

HB3537



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3537

Introduced 2/18/2025, by Rep. Katie Stuart

SYNOPSIS AS INTRODUCED:

30 ILCS 500/50-35

Amends the Illinois Procurement Code. Removes references to the Commission on Equity and Inclusion from provisions concerning financial disclosures.

LRB104 10184 HLH 20256 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. The Illinois Procurement Code is amended by
5 changing Section 50-35 as follows:

6 (30 ILCS 500/50-35)

7 Sec. 50-35. Financial disclosure and potential conflicts
8 of interest.

9 (a) All bids and offers from responsive bidders, offerors,
10 vendors, or contractors with an annual value that exceeds the
11 small purchase threshold established under subsection (a) of
12 Section 20-20 of this Code, and all submissions to a vendor
13 portal, shall be accompanied by disclosure of the financial
14 interests of the bidder, offeror, potential contractor, or
15 contractor and each subcontractor to be used. In addition, all
16 subcontracts identified as provided by Section 20-120 of this
17 Code with an annual value that exceeds the small purchase
18 threshold established under subsection (a) of Section 20-20 of
19 this Code shall be accompanied by disclosure of the financial
20 interests of each subcontractor. The financial disclosure of
21 each successful bidder, offeror, potential contractor, or
22 contractor and its subcontractors shall be incorporated as a
23 material term of the contract and shall become part of the

1 publicly available contract or procurement file maintained by
2 the appropriate chief procurement officer. Each disclosure
3 under this Section shall be signed and made under penalty of
4 perjury by an authorized officer or employee on behalf of the
5 bidder, offeror, potential contractor, contractor, or
6 subcontractor, and must be filed with the Procurement Policy
7 Board ~~and the Commission on Equity and Inclusion.~~

8 (b) Disclosure shall include any ownership or distributive
9 income share that is in excess of 5%, or an amount greater than
10 60% of the annual salary of the Governor, of the disclosing
11 entity or its parent entity, whichever is less, unless the
12 bidder, offeror, potential contractor, contractor, or
13 subcontractor (i) is a publicly traded entity subject to
14 Federal 10K reporting, in which case it may submit its 10K
15 disclosure in place of the prescribed disclosure, or (ii) is a
16 privately held entity that is exempt from Federal 10k
17 reporting but has more than 100 shareholders, in which case it
18 may submit the information that Federal 10k reporting
19 companies are required to report under 17 CFR 229.401 and list
20 the names of any person or entity holding any ownership share
21 that is in excess of 5% in place of the prescribed disclosure.
22 The form of disclosure shall be prescribed by the applicable
23 chief procurement officer and must include at least the names,
24 addresses, and dollar or proportionate share of ownership of
25 each person identified in this Section, their instrument of
26 ownership or beneficial relationship, and notice of any

1 potential conflict of interest resulting from the current
2 ownership or beneficial relationship of each individual
3 identified in this Section having in addition any of the
4 following relationships:

5 (1) State employment, currently or in the previous 3
6 years, including contractual employment of services.

7 (2) State employment of spouse, father, mother, son,
8 or daughter, including contractual employment for services
9 in the previous 2 years.

10 (3) Elective status; the holding of elective office of
11 the State of Illinois, the government of the United
12 States, any unit of local government authorized by the
13 Constitution of the State of Illinois or the statutes of
14 the State of Illinois currently or in the previous 3
15 years.

16 (4) Relationship to anyone holding elective office
17 currently or in the previous 2 years; spouse, father,
18 mother, son, or daughter.

19 (5) Appointive office; the holding of any appointive
20 government office of the State of Illinois, the United
21 States of America, or any unit of local government
22 authorized by the Constitution of the State of Illinois or
23 the statutes of the State of Illinois, which office
24 entitles the holder to compensation in excess of expenses
25 incurred in the discharge of that office currently or in
26 the previous 3 years.

1 (6) Relationship to anyone holding appointive office
2 currently or in the previous 2 years; spouse, father,
3 mother, son, or daughter.

