close economic
25 association, including the name of the lobbyist and
26 specifying the legislative matter or matters which are the

1 object of the lobbying activity, and describing the general
2 type of economic activity of the client or principal on
3 whose behalf that person is lobbying.

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

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

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

24 (3) The name of any entity and the nature of the
25 governmental action requested by any entity which has
26 applied to a unit of local government in relation to which

1 the person must file for any license, franchise or permit
2 for annexation, zoning or rezoning of real estate during
3 the preceding calendar year if the ownership interest of
4 the person filing is in excess of \$5,000 fair market value
5 at the time of filing or if income or dividends in excess
6 of \$1,200 were received by the person filing from the
7 entity during the preceding calendar year.

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

9 (5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

10 Sec. 4A-106. The statements of economic interests required
11 of persons listed in items (a) through (f), item (j), ~~and~~ item
12 (l), and item (m) of Section 4A-101 shall be filed with the
13 Secretary of State. The statements of economic interests
14 required of persons listed in items (g), (h), (i), ~~and~~ (k), and
15 (n) of Section 4A-101 shall be filed with the county clerk of
16 the county in which the principal office of the unit of local
17 government with which the person is associated is located. If
18 it is not apparent which county the principal office of a unit
19 of local government is located, the chief administrative
20 officer, or his or her designee, has the authority, for
21 purposes of this Act, to determine the county in which the
22 principal office is located. On or before February 1 annually,
23 (1) the chief administrative officer of any State agency in the
24 executive, legislative, or judicial branch employing persons
25 required to file under item (f) or item (l) of Section 4A-101

1 and the chief administrative officer of a board described in
2 item (m) of Section 4A-101 shall certify to the Secretary of
3 State the names and mailing addresses of ~~those~~ persons required
4 to file under those items, and (2) the chief administrative
5 officer, or his or her designee, of each unit of local
6 government with persons described in items (h), (i), ~~and~~ (k),
7 and (n) of Section 4A-101 shall certify to the appropriate
8 county clerk a list of names and addresses of persons described
9 in items (h), (i), ~~and~~ (k), and (n) of Section 4A-101 that are
10 required to file. In preparing the lists, each chief
11 administrative officer, or his or her designee, shall set out
12 the names in alphabetical order.

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

26 On or before April 1 annually, the county clerk of each

1 county shall notify all persons whose names have been certified
2 to him under items (g), (h), (i), ~~and (k)~~, and (n) of Section
3 4A-101, other than candidates for office who have filed their
4 statements with their nominating petitions, of the
5 requirements for filing statements of economic interests. A
6 person required to file with a county clerk by virtue of more
7 than one item among items (g), (h), (i), ~~and (k)~~, and (n) shall
8 be notified of and is required to file only one statement of
9 economic interests relating to all items under which the person
10 is required to file with that county clerk.

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

18 From the lists certified to him under this Section of
19 persons described in items (g), (h), (i), ~~and (k)~~, and (n) of
20 Section 4A-101, the clerk of each county shall compile an
21 alphabetical listing of persons required to file statements of
22 economic interests in his office under any of those items. As
23 the statements are filed in his office, the county clerk shall
24 cause the fact of that filing to be indicated on the
25 alphabetical listing of persons who are required to file
26 statements. Within 30 days after the due dates, the county

1 clerk shall mail to the State Board of Elections a true copy of
2 that listing showing those who have filed statements.

3 The county clerk of each county shall note upon the
4 alphabetical listing the names of all persons required to file
5 a statement of economic interests who failed to file a
6 statement on or before May 1. It shall be the duty of the
7 several county clerks to give notice as provided in Section
8 4A-105 to any person who has failed to file his or her
9 statement with the clerk on or before May 1.

10 Any person who files or has filed a statement of economic
11 interest under this Act is entitled to receive from the
12 Secretary of State or county clerk, as the case may be, a
13 receipt indicating that the person has filed such a statement,
14 the date of such filing, and the identity of the governmental
15 unit or units in relation to which the filing is required.

16 The Secretary of State may employ such employees and
17 consultants as he considers necessary to carry out his duties
18 hereunder, and may prescribe their duties, fix their
19 compensation, and provide for reimbursement of their expenses.

20 All statements of economic interests filed under this
21 Section shall be available for examination and copying by the
22 public at all reasonable times. Not later than 12 months after
23 the effective date of this amendatory Act of the 93rd General
24 Assembly, beginning with statements filed in calendar year
25 2004, the Secretary of State shall make statements of economic
26 interests filed with the Secretary available for inspection and

1 copying via the Secretary's website.

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

3 (5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

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

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

16 The Attorney General, with respect to offices or positions
17 described in items (a) through (f) and items (j), ~~and~~ (l), and
18 (m) of Section 4A-101 of this Act, or the State's Attorney of
19 the county of the entity for which the filing of statements of
20 economic interests is required, with respect to offices or
21 positions described in items (g) through (i), ~~and~~ item (k), and
22 item (n) of Section 4A-101 of this Act, shall bring an action
23 in quo warranto against any person who has failed to file by
24 either May 31 or June 30 of any given year.

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

1 Section 5. The State Officials and Employees Ethics Act is
2 amended by changing Sections 1-5, 5-10, 5-15, 5-20, 5-45,
3 10-15, 20-5, 20-23, 20-40, 25-5, 25-10, and 25-23 and by adding
4 Section 10-15.5 as follows:

5 (5 ILCS 430/1-5)

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

7 "Appointee" means a person appointed to a position in or
8 with a State agency, regardless of whether the position is
9 compensated.

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

21 "Candidate" means a person who has filed nominating papers
22 or petitions for nomination or election to an elected State
23 office, or who has been appointed to fill a vacancy in
24 nomination, and who remains eligible for placement on the

1 ballot at either a general primary election or general
2 election.

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

6 "Commission" means an ethics commission created by this
7 Act.

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

13 "Compensatory time off" means authorized time off earned by
14 or awarded to a State employee to compensate in whole or in
15 part for time worked in excess of the minimum work time
16 required of that employee as a condition of employment with a
17 State agency.

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

20 "Employee" means (i) any person employed full-time,
21 part-time, or pursuant to a contract and whose employment
22 duties are subject to the direction and control of an employer
23 with regard to the material details of how the work is to be
24 performed, ~~or~~ (ii) any appointed or elected commissioner,
25 trustee, director, or board member of a board of a State
26 agency, or (iii) any other appointee.

1 "Executive branch constitutional officer" means the
2 Governor, Lieutenant Governor, Attorney General, Secretary of
3 State, Comptroller, and Treasurer.

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

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

20 "Leave of absence" means any period during which a State
21 employee does not receive (i) compensation for State
22 employment, (ii) service credit towards State pension
23 benefits, and (iii) health insurance benefits paid for by the
24 State.

25 "Legislative branch constitutional officer" means a member
26 of the General Assembly and the Auditor General.

1 "Legislative leader" means the President and Minority
2 Leader of the Senate and the Speaker and Minority Leader of the
3 House of Representatives.

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

5 "Officer" means an executive branch constitutional officer
6 or a legislative branch constitutional officer.

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

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

23 "Prohibited political activity" means:

24 (1) Preparing for, organizing, or participating in any
25 political meeting, political rally, political
26 demonstration, or other political event.

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

5 (3) Soliciting, planning the solicitation of, or
6 preparing any document or report regarding any thing of
7 value intended as a campaign contribution.

8 (4) Planning, conducting, or participating in a public
9 opinion poll in connection with a campaign for elective
10 office or on behalf of a political organization for
11 political purposes or for or against any referendum
12 question.

13 (5) Surveying or gathering information from potential
14 or actual voters in an election to determine probable vote
15 outcome in connection with a campaign for elective office
16 or on behalf of a political organization for political
17 purposes or for or against any referendum question.

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

21 (7) Soliciting votes on behalf of a candidate for
22 elective office or a political organization or for or
23 against any referendum question or helping in an effort to
24 get voters to the polls.

25 (8) Initiating for circulation, preparing,
26 circulating, reviewing, or filing any petition on behalf of

1 a candidate for elective office or for or against any
2 referendum question.

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

6 (10) Preparing or reviewing responses to candidate
7 questionnaires in connection with a campaign for elective
8 office or on behalf of a political organization for
9 political purposes.

10 (11) Distributing, preparing for distribution, or
11 mailing campaign literature, campaign signs, or other
12 campaign material on behalf of any candidate for elective
13 office or for or against any referendum question.

14 (12) Campaigning for any elective office or for or
15 against any referendum question.

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

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

20 (15) Participating in any recount or challenge to the
21 outcome of any election, except to the extent that under
22 subsection (d) of Section 6 of Article IV of the Illinois
23 Constitution each house of the General Assembly shall judge
24 the elections, returns, and qualifications of its members.

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

26 (1) is seeking official action (i) by the member or

1 officer or (ii) in the case of an employee, by the employee
2 or by the member, officer, State agency, or other employee
3 directing the employee;

4 (2) does business or seeks to do business (i) with the
5 member or officer or (ii) in the case of an employee, with
6 the employee or with the member, officer, State agency, or
7 other employee directing the employee;

8 (3) conducts activities regulated (i) by the member or
9 officer or (ii) in the case of an employee, by the employee
10 or by the member, officer, State agency, or other employee
11 directing the employee;

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

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

21 "State agency" includes all officers, boards, commissions
22 and agencies created by the Constitution, whether in the
23 executive or legislative branch; all officers, departments,
24 boards, commissions, agencies, institutions, authorities,
25 public institutions of higher learning as defined in Section 2
26 of the Higher Education Cooperation Act, and bodies politic and

1 corporate of the State; and administrative units or corporate
2 outgrowths of the State government which are created by or
3 pursuant to statute, other than units of local government and
4 their officers, school districts, and boards of election
5 commissioners; and all administrative units and corporate
6 outgrowths of the above and as may be created by executive
7 order of the Governor. "State agency" includes the General
8 Assembly, the Senate, the House of Representatives, the
9 President and Minority Leader of the Senate, the Speaker and
10 Minority Leader of the House of Representatives, the Senate
11 Operations Commission, and the legislative support services
12 agencies. "State agency" includes the Office of the Auditor
13 General. "State agency" does not include the judicial branch.

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

15 "Ultimate jurisdictional authority" means the following:

16 (1) For members, legislative partisan staff, and
17 legislative secretaries, the appropriate legislative
18 leader: President of the Senate, Minority Leader of the
19 Senate, Speaker of the House of Representatives, or
20 Minority Leader of the House of Representatives.

21 (2) For State employees who are professional staff or
22 employees of the Senate and not covered under item (1), the
23 Senate Operations Commission.

24 (3) For State employees who are professional staff or
25 employees of the House of Representatives and not covered
26 under item (1), the Speaker of the House of

1 Representatives.

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

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

7 (6) For State employees of public institutions of
8 higher learning as defined in Section 2 of the Higher
9 Education Cooperation Act, the board of trustees of the
10 appropriate public institution of higher learning.

