



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB3394

by Rep. Emanuel Chris Welch

#### SYNOPSIS AS INTRODUCED:

805 ILCS 5/8.10.1 new

Amends the Business Corporation Act of 1983. Provides that, no later than the close of the 2020 calendar year, a publicly held domestic or foreign corporation whose principal executive offices, according to the corporation's SEC 10-K form, are located in Illinois shall have a minimum of one female director and one African American director on its board of directors. Provides that the Secretary of State shall publish a report on its website documenting the number of corporations that have at least one female director and one African American director, the number of corporations that were in compliance at one point during the preceding calendar year, the number of corporations that moved to Illinois during the preceding calendar year, and the number of corporations that were previously subject to the requirements during the preceding year but are no longer publicly traded. Provides penalties for violations.

LRB101 11207 TAE 56454 b

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) or (b),  
20                   the amount of \$100,000.

21                   (C) For a second or subsequent violation of  
22                   subsection (a) or (b), 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 (f) 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.