4 (7) Employment, currently or in the previous 3 years,
5 as or by any registered lobbyist of the State government.

6 (8) Relationship to anyone who is or was a registered
7 lobbyist in the previous 2 years; spouse, father, mother,
8 son, or daughter.

9 (9) Compensated employment, currently or in the
10 previous 3 years, by any registered election or
11 re-election committee registered with the Secretary of
12 State or any county clerk in the State of Illinois, or any
13 political action committee registered with either the
14 Secretary of State or the Federal Board of Elections.

15 (10) Relationship to anyone; spouse, father, mother,
16 son, or daughter; who is or was a compensated employee in
17 the last 2 years of any registered election or re-election
18 committee registered with the Secretary of State or any
19 county clerk in the State of Illinois, or any political
20 action committee registered with either the Secretary of
21 State or the Federal Board of Elections.

22 (b-1) The disclosure required under this Section must also
23 include the name and address of each lobbyist required to
24 register under the Lobbyist Registration Act and other agent
25 of the bidder, offeror, potential contractor, contractor, or
26 subcontractor who is not identified under subsections (a) and

1 (b) and who has communicated, is communicating, or may
2 communicate with any State officer or employee concerning the
3 bid or offer. The disclosure under this subsection is a
4 continuing obligation and must be promptly supplemented for
5 accuracy throughout the process and throughout the term of the
6 contract if the bid or offer is successful.

7 (b-2) The disclosure required under this Section must also
8 include, for each of the persons identified in subsection (b)
9 or (b-1), each of the following that occurred within the
10 previous 10 years: suspension or debarment from contracting
11 with any governmental entity; professional licensure
12 discipline; bankruptcies; adverse civil judgments and
13 administrative findings; and criminal felony convictions. The
14 disclosure under this subsection is a continuing obligation
15 and must be promptly supplemented for accuracy throughout the
16 process and throughout the term of the contract if the bid or
17 offer is successful.

18 (c) The disclosure in subsection (b) is not intended to
19 prohibit or prevent any contract. The disclosure is meant to
20 fully and publicly disclose any potential conflict to the
21 chief procurement officers, State purchasing officers, their
22 designees, and executive officers so they may adequately
23 discharge their duty to protect the State.

24 (d) When a potential for a conflict of interest is
25 identified, discovered, or reasonably suspected, the chief
26 procurement officer or State procurement officer shall send

1 the contract to the Procurement Policy Board ~~and the~~
2 ~~Commission on Equity and Inclusion~~. In accordance with the
3 objectives of subsection (c), if the Procurement Policy Board
4 ~~or the Commission on Equity and Inclusion~~ finds evidence of a
5 potential conflict of interest not originally disclosed by the
6 bidder, offeror, potential contractor, contractor, or
7 subcontractor, the Board ~~or the Commission on Equity and~~
8 ~~Inclusion~~ shall provide written notice to the bidder, offeror,
9 potential contractor, contractor, or subcontractor that is
10 identified, discovered, or reasonably suspected of having a
11 potential conflict of interest. The bidder, offeror, potential
12 contractor, contractor, or subcontractor shall have 15
13 calendar days to respond in writing to the Board ~~or the~~
14 ~~Commission on Equity and Inclusion~~, and a hearing before the
15 Board ~~or the Commission on Equity and Inclusion~~ will be
16 granted upon request by the bidder, offeror, potential
17 contractor, contractor, or subcontractor, at a date and time
18 to be determined by the Board ~~or the Commission on Equity and~~
19 ~~Inclusion~~, but which in no event shall occur later than 15
20 calendar days after the date of the request. Upon
21 consideration, the Board ~~or the Commission on Equity and~~
22 ~~Inclusion~~ shall recommend, in writing, whether to allow or
23 void the contract, bid, offer, or subcontract weighing the
24 best interest of the State of Illinois. All recommendations
25 shall be submitted to the Executive Ethics Commission. Those
26 recommendations made concerning conflicts identified in the