11 (7) For State employees of an executive branch
12 constitutional officer other than those described in
13 paragraph (6), the appropriate executive branch
14 constitutional officer.

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

18 (9) For the Legislative Inspector General, State
19 employees of the Office of the Legislative Inspector
20 General, commissioners of the Legislative Ethics
21 Commission, and State employees of the Legislative Ethics
22 Commission, the Legislative Ethics Commission.

23 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
24 93-685, eff. 7-8-04.)

25 (5 ILCS 430/5-10)

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

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

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

20 (5 ILCS 430/5-15)

21 Sec. 5-15. Prohibited political activities.

22 (a) State employees shall not intentionally perform any
23 prohibited political activity during any compensated time
24 (other than vacation, personal, or compensatory time off).
25 State employees shall not intentionally misappropriate any

1 State property or resources by engaging in any prohibited
2 political activity for the benefit of any campaign for elective
3 office or any political organization. The mere presence on
4 State property or an incidental use of State property or
5 resources does not necessarily amount to a misappropriation for
6 purposes of this Section. The amendment to this subsection by
7 this amendatory Act of the 95th General Assembly is declarative
8 of existing law.

9 (b) At no time shall any executive or legislative branch
10 constitutional officer or any official, director, supervisor,
11 or State employee intentionally misappropriate the services of
12 any State employee by requiring that State employee to perform
13 any prohibited political activity (i) as part of that
14 employee's State duties, (ii) as a condition of State
15 employment, or (iii) during any time off that is compensated by
16 the State (such as vacation, personal, or compensatory time
17 off).

18 (c) A State employee shall not be required at any time to
19 participate in any prohibited political activity in
20 consideration for that State employee being awarded any
21 additional compensation or employee benefit, in the form of a
22 salary adjustment, bonus, compensatory time off, continued
23 employment, or otherwise.

24 (d) A State employee shall not be awarded any additional
25 compensation or employee benefit, in the form of a salary
26 adjustment, bonus, compensatory time off, continued

1 employment, or otherwise, in consideration for the State
2 employee's participation in any prohibited political activity.

3 (e) Nothing in this Section prohibits activities that are
4 otherwise appropriate for a State employee to engage in as a
5 part of his or her official State employment duties or
6 activities that are undertaken by a State employee on a
7 voluntary basis as permitted by law.

8 (f) No person either (i) in a position that is subject to
9 recognized merit principles of public employment or (ii) in a
10 position the salary for which is paid in whole or in part by
11 federal funds and that is subject to the Federal Standards for
12 a Merit System of Personnel Administration applicable to
13 grant-in-aid programs, shall be denied or deprived of State
14 employment or tenure solely because he or she is a member or an
15 officer of a political committee, of a political party, or of a
16 political organization or club.

17 (Source: P.A. 93-615, eff. 11-19-03.)

18 (5 ILCS 430/5-20)

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

21 (a) ~~No Beginning January 1, 2004, no~~ public service
22 announcement or advertisement that identifies any specific
23 program administered by a State agency ~~is on behalf of any~~
24 ~~State-administered program~~ and contains the proper name, image,
25 or voice of any executive branch constitutional officer or

1 member of the General Assembly shall be broadcast or aired on
2 radio or television or printed in a commercial newspaper or a
3 commercial magazine at any time.

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

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

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

20 (5 ILCS 430/5-45)

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

22 (a) No current or former officer, member, or State
23 employee, or spouse or immediate family member living with such
24 person, shall, during the period of State employment or within
25 a period of one year immediately after termination of State

1 employment, knowingly accept employment or receive
2 compensation or fees for services from a person or entity if
3 the officer, member, or State employee, during the immediately
4 preceding 2 years of State employment with respect to a current
5 officer, member, or State employee, or during the year
6 immediately preceding termination of State employment with
7 respect to a former officer, member, or State employee,
8 participated personally and substantially in the decision to
9 award State contracts with a cumulative value of over \$25,000
10 to the person or entity, or its parent or subsidiary.

11 (b) No current or former officer of the executive branch or
12 State employee of the executive branch with regulatory or
13 licensing authority, or spouse or immediate family member
14 living with such person, shall, during the period of State
15 employment or within a period of one year immediately after
16 termination of State employment, knowingly accept employment
17 or receive compensation of fees for services from a person or
18 entity if the officer or State employee, during the immediately
19 preceding 2 years of State employment with respect to a current
20 officer, member, or State employee, or during the year
21 immediately preceding termination of State employment with
22 respect to a former officer, member, or State employee, made a
23 regulatory or licensing decision that directly applied to the
24 person or entity, or its parent or subsidiary.

25 (c) The requirements of this Section may be waived (i) for
26 the executive branch, in writing by the Executive Ethics

1 Commission, (ii) for the legislative branch, in writing by the
2 Legislative Ethics Commission, and (iii) for the Auditor
3 General, in writing by the Auditor General. During the time
4 period from the effective date of this amendatory Act of the
5 93rd General Assembly until the Executive Ethics Commission
6 first meets, the requirements of this Section may be waived in
7 writing by the appropriate ultimate jurisdictional authority.
8 During the time period from the effective date of this
9 amendatory Act of the 93rd General Assembly until the
10 Legislative Ethics Commission first meets, the requirements of
11 this Section may be waived in writing by the appropriate
12 ultimate jurisdictional authority. The waiver shall be granted
13 upon the person seeking the waiver proving by clear and
14 convincing evidence ~~a showing~~ that the prospective employment
15 or relationship did not affect the decisions referred to in
16 sections (a) and (b).

17 (d) With respect to former officers, members, State
18 employees, spouses, and family members, this ~~This~~ Section
19 applies only with respect to persons who terminate an affected
20 position on or after December 19, 2003 (the effective date of
21 Public ~~this amendatory~~ Act 93-617) ~~of the 93rd General~~
22 ~~Assembly.~~

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

24 (5 ILCS 430/10-15)

25 Sec. 10-15. Gift ban; exceptions. The restriction in

1 Section 10-10 does not apply to the following:

2 (1) Opportunities, benefits, and services that are
3 available on the same conditions as for the general public.

4 (2) Anything for which the officer, member, or State
5 employee pays the market value.

6 (3) Any (i) contribution that is lawfully made under
7 the Election Code or under this Act or (ii) activities
8 associated with a fundraising event in support of a
9 political organization or candidate.

10 (4) Educational materials and missions. Subject to
11 Section 10-15.5, this ~~This~~ exception may be further defined
12 by rules adopted by the appropriate ethics commission or by
13 the Auditor General for the Auditor General and employees
14 of the Office of the Auditor General.

15 (5) Travel expenses for a meeting or an educational
16 activity to discuss matters related to State interests
17 ~~business~~. Subject to Section 10-15.5, this ~~This~~ exception
18 may be further defined by rules adopted by the appropriate
19 ethics commission or by the Auditor General for the Auditor
20 General and employees of the Office of the Auditor General.

21 (6) A gift from a relative, meaning those people
22 related to the individual as father, mother, son, daughter,
23 brother, sister, uncle, aunt, great aunt, great uncle,
24 first cousin, nephew, niece, husband, wife, grandfather,
25 grandmother, grandson, granddaughter, father-in-law,
26 mother-in-law, son-in-law, daughter-in-law,

1 brother-in-law, sister-in-law, stepfather, stepmother,
2 stepson, stepdaughter, stepbrother, stepsister, half
3 brother, half sister, and including the father, mother,
4 grandfather, or grandmother of the individual's spouse and
5 the individual's fiance or fiancée.

6 (7) Anything provided by an individual on the basis of
7 a personal friendship unless the member, officer, or
8 employee has reason to believe that, under the
9 circumstances, the gift was provided because of the
10 official position or employment of the member, officer, or
11 employee and not because of the personal friendship.

12 In determining whether a gift is provided on the basis
13 of personal friendship, the member, officer, or employee
14 shall consider the circumstances under which the gift was
15 offered, such as:

16 (i) the history of the relationship between the
17 individual giving the gift and the recipient of the
18 gift, including any previous exchange of gifts between
19 those individuals;

20 (ii) whether to the actual knowledge of the member,
21 officer, or employee the individual who gave the gift
22 personally paid for the gift or sought a tax deduction
23 or business reimbursement for the gift; and

24 (iii) whether to the actual knowledge of the
25 member, officer, or employee the individual who gave
26 the gift also at the same time gave the same or similar

1 gifts to other members, officers, or employees.

2 (8) Food or refreshments not exceeding \$75 per person
3 in value on a single calendar day; provided that the food
4 or refreshments are (i) consumed on the premises from which
5 they were purchased or prepared or (ii) catered. For the
6 purposes of this Section, "catered" means food or
7 refreshments that are purchased ready to eat and delivered
8 by any means.

9 (9) Food, refreshments, lodging, transportation, and
10 other benefits resulting from the outside business or
11 employment activities (or outside activities that are not
12 connected to the duties of the officer, member, or employee
13 as an office holder or employee) of the officer, member, or
14 employee, or the spouse of the officer, member, or
15 employee, if the benefits have not been offered or enhanced
16 because of the official position or employment of the
17 officer, member, or employee, and are customarily provided
18 to others in similar circumstances.

19 (10) Intra-governmental and inter-governmental gifts.
20 For the purpose of this Act, "intra-governmental gift"
21 means any gift given to a member, officer, or employee of a
22 State agency from another member, officer, or employee of
23 the same State agency; and "inter-governmental gift" means
24 any gift given to a member, officer, or employee of a State
25 agency, by a member, officer, or employee of another State
26 agency, of a federal agency, or of any governmental entity.

1 (11) Bequests, inheritances, and other transfers at
2 death.

3 (12) Any item or items from any one prohibited source
4 during any calendar year having a cumulative total value of
5 less than \$100.

6 Each of the exceptions listed in this Section is mutually
7 exclusive and independent of one another.

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

9 (5 ILCS 430/10-15.5 new)

10 Sec. 10-15.5. Educational mission; travel expenses for a
11 meeting or educational activity to discuss matters related to
12 State interests.

13 (a) This Section further defines items (4) and (5) of
14 Section 10-15 when a prohibited source provides educational
15 missions or travel expenses for a meeting or educational
16 activity to discuss matters related to State interests and
17 applies to travel on and after the effective date of this
18 amendatory Act of the 95th General Assembly.

19 (b) Travel in connection with an educational mission or for
20 a meeting or educational activity to discuss matters related to
21 State interests is subject to the following conditions:

22 (1) it must be in furtherance of the recipient
23 officer's or employee's State duties, responsibilities, or
24 employment;

25 (2) it must bear a significant connection to the

1 interests of the prohibited source;

2 (3) the destination (i) must bear a close relationship
3 to the educational purposes of the travel or to the State
4 interests to be discussed or (ii) must be reasonable under
5 the circumstances;

6 (4) the length of time at the destination for the
7 mission or meeting that is paid for by the prohibited
8 source must be reasonable under the circumstances;

9 (5) the officer or employee must devote a significant
10 amount of time while at the destination to the educational
11 activities or matters relating to State interests; and

12 (6) the travel expenses must be reasonable under the
13 circumstances; if the travel expenses do not substantially
14 exceed the amounts that would be authorized for State
15 reimbursement by the relevant Travel Control Board, they
16 are deemed reasonable.

