



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB6699

by Rep. Jay C. Hoffman

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Governmental Ethics Act, the Election Code, the Compensation Review Act, and the Illinois Procurement Code. Prohibits members of the General Assembly from being employed by the State, a municipality, or a unit of local government, with specified exceptions. Requires members of and candidates for the General Assembly to disclose information concerning lobbying activities and representation cases on their statements of economic interests. Requires the Compensation Review Board to file separate reports for (i) judges and State's Attorneys and (ii) all other positions. Requires the General Assembly to approve or reduce a report for it to take effect (now, must disapprove or reduce a report to prevent it from taking effect). Prohibits campaign contributions from a business entity with annual aggregate State contracts or pending State contract bids of more than \$50,000, or from the business entity's affiliates, to any political committee (i) established to promote the candidacy of a State executive branch constitutional officer, legislator, or candidate for one of those offices or (ii) of a state central committee represented by a State executive branch constitutional officer or legislator. Defines State contracts as contracts awarded by executive or legislative branch agencies or the Auditor General. Specifies the duration of the contribution prohibition and the penalties for violations. Requires that business entities subject to the prohibition electronically register with the State Board of Elections, including disclosure of their affiliates. Specifies penalties for failure to register or to maintain accurate registration. Makes other changes.

LRB095 22302 JAM 52628 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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-102 and 4A-103 and by adding Section
6 2-106 as follows:

7 (5 ILCS 420/2-106 new)

8 Sec. 2-106. Dual employment. No member of the General
9 Assembly, during the term for which he has been elected or
10 appointed, may be employed by the State, a municipality, or
11 unit of local government. This prohibition does not extend to
12 employment as an elected official, firefighter, police
13 officer, school counselor, teacher, or university instructor.

14 As used in this Section:

15 "Elected official" means any individual who was
16 elected to an office in an election certified by the State
17 Board of Elections.

18 "Firefighter" means an individual employed by a fire
19 service.

20 "Police officer" means an individual employed in a
21 regularly constituted police department appointed and
22 sworn or designated by law as a peace officer.

23 "School counselor" has the meaning ascribed to it in

1 Section 10-22.24a of the School Code.

2 "Teacher" means any or all school district employees
3 regularly required to be certified under laws relating to
4 the certification of teachers.

5 "University instructor" means any member of the
6 educational staff of the University of Illinois, Southern
7 Illinois University, Chicago State University, Eastern
8 Illinois University, Governors State University, Illinois
9 State University, Northeastern Illinois University,
10 Northern Illinois University, Western Illinois University,
11 or the Illinois Mathematics and Science Academy whose
12 employment is permanent and continuous or who is employed
13 in a position in which services are expected to be rendered
14 on a continuous basis for at least 4 months or one academic
15 term, whichever is less.

16 (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

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

25 (a) The following interests shall be listed by all persons

1 required to file:

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

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

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

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

25 (5) The name of any entity from which a gift or gifts,
26 or honorarium or honoraria, valued singly or in the

1 aggregate in excess of \$500, was received during the
2 preceding calendar year.

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

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

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

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

1 whose behalf that person is lobbying.

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

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

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

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

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

6 (d) The following interests shall also be listed by persons
7 listed in item (a) of Section 4A-101:

8 (1) the name of each client or entity on behalf of whom
9 the individual filing the statement or his or her spouse
10 personally engaged in lobbying or a representation case in
11 the preceding 12 months, for which compensation in excess
12 of \$5,000 was received by either the individual filing the
13 statement or his or her spouse, or by any other entity in
14 which the individual filing the statement or his or her
15 spouse was an officer, director, associate, partner,
16 member, proprietor, or served in an advisory capacity;

17 (2) the name of each client or entity that retained,
18 hired, or otherwise engaged an entity in which the
19 individual filing the statement or his or her spouse has an
20 ownership interest in excess of 7 1/2%, for the purpose of
21 lobbying or a representation case in the preceding 12
22 months, for which compensation in excess of \$5,000 was
23 received by the entity; and

24 (3) the name of each client or entity that retained,
25 hired, or otherwise engaged any entity for the purpose of
26 lobbying or a representation case in the preceding 12

1 months, as a result of which the individual filing the
2 statement or his or her spouse received financial
3 compensation in excess of \$5,000.