1 course of a procurement for a public institution of higher
2 education are, for procurements having a cumulative value
3 under \$5,000, valid and enforceable, for one calendar year
4 after the initial recommendation was made, for all subsequent
5 conflicts for that vendor with regard to the same public
6 institution of higher education. The Executive Ethics
7 Commission must hold a public hearing within 30 calendar days
8 after receiving the Board's ~~or the Commission on Equity and~~
9 ~~Inclusion's~~ recommendation if the Procurement Policy Board ~~or~~
10 ~~the Commission on Equity and Inclusion~~ makes a recommendation
11 to (i) void a contract or (ii) void a bid or offer and the
12 chief procurement officer selected or intends to award the
13 contract to the bidder, offeror, or potential contractor. A
14 chief procurement officer is prohibited from awarding a
15 contract before a hearing if the Board ~~or the Commission on~~
16 ~~Equity and Inclusion~~ recommendation does not support a bid or
17 offer. The recommendation and proceedings of any hearing, if
18 applicable, shall be available to the public.

19 (e) These thresholds and disclosure do not relieve the
20 chief procurement officer, the State purchasing officer, or
21 their designees from reasonable care and diligence for any
22 contract, bid, offer, or submission to a vendor portal. The
23 chief procurement officer, the State purchasing officer, or
24 their designees shall be responsible for using any reasonably
25 known and publicly available information to discover any
26 undisclosed potential conflict of interest and act to protect

1 the best interest of the State of Illinois.

2 (f) Inadvertent or accidental failure to fully disclose
3 shall render the contract, bid, offer, proposal, subcontract,
4 or relationship voidable by the chief procurement officer if
5 he or she deems it in the best interest of the State of
6 Illinois and, at his or her discretion, may be cause for
7 barring from future contracts, bids, offers, proposals,
8 subcontracts, or relationships with the State for a period of
9 up to 2 years.

10 (g) Intentional, willful, or material failure to disclose
11 shall render the contract, bid, offer, proposal, subcontract,
12 or relationship voidable by the chief procurement officer if
13 he or she deems it in the best interest of the State of
14 Illinois and shall result in debarment from future contracts,
15 bids, offers, proposals, subcontracts, or relationships for a
16 period of not less than 2 years and not more than 10 years.
17 Reinstatement after 2 years and before 10 years must be
18 reviewed and commented on in writing by the Governor of the
19 State of Illinois, or by an executive ethics board or
20 commission he or she might designate. The comment shall be
21 returned to the responsible chief procurement officer who must
22 rule in writing whether and when to reinstate.

23 (h) In addition, all disclosures shall note any other
24 current or pending contracts, bids, offers, proposals,
25 subcontracts, leases, or other ongoing procurement
26 relationships the bidder, offeror, potential contractor,

1 contractor, or subcontractor has with any other unit of State
2 government and shall clearly identify the unit and the
3 contract, offer, proposal, lease, or other relationship.

4 (i) The bidder, offeror, potential contractor, or
5 contractor has a continuing obligation to supplement the
6 disclosure required by this Section throughout the bidding
7 process during the term of any contract, and during the vendor
8 portal registration process.

9 (j) If a bid or offer is received from a responsive bidder,
10 offeror, vendor, contractor, or subcontractor with an annual
11 value of more than \$100,000 and the bidder, offeror, vendor,
12 contractor, or subcontractor has an active contract with that
13 same entity and already has submitted their financial
14 disclosures and potential conflicts of interest within the
15 last 12 months, the bidder, offeror, vendor, contractor, or
16 subcontractor may submit a signed affidavit attesting that the
17 original submission of its financial disclosures and potential
18 conflicts of interests has not been altered or changed. The
19 form and content of the affidavit shall be prescribed by the
20 applicable chief procurement officer.

21 (Source: P.A. 101-657, eff. 1-1-22; 102-721, eff. 1-1-23;
22 102-1119, eff. 1-23-23.)