

# SB2242



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

SB2242

Introduced 2/20/2009, by Sen. Chris Lauzen

#### SYNOPSIS AS INTRODUCED:

30 ILCS 500/50-37

Amends the Illinois Procurement Code. If Senate Bill 761 of the 95th General Assembly becomes law, removes the exemption for road construction projects eligible for federal funding from the definition of contracts considered for purposes of the prohibition against campaign contributions from certain State contractors and bidders. Effective immediately.

LRB096 06193 JAM 16275 b

A BILL FOR

1 AN ACT concerning finance.

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

4 Section 5. If, and only if, Senate Bill 761 of the 95th  
5 General Assembly becomes law, then the Illinois Procurement  
6 Code is amended by changing Section 50-37 as follows:

7 (30 ILCS 500/50-37)

8 Sec. 50-37. Prohibition of political contributions.

9 (a) As used in this Section:

10 The terms "contract", "State contract", and "contract  
11 with a State agency" each mean any contract, as defined in  
12 this Code, between a business entity and a State agency let  
13 or awarded pursuant to this Code. The terms "contract",  
14 "State contract", and "contract with a State agency" do not  
15 include cost reimbursement contracts; purchase of care  
16 agreements as defined in Section 1-15.68 of this Code;  
17 ~~contracts for projects eligible for full or partial~~  
18 ~~federal aid funding reimbursements authorized by the~~  
19 ~~Federal Highway Administration;~~ grants, including but are  
20 not limited to grants for job training or transportation;  
21 and grants, loans, or tax credit agreements for economic  
22 development purposes.

23 "Contribution" means a contribution as defined in

1 Section 9-1.4 of the Election Code.

2 "Declared candidate" means a person who has filed a  
3 statement of candidacy and petition for nomination or  
4 election in the principal office of the State Board of  
5 Elections.

6 "State agency" means and includes all boards,  
7 commissions, agencies, institutions, authorities, and  
8 bodies politic and corporate of the State, created by or in  
9 accordance with the Illinois Constitution or State  
10 statute, of the executive branch of State government and  
11 does include colleges, universities, public employee  
12 retirement systems, and institutions under the  
13 jurisdiction of the governing boards of the University of  
14 Illinois, Southern Illinois University, Illinois State  
15 University, Eastern Illinois University, Northern Illinois  
16 University, Western Illinois University, Chicago State  
17 University, Governors State University, Northeastern  
18 Illinois University, and the Illinois Board of Higher  
19 Education.

20 "Officeholder" means the Governor, Lieutenant  
21 Governor, Attorney General, Secretary of State,  
22 Comptroller, or Treasurer. The Governor shall be  
23 considered the officeholder responsible for awarding all  
24 contracts by all officers and employees of, and vendors and  
25 others doing business with, executive branch State  
26 agencies under the jurisdiction of the Executive Ethics

1 Commission and not within the jurisdiction of the Attorney  
2 General, the Secretary of State, the Comptroller, or the  
3 Treasurer.

4 "Sponsoring entity" means a sponsoring entity as  
5 defined in Section 9-3 of the Election Code.

6 "Affiliated person" means (i) any person with any  
7 ownership interest or distributive share of the bidding or  
8 contracting business entity in excess of 7.5%, (ii)  
9 executive employees of the bidding or contracting business  
10 entity, and (iii) the spouse and minor children of any such  
11 persons.

12 "Affiliated entity" means (i) any subsidiary of the  
13 bidding or contracting business entity, (ii) any member of  
14 the same unitary business group, (iii) any organization  
15 recognized by the United States Internal Revenue Service as  
16 a tax-exempt organization described in Section 501(c) of  
17 the Internal Revenue Code of 1986 (or any successor  
18 provision of federal tax law) established by the bidding or  
19 contracting business entity, any affiliated entity of that  
20 business entity, or any affiliated person of that business  
21 entity, or (iv) any political committee for which the  
22 bidding or contracting business entity, or any 501(c)  
23 organization described in item (iii) related to that  
24 business entity, is the sponsoring entity.

25 "Business entity" means any entity doing business for  
26 profit, whether organized as a corporation, partnership,

1 sole proprietorship, limited liability company or  
2 partnership, or otherwise.

3 "Executive employee" means the President, Chairman,  
4 Chief Executive Officer, or other employee with executive  
5 decision-making authority over the long-term and  
6 day-to-day affairs of the entity employing the employee, or  
7 an employee whose compensation is determined directly, in  
8 whole or in part, by the award or payment of contracts by a  
9 State agency to the entity employing the employee.

10 (b) Any business entity whose contracts with State  
11 agencies, in the aggregate, annually total more than \$50,000,  
12 and any affiliated entities or affiliated persons of such  
13 business entity, are prohibited from making any contributions  
14 to any political committees established to promote the  
15 candidacy of (i) the officeholder responsible for awarding the  
16 contracts or (ii) any other declared candidate for that office.  
17 This prohibition shall be effective for the duration of the  
18 term of office of the incumbent officeholder awarding the  
19 contracts or for a period of 2 years following the expiration  
20 or termination of the contracts, whichever is longer.

21 (c) Any business entity whose aggregate pending bids and  
22 proposals on State contracts total more than \$50,000, or whose  
23 aggregate pending bids and proposals on State contracts  
24 combined with the business entity's aggregate annual total  
25 value of State contracts exceed \$50,000, and any affiliated  
26 entities or affiliated persons of such business entity, are

1 prohibited from making any contributions to any political  
2 committee established to promote the candidacy of the  
3 officeholder responsible for awarding the contract on which the  
4 business entity has submitted a bid or proposal during the  
5 period beginning on the date the invitation for bids or request  
6 for proposals is issued and ending on the day after the date  
7 the contract is awarded.

8 (d) All contracts between State agencies and a business  
9 entity that violate subsection (b) or (c) shall be voidable  
10 under Section 50-60. If a business entity violates subsection  
11 (b) 3 or more times within a 36-month period, then all  
12 contracts between State agencies and that business entity shall  
13 be void, and that business entity shall not bid or respond to  
14 any invitation to bid or request for proposals from any State  
15 agency or otherwise enter into any contract with any State  
16 agency for 3 years from the date of the last violation. A  
17 notice of each violation and the penalty imposed shall be  
18 published in both the Procurement Bulletin and the Illinois  
19 Register.

20 (e) Any political committee that has received a  
21 contribution in violation of subsection (b) or (c) shall pay an  
22 amount equal to the value of the contribution to the State no  
23 more than 30 days after notice of the violation concerning the  
24 contribution appears in the Illinois Register. Payments  
25 received by the State pursuant to this subsection shall be  
26 deposited into the general revenue fund.

1 (Source: P.A. 95-971, eff. 1-1-09; 95SB761enr.)

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