17 (c) The following categories of expenses qualify under the
18 exceptions to the Gift Ban in items (4) and (5) of Section
19 10-15: travel to, at, and from the destination; lodging en
20 route to, at, and from the destination; and tours,
21 demonstrations, presentations, and meetings. The following
22 categories of expenses, without limitation, do not fall under
23 the exceptions to the Gift Ban in items (4) and (5) of Section
24 10-15, but may qualify as exceptions under other applicable
25 provisions of Section 10-15: food; refreshments;
26 entertainment; recreation; prizes; awards; and souvenirs.

1 (d) Qualified expenses under the exceptions to the Gift Ban
2 in items (4) and (5) of Section 10-15 include those for the
3 officer or employee. If the officer or employee is accompanied
4 by his or her spouse or immediate family member living with the
5 officer or employee and that spouse or family member either (i)
6 is not a State official or employee or (ii) is a State official
7 or employee but is not traveling in that capacity, any
8 additional expenses for the spouse or family member qualify (i)
9 under the exceptions to the Gift Ban in items (4) and (5) of
10 Section 10-15 only if, because of legitimate dependent care
11 obligations, the officer or employee would not be able to
12 attend unless accompanied by the spouse or family member or
13 (ii) to the extent that other applicable exceptions under
14 Section 10-15 apply. If the spouse or family member is a State
15 official or employee and is traveling in that capacity, then
16 this Section applies independently to that spouse or family
17 member.

18 (e) More than one prohibited source may contribute to
19 qualified expenses so long as the other requirements of this
20 Section are met.

21 (f) The officer or employee or a non-prohibited source must
22 pay all non-qualified expenses that do not otherwise fall under
23 an exception to the Gift Ban.

24 (5 ILCS 430/20-5)

25 Sec. 20-5. Executive Ethics Commission.

1 (a) The Executive Ethics Commission is created.

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

20 The terms of the initial commissioners shall commence upon
21 qualification. Four initial appointees of the Governor, as
22 designated by the Governor, shall serve terms running through
23 June 30, 2007. One initial appointee of the Governor, as
24 designated by the Governor, and the initial appointees of the
25 Attorney General, Secretary of State, Comptroller, and
26 Treasurer shall serve terms running through June 30, 2008. The

1 initial appointments shall be made within 60 days after the
2 effective date of this Act.

3 After the initial terms, commissioners shall serve for
4 4-year terms commencing on July 1 of the year of appointment
5 and running through June 30 of the fourth following year.
6 Commissioners may be reappointed to one or more subsequent
7 terms.

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

11 Terms shall run regardless of whether the position is
12 filled.

13 (c) The appointing authorities shall appoint commissioners
14 who have experience holding governmental office or employment
15 and shall appoint commissioners from the general public. A
16 person is not eligible to serve as a commissioner if that
17 person (i) has been convicted of a felony or a crime of
18 dishonesty or moral turpitude, (ii) is, or was within the
19 preceding 12 months, engaged in activities that require
20 registration under the Lobbyist Registration Act, (iii) is
21 related to the appointing authority, or (iv) is a State officer
22 or employee.

23 (d) The Executive Ethics Commission shall have
24 jurisdiction over all officers and employees of State agencies
25 other than the General Assembly, the Senate, the House of
26 Representatives, the President and Minority Leader of the

1 Senate, the Speaker and Minority Leader of the House of
2 Representatives, the Senate Operations Commission, the
3 legislative support services agencies, the Legislative Ethics
4 Commission, the Office of the Legislative Inspector General,
5 and the Office of the Auditor General. The jurisdiction of the
6 Commission is limited to matters arising under this Act.

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

22 (f) No commissioner or employee of the Executive Ethics
23 Commission may during his or her term of appointment or
24 employment:

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

26 (2) hold any other elected or appointed public office

1 except for appointments on governmental advisory boards or
2 study commissions or as otherwise expressly authorized by
3 law;

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

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

8 (g) An appointing authority may remove a commissioner only
9 for cause.

10 (h) The Executive Ethics Commission shall appoint an
11 Executive Director. The compensation of the Executive Director
12 shall be as determined by the Commission or by the Compensation
13 Review Board, whichever amount is higher. The Executive
14 Director of the Executive Ethics Commission may employ and
15 determine the compensation of staff, as appropriations permit.

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

17 (5 ILCS 430/20-23)

18 Sec. 20-23. Ethics Officers. Each officer and the head of
19 each State agency under the jurisdiction of the Executive
20 Ethics Commission, including without limitation the Executive
21 Ethics Commission and each Executive Inspector General, shall
22 designate an Ethics Officer for the office or State agency.
23 Ethics Officers shall:

24 (1) act as liaisons between the State agency and the
25 appropriate Executive Inspector General and between the

1 State agency and the Executive Ethics Commission;

2 (2) review statements of economic interest and
3 disclosure forms of officers, senior employees, and
4 contract monitors before they are filed with the Secretary
5 of State; and

6 (3) provide guidance to officers and employees in the
7 interpretation and implementation of this Act, which the
8 officer or employee may in good faith rely upon. Such
9 guidance shall be based, wherever possible, upon legal
10 precedent in court decisions, opinions of the Attorney
11 General, and the findings and opinions of the Executive
12 Ethics Commission.

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

14 (5 ILCS 430/20-40)

15 Sec. 20-40. Collective bargaining agreements. Any
16 investigation or inquiry by an Executive Inspector General or
17 any agent or representative of an Executive Inspector General
18 must be conducted with awareness of the provisions of a
19 collective bargaining agreement that applies to the employees
20 of the relevant State agency and with an awareness of the
21 rights of the employees as set forth by State and federal law
22 and applicable judicial decisions. In implementing any ~~Any~~
23 recommendation for discipline or in taking any action ~~taken~~
24 against any State employee pursuant to this Act, the ultimate
25 jurisdictional authority must comply with the provisions of the

1 collective bargaining agreement that applies to the State
2 employee.

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

4 (5 ILCS 430/25-5)

5 Sec. 25-5. Legislative Ethics Commission.

6 (a) The Legislative Ethics Commission is created.

7 (b) The Legislative Ethics Commission shall consist of 8
8 commissioners appointed 2 each by the President and Minority
9 Leader of the Senate and the Speaker and Minority Leader of the
10 House of Representatives.

11 The terms of the initial commissioners shall commence upon
12 qualification. Each appointing authority shall designate one
13 appointee who shall serve for a 2-year term running through
14 June 30, 2005. Each appointing authority shall designate one
15 appointee who shall serve for a 4-year term running through
16 June 30, 2007. The initial appointments shall be made within 60
17 days after the effective date of this Act.

18 After the initial terms, commissioners shall serve for
19 4-year terms commencing on July 1 of the year of appointment
20 and running through June 30 of the fourth following year.
21 Commissioners may be reappointed to one or more subsequent
22 terms.

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

1 Terms shall run regardless of whether the position is
2 filled.

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

18 (d) The Legislative Ethics Commission shall have
19 jurisdiction over members of the General Assembly and all State
20 employees whose ultimate jurisdictional authority is (i) a
21 legislative leader, (ii) the Senate Operations Commission, ~~or~~
22 (iii) the Joint Committee on Legislative Support Services, or
23 (iv) the Legislative Ethics Commission. The jurisdiction of the
24 Commission is limited to matters arising under this Act.

25 (e) The Legislative Ethics Commission must meet, either in
26 person or by other technological means, monthly or as often as

1 necessary. At the first meeting of the Legislative Ethics
2 Commission, the commissioners shall choose from their number a
3 chairperson and other officers that they deem appropriate. The
4 terms of officers shall be for 2 years commencing July 1 and
5 running through June 30 of the second following year. Meetings
6 shall be held at the call of the chairperson or any 3
7 commissioners. Official action by the Commission shall require
8 the affirmative vote of 5 commissioners, and a quorum shall
9 consist of 5 commissioners. Commissioners shall receive no
10 compensation but may be reimbursed for their reasonable
11 expenses actually incurred in the performance of their duties.

12 (f) No commissioner, other than a commissioner who is a
13 member of the General Assembly, or employee of the Legislative
14 Ethics Commission may during his or her term of appointment or
15 employment:

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

17 (2) hold any other elected or appointed public office
18 except for appointments on governmental advisory boards or
19 study commissions or as otherwise expressly authorized by
20 law;

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

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

25 (g) An appointing authority may remove a commissioner only
26 for cause.

1 (h) The Legislative Ethics Commission shall appoint an
2 Executive Director subject to the approval of at least 3 of the
3 4 legislative leaders. The compensation of the Executive
4 Director shall be as determined by the Commission or by the
5 Compensation Review Board, whichever amount is higher. The
6 Executive Director of the Legislative Ethics Commission may
7 employ, subject to the approval of at least 3 of the 4
8 legislative leaders, and determine the compensation of staff,
9 as appropriations permit.

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

11 (5 ILCS 430/25-10)

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

13 (a) The independent Office of the Legislative Inspector
14 General is created. The Office shall be under the direction and
15 supervision of the Legislative Inspector General and shall be a
16 fully independent office with its own appropriation.

17 (b) The Legislative Inspector General shall be appointed
18 without regard to political affiliation and solely on the basis
19 of integrity and demonstrated ability. The Legislative Ethics
20 Commission shall diligently search out qualified candidates
21 for Legislative Inspector General and shall make
22 recommendations to the General Assembly.

23 The Legislative Inspector General shall be appointed by a
24 joint resolution of the Senate and the House of
25 Representatives, which may specify the date on which the

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

12 The Legislative Inspector General shall have the following
13 qualifications:

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

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

18 (3) has 5 or more years of cumulative service (A) with
19 a federal, State, or local law enforcement agency, at least
20 2 years of which have been in a progressive investigatory
21 capacity; (B) as a federal, State, or local prosecutor; (C)
22 as a senior manager or executive of a federal, State, or
23 local agency; (D) as a member, an officer, or a State or
24 federal judge; or (E) representing any combination of (A)
25 through (D).

26 The Legislative Inspector General may not be a relative of

1 a commissioner.

2 The term of the initial Legislative Inspector General shall
3 commence upon qualification and shall run through June 30,
4 2008.

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

10 A vacancy occurring other than at the end of a term shall
11 be filled in the same manner as an appointment only for the
12 balance of the term of the Legislative Inspector General whose
13 office is vacant.

14 Terms shall run regardless of whether the position is
15 filled.

16 (c) The Legislative Inspector General shall have
17 jurisdiction over the members of the General Assembly and all
18 State employees whose ultimate jurisdictional authority is (i)
19 a legislative leader, (ii) the Senate Operations Commission, ~~or~~
20 (iii) the Joint Committee on Legislative Support Services, or
21 (iv) the Legislative Ethics Commission.

