



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

SB1454

Introduced 2/18/2009, by Sen. Bill Brady

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Governmental Ethics Act. Requires members of the board of the 5 State-funded retirement systems and members of the Illinois State Board of Investment to file statements of economic interests. Amends the State Officials and Employees Ethics Act. Includes any appointed or elected commissioner, trustee, director, or board member of a board of a State agency, including the board of trustees of a State-funded retirement system to the definition of "employee" under the Act. Amends the Illinois Procurement Code to include all applicable procurements made by the State-funded retirement system. Amends the Illinois Pension Code. Makes changes with respect to consultants and fiduciaries and prohibits certain activities relating to the State retirement systems and the Illinois State Board of Investment. Adds provisions concerning lobbying, conflicts of interests, disclosures, and investment transparency. Makes other changes. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 04755 AMC 14819 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 5. 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          (l) 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 commissioners of any flood  
3 prevention district.

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

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

13 (Source: P.A. 95-719, eff. 5-21-08.)

14 (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

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

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

25 (1) The name, address and type of practice of any

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

6 (5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

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

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

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

22 On or before April 1 annually, the county clerk of each  
23 county shall notify all persons whose names have been certified  
24 to him under items (g), (h), (i), and (k) of Section 4A-101,  
25 other than candidates for office who have filed their  
26 statements with their nominating petitions, of the

1 requirements for filing statements of economic interests. A  
2 person required to file with a county clerk by virtue of more  
3 than one item among items (g), (h), (i), and (k) shall be  
4 notified of and is required to file only one statement of  
5 economic interests relating to all items under which the person  
6 is required to file with that county clerk.

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

14 From the lists certified to him under this Section of  
15 persons described in items (g), (h), (i), and (k) of Section  
16 4A-101, the clerk of each county shall compile an alphabetical  
17 listing of persons required to file statements of economic  
18 interests in his office under any of those items. As the  
19 statements are filed in his office, the county clerk shall  
20 cause the fact of that filing to be indicated on the  
21 alphabetical listing of persons who are required to file  
22 statements. Within 30 days after the due dates, the county  
23 clerk shall mail to the State Board of Elections a true copy of  
24 that listing showing those who have filed statements.

25 The county clerk of each county shall note upon the  
26 alphabetical listing the names of all persons required to file

1 a statement of economic interests who failed to file a  
2 statement on or before May 1. It shall be the duty of the  
3 several county clerks to give notice as provided in Section  
4 4A-105 to any person who has failed to file his or her  
5 statement with the clerk on or before May 1.

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

12 The Secretary of State may employ such employees and  
13 consultants as he considers necessary to carry out his duties  
14 hereunder, and may prescribe their duties, fix their  
15 compensation, and provide for reimbursement of their expenses.

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

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

25 (5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

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

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

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

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

23           Section 10. The State Officials and Employees Ethics Act is  
24 amended by changing Section 1-5 as follows:

1 (5 ILCS 430/1-5)

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

3 "Appointee" means a person appointed to a position in or  
4 with a State agency, regardless of whether the position is  
5 compensated.

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

17 "Candidate" means a person who has filed nominating papers  
18 or petitions for nomination or election to an elected State  
19 office, or who has been appointed to fill a vacancy in  
20 nomination, and who remains eligible for placement on the  
21 ballot at either a general primary election or general  
22 election.

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

26 "Commission" means an ethics commission created by this



1 Act.

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

7 "Compensatory time off" means authorized time off earned by  
8 or awarded to a State employee to compensate in whole or in  
9 part for time worked in excess of the minimum work time  
10 required of that employee as a condition of employment with a  
11 State agency.

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

14 "Employee" means (i) any person employed full-time,  
15 part-time, or pursuant to a contract and whose employment  
16 duties are subject to the direction and control of an employer  
17 with regard to the material details of how the work is to be  
18 performed, ~~or~~ (ii) any appointed or elected commissioner,  
19 trustee, director, or board member of a board of a State  
20 agency, including the board of trustees of a retirement system  
21 established under Article 2, 14, 15, 16, or 18 of the Illinois  
22 Pension Code, or (iii) any other appointee.

23 "Executive branch constitutional officer" means the  
24 Governor, Lieutenant Governor, Attorney General, Secretary of  
25 State, Comptroller, and Treasurer.

26 "Gift" means any gratuity, discount, entertainment,

1 hospitality, loan, forbearance, or other tangible or  
2 intangible item having monetary value including, but not  
3 limited to, cash, food and drink, and honoraria for speaking  
4 engagements related to or attributable to government  
5 employment or the official position of an employee, member, or  
6 officer.