4 For each client or entity listed pursuant to this
5 subsection, the exact amount of compensation received from
6 services rendered in connection with the lobbying or
7 representation case listed, and the identity of the unit of
8 government before which such services were rendered.

9 As used in this subsection:

10 "Lobbying" means communicating with representatives of
11 a municipality, unit of local government, State agency, or
12 the General Assembly for the ultimate purpose of
13 influencing executive, legislative, or administrative
14 action. "Lobbying" does not include communications with a
15 State agency, a municipality, a unit of local government,
16 or a member of the General Assembly made in the course of a
17 member of the General Assembly's legislative duties.

18 "Representation case" means the representation of any
19 person, client, or principal in any matter before any State
20 agency, municipality, or unit of local government where the
21 action or non-action of the State agency, municipality, or
22 unit of local government involves the exercise of
23 discretion. For purposes of this subsection,
24 "representation case" does not include (i) the
25 professional representation of any person, client, or
26 principal in any matter before any court created under

1 Article VI of the Constitution of the State of Illinois or
 2 any court created under Article III of the Constitution of
 3 the United States, or (ii) inquiries for information or
 4 other services rendered in a legislative capacity on behalf
 5 of a constituent or other member of the public.

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

7 (5 ILCS 420/4A-103) (from Ch. 127, par. 604A-103)

8 Sec. 4A-103. The statement of economic interests required
 9 by this Article to be filed with the Secretary of State shall
 10 be filled in by typewriting or hand printing, shall be
 11 verified, dated, and signed by the person making the statement
 12 and shall contain substantially the following:

13 STATEMENT OF ECONOMIC INTEREST

14 (TYPE OR HAND PRINT)

15

16 (name)

17

18 (each office or position of employment for which this statement
 19 is filed)

20

21 (full mailing address)

22 GENERAL DIRECTIONS:

23 The interest (if constructively controlled by the person
 24 making the statement) of a spouse or any other party, shall be
 25 considered to be the same as the interest of the person making

1 the statement.

2 Campaign receipts shall not be included in this statement.

3 If additional space is needed, please attach supplemental
4 listing.

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

14	Business Entity	Instrument of Ownership
15
16
17
18

19 2. List the name, address and type of practice of any
20 professional organization in which the person making the
21 statement was an officer, director, associate, partner or
22 proprietor or served in any advisory capacity, from which
23 income in excess of \$1,200 was derived during the preceding
24 calendar year.

25	Name	Address	Type of Practice
26

1
2

3 3. List the nature of professional services rendered (other
4 than to the State of Illinois) to each entity from which income
5 exceeding \$5,000 was received for professional services
6 rendered during the preceding calendar year by the person
7 making the statement.

8
9

10 4. List the identity (including the address or legal
11 description of real estate) of any capital asset from which a
12 capital gain of \$5,000 or more was realized during the
13 preceding calendar year.

14
15

16 5. List the identity of any compensated lobbyist with whom
17 the person making the statement maintains a close economic
18 association, including the name of the lobbyist and specifying
19 the legislative matter or matters which are the object of the
20 lobbying activity, and describing the general type of economic
21 activity of the client or principal on whose behalf that person
22 is lobbying.

23	Lobbyist	Legislative Matter	Client or Principal
24
25

26 6. List the name of any entity doing business in the State

1 of Illinois from which income in excess of \$1,200 was derived
 2 during the preceding calendar year other than for professional
 3 services and the title or description of any position held in
 4 that entity. (In the case of real estate, location thereof
 5 shall be listed by street address, or if none, then by legal
 6 description). No time or demand deposit in a financial
 7 institution nor any debt instrument need be listed.

8 Entity	Position Held
9
10
11

12 7. List the name of any unit of government which employed
 13 the person making the statement during the preceding calendar
 14 year other than the unit or units of government in relation to
 15 which the person is required to file.

16

17

18 8. List the name of any entity from which a gift or gifts,
 19 or honorarium or honoraria, valued singly or in the aggregate
 20 in excess of \$500, was received during the preceding calendar
 21 year.

22 9. For members of the General Assembly and candidates for
 23 membership in the General Assembly, list the name of each
 24 client or entity on behalf of whom the individual filing the
 25 statement or his or her spouse personally engaged in lobbying
 26 or a representation case in the preceding 12 months, for which

1 compensation in excess of \$5,000 was rendered to either the
 2 individual filing the statement or his or her spouse, or to any
 3 other entity in which the individual filing the statement or
 4 his or her spouse was an officer, director, associate, partner,
 5 member, proprietor, or served in an advisory capacity. This
 6 includes the name of the unit of government before which the
 7 services were rendered, as well as the exact amount of
 8 compensation received from services rendered.