22 The jurisdiction of each Legislative Inspector General is
23 to investigate allegations of fraud, waste, abuse,
24 mismanagement, misconduct, nonfeasance, misfeasance,
25 malfeasance, or violations of this Act or violations of other
26 related laws and rules.

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

12 (e) No Legislative Inspector General or employee of the
13 Office of the Legislative Inspector General may, during his or
14 her term of appointment or employment:

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

16 (2) hold any other elected or appointed public office
17 except for appointments on governmental advisory boards or
18 study commissions or as otherwise expressly authorized by
19 law;

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

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

24 In this subsection an appointed public office means a
25 position authorized by law that is filled by an appointing
26 authority as provided by law and does not include employment by

1 hiring in the ordinary course of business.

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

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

6 (2) hold any elected public office; or

7 (3) hold any appointed State, county, or local judicial
8 office.

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

11 (f) The Commission may remove the Legislative Inspector
12 General only for cause. At the time of the removal, the
13 Commission must report to the General Assembly the
14 justification for the removal.

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

16 (5 ILCS 430/25-23)

17 Sec. 25-23. Ethics Officers. The President and Minority
18 Leader of the Senate and the Speaker and Minority Leader of the
19 House of Representatives shall each appoint an ethics officer
20 for the members and employees of his or her legislative caucus.
21 The commissioners of the Legislative Ethics Commission shall
22 designate an ethics officer for the Legislative Ethics
23 Commission. The Legislative Inspector General shall designate
24 an ethics officer for the Office of the Legislative Inspector
25 General. No later than January 1, 2004, the head of each other

1 State agency under the jurisdiction of the Legislative Ethics
2 Commission, other than the General Assembly, shall designate an
3 ethics officer for the State agency. Ethics Officers shall:

4 (1) act as liaisons between the State agency and the
5 Legislative Inspector General and between the State agency
6 and the Legislative Ethics Commission;

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

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

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

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

21 (25 ILCS 170/2) (from Ch. 63, par. 172)

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

24 (a) "Person" means any individual, firm, partnership,

1 committee, association, corporation, or any other organization
2 or group of persons.

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

10 (c) "Official" means:

11 (1) the Governor, Lieutenant Governor, Secretary of
12 State, Attorney General, State Treasurer, and State
13 Comptroller;

14 (2) Chiefs of Staff for officials described in item
15 (1);

16 (3) Cabinet members of any elected constitutional
17 officer, including Directors, Assistant Directors and
18 Chief Legal Counsel or General Counsel;

19 (4) Members of the General Assembly.

20 (d) "Compensation" means any money, thing of value or
21 financial benefits received or to be received in return for
22 services rendered or to be rendered, for lobbying as defined in
23 subsection (e).

24 Monies paid to members of the General Assembly by the State
25 as remuneration for performance of their Constitutional and
26 statutory duties as members of the General Assembly shall not

1 constitute compensation as defined by this Act.

2 (e) "Lobbying" means any communication with (i) an official
3 of the executive or legislative branch of State government as
4 defined in subsection (c) or (ii) a State employee as defined
5 in this Section, for the ultimate purpose of influencing
6 executive, legislative, or administrative action.

7 (f) "Influencing" means any communication, action,
8 reportable expenditure as prescribed in Section 6 or other
9 means used to promote, support, affect, modify, oppose or delay
10 any executive, legislative or administrative action or to
11 promote goodwill with officials as defined in subsection (c).

12 (g) "Executive action" means the proposal, drafting,
13 development, consideration, amendment, adoption, approval,
14 promulgation, issuance, modification, rejection or
15 postponement by a State entity of a rule, regulation, order,
16 decision, determination, contractual arrangement, purchasing
17 agreement or other quasi-legislative or quasi-judicial action
18 or proceeding.

19 (h) "Legislative action" means the development, drafting,
20 introduction, consideration, modification, adoption,
21 rejection, review, enactment, or passage or defeat of any bill,
22 amendment, resolution, report, nomination, administrative rule
23 or other matter by either house of the General Assembly or a
24 committee thereof, or by a legislator. Legislative action also
25 means the action of the Governor in approving or vetoing any
26 bill or portion thereof, and the action of the Governor or any

1 agency in the development of a proposal for introduction in the
2 legislature.

3 (i) "Administrative action" means the execution or
4 rejection of any rule, regulation, legislative rule, standard,
5 fee, rate, contractual arrangement, purchasing agreement or
6 other delegated legislative or quasi-legislative action to be
7 taken or withheld by any executive agency, department, board or
8 commission of the State.

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

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

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

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

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

19 Section 25. The Illinois Procurement Code is amended by
20 changing Sections 1-15.15, 1-15.100, 15-25, 20-10, 20-30,
21 35-15, 35-20, 35-25, 35-30, 35-35, 35-40, 40-15, 40-25, 50-20,
22 50-30, and 53-10 and by adding Sections 20-43 and 50-37 as
23 follows:

24 (30 ILCS 500/1-15.15)

1 Sec. 1-15.15. Chief Procurement Officer. "Chief
2 Procurement Officer" means:

3 (1) for procurements for construction and
4 construction-related services committed by law to the
5 jurisdiction or responsibility of the Capital Development
6 Board, the executive director of the Capital Development Board.

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

16 (3) for all procurements made by a public institution of
17 higher education, (i) a representative designated by the
18 Governor for procurements made before July 1, 2006, and (ii)
19 for procurements made on or after July 1, 2006, an employee of
20 the Board of Higher Education designated by the Board of Higher
21 Education. The higher education chief procurement officer
22 designated by the Board of Higher Education shall not be a
23 trustee, officer, or employee of a public institution of higher
24 education.

25 (4) for all applicable procurements made by a pension fund
26 or retirement system created under Article 2, 14, 15, 16, or 18

1 of the Illinois Pension Code or an investment board created
2 under Article 22A of the Illinois Pension Code, a
3 representative designated by the board of trustees of that
4 pension fund or retirement system or by the Illinois State
5 Board of Investment, as the case may be, for a total of 6
6 pension chiefs of procurement.

7 (5) ~~(4)~~ for all other procurements, the Director of the
8 Department of Central Management Services.

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

10 (30 ILCS 500/1-15.100)

11 Sec. 1-15.100. State agency. "State agency" means and
12 includes all boards, commissions, agencies, institutions,
13 authorities, and bodies politic and corporate of the State,
14 created by or in accordance with the constitution or statute,
15 of the executive branch of State government and does include
16 colleges, universities, and institutions under the
17 jurisdiction of the governing boards of the University of
18 Illinois, Southern Illinois University, Illinois State
19 University, Eastern Illinois University, Northern Illinois
20 University, Western Illinois University, Chicago State
21 University, Governor State University, Northeastern Illinois
22 University, and the Board of Higher Education. However, this
23 term applies ~~does not apply~~ to public employee pension funds,
24 retirement systems, or investment boards that are subject to
25 fiduciary duties imposed by the Illinois Pension Code only to

1 the extent and for the purpose of procurements required under
2 Sections 1-113.5 and 22A-111 of the Illinois Pension Code to be
3 made in accordance with Article 35 of this Code. The term
4 "State agency" does not apply ~~or~~ to the University of Illinois
5 Foundation. "State agency" does not include units of local
6 government, school districts, community colleges under the
7 Public Community College Act, and the Illinois Comprehensive
8 Health Insurance Board.

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

10 (30 ILCS 500/15-25)

11 Sec. 15-25. Bulletin content.

12 (a) Invitations for bids. Notice of each and every contract
13 that is offered, including renegotiated contracts and change
14 orders, shall be published in the Bulletin. The applicable
15 chief procurement officer may provide by rule an organized
16 format for the publication of this information, but in any case
17 it must include at least the date first offered, the date
18 submission of offers is due, the location that offers are to be
19 submitted to, the purchasing State agency, the responsible
20 State purchasing officer, a brief purchase description, the
21 method of source selection, information of how to obtain a
22 comprehensive purchase description and any disclosure and
23 contract forms, and encouragement to prospective vendors to
24 hire qualified veterans, as defined by Section 45-67 of this
25 Code, and Illinois residents discharged from any Illinois adult

1 correctional center.

2 (b) Contracts let or awarded. Notice of each and every
3 contract that is let or awarded, including renegotiated
4 contracts and change orders, shall be published in the next
5 available subsequent Bulletin, and the applicable chief
6 procurement officer may provide by rule an organized format for
7 the publication of this information, but in any case it must
8 include at least all of the information specified in subsection
9 (a) as well as the name of the successful responsible bidder or
10 offeror, the contract price, the number of unsuccessful
11 responsive bidders, and any other disclosure specified in any
12 Section of this Code. This notice shall include the disclosures
13 under Section 50-37, if those disclosures are required. In
14 addition, the notice shall summarize the outreach efforts
15 undertaken by the agency to make potential bidders or offerors
16 aware of any contract offer other than publication in the
17 Bulletin. This notice must be posted in the online electronic
18 Bulletin no later than 10 business days after services or goods
19 are first provided.

20 (c) Emergency purchase disclosure. Any chief procurement
21 officer, State purchasing officer, or designee exercising
22 emergency purchase authority under this Code shall publish a
23 written description and reasons and the total cost, if known,
24 or an estimate if unknown and the name of the responsible chief
25 procurement officer and State purchasing officer, and the
26 business or person contracted with for all emergency purchases

1 in the next timely, practicable Bulletin. This notice must be
2 posted in the online electronic Bulletin within 10 business
3 days after the earlier of (i) execution of the contract or (ii)
4 whenever services or goods begin to be provided under the
5 contract and, in any event, prior to any payment by the State
6 under the contract.

7 (c-5) Each State agency shall post in the online electronic
8 Bulletin a copy of its annual report of utilization of
9 businesses owned by minorities, females, and persons with
10 disabilities as submitted to the Business Enterprises Council
11 for Minorities, Females, and Persons with Disabilities
12 pursuant to Section 6(c) of the Business Enterprise for
13 Minorities, Females, and Persons with Disabilities Act within
14 10 business days of its submission of its report to the
15 Council.

16 (c-10) Renewals. Notice of each contract renewal shall be
17 posted online on the Procurement Bulletin. The Procurement
18 Policy Board by rule shall specify the information to be
19 included in the notice, and the applicable chief procurement
20 officer by rule may provide a format for the information.

21 (d) Other required disclosure. The applicable chief
22 procurement officer shall provide by rule for the organized
23 publication of all other disclosure required in other Sections
24 of this Code in a timely manner.

25 (e) The changes to subsections (b), (c), and (c-5) of this
26 Section made by this amendatory Act of the 95th General

1 Assembly apply to reports submitted, offers made, and notices
2 on contracts executed on or after its effective date.

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

4 (30 ILCS 500/20-10)

5 Sec. 20-10. Competitive sealed bidding.

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

9 (b) Invitation for bids. An invitation for bids shall be
10 issued and shall include a purchase description and the
11 material contractual terms and conditions applicable to the
12 procurement.

13 (c) Public notice. Public notice of the invitation for bids
14 shall be published in the Illinois Procurement Bulletin at
15 least 14 days before the date set in the invitation for the
16 opening of bids.