7 "Governmental entity" means a unit of local government  
8 (including a community college district) or a school district  
9 but not a State agency.

10 "Leave of absence" means any period during which a State  
11 employee does not receive (i) compensation for State  
12 employment, (ii) service credit towards State pension  
13 benefits, and (iii) health insurance benefits paid for by the  
14 State.

15 "Legislative branch constitutional officer" means a member  
16 of the General Assembly and the Auditor General.

17 "Legislative leader" means the President and Minority  
18 Leader of the Senate and the Speaker and Minority Leader of the  
19 House of Representatives.

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

21 "Officer" means an executive branch constitutional officer  
22 or a legislative branch constitutional officer.

23 "Political" means any activity in support of or in  
24 connection with any campaign for elective office or any  
25 political organization, but does not include activities (i)  
26 relating to the support or opposition of any executive,

1 legislative, or administrative action (as those terms are  
2 defined in Section 2 of the Lobbyist Registration Act), (ii)  
3 relating to collective bargaining, or (iii) that are otherwise  
4 in furtherance of the person's official State duties or  
5 governmental and public service functions.

6 "Political organization" means a party, committee,  
7 association, fund, or other organization (whether or not  
8 incorporated) that is required to file a statement of  
9 organization with the State Board of Elections or a county  
10 clerk under Section 9-3 of the Election Code, but only with  
11 regard to those activities that require filing with the State  
12 Board of Elections or a county clerk.

13 "Prohibited political activity" means:

14 (1) Preparing for, organizing, or participating in any  
15 political meeting, political rally, political  
16 demonstration, or other political event.

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

21 (3) Soliciting, planning the solicitation of, or  
22 preparing any document or report regarding any thing of  
23 value intended as a campaign contribution.

24 (4) Planning, conducting, or participating in a public  
25 opinion poll in connection with a campaign for elective  
26 office or on behalf of a political organization for

1 political purposes or for or against any referendum  
2 question.

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

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

11 (7) Soliciting votes on behalf of a candidate for  
12 elective office or a political organization or for or  
13 against any referendum question or helping in an effort to  
14 get voters to the polls.

15 (8) Initiating for circulation, preparing,  
16 circulating, reviewing, or filing any petition on behalf of  
17 a candidate for elective office or for or against any  
18 referendum question.

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

22 (10) Preparing or reviewing responses to candidate  
23 questionnaires in connection with a campaign for elective  
24 office or on behalf of a political organization for  
25 political purposes.

26 (11) Distributing, preparing for distribution, or

1 mailing campaign literature, campaign signs, or other  
2 campaign material on behalf of any candidate for elective  
3 office or for or against any referendum question.

4 (12) Campaigning for any elective office or for or  
5 against any referendum question.

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

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

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

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

16 (1) is seeking official action (i) by the member or  
17 officer or (ii) in the case of an employee, by the employee  
18 or by the member, officer, State agency, or other employee  
19 directing the employee;

20 (2) does business or seeks to do business (i) with the  
21 member or officer or (ii) in the case of an employee, with  
22 the employee or with the member, officer, State agency, or  
23 other employee directing the employee;

24 (3) conducts activities regulated (i) by the member or  
25 officer or (ii) in the case of an employee, by the employee  
26 or by the member, officer, State agency, or other employee

1 directing the employee;

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

5 (5) is registered or required to be registered with the  
6 Secretary of State under the Lobbyist Registration Act,  
7 except that an entity not otherwise a prohibited source  
8 does not become a prohibited source merely because a  
9 registered lobbyist is one of its members or serves on its  
10 board of directors.

11 "State agency" includes all officers, boards, commissions  
12 and agencies created by the Constitution, whether in the  
13 executive or legislative branch; all officers, departments,  
14 boards, commissions, agencies, institutions, authorities,  
15 public institutions of higher learning as defined in Section 2  
16 of the Higher Education Cooperation Act (except community  
17 colleges), and bodies politic and corporate of the State; and  
18 administrative units or corporate outgrowths of the State  
19 government which are created by or pursuant to statute, other  
20 than units of local government (including community college  
21 districts) and their officers, school districts, and boards of  
22 election commissioners; and all administrative units and  
23 corporate outgrowths of the above and as may be created by  
24 executive order of the Governor. "State agency" includes the  
25 General Assembly, the Senate, the House of Representatives, the  
26 President and Minority Leader of the Senate, the Speaker and

1 Minority Leader of the House of Representatives, the Senate  
2 Operations Commission, and the legislative support services  
3 agencies. "State agency" includes the Office of the Auditor  
4 General. "State agency" does not include the judicial branch.