9 For purposes of this statement, "lobbying" and
 10 "representation case" have the meanings ascribed to those terms
 11 in Section 4A-102 of the Illinois Governmental Ethics Act.

<u>Client/Entity</u>	<u>Unit of Government</u>	<u>Amount</u>
.....
.....
.....

16 10. For members of the General Assembly and candidates for
 17 membership in the General Assembly, list the name of each
 18 client or entity that retained, hired, or otherwise engaged an
 19 entity in which the individual filing the statement or his or
 20 her spouse has an ownership interest in excess of 7 1/2%, for
 21 the purpose of lobbying or a representation case in the
 22 preceding 12 months, for compensation in excess of \$5,000. This
 23 includes the name of the unit of government before which the
 24 services were rendered, as well as the exact amount of
 25 compensation received from services rendered.

26 For purposes of this statement, "lobbying" and

1 "representation case" have the meanings ascribed to those terms
 2 in Section 4A-102 of the Illinois Governmental Ethics Act.

<u>Client/Entity</u>	<u>Unit of Government</u>	<u>Amount</u>
.....
.....
.....

7 11. For members of the General Assembly and candidates for
 8 membership in the General Assembly, list the name of each
 9 client or entity that retained, hired, or otherwise engaged any
 10 entity for the purpose of lobbying or a representation case in
 11 the preceding 12 months, as a result of which the individual
 12 filing this statement or his or her spouse received financial
 13 compensation in excess of \$5,000. This includes the name of the
 14 unit of government before which the services were rendered, as
 15 well as the exact amount of compensation received from services
 16 rendered.

17 For purposes of this statement, "lobbying" and
 18 "representation case" have the meanings ascribed to those terms
 19 in Section 4A-102 of the Illinois Governmental Ethics Act.

<u>Client/Entity</u>	<u>Unit of Government</u>	<u>Amount</u>
.....
.....
.....

24 VERIFICATION:

25 "I declare that this statement of economic interests
 26 (including any accompanying schedules and statements) has been

1 examined by me and to the best of my knowledge and belief is a
 2 true, correct and complete statement of my economic interests
 3 as required by the Illinois Governmental Ethics Act. I
 4 understand that the penalty for willfully filing a false or
 5 incomplete statement shall be a fine not to exceed \$1,000 or
 6 imprisonment in a penal institution other than the penitentiary
 7 not to exceed one year, or both fine and imprisonment."

8

9 (date of filing) (signature of person making the statement)

10 (Source: P.A. 95-173, eff. 1-1-08.)

11 Section 10. The Election Code is amended by adding Section
 12 9-35 as follows:

13 (10 ILCS 5/9-35 new)

14 Sec. 9-35. Registration of business entities.

15 (a) This Section governs the procedures for the
 16 registration required under Section 20-160 of the Illinois
 17 Procurement Code.

18 For the purposes of this Section, the terms "officeholder",
 19 "State contract", "business entity", "State agency",
 20 "affiliated entity", and "affiliated person" have the meanings
 21 ascribed to those terms in Section 50-37 of the Illinois
 22 Procurement Code.

23 (b) Registration under Section 20-160 of the Illinois
 24 Procurement Code, and any changes to that registration, must be

1 made electronically. The State Board of Elections by rule shall
2 provide for electronic registration, which must contain
3 substantially the following:

4 (1) The name and address of the business entity.

5 (2) The name and address of any affiliated entity of
6 the business entity, including a description of the
7 affiliation.

8 (3) The name and address of any affiliated person of
9 the business entity, including a description of the
10 affiliation.

11 (c) The Board shall provide a certificate of registration
12 to the business entity. The certificate shall be electronic and
13 accessible to the business entity through the State Board of
14 Elections' website and protected by a password.

15 (d) Any business entity required to register under Section
16 20-160 of the Illinois Procurement Code shall provide a copy of
17 the registration certificate, by first class mail or hand
18 delivery within 10 days after registration, to each affiliated
19 entity or affiliated person whose identity is required to be
20 disclosed. Failure to provide notice to an affiliated entity or
21 affiliated person is a business offense for which the business
22 entity is subject to a fine not to exceed \$1,001.