17 (d) Bid opening. Bids shall be opened publicly in the
18 presence of one or more witnesses at the time and place
19 designated in the invitation for bids. The name of each bidder,
20 the amount of each bid, and other relevant information as may
21 be specified by rule shall be recorded. After the award of the
22 contract, the winning bid and the record of each unsuccessful
23 bid shall be open to public inspection.

24 (e) Bid acceptance and bid evaluation. Bids shall be
25 unconditionally accepted without alteration or correction,

1 except as authorized in this Code. Bids shall be evaluated
2 based on the requirements set forth in the invitation for bids,
3 which may include criteria to determine acceptability such as
4 inspection, testing, quality, workmanship, delivery, and
5 suitability for a particular purpose. Those criteria that will
6 affect the bid price and be considered in evaluation for award,
7 such as discounts, transportation costs, and total or life
8 cycle costs, shall be objectively measurable. The invitation
9 for bids shall set forth the evaluation criteria to be used.

10 (f) Correction or withdrawal of bids. Correction or
11 withdrawal of inadvertently erroneous bids before or after
12 award, or cancellation of awards of contracts based on bid
13 mistakes, shall be permitted in accordance with rules. After
14 bid opening, no changes in bid prices or other provisions of
15 bids prejudicial to the interest of the State or fair
16 competition shall be permitted. All decisions to permit the
17 correction or withdrawal of bids based on bid mistakes shall be
18 supported by written determination made by a State purchasing
19 officer.

20 (g) Award. The contract shall be awarded with reasonable
21 promptness by written notice to the lowest responsible and
22 responsive bidder whose bid meets the requirements and criteria
23 set forth in the invitation for bids, except when a State
24 purchasing officer determines it is not in the best interest of
25 the State and by written explanation determines another bidder
26 shall receive the award. The explanation shall appear in the

1 appropriate volume of the Illinois Procurement Bulletin. The
2 written explanation must include:

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

4 (2) a determination that the anticipated cost will be
5 fair and reasonable;

6 (3) a listing of all responsible and responsive
7 bidders; and

8 (4) the name of the bidder selected, pricing, and the
9 reasons for selecting that bidder instead of the lowest
10 responsible and responsive bidder.

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

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

17 (h) Multi-step sealed bidding. When it is considered
18 impracticable to initially prepare a purchase description to
19 support an award based on price, an invitation for bids may be
20 issued requesting the submission of unpriced offers to be
21 followed by an invitation for bids limited to those bidders
22 whose offers have been qualified under the criteria set forth
23 in the first solicitation.

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

1 Sec. 20-30. Emergency purchases.

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

19 (b) Notice. Before the next appropriate volume of the
20 Illinois Procurement Bulletin, the purchasing agency shall
21 publish in the Illinois Procurement Bulletin a copy of each
22 written description and reasons and the total cost of each
23 emergency procurement made during the previous month. When only
24 an estimate of the total cost is known at the time of
25 publication, the estimate shall be identified as an estimate
26 and published. When the actual total cost is determined, it

1 shall also be published in like manner before the 10th day of
2 the next succeeding month.

3 (c) Affidavits. A purchasing agency making a procurement
4 under this Section shall file affidavits with the chief
5 procurement officer and the Auditor General within 10 days
6 after the procurement setting forth the amount expended, the
7 name of the contractor involved, and the conditions and
8 circumstances requiring the emergency procurement. When only
9 an estimate of the cost is available within 10 days after the
10 procurement, the actual cost shall be reported immediately
11 after it is determined. At the end of each fiscal quarter, the
12 Auditor General shall file with the Legislative Audit
13 Commission and the Governor a complete listing of all emergency
14 procurements reported during that fiscal quarter. The
15 Legislative Audit Commission shall review the emergency
16 procurements so reported and, in its annual reports, advise the
17 General Assembly of procurements that appear to constitute an
18 abuse of this Section.

19 (d) Quick purchases. The chief procurement officer may
20 promulgate rules extending the circumstances by which a
21 purchasing agency may make purchases under this Section,
22 including but not limited to the procurement of items available
23 at a discount for a limited period of time.

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

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

2 (30 ILCS 500/20-43 new)

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

9 (30 ILCS 500/35-15)

10 Sec. 35-15. Prequalification.

11 (a) The Director of Central Management Services, the
12 pension chief procurement officers, and the higher education
13 chief procurement officer shall each develop appropriate and
14 reasonable prequalification standards and categories of
15 professional and artistic services.

16 (b) The prequalifications and categorizations shall be
17 submitted to the Procurement Policy Board and published for
18 public comment prior to their submission to the Joint Committee
19 on Administrative Rules for approval.

20 (c) The Director of Central Management Services, the
21 pension chief procurement officers, and the higher education
22 chief procurement officer shall each also assemble and maintain
23 a comprehensive list of prequalified and categorized
24 businesses and persons.

1 (d) Prequalification shall not be used to bar or prevent
2 any qualified business or person for bidding or responding to
3 invitations for bid or proposal.

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

5 (30 ILCS 500/35-20)

6 Sec. 35-20. Uniformity in procurement.

7 (a) The Director of Central Management Services, the
8 pension chief procurement officers, and the higher education
9 chief procurement officer shall each develop, cause to be
10 printed, and distribute uniform documents for the
11 solicitation, review, and acceptance of all professional and
12 artistic services.

13 (b) All chief procurement officers, State purchasing
14 officers, and their designees shall use the appropriate uniform
15 procedures and forms specified in this Code for all
16 professional and artistic services.

17 (c) These forms shall include in detail, in writing, at
18 least:

- 19 (1) a description of the goal to be achieved;
20 (2) the services to be performed;
21 (3) the need for the service;
22 (4) the qualifications that are necessary; and
23 (5) a plan for post-performance review.

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

1 (30 ILCS 500/35-25)

2 Sec. 35-25. Uniformity in contract.

3 (a) The Director of Central Management Services, the
4 pension chief procurement officers, and the higher education
5 chief procurement officer shall each develop, cause to be
6 printed, and distribute uniform documents for the contracting
7 of professional and artistic services.

8 (b) All chief procurement officers, State purchasing
9 officers, and their designees shall use the appropriate uniform
10 contracts and forms in contracting for all professional and
11 artistic services.

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

14 (1) the detail listed in subsection (c) of Section
15 35-20;

16 (2) the duration of the contract, with a schedule of
17 delivery, when applicable;

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

20 (4) the rate of remuneration; and

21 (5) the maximum price.

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

23 (30 ILCS 500/35-30)

24 Sec. 35-30. Awards.

25 (a) All State contracts for professional and artistic

1 services, except as provided in this Section, shall be awarded
2 using the competitive request for proposal process outlined in
3 this Section.

4 (b) For each contract offered, the chief procurement
5 officer, State purchasing officer, or his or her designee shall
6 use the appropriate standard solicitation forms available from
7 the Department of Central Management Services, the appropriate
8 pension chief procurement officer, or the higher education
9 chief procurement officer.

10 (c) Prepared forms shall be submitted to the Department of
11 Central Management Services, a pension chief procurement
12 officer, or the higher education chief procurement officer,
13 whichever is appropriate, for publication in its Illinois
14 Procurement Bulletin and circulation to the Department of
15 Central Management Services', the pension chief procurement
16 officer's, or the higher education chief procurement officer's
17 list of prequalified vendors. Notice of the offer or request
18 for proposal shall appear at least 14 days before the response
19 to the offer is due.

20 (d) All interested respondents shall return their
21 responses to the Department of Central Management Services, the
22 pension chief procurement officer, or the higher education
23 chief procurement officer, whichever is appropriate, which
24 shall open and record them. The Department, the pension chief
25 procurement officer, or higher education chief procurement
26 officer then shall forward the responses, together with any

1 information it has available about the qualifications and other
2 State work of the respondents.

3 (e) After evaluation, ranking, and selection, the
4 responsible chief procurement officer, State purchasing
5 officer, or his or her designee shall notify the Department of
6 Central Management Services, the pension chief procurement
7 officer, or the higher education chief procurement officer,
8 whichever is appropriate, of the successful respondent and
9 shall forward a copy of the signed contract for the
10 Department's, pension chief procurement officer's, or higher
11 education chief procurement officer's file. The Department,
12 the pension chief procurement officer, or higher education
13 chief procurement officer shall publish the names of the
14 responsible procurement decision-maker, the agency letting the
15 contract, the successful respondent, a contract reference, and
16 value of the let contract in the next appropriate volume of the
17 Illinois Procurement Bulletin.

18 (f) For all professional and artistic contracts with
19 annualized value that exceeds \$25,000, evaluation and ranking
20 by price are required. Any chief procurement officer or State
21 purchasing officer, but not their designees, may select an
22 offeror other than the lowest bidder by price. In any case,
23 when the contract exceeds the \$25,000 threshold ~~threshold~~ and
24 the lowest bidder is not selected, the chief procurement
25 officer or the State purchasing officer shall forward together
26 with the contract notice of who the low bidder was and a

1 written decision as to why another was selected to the
2 Department of Central Management Services, the pension chief
3 procurement officer, or the higher education chief procurement
4 officer, whichever is appropriate. The Department, the pension
5 chief procurement officer, or higher education chief
6 procurement officer shall publish as provided in subsection (e)
7 of Section 35-30, but shall include notice of the chief
8 procurement officer's or State purchasing officer's written
9 decision.

10 (g) The Department of Central Management Services, the
11 pension chief procurement officers, and higher education chief
12 procurement officer may each refine, but not contradict, this
13 Section by promulgating rules for submission to the Procurement
14 Policy Board and then to the Joint Committee on Administrative
15 Rules. Any refinement shall be based on the principles and
16 procedures of the federal Architect-Engineer Selection Law,
17 Public Law 92-582 Brooks Act, and the Architectural,
18 Engineering, and Land Surveying Qualifications Based Selection
19 Act; except that pricing shall be an integral part of the
20 selection process.

21 (Source: P.A. 90-572, eff. date - See Sec. 99-5; revised
22 10-19-05.)

23 (30 ILCS 500/35-35)

24 Sec. 35-35. Exceptions.

25 (a) Exceptions to Section 35-30 are allowed for sole source

1 procurements, emergency procurements, and at the discretion of
2 the chief procurement officer or the State purchasing officer,
3 but not their designees, for professional and artistic
4 contracts that are nonrenewable, one year or less in duration,
5 and have a value of less than \$20,000.

6 (b) All exceptions granted under this Article must still be
7 submitted to the Department of Central Management Services, the
8 appropriate pension chief procurement officer, or the higher
9 education chief procurement officer, whichever is appropriate,
10 and published as provided for in subsection (f) of Section
11 35-30, shall name the authorizing chief procurement officer or
12 State purchasing officer, and shall include a brief explanation
13 of the reason for the exception.

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

15 (30 ILCS 500/35-40)

16 Sec. 35-40. Subcontractors.

17 (a) Any contract granted under this Article shall state
18 whether the services of a subcontractor will be used. The
19 contract shall include the names and addresses of all
20 subcontractors and the expected amount of money each will
21 receive under the contract.