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

6 "Ultimate jurisdictional authority" means the following:

7 (1) For members, legislative partisan staff, and  
8 legislative secretaries, the appropriate legislative  
9 leader: President of the Senate, Minority Leader of the  
10 Senate, Speaker of the House of Representatives, or  
11 Minority Leader of the House of Representatives.

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

15 (3) For State employees who are professional staff or  
16 employees of the House of Representatives and not covered  
17 under item (1), the Speaker of the House of  
18 Representatives.

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

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

24 (6) For State employees of public institutions of  
25 higher learning as defined in Section 2 of the Higher  
26 Education Cooperation Act (except community colleges), the

1 board of trustees of the appropriate public institution of  
2 higher learning.

3 (7) For State employees of an executive branch  
4 constitutional officer other than those described in  
5 paragraph (6), the appropriate executive branch  
6 constitutional officer.

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

10 (Source: P.A. 95-880, eff. 8-19-08.)

11 Section 15. The Illinois Procurement Code is amended by  
12 changing Sections 1-15.15, 1-15.100, 15-25, and 20-10, and by  
13 adding Section 50-38 as follows:

14 (30 ILCS 500/1-15.15)

15 Sec. 1-15.15. Chief Procurement Officer. "Chief  
16 Procurement Officer" means:

17 (1) for procurements for construction and  
18 construction-related services committed by law to the  
19 jurisdiction or responsibility of the Capital Development  
20 Board, the executive director of the Capital Development Board.

21 (2) for procurements for all construction,  
22 construction-related services, operation of any facility, and  
23 the provision of any service or activity committed by law to  
24 the jurisdiction or responsibility of the Illinois Department



1 of Transportation, including the direct or reimbursable  
2 expenditure of all federal funds for which the Department of  
3 Transportation is responsible or accountable for the use  
4 thereof in accordance with federal law, regulation, or  
5 procedure, the Secretary of Transportation.

6 (3) for all procurements made by a public institution of  
7 higher education, a representative designated by the Governor.

8 (4) for all procurements made by the Illinois Power Agency,  
9 the Director of the Illinois Power Agency.

10 (5) for all applicable procurements made by a retirement  
11 system created under Article 2, 14, 15, 16, or 18 of the  
12 Illinois Pension Code or an investment board created under  
13 Article 22A of the Illinois Pension Code, a representative  
14 designated by the board of trustees of that retirement system  
15 or by the Illinois State Board of Investment, as the case may  
16 be.

17 (6) ~~(5)~~ for all other procurements, the Director of the  
18 Department of Central Management Services.

19 (Source: P.A. 95-481, eff. 8-28-07.)

20 (30 ILCS 500/1-15.100)

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

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

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

21 (30 ILCS 500/15-25)

22 Sec. 15-25. Bulletin content.

23 (a) Invitations for bids. Notice of each and every contract  
24 that is offered, including renegotiated contracts and change  
25 orders, shall be published in the Bulletin. The applicable

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

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

1 aware of any contract offer other than publication in the  
2 Bulletin. This notice must be posted in the online electronic  
3 Bulletin no later than 10 business days after services or goods  
4 are first provided. This notice must be posted in the online  
5 electronic Bulletin prior to execution of the contract.

6 (c) Emergency purchase disclosure. Any chief procurement  
7 officer, State purchasing officer, or designee exercising  
8 emergency purchase authority under this Code shall publish a  
9 written description and reasons and the total cost, if known,  
10 or an estimate if unknown and the name of the responsible chief  
11 procurement officer and State purchasing officer, and the  
12 business or person contracted with for all emergency purchases  
13 in the next timely, practicable Bulletin. This notice must be  
14 posted in the online electronic Bulletin within 3 business days  
15 after the execution of the contract. This notice must be posted  
16 in the online electronic Bulletin within 10 business days after  
17 the earlier of (i) execution of the contract or (ii) whenever  
18 services or goods begin to be provided under the contract and,  
19 in any event, prior to any payment by the State under the  
20 contract.

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

1 Minorities, Females, and Persons with Disabilities Act within  
2 10 business days of its submission of its report to the  
3 Council.