23 (e) In addition to any penalty under Section 20-160 of the
24 Illinois Procurement Code, intentional, willful, or material
25 failure to disclose information required for registration is
26 subject to a civil penalty imposed by the State Board of

1 Elections. The State Board shall impose a civil penalty of
2 \$1,000 per business day for failure to update a registration.

3 (f) Any business entity required to register under Section
4 20-160 of the Illinois Procurement Code shall notify any
5 political committee to which it makes a contribution, at the
6 time of the contribution, that the business entity is
7 registered with the State Board of Elections under Section
8 20-160 of the Illinois Procurement Code. Any affiliated entity
9 or affiliated person of a business entity required to register
10 under Section 20-160 of the Illinois Procurement Code shall
11 notify any political committee to which it makes a contribution
12 that it is affiliated with a business entity registered with
13 the State Board of Elections under Section 20-160 of the
14 Illinois Procurement Code.

15 (g) The State Board of Elections on its official website
16 shall have a searchable database containing (i) all information
17 required to be submitted to the Board under Section 20-160 of
18 the Illinois Procurement Code and (ii) all reports filed under
19 this Article with the State Board of Elections by all political
20 committees. For the purposes of databases maintained by the
21 State Board of Elections, "searchable" means able to search by
22 "political committee", as defined in this Article, and by
23 "officeholder", "State agency", "business entity", "affiliated
24 entity", and "affiliated person". The Board shall not place the
25 name of a minor child on the website. However, the Board shall
26 provide a link to all contributions made by anyone reporting

1 the same residential address as any affiliated person. In
2 addition, the State Board of Elections on its official website
3 shall provide an electronic connection to any searchable
4 database of State contracts maintained by the Comptroller,
5 searchable by business entity.

6 (h) The State Board of Elections shall have rulemaking
7 authority to implement this Section.

8 Section 15. The Compensation Review Act is amended by
9 changing Sections 4 and 5 as follows:

10 (25 ILCS 120/4) (from Ch. 63, par. 904)

11 Sec. 4. Meetings of the Board; determining compensation;
12 public hearings; reports. The Board shall meet as often as may
13 be necessary and shall determine, upon a vote requiring at
14 least 7 affirmative votes, the compensation for members of the
15 General Assembly, judges, other than the county supplement,
16 State's attorneys, other than the county supplement, the
17 elected constitutional officers of State government, and
18 certain appointed officers of State government.

19 In determining the compensation for each office, the
20 Compensation Review Board shall consider the following
21 factors:

22 (a) the skill required,

23 (b) the time required,

24 (c) the opportunity for other earned income,

1 (d) the value of public services as performed in
2 comparable states,

3 (e) the value of such services as performed in the
4 private sector in Illinois and comparable states based on
5 the responsibility and discretion required in the office,

6 (f) the average consumer prices commonly known as the
7 cost of living,

8 (g) the overall compensation presently received by the
9 public officials and all other benefits received,

10 (h) the interests and welfare of the public and the
11 financial ability of the State to meet those costs, and

12 (i) such other factors, not confined to the foregoing,
13 which are normally or traditionally taken into
14 consideration in the determination of such compensation.

15 The Board shall conduct public hearings prior to filing its
16 reports ~~report~~.

17 At the public hearings, the Board shall allow interested
18 persons to present their views and comments. The Board may
19 prescribe reasonable rules for the conduct of public hearings,
20 to prevent undue repetition. The meetings of the Board are
21 subject to the Open Meetings Act.

22 The Board shall propose (i) one ~~file an initial~~ report with
23 respect to all offices and positions, except judges and State's
24 attorneys (known as "report A") and (ii) one report with
25 respect to judges and State's attorneys (known as "report B").
26 The Board shall file the reports with the House of

1 Representatives, the Senate, the Comptroller and the Secretary
2 of State. ~~Subsequent reports shall be filed therewith before~~
3 April 1 in each even-numbered year. Report A shall state
4 ~~thereafter stating~~ the annual salary for all offices and
5 positions, except judges and State's attorneys, for which the
6 Board files reports. Report B shall state ~~members of the~~
7 ~~General Assembly, the elected State constitutional officers~~
8 ~~and certain appointed State officers and compensated employees~~
9 ~~and members of certain State departments, agencies, boards and~~
10 ~~commissions whose terms begin in the next calendar year; the~~
11 annual salary for State's attorneys; ~~and the annual salary for~~
12 ~~the Auditor General~~ and for Supreme Court, Appellate Court,
13 Circuit Court and Associate judges. If a ~~the~~ report increases
14 the annual salary of judges, State's attorneys, and the Auditor
15 General, such increase shall take effect when the report is
16 approved ~~as soon as the time period for disapproval or~~
17 ~~reduction,~~ as provided in subsection (b) of Section 5, ~~has~~
18 ~~expired.~~

19 The salaries in a ~~the~~ report or as reduced by the General
20 Assembly, other than for judges, State's attorneys, and the
21 Auditor General, shall take effect as provided by law.

