

1 AN ACT concerning business.

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

4 Section 5. The Business Corporation Act of 1983 is amended
5 by adding Section 8.10.1 as follows:

6 (805 ILCS 5/8.10.1 new)

7 Sec. 8.10.1. Composition of board of directors.

8 (a) No later than the close of the 2020 calendar year, a
9 publicly held domestic or foreign corporation whose principal
10 executive offices, according to the corporation's SEC 10-K
11 form, are located in Illinois shall have a minimum of one
12 female director and one African American director on its board
13 of directors. A corporation may increase the number of
14 directors on its board to comply with this Section.

15 (b) No later than July 1, 2020, the Secretary of State
16 shall publish a report on its website documenting the number of
17 domestic and foreign corporations whose principal executive
18 offices, according to the corporation's SEC 10-K form, are
19 located in Illinois and that have at least one female director
20 and one African American director.

21 (c) No later than March 1, 2021, and annually thereafter,
22 the Secretary of State shall publish a report on its Internet
23 website regarding, at a minimum, the following:

1 (1) The number of corporations subject to this Section
2 that were in compliance with the requirements of this
3 Section during at least one point during the preceding
4 calendar year.

5 (2) The number of publicly held corporations that moved
6 their United States headquarters to Illinois from another
7 state or out of Illinois into another state during the
8 preceding calendar year.

9 (3) The number of publicly held corporations that were
10 subject to this Section during the preceding year, but are
11 no longer publicly traded.

12 (d) (1) The Secretary of State may adopt rules to implement
13 this Section. The Secretary of State may impose penalties for
14 violations of this Section as follows:

15 (A) For failure to timely file board member
16 information with the Secretary of State pursuant to a
17 rule adopted pursuant to this paragraph, the amount of
18 \$100,000.

19 (B) For a first violation of subsection (a), the
20 amount of \$100,000.

21 (C) For a second or subsequent violation of
22 subsection (a), the amount of \$300,000.

23 (2) For the purposes of this subsection, each director seat
24 required by this Section to be held by a female or African
25 American director that is not held by a female or African
26 American during at least one point of a calendar year shall

1 constitute a violation.

2 (3) Penalties collected pursuant to this Section shall be
3 available, upon appropriation by the General Assembly, for use
4 by the Secretary of State to offset the cost of administering
5 this Section.

6 (e) As used in this Section:

7 (1) "African American" means a citizen with at least
8 partial Sub-Saharan African ancestry and who
9 self-identifies as being African American.

10 (2) "Female" means an individual who self-identifies
11 her gender as a woman, without regard to the individual's
12 designated sex at birth.

13 (3) "Publicly held corporation" means a corporation
14 with outstanding shares listed on a major United States
15 stock exchange.