



## 102ND GENERAL ASSEMBLY

### State of Illinois

### 2021 and 2022

### SB0460

Introduced 2/23/2021, by Sen. Napoleon Harris, III

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/8-201.2 new  
30 ILCS 805/8.45 new

Amends the Chicago Municipal Article of the Illinois Pension Code. Provides that all contracts for investment services shall be awarded by the board of trustees using a competitive process that is substantially similar to the process required for the procurement of professional and artistic services under the Illinois Procurement Code. Provides that an exception shall be allowed for contracts for investment services with an emerging investment manager provided through a qualified manager of emerging investment managers services. Provides that based upon a written recommendation from an investment adviser providing qualified manager of emerging investment managers services for the selection or appointment of an emerging investment manager that has been providing investment services in the multimanager portfolio for at least 24 months, the board may select or appoint such emerging investment manager. Provides that all exceptions must be published on the Fund's website, which shall name the person authorizing the procurement and shall include a brief explanation of the reason for the exception. Defines terms. Amends the State Mandates Act to require implementation without reimbursement by the State.

LRB102 11534 RPS 16868 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by adding  
5 Section 8-201.2 as follows:

6 (40 ILCS 5/8-201.2 new)

7 Sec. 8-201.2. Contracts for investment services with  
8 emerging investment managers through a qualified manager of  
9 emerging investment managers services.

10 (a) As used in this Section:

11 "Emerging investment manager" has the meaning given to  
12 that term in subsection (4) of Section 1-109.1

13 "Investment services" has the meaning given to that term  
14 in Section 1-113.14.

15 "Qualified manager of emerging investment managers  
16 services" means the services of an investment adviser acting  
17 in its capacity as an investment manager of a multimanager  
18 portfolio made up of emerging investment managers.

19 (b) Consistent with the requirements of Section 1-113.14,  
20 all contracts for investment services shall be awarded by the  
21 board using a competitive process that is substantially  
22 similar to the process required for the procurement of  
23 professional and artistic services under Article 35 of the

1 Illinois Procurement Code; however, an exception to the  
2 requirements of Section 1-113.14 shall be allowed for  
3 contracts for investment services with an emerging investment  
4 manager provided through a qualified manager of emerging  
5 investment managers services. Based upon a written  
6 recommendation from an investment adviser providing qualified  
7 manager of emerging investment managers services for the  
8 selection or appointment of an emerging investment manager  
9 that has been providing investment services in the  
10 multimanager portfolio for at least 24 months, the board may  
11 select or appoint such emerging investment manager. All  
12 exceptions to Section 1-113.14 granted under this Section must  
13 be published on the Fund's website, which shall name the  
14 person authorizing the procurement and shall include a brief  
15 explanation of the reason for the exception.

16 (c) A qualified manager of emerging investment managers  
17 services shall comply with the requirements regarding written  
18 contracts set forth in subsection (c) of Section 1-113.14.

19 Section 90. The State Mandates Act is amended by adding  
20 Section 8.45 as follows:

21 (30 ILCS 805/8.45 new)

22 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and  
23 8 of this Act, no reimbursement by the State is required for  
24 the implementation of any mandate created by this amendatory

1 Act of the 102nd General Assembly.