22 (Source: P.A. 90-375, eff. 8-14-97; 91-798, eff. 7-9-00.)

23 (25 ILCS 120/5) (from Ch. 63, par. 905)

24 Sec. 5. (a) If the Board fails to recommend a change in
25 salary or the General Assembly does not approve a ~~disapproves~~

1 ~~the~~ report as provided in subsection (b), and a new term for
2 any officer provided for in this Act begins, the salary for the
3 new term shall be the same as the salary in effect when the
4 previous term ended.

5 (b) The General Assembly may approve a ~~disapprove the~~
6 report of the Board in whole, or reduce it in whole
7 proportionately, within 30 session days after each house of the
8 legislature next convenes after the report is filed, by
9 adoption of a resolution by a record vote of the majority of
10 the members elected in each house directed to the Board. Such
11 resolution shall be binding upon the Board. A resolution may
12 approve or reduce no more than one report, and no more than one
13 resolution may be adopted by a single vote.

14 ~~For the initial report filed by the Board after this Act~~
15 ~~takes effect, the General Assembly may, by January 9, 1985,~~
16 ~~disapprove the report of the Board in whole, or reduce it in~~
17 ~~whole proportionately, after the report is filed, by the~~
18 ~~adoption of a resolution by a record vote of the majority of~~
19 ~~the members.~~

20 (Source: P.A. 83-1177.)

21 Section 20. The Illinois Procurement Code is amended by
22 adding Sections 20-160 and 50-37 as follows:

23 (30 ILCS 500/20-160 new)

24 Sec. 20-160. Business entities; certification;

1 registration with the State Board of Elections.

2 (a) For purposes of this Section, the terms "business
3 entity", "contract", "State contract", "contract with a State
4 agency", "State agency", "affiliated entity", and "affiliated
5 person" have the meanings ascribed to those terms in Section
6 50-37.

7 (b) Every bid submitted to and every contract executed by
8 the State on or after the effective date of this amendatory Act
9 of the 95th General Assembly shall contain (1) a certification
10 by the bidder or contractor that either (i) the bidder or
11 contractor is not required to register as a business entity
12 with the State Board of Elections pursuant to this Section or
13 (ii) the bidder or contractor has registered as a business
14 entity with the State Board of Elections and acknowledges a
15 continuing duty to update the registration and (2) a statement
16 that the contract is voidable under Section 50-60 for the
17 bidder's or contractor's failure to comply with this Section.

18 (c) Within 30 days after the effective date of this
19 amendatory Act of the 95th General Assembly, each business
20 entity (i) whose aggregate bids and proposals on State
21 contracts annually total more than \$50,000, (ii) whose
22 aggregate bids and proposals on State contracts combined with
23 the business entity's aggregate annual total value of State
24 contracts exceed \$50,000, or (iii) whose contracts with State
25 agencies, in the aggregate, annually total more than \$50,000
26 shall register with the State Board of Elections in accordance

1 with Section 9-35 of the Election Code. A business entity
2 required to register under this subsection shall submit a copy
3 of the certificate of registration to the applicable chief
4 procurement officer within 90 days after the effective date of
5 this amendatory Act of the 95th General Assembly. A business
6 entity required to register under this subsection due to item
7 (i) or (ii) has a continuing duty to ensure that the
8 registration is accurate during the period beginning on the
9 date of registration and ending on the day after the date the
10 contract is awarded; any change in information must be reported
11 to the State Board of Elections within 2 business days
12 following such change. A business entity required to register
13 under this subsection due to item (iii) has a continuing duty
14 to ensure that the registration is accurate in accordance with
15 subsection (f).

