



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2382

Introduced 2/15/2013, by Sen. Christine Radogno

SYNOPSIS AS INTRODUCED:

30 ILCS 500/50-37

Amends the Illinois Procurement Code. Prohibits campaign contributions from grantees with pending or actual annual aggregate awards of State grant funds totalling more than \$50,000, or from the affiliated entities and affiliated persons of such grantees, to any political committees established to promote the candidacy of (i) the executive branch constitutional officeholder responsible for awarding the grant funds or (ii) a declared candidate for that office. Specifies the duration of the prohibitions and the penalties for violations.

LRB098 08315 JDS 38420 b

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. The Illinois Procurement Code is amended by
5 changing Section 50-37 as follows:

6 (30 ILCS 500/50-37)

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

8 (a) As used in this Section:

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

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

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

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

19 "Officeholder" means the Governor, Lieutenant
20 Governor, Attorney General, Secretary of State,
21 Comptroller, or Treasurer. The Governor shall be
22 considered the officeholder responsible for awarding all
23 contracts by all officers and employees of, and vendors and
24 others doing business with, executive branch State
25 agencies under the jurisdiction of the Executive Ethics
26 Commission and not within the jurisdiction of the Attorney

1 General, the Secretary of State, the Comptroller, or the
2 Treasurer.

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

5 "Affiliated person" means (i) any person with any
6 ownership interest or distributive share in excess of 7.5%
7 of the bidding or contracting business entity or the
8 grantee, whichever is applicable ~~in excess of 7.5%~~, (ii)
9 executive employees of the bidding or contracting business
10 entity or the grantee, whichever is applicable, and (iii)
11 the spouse of any such persons. "Affiliated person" does
12 not include a person prohibited by federal law from making
13 contributions or expenditures in connection with a
14 federal, state, or local election.

15 "Affiliated entity" means (i) any corporate parent and
16 each operating subsidiary of the bidding or contracting
17 business entity or the grantee, whichever is applicable,
18 (ii) each operating subsidiary of the corporate parent of
19 the bidding or contracting business entity or the grantee,
20 whichever is applicable, (iii) any organization recognized
21 by the United States Internal Revenue Service as a
22 tax-exempt organization described in Section 501(c) of the
23 Internal Revenue Code of 1986 (or any successor provision
24 of federal tax law) established by the bidding or
25 contracting business entity or the grantee, whichever is
26 applicable, any affiliated entity of that business entity

1 or grantee, whichever is applicable, or any affiliated
2 person of that business entity or grantee, whichever is
3 applicable, or (iv) any political committee for which the
4 bidding or contracting business entity or the grantee, or
5 any 501(c) organization described in item (iii) related to
6 that business entity or grantee, is the sponsoring entity.
7 "Affiliated entity" does not include an entity prohibited
8 by federal law from making contributions or expenditures in
9 connection with a federal, state, or local election.

10 "Business entity" means any entity doing business for
11 profit, whether organized as a corporation, partnership,
12 sole proprietorship, limited liability company or
13 partnership, or otherwise.

14 "Executive employee" means (i) the President,
15 Chairman, or Chief Executive Officer of a business entity
16 or grantee, as well as ~~and~~ any other individual that
17 fulfills equivalent duties as the President, Chairman of
18 the Board, or Chief Executive Officer of a business entity
19 or grantee; and (ii) any employee of a business entity or
20 grantee whose compensation is determined directly, in
21 whole or in part, by the award or payment of contracts or
22 grant funds by a State agency to the entity employing the
23 employee. A regular salary that is paid irrespective of the
24 award or payment of grant funds from, or a contract with, a
25 State agency shall not constitute "compensation" under
26 item (ii) of this definition. "Executive employee" does not

1 include any person prohibited by federal law from making
2 contributions or expenditures in connection with a
3 federal, state, or local election.

4 "Grant funds" has the meaning established in
5 subsection (b) of Section 2 of the Illinois Grant Funds
6 Recovery Act.

7 "Grantee" means any entity that applies for or receives
8 grant funds from a State agency, whether organized as a
9 corporation, partnership, sole proprietorship, limited
10 liability company or partnership, or otherwise.