22 (b) If at any time during the term of a contract, a
23 contractor adds or changes any subcontractors, he or she shall
24 promptly notify, in writing, the Department of Central
25 Management Services, the appropriate pension chief procurement

1 officer, or the higher education chief procurement officer,
2 whichever is appropriate, and the responsible chief
3 procurement officer, State purchasing officer, or their
4 designee of the names and addresses and the expected amount of
5 money each new or replaced subcontractor will receive.

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

7 (30 ILCS 500/40-15)

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

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

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

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

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

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

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

20 (5) Renewal or extension of a lease ~~in effect before~~
21 ~~July 1, 2002~~; provided that: (i) the chief procurement
22 officer determines in writing that the renewal or extension
23 is in the best interest of the State; (ii) the chief
24 procurement officer submits his or her written
25 determination and the renewal or extension to the Board;

1 (iii) the Board does not object in writing to the renewal
2 or extension within 30 days after its submission; and (iv)
3 the chief procurement officer publishes the renewal or
4 extension in the appropriate volume of the Procurement
5 Bulletin.

6 (c) Leases with governmental units. Leases with other
7 governmental units may be negotiated without using the request
8 for information process when deemed by the chief procurement
9 officer to be in the best interest of the State.

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

11 (30 ILCS 500/40-25)

12 Sec. 40-25. Length of leases.

13 (a) Maximum term. Leases shall be for a term not to exceed
14 10 years and shall include a termination option in favor of the
15 State after 5 years.

16 (b) Renewal. Leases may include a renewal option. An option
17 to renew may be exercised only when a State purchasing officer
18 determines in writing that renewal is in the best interest of
19 the State and notice of the exercise of the option is published
20 in the appropriate volume of the Procurement Bulletin at least
21 60 days prior to the exercise of the option.

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

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

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

4 (30 ILCS 500/50-20)

5 Sec. 50-20. Exemptions. With the approval of the
6 appropriate chief procurement officer involved, the Governor,
7 or an executive ethics board or commission he or she
8 designates, may exempt named individuals from the prohibitions
9 of Section 50-13 when, in his, her, or its judgment, the public
10 interest in having the individual in the service of the State
11 outweighs the public policy evidenced in that Section. An
12 exemption is effective only when it is filed with the Secretary
13 of State and the Comptroller and includes a statement setting
14 forth the name of the individual and all the pertinent facts
15 that would make that Section applicable, setting forth the
16 reason for the exemption, and declaring the individual exempted
17 from that Section. Exemptions must be filed with the Secretary
18 of State and Comptroller prior to execution of any contracts. A
19 copy of ~~Notice of~~ each exemption shall be published in the
20 Illinois Procurement Bulletin in its electronic form prior to
21 execution of the contract. The changes to this Section made by
22 this amendatory Act of the 95th General Assembly apply to
23 exemptions granted on or after its effective date.

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

1 (30 ILCS 500/50-37 new)

2 Sec. 50-37. Contract award disclosure.

3 (a) For the purposes of this Section:

4 "Contracting entity" means an entity that would execute any
5 contract with a State agency.

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

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

15 (1) The contracting entity.

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

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

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

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

25 (d) The changes made to this Section made by this
26 amendatory Act of the 95th General Assembly apply to contracts

1 first offered on or after its effective date.

2 (30 ILCS 500/53-10)

3 Sec. 53-10. Concessions and leases of State property.

4 (a) Except for property under the jurisdiction of a public
5 institution of higher education, concessions, including the
6 assignment, license, sale, or transfer of interests in or
7 rights to discoveries, inventions, patents, or copyrightable
8 works, may be entered into by the State agency with
9 jurisdiction over the property, whether tangible or
10 intangible. Licenses of naming rights and sponsorship rights,
11 as those terms are defined and used in Section 7.6 of the State
12 Property Control Act, are not concessions and are subject to
13 that Section 7.6.

14 (b) Except for property under the jurisdiction of a public
15 institution of higher education, all concessions shall be
16 reduced to writing and shall be awarded under the provisions of
17 Article 20, except that the contract shall be awarded to the
18 highest and best bidder or offeror.

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

20 Section 30. The State Property Control Act is amended by
21 adding Section 7.7 as follows:

22 (30 ILCS 605/7.7 new)

23 Sec. 7.7. Naming or sponsorship rights; licenses.

1 (a) Administrator's authority. The administrator, as
2 defined in this Section, is authorized to license naming or
3 sponsorship rights only as provided in this Section. Naming or
4 sponsorship rights regarding any State asset to which this
5 Section applies may not be sold, conveyed, leased, licensed, or
6 otherwise granted by the administrator or by any other officer,
7 employee, or agent of the State except as provided in this
8 Section. Naming or sponsorship rights are subject to all other
9 applicable statutes that are not inconsistent with the
10 provisions of this Section; to the extent of any conflict,
11 however, this Section controls.

12 (b) Certain State assets; no license. Naming or sponsorship
13 rights may not be licensed with respect to or in association
14 with any of the following:

15 (1) the State Capitol Building in Springfield,
16 Illinois;

17 (2) the Old State Capitol Building in Springfield,
18 Illinois;

19 (3) the Vandalia State House in Vandalia, Illinois;

20 (4) the Executive Mansion in Springfield, Illinois;

21 (5) the Executive Mansion, also known as the Hayes
22 House, in Du Quoin, Illinois;

23 (6) the Abraham Lincoln Home in Springfield, Illinois,
24 if it becomes State real property not under the
25 jurisdiction of the federal government;

26 (7) the Lincoln Tomb in Springfield, Illinois;

1 (8) all present and future Abraham Lincoln sites not
2 otherwise listed, except the Abraham Lincoln Presidential
3 Library and Museum in Springfield, Illinois;

4 (9) all Illinois homes of all past, present, or future
5 United States Presidents who have resided, currently
6 reside, or in the future will reside in the State of
7 Illinois;

8 (10) the burial sites of all past, present, or future
9 United States Presidents;

10 (11) any State asset identified or named for a specific
11 individual by Joint Resolution of the General Assembly or
12 by statute as of the effective date of this Section or
13 later; and

14 (12) any other State asset that on the effective date
15 of this Section or later is designated a National Historic
16 Landmark, listed as a State Historic Site under Section 6
17 of the Historic Preservation Agency Act, or listed on
18 either the Illinois Register of Historic Places or the
19 National Register of Historic Places, unless the State
20 asset is a university sports stadium and the federal or
21 State agency that made the designation has the authority to
22 consent and does consent in writing.

23 (c) Terms and conditions of licenses. A license of naming
24 or sponsorship rights (i) may have a term of no more than 10
25 years and shall include a termination option in favor of the
26 State after 5 years, (ii) is non-transferable, and (iii) is

1 non-renewable (at the end of a term of a license, however, the
2 licensee is eligible to compete for a new license as provided
3 in subsection (d)). The licensee shall have the authority to
4 place signs, placards, imprints, or other identifying
5 information only on the State assets specified in the license
6 and only during the term of the license. The signs, placards,
7 imprints, or other identifying information may contain nothing
8 other than the name of the licensee, the licensee's logo, or
9 both, except that with the written approval of the
10 administrator they may contain other authorized material. The
11 license may, but need not, require the State to refer to a
12 State asset by the name of the licensee during the term of the
13 license, all within reasonable limitations and other than in
14 statutes, rules, and existing supplies of forms and other
15 documents. Except with respect to State assets of a public
16 institution of higher education, no naming or sponsorship
17 right, however, may be characterized or treated as "official"
18 or in a similar fashion. If a licensee materially breaches any
19 term of a license and the Executive Ethics Commission
20 recommends that the license be revoked, then the administrator
21 may declare the license revoked. At least 25% of the total
22 amount of license fees must be paid prior to the commencement
23 of the term of the license. Any balance shall be paid on a
24 periodic schedule agreed to by the administrator. All fees are
25 non-refundable. Fees shall be deposited into the General
26 Revenue Fund, except that, if a fund or account has been

1 designated in a license, then fees under the applicable license
2 shall be deposited into the designated fund or account.

3 (d) Competitive negotiation. A license of naming or
4 sponsorship rights may be granted only on the basis of the
5 highest and best competitively negotiated proposal that yields
6 the most advantageous benefits and considerations to the State.
7 The administrator shall give notice that the administrator will
8 accept proposals for the licensing of naming or sponsorship
9 rights with respect to any one or more specified State assets
10 by publication in the Illinois Procurement Bulletin not less
11 than 7 business days before the day upon which proposals will
12 be accepted. The administrator shall give such other notice as
13 the administrator deems appropriate. Proposals shall not be
14 sealed and shall be part of the public record. The
15 administrator shall conduct open, competitive negotiations
16 with those who have submitted proposals in order to obtain the
17 highest and best competitively negotiated proposal that yields
18 the most advantageous benefits and considerations to the State.
19 The administrator may give notice of and negotiate multiple
20 licenses for identical naming or sponsorship rights as part of
21 a single notice, negotiation, and licensing process. In the
22 case of naming or sponsorship rights for a single event or a
23 continuous series of related events, the administrator may
24 grant multiple licenses not based on the standard of "highest
25 and best" proposals if the end result is the most beneficial to
26 the State. If a proposal satisfactory to the administrator is

1 not negotiated, the administrator may give notice as provided
2 in this subsection and accept additional proposals.

3 Subject to the provisions of this Section, the
4 administrator shall have all power necessary to grant the
5 license and enter into any agreements and execute any documents
6 necessary to exercise the authority granted by this Section.
7 The administrator shall have authority to order such surveys,
8 abstracts of title, or commitments for title insurance as may,
9 in the administrator's reasonable discretion, be deemed
10 necessary to demonstrate good and marketable title to the
11 naming or sponsorship rights.

12 (e) Personal gifts. If one or more natural persons, as
13 such, make a gift, bequest, or devise to a State officer or
14 entity to which this Section applies and that does not result
15 in any pecuniary benefit (other than a tax benefit) to the
16 person or persons, then, at the request of the administrator
17 and with the approval of the Executive Ethics Commission in the
18 same manner as provided in subsection (f), the administrator
19 may grant naming or sponsorship rights, so long as the rights
20 are of no pecuniary benefit to the person or persons, subject
21 only to the limitations in subsection (c) on identifying
22 information and characterization as "official" or in a similar
23 fashion. The sole purpose of the gift, bequest, or devise must
24 be to assist the recipient in fulfilling the recipient's core
25 mission or purpose.

26 (f) Approval by Executive Ethics Commission. Upon

1 determining to grant a license, the administrator must, within
2 15 calendar days, deliver a written notice setting forth all of
3 the pertinent facts relating to the proposal, proposer, and
4 proposed license to the Executive Ethics Commission. A license
5 shall not be granted unless approved in advance by the
6 Commission. If the administrator proposes to amend an existing
7 license, the administrator must deliver notice of the proposed
8 amendment to the Commission within 15 calendar days, and the
9 amendment shall not be made unless approved in advance by the
10 Commission. The Commission's review shall be based solely on
11 ethical and ethics related standards imposed by the law and on
12 avoiding the appearance of impropriety. The Commission's
13 approval shall not be unreasonably withheld.

