



Rep. Eva Dina Delgado

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10200HB0989ham001

LRB102 03002 SPS 37117 a

1 AMENDMENT TO HOUSE BILL 989

2 AMENDMENT NO. _____. Amend House Bill 989 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Business Corporation Act of 1983 is
5 amended by changing Section 8.12 as follows:

6 (805 ILCS 5/8.12)

7 Sec. 8.12. Female, minority, and LGBTQ directors.

8 (a) Findings and purpose. The General Assembly finds that
9 women, minorities, and LGBTQ people are still largely
10 underrepresented nationally in positions of corporate
11 authority, such as serving as a director on a corporation's
12 board of directors. This low representation could be
13 contributing to the disparity seen in wages made by females
14 and minorities versus their white male counterparts. Increased
15 representation of these individuals as directors on boards of
16 directors for corporations may boost the Illinois economy,

1 improve opportunities for women, minorities, and LGBTQ people
2 in the workplace, and foster an environment in Illinois where
3 the business community is representative of our residents.
4 Therefore, it is the intent of the General Assembly to gather
5 more data and study this issue within the State so that
6 effective policy changes may be implemented to eliminate this
7 disparity.

8 (b) As used in this Section:

9 "Annual report" means the report submitted annually to the
10 Secretary of State pursuant to this Act.

11 "Female" means a person who is a citizen or lawful
12 permanent resident of the United States and who
13 self-identifies as a woman, without regard to the individual's
14 designated sex at birth.

15 "Minority person" means a person who is a citizen or
16 lawful permanent resident of the United States and who is any
17 of the following races or ethnicities:

18 (1) American Indian or Alaska Native (a person having
19 origins in any of the original peoples of North and South
20 America, including Central America, and who maintains
21 tribal affiliation or community attachment).

22 (2) Asian (a person having origins in any of the
23 original peoples of the Far East, Southeast Asia, or the
24 Indian subcontinent, including, but not limited to,
25 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,
26 the Philippine Islands, Thailand, and Vietnam).

1 (3) Black or African American (a person having origins
2 in any of the black racial groups of Africa). Terms such as
3 "Haitian" or "Negro" can be used in addition to "Black" or
4 "African American".

5 (4) Hispanic or Latino (a person of Cuban, Mexican,
6 Puerto Rican, South or Central American, or other Spanish
7 culture or origin, regardless of race).

8 (5) Native Hawaiian or Other Pacific Islander (a
9 person having origins in any of the original peoples of
10 Hawaii, Guam, Samoa, or other Pacific Islands).

11 (6) "Publicly held domestic or foreign corporation"
12 means a corporation with outstanding shares listed on a
13 major United States stock exchange.

14 (c) Reporting to the Secretary of State. As soon as
15 practical after August 27, 2019 (the effective date of Public
16 Act 101-589) ~~this amendatory Act of the 101st General~~
17 ~~Assembly~~, but no later than January 1, 2021, the following
18 information shall be provided in a corporation's annual report
19 submitted to the Secretary of State under this Act and made
20 available by the Secretary of State to the public online as it
21 is received:

22 (1) Whether the corporation is a publicly held
23 domestic or foreign corporation with its principal
24 executive office located in Illinois.

25 (2) Where the corporation is a publicly held domestic
26 or foreign corporation with its principal executive office

1 located in Illinois, data on specific qualifications,
2 skills, and experience that the corporation considers for
3 its board of directors, nominees for the board of
4 directors, and executive officers.

5 (3) Where the corporation is a publicly held domestic
6 or foreign corporation with its principal executive office
7 located in Illinois, the self-identified gender of each
8 member of its board of directors.

9 (4) Where the corporation is a publicly held domestic
10 or foreign corporation with its principal executive office
11 located in Illinois, whether each member of its board of
12 directors self-identifies as a minority person and, if so,
13 which race or ethnicity to which the member belongs.

14 (5) Where the corporation is a publicly held domestic
15 or foreign corporation with its principal executive office
16 located in Illinois, the self-identified sexual
17 orientation of each member of its board of directors.

18 (6) Where the corporation is a publicly held domestic
19 or foreign corporation with its principal executive office
20 located in Illinois, the self-identified gender identity
21 of each member of its board of directors.

22 (7) ~~7~~ Where the corporation is a publicly held
23 domestic or foreign corporation with its principal
24 executive office located in Illinois, a description of the
25 corporation's process for identifying and evaluating
26 nominees for the board of directors, including whether

1 and, if so, how demographic diversity is considered.

2 (8) ~~8~~ Where the corporation is a publicly held
3 domestic or foreign corporation with its principal
4 executive office located in Illinois, a description of the
5 corporation's process for identifying and appointing
6 executive officers, including whether and, if so, how
7 demographic diversity is considered.

8 (9) ~~9~~ Where the corporation is a publicly held
9 domestic or foreign corporation with its principal
10 executive office located in Illinois, a description of the
11 corporation's policies and practices for promoting
12 diversity, equity, and inclusion among its board of
13 directors and executive officers.

14 Information reported under this subsection shall be
15 updated in each annual report filed with the Secretary of
16 State thereafter.

17 (c-5) Penalties for failure to comply with reporting
18 requirements. The Secretary of State shall impose fines for
19 failure to comply with the timely submission of the report as
20 required by subsection (c) as follows:

21 (1) For a first time failure to timely file the report
22 as required by subsection (c), the corporation shall be
23 fined \$100,000.

24 (2) For a second or subsequent failure to timely file
25 the report as required by subsection (c), the corporation
26 shall be fined an initial amount of \$200,000, with

1 additional late filing fees in the amount of \$50,000
2 accruing monthly until the report is filed.

3 Fines and fees collected under this subsection shall be
4 available, upon appropriation by the General Assembly, for use
5 to offset the cost of implementing this Section and for the
6 training and placement of female and minority candidates to
7 corporate boards.

8 (d) Beginning no later than March 1, 2021, and every March
9 1 thereafter, the University of Illinois Systems shall review
10 the information reported and published under subsection (c)
11 and shall publish on its website a report that provides
12 aggregate data on the demographic characteristics of the
13 boards of directors and executive officers of corporations
14 filing an annual report for the preceding year along with an
15 individualized rating for each corporation. The report shall
16 also identify strategies for promoting diversity and inclusion
17 among boards of directors and corporate executive officers.

18 (e) The University of Illinois System shall establish a
19 rating system assessing the representation of women,
20 minorities, and LGBTQ people on corporate boards of directors
21 of those corporations that are publicly held domestic or
22 foreign corporations with their principal executive office
23 located in Illinois based on the information gathered under
24 this Section. The rating system shall consider, among other
25 things: compliance with the demographic reporting obligations
26 in subsection (c); the corporation's policies and practices

1 for encouraging diversity in recruitment, board membership,
2 and executive appointments; and the demographic diversity of
3 board seats and executive positions.

4 (Source: P.A. 101-589, eff. 8-27-19; 102-223, eff. 1-1-22;
5 revised 11-24-21.)

6 Section 99. Effective date. This Act takes effect January
7 1, 2023."