16 (d) Any business entity, not required under subsection (c)
17 to register within 30 days after the effective date of this
18 amendatory Act of the 95th General Assembly, whose aggregate
19 bids and proposals on State contracts annually total more than
20 \$50,000, or whose aggregate bids and proposals on State
21 contracts combined with the business entity's aggregate annual
22 total value of State contracts exceed \$50,000, shall register
23 with the State Board of Elections in accordance with Section
24 9-35 of the Election Code prior to submitting to a State agency
25 the bid or proposal whose value causes the business entity to
26 fall within the monetary description of this subsection. A

1 business entity required to register under this subsection has
2 a continuing duty to ensure that the registration is accurate
3 during the period beginning on the date of registration and
4 ending on the day after the date the contract is awarded. Any
5 change in information must be reported to the State Board of
6 Elections within 2 business days following such change.

7 (e) A business entity whose contracts with State agencies,
8 in the aggregate, annually total more than \$50,000 must
9 maintain its registration under this Section and has a
10 continuing duty to ensure that the registration is accurate for
11 the duration of the term of office of the incumbent
12 officeholder awarding the contracts or for a period of 2 years
13 following the expiration or termination of the contracts,
14 whichever is longer. Any change in information shall be
15 reported to the State Board of Elections within 10 days
16 following such change; however, if a business entity required
17 to register under this subsection has a pending bid or
18 proposal, any change in information shall be reported to the
19 State Board of Elections within 2 business days.

20 (f) A business entity's continuing duty under this Section
21 to ensure the accuracy of its registration includes the
22 requirement that the business entity notify the State Board of
23 Elections of any change in information, including but not
24 limited to changes of affiliated entities or affiliated
25 persons.

26 (g) A copy of a certificate of registration must accompany

1 any bid or proposal for a contract with a State agency by a
2 business entity required to register under this Section. A
3 chief procurement officer shall not accept a bid or proposal
4 unless the certificate is submitted to the agency with the bid
5 or proposal.

6 (h) A registration, and any changes to a registration, must
7 include the business entity's verification of accuracy and
8 subjects the business entity to the penalties of the laws of
9 this State for perjury.

10 In addition to any penalty under Section 9-35 of the
11 Election Code, intentional, willful, or material failure to
12 disclose information required for registration shall render
13 the contract, bid, proposal, or other procurement relationship
14 voidable by the chief procurement officer if he or she deems it
15 to be in the best interest of the State of Illinois.

16 (i) This Section applies regardless of the method of source
17 selection used in awarding the contract.

18 (30 ILCS 500/50-37 new)

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

20 (a) As used in this Section:

21 The terms "contract", "State contract", and "contract
22 with a State agency" each mean any contract, as defined in
23 this Code, between a business entity and a State agency let
24 or awarded pursuant to this Code. The terms "contract",
25 "State contract", and "contract with a State agency" do not

1 include cost reimbursement contracts; purchase of care
2 agreements as defined in Section 1-15.68 of this Code;
3 grants, including but are not limited to grants for job
4 training or transportation; and grants, loans, or tax
5 credit agreements for economic development purposes.

6 "Contribution" means a contribution as defined in
7 Section 9-1.4 of the Election Code.

8 "Declared candidate" means a person who has filed a
9 statement of candidacy and petition for nomination or
10 election in the principal office of the State Board of
11 Elections.

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

26 "Officeholder" means the Governor, Lieutenant

1 Governor, Attorney General, Secretary of State,
2 Comptroller, or Treasurer. The Governor shall be
3 considered the officeholder responsible for awarding all
4 contracts by all officers and employees of, and vendors and
5 others doing business with, executive branch State
6 agencies under the jurisdiction of the Executive Ethics
7 Commission and not within the jurisdiction of the Attorney
8 General, the Secretary of State, the Comptroller, or the
9 Treasurer.

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

12 "Affiliated person" means (i) any person with any
13 ownership interest or distributive share of the bidding or
14 contracting business entity in excess of 7.5%, (ii)
15 executive employees of the bidding or contracting business
16 entity, and (iii) the spouse and minor children of any such
17 persons.

18 "Affiliated entity" means (i) any subsidiary of the
19 bidding or contracting business entity, (ii) any member of
20 the same unitary business group, (iii) any organization
21 recognized by the United States Internal Revenue Service as
22 a tax-exempt organization described in Section 501(c) of
23 the Internal Revenue Code of 1986 (or any successor
24 provision of federal tax law) established by the bidding or
25 contracting business entity, any affiliated entity of that
26 business entity, or any affiliated person of that business

1 entity, or (iv) any political committee for which the
2 bidding or contracting business entity, or any 501(c)
3 organization described in item (iii) related to that
4 business entity, is the sponsoring entity.