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

9 (d) Other required disclosure. The applicable chief  
10 procurement officer shall provide by rule for the organized  
11 publication of all other disclosure required in other Sections  
12 of this Code in a timely manner.

13 (e) The changes to subsections (b), (c), and (c-5) of this  
14 Section made by this amendatory Act of the 96th General  
15 Assembly apply to reports submitted, offers made, and notices  
16 on contracts executed on or after its effective date.

17 (Source: P.A. 94-1067, eff. 8-1-06; 95-536, eff. 1-1-08.)

18 (30 ILCS 500/20-10)

19 Sec. 20-10. Competitive sealed bidding.

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

23 (b) Invitation for bids. An invitation for bids shall be  
24 issued and shall include a purchase description and the  
25 material contractual terms and conditions applicable to the

1 procurement.

2 (c) Public notice. Public notice of the invitation for bids  
3 shall be published in the Illinois Procurement Bulletin at  
4 least 14 days before the date set in the invitation for the  
5 opening of bids.

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

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

24 (f) Correction or withdrawal of bids. Correction or  
25 withdrawal of inadvertently erroneous bids before or after  
26 award, or cancellation of awards of contracts based on bid

1 mistakes, shall be permitted in accordance with rules. After  
2 bid opening, no changes in bid prices or other provisions of  
3 bids prejudicial to the interest of the State or fair  
4 competition shall be permitted. All decisions to permit the  
5 correction or withdrawal of bids based on bid mistakes shall be  
6 supported by written determination made by a State purchasing  
7 officer.

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

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

18 (2) a determination that the anticipated cost will be  
19 fair and reasonable;

20 (3) a listing of all responsible and responsive  
21 bidders; and

22 (4) the name of the bidder selected, pricing, and the  
23 reasons for selecting that bidder instead of the lowest  
24 responsible and responsive bidder.

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

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

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

12      (i) Alternative procedures. Notwithstanding any other  
13      provision of this Act to the contrary, the Director of the  
14      Illinois Power Agency may create alternative bidding  
15      procedures to be used in procuring professional services under  
16      Section 1-75(a) of the Illinois Power Agency Act and Section  
17      16-111.5(c) of the Public Utilities Act. These alternative  
18      procedures shall be set forth together with the other criteria  
19      contained in the invitation for bids, and shall appear in the  
20      appropriate volume of the Illinois Procurement Bulletin.

21      (Source: P.A. 95-481, eff. 8-28-07.)

22           (30 ILCS 500/50-38 new)

23           Sec. 50-38. Contract award disclosure.

24           (a) For the purposes of this Section:

25           "Contracting entity" means an entity that would execute any



1 contract with a State agency.

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

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

11 (1) The contracting entity.

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

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

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

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

21 (d) The changes made to this Section made by this  
22 amendatory Act of the 96th General Assembly apply to contracts  
23 first offered on or after its effective date.

24 Section 20. The Illinois Pension Code is amended by  
25 changing Sections 1-101.2, 1-110, and 1-113.5 and by adding

1 Sections 1-125.1, 1-130, 1-140, 1-145, 1-150, 1-155, and 1-160  
2 as follows:

3 (40 ILCS 5/1-101.2)

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

7 (1) exercises any discretionary authority or  
8 discretionary control respecting management of the pension  
9 fund or retirement system, or exercises any authority or  
10 control respecting management or disposition of its  
11 assets;

12 (2) renders investment advice, or advice with respect  
13 to the selection of other fiduciaries, for a fee or other  
14 compensation, direct or indirect, with respect to any  
15 moneys or other property of the pension fund or retirement  
16 system, or has any authority or responsibility to do so; or

17 (3) has any discretionary authority or discretionary  
18 responsibility in the administration of the pension fund or  
19 retirement system.

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

21 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

22 Sec. 1-110. Prohibited Transactions.

23 (a) A fiduciary with respect to a retirement system or  
24 pension fund shall not cause the retirement system or pension

1 fund to engage in a transaction if he or she knows or should  
2 know that such transaction constitutes a direct or indirect:

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

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

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

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

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

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

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

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

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

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

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

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

21          (d) A fiduciary of a pension fund established under Article  
22 3 or 4 shall not knowingly cause or advise the pension fund to  
23 engage in an investment transaction when the fiduciary (i) has  
24 any direct interest in the income, gains, or profits of the  
25 investment advisor through which the investment transaction is  
26 made or (ii) has a business relationship with that investment

1 advisor that would result in a pecuniary benefit to the  
2 fiduciary as a result of the investment transaction.

