

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 1-113.24 as follows:

6 (40 ILCS 5/1-113.24 new)

7 Sec. 1-113.24. 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 of a pension fund or retirement system or investment  
22 board using a competitive process that is substantially  
23 similar to the process required for the procurement of

1 professional and artistic services under Article 35 of the  
2 Illinois Procurement Code; however, an exception to the  
3 requirements of Section 1-113.14 shall be allowed for  
4 contracts for investment services with an emerging investment  
5 manager provided through a qualified manager of emerging  
6 investment managers services. Based upon a written  
7 recommendation from an investment adviser providing qualified  
8 manager of emerging investment managers services for the  
9 selection or appointment of an emerging investment manager  
10 that has been providing investment services in the  
11 multimanager portfolio for at least 24 months, the board of a  
12 pension fund or retirement system or investment board may  
13 select or appoint such emerging investment manager. All  
14 exceptions to Section 1-113.14 granted under this Section must  
15 be published on the pension fund's, retirement system's, or  
16 investment board's website, which shall name the person  
17 authorizing the procurement and shall include a brief  
18 explanation of the reason for the exception.

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

22 Section 90. The State Mandates Act is amended by adding  
23 Section 8.45 as follows:

24 (30 ILCS 805/8.45 new)

1       Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and  
2       8 of this Act, no reimbursement by the State is required for  
3       the implementation of any mandate created by this amendatory  
4       Act of the 102nd General Assembly.