5 "Business entity" means any entity doing business for
6 profit, whether organized as a corporation, partnership,
7 sole proprietorship, limited liability company or
8 partnership, or otherwise.

9 "Executive employee" means the President, Chairman,
10 Chief Executive Officer, or other employee with executive
11 decision-making authority over the long-term and
12 day-to-day affairs of the entity employing the employee, or
13 an employee whose compensation is determined directly, in
14 whole or in part, by the award or payment of contracts by a
15 State agency to the entity employing the employee.

16 (b) Any business entity whose contracts with State
17 agencies, in the aggregate, annually total more than \$50,000,
18 and any affiliated entities or affiliated persons of such
19 business entity, are prohibited from making any contributions
20 to (i) any political committees established to promote the
21 candidacy of an officeholder or declared candidate for that
22 office, (ii) any political committees established to promote
23 the candidacy of any member of the General Assembly or declared
24 candidate for membership in the General Assembly, or (iii) any
25 political committee of a state central committee of any
26 political party that is represented by an officeholder or

1 member of the General Assembly or a declared candidate for that
2 office or membership in the General Assembly. This prohibition
3 shall be effective for the duration of the term of the contract
4 and for a period of 2 years following the expiration or
5 termination of the contracts.

6 (c) Any business entity whose aggregate pending bids and
7 proposals on State contracts total more than \$50,000, or whose
8 aggregate pending bids and proposals on State contracts
9 combined with the business entity's aggregate annual total
10 value of State contracts exceed \$50,000, and any affiliated
11 entities or affiliated persons of such business entity, are
12 prohibited from making any contributions to (i) any political
13 committee established to promote the candidacy of any
14 officeholder or declared candidate for that office, (ii) any
15 political committee established to promote the candidacy of any
16 member of the General Assembly or declared candidate for
17 membership in the General Assembly, or (iii) any political
18 committee of a state central committee of any political party
19 that is represented by an officeholder or member of the General
20 Assembly or a declared candidate for that office or membership
21 in the General Assembly. This prohibition shall be effective
22 during the period beginning on the date the invitation for bids
23 or request for proposals is issued and ending on the day after
24 the date the contract is awarded.

25 (d) All contracts between State agencies and a business
26 entity that violate subsection (b) or (c) shall be voidable

1 under Section 50-60. If a business entity violates subsection
2 (b) 3 or more times within a 36-month period, then all
3 contracts between State agencies and that business entity shall
4 be void, and that business entity shall not bid or respond to
5 any invitation to bid or request for proposals from any State
6 agency or otherwise enter into any contract with any State
7 agency for 3 years from the date of the last violation. A
8 notice of each violation and the penalty imposed shall be
9 published in both the Procurement Bulletin and the Illinois
10 Register.

11 (e) Any political committee that has received a
12 contribution in violation of subsection (b) or (c) shall pay an
13 amount equal to the value of the contribution to the State no
14 more than 30 days after notice of the violation concerning the
15 contribution appears in the Illinois Register. Payments
16 received by the State pursuant to this subsection shall be
17 deposited into the general revenue fund.

18 (f) Nothing in this Section shall prohibit an individual
19 from making a contribution to a political committee established
20 to promote his or her own candidacy for office or for
21 membership in the General Assembly.

22 (g) This Section shall not apply in circumstances when it
23 is determined by the federal government or a court of competent
24 jurisdiction that its application would violate federal law or
25 regulation or otherwise prevent the State's receipt of federal
26 funds.

1 Section 97. Severability. If the provisions of this Act or
2 its application to any person or circumstance is held invalid,
3 the invalidity of that provision or application does not affect
4 the other provisions or applications of this Act that can be
5 given effect without the invalid provision or application.

1 INDEX

2 Statutes amended in order of appearance

3 5 ILCS 420/2-106 new

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

5 5 ILCS 420/4A-103 from Ch. 127, par. 604A-103

6 10 ILCS 5/9-35 new

7 25 ILCS 120/4 from Ch. 63, par. 904

8 25 ILCS 120/5 from Ch. 63, par. 905

9 30 ILCS 500/20-160 new

10 30 ILCS 500/50-37 new