3 Violation of this subsection (d) is a Class 4 felony.

4 (e) A board member, employee, or fiduciary with respect to  
5 a retirement system created under Article 2, 14, 15, 16, or 18  
6 of this Code or an investment board created under Article 22A  
7 of this Code shall not knowingly cause or advise the retirement  
8 system to engage in an investment transaction when the board  
9 member, employee, fiduciary, or spouse of such board member,  
10 employee, or fiduciary (i) has any direct interest in the  
11 income, gains, or profits of the investment advisor through  
12 which the investment transaction is made or (ii) has a business  
13 relationship with that investment advisor that would result in  
14 a pecuniary benefit to the board member, employee, fiduciary,  
15 or spouse of such board member, employee, or fiduciary as a  
16 result of the investment transaction.

17 Violation of this subsection (d) is a Class 3 felony.

18 (Source: P.A. 95-950, eff. 8-29-08.)

19 (40 ILCS 5/1-113.5)

20 Sec. 1-113.5. Investment advisers; consultants; and  
21 investment services.

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

1 investment adviser before making such investments.

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

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

8 (2) a bank or trust company authorized to conduct a  
9 trust business in Illinois;

10 (3) a life insurance company authorized to transact  
11 business in Illinois; or

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

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

25 The selection and appointment of a consultant, and the  
26 contracting for investment consulting services by a consultant

1 for a retirement system created under Article 2, 14, 15, 16, or  
2 18 of this Code or an investment board created under Article  
3 22A of this Code, constitute procurements of professional and  
4 artistic services under the Illinois Procurement Code that must  
5 be made and awarded in accordance with and through the use of  
6 the method of selection required by Article 35 of that Code.

7 All offers from responsive offerors shall be accompanied by  
8 disclosure of the names and addresses of the following:

9 (1) The offeror.

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

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

14 (4) For procurements by a retirement system created  
15 under Article 2, 14, 15, 16, or 18 of this Code or an  
16 investment board created under Article 22A of this Code,  
17 the offeror's key persons.

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

22 Beginning on July 1, 2008, a person, other than a trustee  
23 or an employee of a pension fund or retirement system, may not  
24 act as a consultant under this Section unless that person is at  
25 least one of the following: (i) registered as an investment  
26 adviser under the federal Investment Advisers Act of 1940 (15

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

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

11 The contract shall include all of the following:

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

15 (2) the board's investment policy;

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

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

26 (b-5) Each contract described in subsection (b) shall also



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

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

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

26 The disclosures required by this subsection shall be in

1 writing and shall include the date and amount of each payment  
2 and the name and address of each recipient of a payment.

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

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

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

18 (Source: P.A. 95-950, eff. 8-29-08.)

19 (40 ILCS 5/1-125.1 new)

20 Sec. 1-125.1. No monetary gain on investments. No trustee  
21 or employee of the board of a retirement system created under  
22 Article 2, 14, 15, 16, or 18 of this Code or an investment  
23 board created under Article 22A of this Code nor any spouse of  
24 such trustee or employee or of the Illinois State Board of  
25 Investment shall have any direct interest in the income, gains,

1 or profits of any investments made in behalf of the retirement  
2 system or pension fund or of the Illinois State Board of  
3 Investment, nor receive any pay or emolument for services in  
4 connection with any investment. No trustee or employee of the  
5 board of a retirement system created under Article 2, 14, 15,  
6 16, or 18 of this Code or an investment board created under  
7 Article 22A of this Code shall become an endorser or surety, or  
8 in any manner an obligor for money loaned or borrowed from the  
9 retirement system or pension fund or the Illinois State Board  
10 of Investment. Whoever violates any of the provisions of this  
11 Section is guilty of a Class 3 felony.

12 (40 ILCS 5/1-130 new)

13 Sec. 1-130. Fraud. Any person who knowingly makes any false  
14 statement, or falsifies or permits to be falsified any record  
15 of a retirement system created under Article 2, 14, 15, 16, or  
16 18 of this Code or an investment board created under Article  
17 22A of this Code, in an attempt to defraud the retirement  
18 system or investment board, is guilty of a Class 3 felony.

