

HB3742



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3742

Introduced 2/18/2025, by Rep. Robert "Bob" Rita

SYNOPSIS AS INTRODUCED:

New Act

Creates the Procurement Bid Ethics Transparency Act. Provides that no director, employee, investor, or immediate family member of any director, employee, or investor of any corporation, organization, or entity that directly or indirectly operates a procurement bid process for a unit of local government shall simultaneously submit and compete for a procurement bid in that same unit of local government unless they have formally disclosed their involvement to the Executive Ethics Commission. Effective immediately.

LRB104 09855 HLH 19923 b

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 1. Short title. This Act may be cited as the
5 Procurement Bid Ethics Transparency Act.

6 Section 5. Purpose. The purpose of this Act is to prevent
7 conflicts of interest in the procurement bidding process for
8 units of local government by prohibiting directors, employees,
9 investors, or immediate family members of any director,
10 employee, or investor of any corporation, organization, or
11 entity that operates a procurement bid process for a unit of
12 local government from simultaneously submitting and competing
13 for a bid in that unit of local government. This Act is
14 intended to ensure transparency and accountability in local
15 government contracting.

16 Section 10. Definitions. As used in this Act:

17 "Director" means an individual serving as a director or
18 officer, or in a similar position, in any corporation,
19 organization, or entity that directly or indirectly operates a
20 procurement bid process for a unit of local government.

21 "Employee" means an individual employed by a corporation,
22 organization, or entity that directly or indirectly operates a

1 procurement bid process for a unit of local government,
2 including a full-time, part-time, and contract employee.

3 "Investor" means any individual or entity who holds
4 ownership, equity interest, or shares in a corporation,
5 organization, or entity that directly or indirectly operates a
6 procurement bid process for a unit of local government.

7 "Immediate family member" means a spouse, child, parent,
8 sibling, or any other relative residing in the same household
9 as the individual.

10 "Procurement bid process" means the process through which
11 a unit of local government solicits, evaluates, and awards
12 contracts for goods, services, or construction projects,
13 including any bidding, procurement, or contracting procedures.

14 "Unit of local government" means any municipality, county,
15 school district, park district, library district, or other
16 governmental body or agency in the State of Illinois that
17 issues procurement bids.

18 Section 15. Prohibition on simultaneous submission and
19 bidding.

20 (a) No director, employee, investor, or immediate family
21 member of any director, employee, or investor of any
22 corporation, organization, or entity that directly or
23 indirectly operates a procurement bid process for a unit of
24 local government shall simultaneously submit and compete for a
25 procurement bid in that same unit of local government without

1 formally disclosing that involvement to the Executive Ethics
2 Commission.

3 (b) The disclosure required by this Section must be
4 submitted in writing to the Executive Ethics Commission prior
5 to the submission of any bid or proposal for a contract in
6 which the individual or entity is involved. The disclosure
7 must include the following information:

8 (1) the name of the corporation, organization, or
9 entity operating the procurement bid process;

10 (2) the names of the directors, employees, investors,
11 and immediate family members who are involved in both the
12 procurement process and submitting the bid;

13 (3) the specific procurement contract or opportunity
14 for which the bid is being submitted and the nature of the
15 relationship between the bidding entity and the
16 procurement process operator; and

17 (4) any potential conflicts of interest or financial
18 relationships between the bidding entity and the unit of
19 local government administering the procurement.

20 Section 20. Civil penalties for failure to disclose.

21 (a) Any individual or entity who fails to make the
22 required disclosure in accordance with Section 15 shall be
23 subject to a civil penalty of up to \$1,000,000.

24 (b) The Executive Ethics Commission shall be responsible
25 for determining whether a violation has occurred and for

1 imposing the penalty. The penalty shall be levied against the
2 corporation, organization, or entity that fails to disclose
3 the involvement of its directors, employees, investors, or
4 immediate family members in the procurement bid process.

5 (c) The civil penalty shall be deposited into the General
6 Revenue Fund and may be used for enforcement of procurement
7 ethics and other public integrity initiatives.

8 Section 25. Enforcement and penalties.

9 (a) The Executive Ethics Commission shall have the
10 authority to enforce the provisions of this Act. The
11 Commission may investigate complaints, conduct audits, and
12 issue subpoenas to enforce compliance.

13 (b) Any corporation, organization, or entity that fails to
14 comply with the provisions of this Act may be prohibited from
15 participating in future procurement processes or contracts
16 with any unit of local government for a period of up to 5
17 years.

18 (c) In addition to the civil penalty imposed under Section
19 20, violators may be subject to additional penalties under
20 State law, including fines and disqualification from
21 participating in any public contracting process.

22 Section 30. Exceptions.

23 (a) This Act does not apply to individuals or entities
24 making bids for procurements with units of local government

1 that are not directly involved in the procurement process
2 itself.

3 (b) The disclosure requirements do not apply to situations
4 where the corporation, organization, or entity has no direct
5 or indirect control over the procurement bid process.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.