



ILLINOIS CHAMBER
OF COMMERCE

**Senate Amendment #1 to SB 1509 (Harmon):
Summary of Chamber's Proposed Ethics Clean-up Provisions to P.A. 95-0971**

<u>The Problem</u>	<u>Chamber's Proposed Change</u>
The current definition of "affiliated entity" is extremely broad and some businesses are forced to register thousands of "affiliated entities".	Tighten the current definition of "affiliated entity" to include only the domestic corporate parent and each operating subsidiary of the bidding or contracting entity.
The definition of "executive employee" as an "affiliated person" is extremely broad and could include <i>all</i> senior managers.	Codify CMS' definition of "executive employee" outlined under their proposed emergency rule regarding vendor registration, certification, and prohibition on political contributions. The emergency rule went into effect January 28, 2009 (published in the Illinois Register on Feb. 13, 2009).
Minors are included in the definition of "affiliated persons," which prompted a lawsuit and subsequent removal from a similar law in Connecticut.	Remove minors from the definition of "affiliated persons."
Spouses are also included in the definition of "affiliated persons," which raises concern over privacy issues.	Tighten the definition of "affiliated persons" so as to avoid public disclosure of spousal information.
The 2-day window for reporting changes to registration information is an impossible demand on registered businesses.	Require registration information updates to be submitted on a semi-annual basis. This would align the new law with existing campaign expenditure and lobbyist expenditure reporting requirements.
The new law is silent on conditions under which a business entity may terminate its registration with the State Board of Elections.	Allow business entities to terminate their registration: 1) at the end of the term of office of the incumbent officeholder who awarded the contract or for a period of 2 years following the expiration or termination of the state contract, whichever is longer; 2) the day after the state contract is awarded (if that particular business entity was not successful in securing the contract and expects to place no other bids over the next 12 months); and 3) upon determination that the business entity is not required to register with the Board.
The new law requires registered business entities to provide a copy of their registration certificate to each affiliated entity or person (listed in the registration material) by certified mail or hand delivery within 10 days after registration. This imposes another large expense on registered business entities, especially those required to register numerous affiliated entities and persons.	Allow registered business entities to provide a copy of their registration certificate to affiliated entities and persons electronically.
The new law imposes a \$1,000 fine for every business day a registered business entity fails to update their registration, regardless of the scope or severity of the infraction.	Provide the State Board of Elections the discretion to level fines <i>up to</i> \$1,000 per infraction.
The new law's "three strikes and you're out" provision does not account for lesser infractions, such as reporting errors or inadvertent contributions.	Provide each relevant chief procurement officer with the discretion to determine the nature of a violation and whether that violation counts as one of "three strikes."