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

22 (b-1) Any grantee whose awards of grant funds from State
23 agencies, in the aggregate, annually total more than \$50,000,
24 as well as any affiliated entity or affiliated person of the
25 grantee, is prohibited from making any contributions to any
26 political committees established to promote the candidacy of

1 (i) the officeholder responsible for awarding the grant funds
2 or (ii) any other declared candidate for that office. This
3 prohibition shall be effective for the duration of the term of
4 office of the incumbent officeholder awarding the grant funds
5 or for a period of 2 years following the expiration or
6 termination of the grants, whichever is longer.

7 (c) Any business entity whose aggregate pending bids and
8 proposals on State contracts total more than \$50,000, or whose
9 aggregate pending bids and proposals on State contracts
10 combined with the business entity's aggregate annual total
11 value of State contracts exceed \$50,000, and any affiliated
12 entities or affiliated persons of such business entity, are
13 prohibited from making any contributions to any political
14 committee established to promote the candidacy of the
15 officeholder responsible for awarding the contract on which the
16 business entity has submitted a bid or proposal during the
17 period beginning on the date the invitation for bids or request
18 for proposals is issued and ending on the day after the date
19 the contract is awarded.

20 (c-1) Any grantee whose aggregate pending applications for
21 grant funds from a State agency total more than \$50,000, or
22 whose aggregate pending applications for grant funds combined
23 with the grantee's aggregate annual total value of grant funds
24 exceed \$50,000, as well as any affiliated entity or affiliated
25 person of the grantee, is prohibited from making any
26 contributions to any political committee established to

1 promote the candidacy of the officeholder responsible for
2 awarding the grant funds for which the grantee has submitted an
3 application during the period beginning on the date the award
4 of grant funds is announced and ending on the day after the
5 date the grant funds are awarded.

6 (c-5) For the purposes of the prohibitions under
7 subsections (b), (b-1), ~~and~~ (c), and (c-1) of this Section, (i)
8 any contribution made to a political committee established to
9 promote the candidacy of the Governor or a declared candidate
10 for the office of Governor shall also be considered as having
11 been made to a political committee established to promote the
12 candidacy of the Lieutenant Governor, in the case of the
13 Governor, or the declared candidate for Lieutenant Governor
14 having filed a joint petition, or write-in declaration of
15 intent, with the declared candidate for Governor, as
16 applicable, and (ii) any contribution made to a political
17 committee established to promote the candidacy of the
18 Lieutenant Governor or a declared candidate for the office of
19 Lieutenant Governor shall also be considered as having been
20 made to a political committee established to promote the
21 candidacy of the Governor, in the case of the Lieutenant
22 Governor, or the declared candidate for Governor having filed a
23 joint petition, or write-in declaration of intent, with the
24 declared candidate for Lieutenant Governor, as applicable.

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, and all awards of grant funds by State
2 agency to a grant recipient entity that violate subsection
3 (b-1) or (c-1) shall also be voidable. If a business entity
4 violates subsection (b) 3 or more times within a 36-month
5 period, then all contracts between State agencies and that
6 business entity shall be void, and that business entity shall
7 not bid or respond to any invitation to bid or request for
8 proposals from any State agency or otherwise enter into any
9 contract with any State agency for 3 years from the date of the
10 last violation. If a grantee violates subsection (b-1) 3 or
11 more times within a 36-month period, then all awards of grant
12 funds between State agencies and that grantee shall be void,
13 and that grantee shall not apply for any award of grant funds
14 from any State agency for 3 years from the date of the last
15 violation. A notice of each violation and the penalty imposed
16 shall be published in both the Procurement Bulletin and the
17 Illinois Register.

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19 (e) Any political committee that has received a
20 contribution in violation of subsection (b), (b-1), ~~or~~ (c) , or
21 (c-1) shall pay an amount equal to the value of the
22 contribution to the State no more than 30 days after notice of
23 the violation concerning the contribution appears in the
24 Illinois Register. Payments received by the State pursuant to
25 this subsection shall be deposited into the general revenue
26 fund.

1 (Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793
2 for the effective date of changes made by P.A. 96-795); 96-848,
3 eff. 1-1-10; 97-411, eff. 8-16-11.)