14 Within 40 calendar days after its actual receipt from the
15 administrator of notice of a proposed license or amendment to a
16 license, the Commission shall either approve or disapprove the
17 proposed license or amendment and shall notify the
18 administrator and other parties to the proposed license or
19 amendment of its decision. The Commission may, in its
20 discretion and before the running of the time period in which
21 it must make a decision, grant itself one extension of up to an
22 additional 40 calendar days in which to make a decision by
23 notifying the administrator and other parties to the proposed
24 license or amendment. If the Commission requests additional or
25 supplemental information from the administrator or a party to
26 the proposed license or amendment, the running of the time

1 limit in which the Commission must make its decision is
2 suspended, and the 40-day period begins anew when the
3 information is delivered to the Commission. If the Commission
4 fails to render a decision within the applicable time period,
5 the proposed license or amendment is deemed approved.

6 (g) Rules. Each administrator and the Executive Ethics
7 Commission may, separately, adopt rules to implement their
8 several functions under this Section. The rules may not,
9 however, waive or provide for the waiver of any of the
10 requirements of this Section except as provided in this
11 subsection. The Executive Ethics Commission may adopt rules
12 authorizing the administrator to grant licenses without
13 pre-approval under subsection (f), but the rules must specify,
14 by category, those emergency and other extenuating situations
15 in which pre-approval is waived, must provide for prompt review
16 by the Commission after the granting of the license, and may
17 contain other provisions the Commission deems necessary to
18 prevent abuse of this procedure.

19 (h) Blind vendors. The provisions of this Section are
20 subject to, and do not supersede, any of the provisions of the
21 Blind Persons Operating Vending Facilities Act, any other State
22 or federal law granting preference to blind persons, or any
23 rules or regulations adopted pursuant to any of those laws.

24 (i) Small consideration. If the value of the consideration
25 for an individual naming or sponsorship right does not exceed
26 \$25,000, the administrator may grant the right, subject only to

1 the limitations in subsection (c) on identifying information
2 and characterization as "official" or in a similar fashion, but
3 the administrator must deliver a written notice giving the
4 details to the Executive Ethics Commission at least one full
5 business day before the administrator agrees to grant the
6 right. Naming or sponsorship rights shall not be artificially
7 divided in an attempt to qualify under this subsection.

8 (j) Applicability. This Section does not apply to naming or
9 sponsorship rights with respect to State assets under the
10 jurisdiction and control of the legislative branch or the
11 judicial branch of the State.

12 This Section does not apply when a natural person, as such,
13 makes a gift to an institution of higher education or to the
14 Illinois Mathematics and Science Academy and is recognized by
15 that institution or the Academy for making that gift if the
16 recognition (i) is commensurate with the level of support, (ii)
17 is a result of the gift, and (iii) is not provided as a
18 commercial exchange and if the donor does not retain any
19 express or implicit control over the gift after it is accepted
20 by the institution.

21 This Section does not apply to a gift that endows a faculty
22 appointment or student scholarship at an institution of higher
23 education or at the Illinois Mathematics and Science Academy.

24 This Section applies to all other naming or sponsorship
25 rights granted on or after the effective date of this
26 amendatory Act of the 95th General Assembly.

1 (k) Retention of records. The administrator must maintain
2 all records relating to (i) each license of naming or
3 sponsorship rights for at least 7 years after the expiration of
4 the term of the license and (ii) each proposal for naming or
5 sponsorship rights that does not result in a license being
6 granted to the proposer for at least 7 years after the proposal
7 was submitted.

8 (l) Definitions. In this Section:

9 Notwithstanding Section 1.03 of this Act, in this Section
10 "administrator" means (i) an officer or employee designated by
11 the Attorney General with respect to the State assets under the
12 jurisdiction and control of the Attorney General; (ii) an
13 officer or employee designated by the Secretary of State with
14 respect to the State assets under the jurisdiction and control
15 of the Secretary of State; (iii) an officer or employee
16 designated by the Comptroller with respect to the State assets
17 under the jurisdiction and control of the Comptroller; (iv) an
18 officer or employee designated by the Treasurer with respect to
19 the State assets under the jurisdiction and control of the
20 Treasurer; (v) an officer or employee designated by the board
21 of trustees of a public institution of higher education, as
22 defined in Section 1 of the Board of Higher Education Act, with
23 respect to the State assets under the jurisdiction and control
24 of that public institution of higher education; and (vi) the
25 Director of Central Management Services with respect to all
26 other State assets to which this Section applies.

1 "Naming or sponsorship rights" means the right to associate
2 the name or identifying mark of any person or entity with the
3 name or identity of any State asset. "Naming or sponsorship
4 rights" does not, however, include a simple acknowledgement,
5 such as an acknowledgement in an event playbill or a plaque on
6 a wall, of a gift by a donor if the acknowledgement is
7 reasonable, appropriate, discreetly-sized, and contains only
8 the name of the donor and a simple indication that a gift was
9 made; this exception shall be narrowly construed and shall not
10 be used with the purpose or effect of contravening or avoiding
11 the limitations and requirements of this Section.

12 "State asset" means any State property, whether real,
13 personal, tangible, or intangible, any State program, and any
14 State event.

15 (m) Each year prior to March 1, each public institution of
16 higher education, the Illinois Mathematics and Science
17 Academy, the Abraham Lincoln Presidential Library and Museum,
18 and the Illinois State Museum shall file a report with the
19 General Assembly with respect to all licenses of naming or
20 sponsorship rights granted in the previous calendar year. With
21 respect to each license, the report must identify the licensee;
22 identify the applicable State asset; summarize the terms and
23 conditions of the license; and have attached copies of the
24 license and all documents provided to or by the Executive
25 Ethics Commission.

26 (n) This Section shall be construed to ensure that all

1 naming or sponsorship rights are strictly controlled under the
2 terms of this Section.

3 (o) Severability. The provisions of this Section are
4 severable under Section 1.31 of the Statute on Statutes.

5 Section 35. The Illinois Pension Code is amended by
6 changing Sections 1-101.2, 1-101.4, 1-110, 1-113.5, 1-113.12,
7 1A-113, 22A-108.1, and 22A-111 and by adding Sections 1-125,
8 1-130, 1-135, and 1-140 as follows:

9 (40 ILCS 5/1-101.2)

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

13 (1) exercises any discretionary authority or
14 discretionary control respecting management of the pension
15 fund or retirement system, or exercises any authority or
16 control respecting management or disposition of its
17 assets;

18 (2) renders investment advice, or advice with respect
19 to the selection of other fiduciaries, for a fee or other
20 compensation, direct or indirect, with respect to any
21 moneys or other property of the pension fund or retirement
22 system, or has any authority or responsibility to do so; or

23 (3) has any discretionary authority or discretionary
24 responsibility in the administration of the pension fund or

1 retirement system.

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

3 (40 ILCS 5/1-101.4)

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

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

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

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

16 (4) is at least one of the following: (i) registered as
17 an investment adviser under the federal Investment
18 Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.); (ii)
19 registered as an investment adviser under the Illinois
20 Securities Law of 1953; (iii) a bank, as defined in the
21 Investment Advisers Act of 1940; or (iv) an insurance
22 company authorized to transact business in this State.

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

24 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

1 Sec. 1-110. Prohibited Transactions.

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

6 (1) Sale or exchange, or leasing of any property from
7 the retirement system or pension fund to a party in
8 interest for less than adequate consideration, or from a
9 party in interest to a retirement system or pension fund
10 for more than adequate consideration.

11 (2) Lending of money or other extension of credit from
12 the retirement system or pension fund to a party in
13 interest without the receipt of adequate security and a
14 reasonable rate of interest, or from a party in interest to
15 a retirement system or pension fund with the provision of
16 excessive security or an unreasonably high rate of
17 interest.

18 (3) Furnishing of goods, services or facilities from
19 the retirement system or pension fund to a party in
20 interest for less than adequate consideration, or from a
21 party in interest to a retirement system or pension fund
22 for more than adequate consideration.

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

26 (b) A fiduciary with respect to a retirement system or

1 pension fund established under this Code shall not:

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

4 (2) In his individual or any other capacity act in any
5 transaction involving the retirement system or pension
6 fund on behalf of a party whose interests are adverse to
7 the interests of the retirement system or pension fund or
8 the interests of its participants or beneficiaries; or

9 (3) Receive any consideration for his own personal
10 account from any party dealing with the retirement system
11 or pension fund in connection with a transaction involving
12 the assets of the retirement system or pension fund.

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

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

18 (2) Receiving any reimbursement of expenses properly
19 and actually incurred in the performance of his duties with
20 the retirement system or pension fund.

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

24 (d) A fiduciary with respect to a retirement system or
25 pension fund shall not knowingly cause or advise the retirement
26 system or pension fund to engage in an investment transaction

1 when the fiduciary (i) has any direct interest in the income,
2 gains, or profits of the investment advisor through which the
3 investment transaction is made or (ii) has a business
4 relationship with that investment advisor that would result in
5 a pecuniary benefit to the fiduciary as a result of the
6 investment transaction.

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

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

10 (40 ILCS 5/1-113.5)

11 Sec. 1-113.5. Investment advisers; consultants; and
12 investment services.

13 (a) The board of trustees of a pension fund or retirement
14 system may appoint investment advisers as defined in Section
15 1-101.4. The board of any pension fund investing in common or
16 preferred stock under Section 1-113.4 shall appoint an
17 investment adviser before making such investments.

18 The investment adviser shall be a fiduciary, as defined in
19 Section 1-101.2, with respect to the pension fund or retirement
20 system and shall be one of the following:

21 (1) an investment adviser registered under the federal
22 Investment Advisers Act of 1940 and the Illinois Securities
23 Law of 1953;

24 (2) a bank or trust company authorized to conduct a
25 trust business in Illinois;

1 (3) a life insurance company authorized to transact
2 business in Illinois; or

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

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

18 (a-10) For the board of trustees of a pension fund or
19 retirement system created under Article 2, 14, 15, 16, or 18,
20 the selection and appointment of an investment adviser, the
21 selection and appointment of a consultant, and the contracting
22 for investment services from an investment adviser or a
23 consultant constitute procurements of professional and
24 artistic services under the Illinois Procurement Code that must
25 be made and awarded in accordance with and through the use of
26 the method of selection required by Article 35 of that Code.

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

12 (1) The offeror.

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

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

17 (4) The offeror's key persons.

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

23 Beginning on July 1, 2006, a person, other than a trustee
24 or an employee of a pension fund or retirement system, may not
25 act as a consultant under this Section unless that person is at
26 least one of the following: (i) registered as an investment

1 adviser under the federal Investment Advisers Act of 1940 (15
2 U.S.C. 80b-1, et seq.); (ii) registered as an investment
3 adviser under the Illinois Securities Law of 1953; (iii) a
4 bank, as defined in the Investment Advisers Act of 1940; or
5 (iv) an insurance company authorized to transact business in
6 this State.