19 (40 ILCS 5/1-140 new)

20 Sec. 1-140. Contingent fees. No person shall retain or  
21 employ another to attempt to influence the outcome of an  
22 investment decision of or the procurement of investment advice  
23 or services by a board of a retirement system created under  
24 Article 2, 14, 15, 16, or 18 of this Code or an investment

1 board created under Article 22A of this Code for compensation  
2 contingent in whole or in part upon the decision or  
3 procurement, unless (i) such solicitor is a person enumerated  
4 in one of clauses (1) through (5) of Section 1-101.4 and is in  
5 compliance with Rule 206(4)-3 of the Investment Advisers Act of  
6 1940 or (ii) such placement agent is registered as a broker or  
7 dealer pursuant to the federal Securities and Exchange Act of  
8 1934, as amended, or the Illinois Securities Law of 1953. Any  
9 person who violates this Section is guilty of a business  
10 offense and shall be fined not more than \$10,000. In addition,  
11 any person convicted of a violation of this Section is  
12 prohibited for a period of 3 years from conducting such  
13 activities.

14 (40 ILCS 5/1-145 new)

15 Sec. 1-145. Revolving door prohibition; anti-lobbying  
16 provision.

17 (a) No former board member, officer, or employee of the  
18 board of any retirement system created under Article 2, 14, 15,  
19 16, or 18 of this Code or an investment board created under  
20 Article 22A of this Code or spouse or immediate family member  
21 living with such person, shall, within a period of one year  
22 immediately after termination of their term on the board  
23 created under this Code or employment, knowingly accept  
24 employment or receive compensation or fees for services from a  
25 person or entity if the board member, oversight board member,

1 officer, or employee, during the year immediately preceding  
2 termination of their term on the employment, participation  
3 personally and substantially in the decision to award contracts  
4 with a cumulative value of over \$25,000 to the person or  
5 entity, or its parent or subsidiary.

6 (b) No former board member, officer, or employee of the  
7 board of any retirement system created under Article 2, 14, 15,  
8 16, or 18 of this Code or an investment board created under  
9 Article 22A of this Code or spouse or immediate family member  
10 living with such person shall, within a period of one year  
11 immediately after termination of their term on the board or  
12 employment, seek a contract with or provide services for fees  
13 to any person with business or seeking business with the board.

14 (c) Former board members, officers, and employees of any  
15 retirement system created under Article 2, 14, 15, 16, or 18 of  
16 this Code or an investment board created under Article 22A of  
17 this Code and spouses or immediate family members living with  
18 such persons shall be prohibited from lobbying, as the term is  
19 defined in Section 2 of the Lobbyist Registration Act, for a  
20 period of one year following the last date of their term as a  
21 board member, officer, or employee.

22 (d) The requirements of this Section may be waived in  
23 writing by the Executive Ethics Commission. The waiver shall be  
24 granted upon an affirmative showing that the prospective  
25 employment or relationship did not affect the decisions  
26 referred to in subsections (a) through (c) of this Section, and

1 if the board member, officer, or employee can substantiate that  
2 no harm or violation of public trust will result from the  
3 waiver.

4 (40 ILCS 5/1-150 new)

5 Sec. 1-150. Conflicts of interests.

6 (a) In addition to the provisions of subsection (a) of  
7 Section 50-13 of the Illinois Procurement Code, it is unlawful  
8 for a member of the board of any retirement system created  
9 under Article 2, 14, 15, 16, or 18 of this Code or an  
10 investment board created under Article 22A of this Code, as  
11 well as any member's spouse or immediate family members living  
12 in the member's residence to have or acquire a contract or have  
13 or acquire a direct pecuniary interest in a contract with the  
14 State that relates to the Board during and for one year after  
15 the conclusion of the person's term of office.

16 (b) If (i) a person subject to subsection (a) of this  
17 Section is entitled to receive more than 7 1/2% of the total  
18 distributable income of a partnership, association,  
19 corporation, or other business entity or (ii) a person subject  
20 to subsection (a) together with his or her spouse and immediate  
21 family members living in that person's residence are entitled  
22 to receive more than 15%, in the aggregate, of the total  
23 distributable income of a partnership, association,  
24 corporation, or other business entity, then it is unlawful for  
25 that partnership, association, corporation, or other business

1 entity to have or acquire a contract or a direct pecuniary  
2 interest in a contract prohibited by subsection (a) during and  
3 for one year after the conclusion of the person's term of  
4 office.

5 (40 ILCS 5/1-155 new)

6 Sec. 1-155. Disclosure and potential conflicts of  
7 interest.

8 (a) Procurements for any retirement system created under  
9 Articles 2, 14, 15, 16, or 18 of this Code or an investment  
10 board created under Article 22A of this Code must be conducted  
11 in a manner and in a form that is substantially similar to the  
12 Illinois Procurement Code and in conformance with this Section.

13 (b) All offers from responsible bidders shall be  
14 accompanied by a statement disclosing all political activity  
15 engaged in and political contributions made by the bidder, its  
16 principles, and family members.

17 (c) All offers from responsible bidders or offerors with an  
18 annual value of more than \$10,000 shall be accompanied by  
19 disclosure of the financial interests of the contractor,  
20 bidder, or proposer. The financial disclosure of each  
21 successful bidder or offeror shall become part of the publicly  
22 available contract or procurement file maintained by the  
23 appropriate chief procurement officer.

24 (d) Disclosure by the responsive bidders or offerors shall  
25 include any ownership or distributive income share that is in

1 excess of 5%, or an amount greater than 60% of the annual  
2 salary of the Governor, of the bidding entity or its parent  
3 entity, whichever is less, unless the contractor or bidder (i)  
4 is a publicly traded entity subject to federal 10K reporting,  
5 in which case it may submit its 10K disclosure in place of the  
6 prescribed disclosure, or (ii) is a privately held entity that  
7 is exempt from federal 10K reporting but has more than 400  
8 shareholders, in which case it may submit the information that  
9 federal 10K reporting companies are required to report under 17  
10 CFR 229.401 and list the names of any person or entity holding  
11 any ownership share that is in excess of 5% in place of the  
12 prescribed disclosure. The form of disclosure shall be  
13 prescribed by the applicable chief procurement officer and must  
14 include at least the names, addresses, and dollar or  
15 proportionate share of ownership of each person identified in  
16 this subsection (d), their instrument of ownership or  
17 beneficial relationship, and notice of any potential conflict  
18 of interest resulting from the current ownership or beneficial  
19 relationship of each person identified in this subsection (d)  
20 having in addition any of the following relationships:

21 (1) State employment, currently or in the previous 3  
22 years, including contractual employment of services.

23 (2) State employment of spouse, father, mother, son or  
24 daughter, including contractual employment for services in  
25 the previous 2 years.

26 (3) Elective status; the holding of elective office of



1       the State of Illinois, the government of the United States,  
2       any unit of local government authorized by the Constitution  
3       of the State of Illinois or the statutes of the State of  
4       Illinois currently or in the previous 3 years.

5           (4) Relationship to anyone holding elective office  
6       currently or in the previous 2 years; spouse, father,  
7       mother, son, or daughter.

8           (5) Appointive office; the holding of any appointive  
9       government office of the State of Illinois, the United  
10       States of America, or any unit of local government  
11       authorized by the Constitution of the State of Illinois or  
12       the statutes of the State of Illinois, which office  
13       entitles the holder to compensation in excess of expenses  
14       incurred in the discharge of that office currently or in  
15       the previous 3 years.

16           (6) Relationship to anyone holding appointive office  
17       currently or in the previous 2 years; spouse, father,  
18       mother, son, or daughter.

19           (7) Employment, currently or in the previous 2 years,  
20       as or by any registered lobbyist of the State government.

21           (8) Relationship to anyone who is or was a registered  
22       lobbyist in the previous 2 years; spouse, father, mother,  
23       son or daughter.

24           (9) Compensated employment, currently or in the  
25       previous 3 years, by any registered election or re-election  
26       committee registered with the Secretary of State or any

1 county clerk in the State of Illinois, or any political  
2 action committee registered with either the Secretary of  
3 State or the Federal Board of Elections.

4 (10) Relationship to anyone; spouse, father, mother,  
5 son, or daughter; who is or was a compensated employee in  
6 the last 2 years of any registered election or re-election  
7 committee registered with the Secretary of State or any  
8 county clerk in the State of Illinois, or any political  
9 action committee registered with either the Secretary of  
10 State or the Federal Board of Elections.

11 (e) The disclosure in subsection (d) is not intended to  
12 prohibit or prevent any contract. The disclosure is meant to  
13 fully and publicly disclose any potential conflict to the chief  
14 procurement officers, State purchasing officers, their  
15 designees, and executive officers so they may adequately  
16 discharge their duty to protect the State.

17 (f) In the case of any contract for personal services in  
18 excess of \$50,000; any contract competitively bid in excess of  
19 \$250,000; any other contract in excess of \$50,000; when a  
20 potential for a conflict of interest is identified, discovered,  
21 or reasonably suspected it shall be reviewed and commented on  
22 in writing by the Executive Ethics Commission. The comment  
23 shall be returned to the responsible chief procurement officer,  
24 who must rule in writing whether to void or allow the contract,  
25 bid, offer, or proposal weighing the best interest of the State  
26 of Illinois. The comment and determination shall become a

1 publicly available part of the contract, bid, or proposal file.