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

13 The contract shall include all of the following:

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

17 (2) the board's investment policy;

18 (3) full disclosure of direct and indirect fees,
19 commissions, penalties, and any other compensation that
20 may be received by the investment adviser or consultant,
21 including reimbursement for expenses; and

22 (4) a requirement that the investment adviser or
23 consultant submit periodic written reports, on at least a
24 quarterly basis, for the board's review at its regularly
25 scheduled meetings. All returns on investment shall be
26 reported as net returns after payment of all fees,

1 commissions, and any other compensation.

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

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

21 A person required to make a disclosure under subsection (d)
22 is also required to disclose direct and indirect fees,
23 commissions, penalties, or other compensation that shall or may
24 be paid by or on behalf of the person in connection with the
25 rendering of those services. The person shall update the
26 disclosure promptly after a modification of those payments or

1 an additional payment.

2 The disclosures required by this subsection shall be in
3 writing and shall include the date and amount of each payment
4 and the name and address of each recipient of a payment.

5 (c) Within 30 days after appointing an investment adviser
6 or consultant, the board shall submit a copy of the contract to
7 the Division ~~Department~~ of Insurance of the Department of
8 Financial and Professional Regulation.

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

16 (e) The board of trustees of each pension fund or
17 retirement system shall retain records of investment
18 transactions in accordance with the rules of the Department of
19 Financial and Professional Regulation ~~Insurance~~.

20 (f) This subsection applies to the board of trustees of a
21 pension fund or retirement system created under Article 2, 14,
22 15, 16, or 18. Notwithstanding any other provision of law, a
23 board of trustees shall comply with the Business Enterprise for
24 Minorities, Females, and Persons with Disabilities Act. The
25 board of trustees shall post upon its website the percentage of
26 its contracts awarded under this Section currently and during

1 the preceding 5 fiscal years that were awarded to "minority
2 owned businesses", "female owned businesses", and "businesses
3 owned by a person with a disability", as those terms are
4 defined in the Business Enterprise for Minorities, Females, and
5 Persons with Disabilities Act.

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

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

13 (40 ILCS 5/1-113.12)

14 Sec. 1-113.12. Application. Sections 1-113.1 through
15 1-113.10 apply only to pension funds established under Article
16 3 or 4 of this Code, except that Section 1-113.5 applies to all
17 pension funds and retirement systems established under this
18 Code.

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

20 (40 ILCS 5/1-125 new)

21 Sec. 1-125. No monetary gain on investments. No trustee or
22 employee of the board of any retirement system or pension fund
23 or of the Illinois State Board of Investment shall have any
24 direct interest in the income, gains, or profits of any

1 investments made in behalf of the retirement system or pension
2 fund or of the Illinois State Board of Investment, nor receive
3 any pay or emolument for services in connection with any
4 investment. No trustee or employee of the board of any
5 retirement system or pension fund or the Illinois State Board
6 of Investment shall become an endorser or surety, or in any
7 manner an obligor for money loaned or borrowed from the
8 retirement system or pension fund or the Illinois State Board
9 of Investment. Whoever violates any of the provisions of this
10 Section is guilty of a Class 3 felony.

11 (40 ILCS 5/1-130 new)

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

18 (40 ILCS 5/1-135 new)

19 Sec. 1-135. Prohibition on gifts.

20 (a) For the purposes of this Section:

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

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

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

4 (i) is seeking official action (A) by the board,
5 (B) by a board member, or (C) in the case of a board
6 employee, by the employee, the board, a board member,
7 or another employee directing the employee;

8 (ii) does business or seeks to do business (A) with
9 the board, (B) with a board member, or (C) in the case
10 of a board employee, with the employee, the board, a
11 board member, or another employee directing the
12 employee;

13 (iii) has interests that may be substantially
14 affected by the performance or non-performance of the
15 official duties of the board member or employee; or

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

22 (b) No board member or employee shall solicit or accept any
23 gift from a prohibited source or from an officer, agent, or
24 employee of a prohibited source. No prohibited source or
25 officer, agent, or employee of a prohibited source shall offer
26 to a board member or employee any gift.

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

2 (40 ILCS 5/1-140 new)

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

16 (40 ILCS 5/1A-113)

17 Sec. 1A-113. Penalties.

18 (a) A pension fund that fails, without just cause, to file
19 its annual statement within the time prescribed under Section
20 1A-109 shall pay to the Department a penalty to be determined
21 by the Department, which shall not exceed \$100 for each day's
22 delay.

23 (b) A pension fund that fails, without just cause, to file
24 its actuarial statement within the time prescribed under

1 Section 1A-110 or 1A-111 shall pay to the Department a penalty
2 to be determined by the Department, which shall not exceed \$100
3 for each day's delay.

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

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

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

18 (1) The Director shall notify in writing the governing
19 body, officer, or official of the specific provision or
20 provisions of the law with which the person has failed to
21 comply.

22 (2) Upon receipt of the notice, the person notified
23 shall take immediate steps to comply with the provisions of
24 law specified in the notice.

25 (3) If the person notified fails to comply within a
26 reasonable time after receiving the notice, the Director

1 may hold a hearing at which the person notified may show
2 cause for noncompliance with the law.

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

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

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

22 If a penalty is not paid within 30 days of the date of
23 assessment, the Director without further notice shall report
24 the act of noncompliance to the Attorney General of this State.
25 It shall be the duty of the Attorney General or, if the
26 Attorney General so designates, the State's Attorney of the

1 county in which the governmental unit is located to apply
2 promptly by complaint on relation of the Director of Insurance
3 in the name of the people of the State of Illinois, as
4 plaintiff, to the circuit court of the county in which the
5 governmental unit is located for enforcement of the penalty
6 prescribed in this subsection or for such additional relief as
7 the nature of the case and the interest of the employees of the
8 governmental unit or the public may require.

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

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

17 (40 ILCS 5/22A-108.1) (from Ch. 108 1/2, par. 22A-108.1)

18 Sec. 22A-108.1. Investment Advisor: Any person or business
19 entity which provides investment advice to the ~~the~~ Board on a
20 personalized basis and with an understanding of the policies
21 and goals of the Board. "Investment Advisor" shall not include
22 any person or business entity which provides statistical or
23 general market research data available for purchase or use by
24 others.

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

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

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

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

8 (b) The authority of the board to manage pension fund
9 investments and the liability shall begin when there has been a
10 physical transfer of the pension fund investments to the board
11 and placed in the custody of the State Treasurer.

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

17 (d) The board may not delegate its management functions but
18 it may arrange to compensate for personalized investment
19 advisory service for any or all investments under its control,
20 with any national or state bank or trust company authorized to
21 do a trust business and domiciled in Illinois, or other
22 financial institution organized under the laws of Illinois, or
23 an investment advisor who is qualified under Federal Investment
24 Advisors Act of 1940 and is registered under the Illinois
25 Securities Law of 1953. Nothing contained herein shall prevent

1 the Board from subscribing to general investment research
2 services available for purchase or use by others. The Board
3 shall also have the authority to compensate for accounting
4 services.

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

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

25 (1) The offeror.

26 (2) Any entity that is a parent of, or owns a

1 controlling interest in, the offeror.

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

4 (4) The offeror's key persons.

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

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

19 In addition to any other requirement, each contract between
20 the Board and an investment advisor or consultant shall include
21 (i) full disclosure of direct and indirect fees, commissions,
22 penalties, and other compensation, including reimbursement for
23 expenses, that may be paid by or on behalf of the investment
24 advisor or consultant in connection with the provision of
25 services to the pension fund or retirement system and (ii) a
26 requirement that the investment advisor or consultant update

1 the disclosure promptly after a modification of those payments
2 or an additional payment.

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

13 The disclosures required by this subsection shall be in
14 writing and shall include the date and amount of each payment
15 and the name and address of each recipient of a payment.

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

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

1 (40 ILCS 5/2-152 rep.)
2 (40 ILCS 5/2-155 rep.)
3 (40 ILCS 5/12-190.3 rep.)
4 (40 ILCS 5/13-806 rep.)
5 (40 ILCS 5/14-148 rep.)
6 (40 ILCS 5/15-186 rep.)
7 (40 ILCS 5/15-189 rep.)
8 (40 ILCS 5/16-191 rep.)
9 (40 ILCS 5/16-198 rep.)
10 (40 ILCS 5/18-159 rep.)
11 (40 ILCS 5/18-162 rep.)

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

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.31 as follows:

17 (30 ILCS 805/8.31 new)

18 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
19 of this Act, no reimbursement by the State is required for the
20 implementation of any mandate created by this amendatory Act of
21 the 95th General Assembly.

22 Section 97. Severability. The provisions of this Act are

1 severable under Section 1.31 of the Statute on Statutes.

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.

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2

Statutes amended in order of appearance

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

4

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

5

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

6

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

7

5 ILCS 430/1-5

8

5 ILCS 430/5-10

9

5 ILCS 430/5-15

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5 ILCS 430/5-20

11

5 ILCS 430/5-45

12

5 ILCS 430/10-15

13

5 ILCS 430/10-15.5 new

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5 ILCS 430/20-5

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5 ILCS 430/20-23

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5 ILCS 430/20-40

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5 ILCS 430/25-5

18

5 ILCS 430/25-10

19

5 ILCS 430/25-23

20

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

21

30 ILCS 500/1-15.15

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30 ILCS 500/1-15.100

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30 ILCS 500/15-25

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30 ILCS 500/20-10

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30 ILCS 500/20-30

1 30 ILCS 500/20-43 new
2 30 ILCS 500/35-15
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13 30 ILCS 605/7.7 new
14 40 ILCS 5/1-101.2
15 40 ILCS 5/1-101.4
16 40 ILCS 5/1-110 from Ch. 108 1/2, par. 1-110
17 40 ILCS 5/1-113.5
18 40 ILCS 5/1-113.12
19 40 ILCS 5/1-125 new
20 40 ILCS 5/1-130 new
21 40 ILCS 5/1-135 new
22 40 ILCS 5/1-140 new
23 40 ILCS 5/1A-113
24 40 ILCS 5/22A-108.1 from Ch. 108 1/2, par. 22A-108.1
25 40 ILCS 5/22A-111 from Ch. 108 1/2, par. 22A-111
26 40 ILCS 5/2-152 rep.

- 1 40 ILCS 5/2-155 rep.
- 2 40 ILCS 5/12-190.3 rep.
- 3 40 ILCS 5/13-806 rep.
- 4 40 ILCS 5/14-148 rep.
- 5 40 ILCS 5/15-186 rep.
- 6 40 ILCS 5/15-189 rep.
- 7 40 ILCS 5/16-191 rep.
- 8 40 ILCS 5/16-198 rep.
- 9 40 ILCS 5/18-159 rep.
- 10 40 ILCS 5/18-162 rep.
- 11 30 ILCS 805/8.31 new