2 (g) These thresholds and disclosure do not relieve the  
3 chief procurement officer, the State purchasing officer, or  
4 their designees from reasonable care and diligence for any  
5 contract, bid, offer, or proposal. The chief procurement  
6 officer, the State purchasing officer, or their designees shall  
7 be responsible for using any reasonably known and publicly  
8 available information to discover any undisclosed potential  
9 conflict of interest and act to protect the best interest of  
10 the State of Illinois.

11 (h) Inadvertent or accidental failure to fully disclose  
12 shall render the contract, bid, proposal, or relationship  
13 voidable by the chief procurement officer if he or she deems it  
14 in the best interest of the State of Illinois and, at his or  
15 her discretion, may be cause for barring from future contracts,  
16 bids, proposals, or relationships with the State for a period  
17 of up to 2 years.

18 (i) Intentional, willful, or material failure to disclose  
19 shall render the contract, bid, proposal, or relationship  
20 voidable by the chief procurement officer if he or she deems it  
21 in the best interest of the State of Illinois and shall result  
22 in debarment from future contracts, bids, proposals, or  
23 relationships for a period of not less than 2 years and not  
24 more than 10 years. Reinstatement after 2 years and before 10  
25 years must be reviewed and commented on in writing by the  
26 Governor of the State of Illinois, or by an executive ethics

1 board or commission he or she might designate. The comment  
2 shall be returned to the responsible chief procurement officer,  
3 who must rule in writing whether and when to reinstate.

4 (j) In addition, all disclosures shall note any other  
5 current or pending contracts, proposals, leases, or other  
6 ongoing procurement relationships the bidding, proposing, or  
7 offering entity has with any other unit of State government and  
8 shall clearly identify the unit and the contract, proposal,  
9 lease, or other relationship.

10 (40 ILCS 5/1-160 new)

11 Sec. 1-160. Investment transparency.

12 (a) The purpose of this Section is to provide for  
13 transparency in the investment of public funds by requiring the  
14 reporting of full and complete information regarding the  
15 investment moneys by State systems.

16 (b) Any retirement system created under Articles 2, 14, 15,  
17 16, or 18 of this Code or an investment board created under  
18 Article 22A of this Code shall make available in a clear and  
19 conspicuous manner on its official website, and update at least  
20 monthly, the following information concerning the investment  
21 of public funds:

22 (1) the total amount of funds held by retirement  
23 systems or the investment board;

24 (2) the asset allocation for the investments made by  
25 retirement systems or the investment board;

1           (3) current and historic return information;

2           (4) a detailed listing of the investment managers for  
3           all asset classes and the performance of each; and

4           (5) performance of investments compared against  
5           established benchmarks.

6           (c) Nothing in this Section requires a retirement system  
7           created under Articles 2, 14, 15, 16, or 18 of this Code or an  
8           investment board created under Article 22A of this Code to make  
9           information available on the Internet that is exempt from  
10           inspection and copying under the Freedom of Information Act.

11           Section 90. The State Mandates Act is amended by adding  
12           Section 8.33 as follows:

13           (30 ILCS 805/8.33 new)

14           Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8  
15           of this Act, no reimbursement by the State is required for the  
16           implementation of any mandate created by this amendatory Act of  
17           the 96th General Assembly.

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

20           Section 99. Effective date. This Act takes effect upon  
21           becoming law.

1

## INDEX

2

## Statutes amended in order of appearance

3	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	30 ILCS 500/1-15.15	
9	30 ILCS 500/1-15.100	
10	30 ILCS 500/15-25	
11	30 ILCS 500/20-10	
12	30 ILCS 500/50-38 new	
13	40 ILCS 5/1-101.2	
14	40 ILCS 5/1-110	from Ch. 108 1/2, par. 1-110
15	40 ILCS 5/1-113.5	
16	40 ILCS 5/1-125.1 new	
17	40 ILCS 5/1-130 new	
18	40 ILCS 5/1-140 new	
19	40 ILCS 5/1-145 new	
20	40 ILCS 5/1-150 new	
21	40 ILCS 5/1-155 new	
22	40 ILCS 5/1-160 new	
23	30 ILCS 805/8.33 new	