



Rep. Elizabeth "Lisa" Hernandez

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1 AMENDMENT TO HOUSE BILL 3720

2 AMENDMENT NO. _____. Amend House Bill 3720 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), but no later than January 1, 2021, the following
17 information shall be provided in a corporation's annual report
18 submitted to the Secretary of State under this Act and made
19 available by the Secretary of State to the public online as it
20 is received:

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

24 (2) Where the corporation is a publicly held domestic
25 or foreign corporation with its principal executive office
26 located in Illinois, data on specific qualifications,

1 skills, and experience that the corporation considers for
2 its board of directors, nominees for the board of
3 directors, and executive officers.

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

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

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

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

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

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

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

13 (10) Where the corporation is a publicly held domestic
14 or foreign corporation with its principal executive office
15 located in Illinois, the percentage of minority supplier
16 procurements from business enterprises owned by minority
17 persons, women, or persons with disabilities as those
18 terms are defined in Section 2 of the Business Enterprise
19 for Minorities, Women, and Persons with Disabilities Act.

20 Information reported under this subsection shall be
21 updated in each annual report filed with the Secretary of
22 State thereafter. The Secretary of State shall establish a
23 publicly accessible and searchable database of the information
24 in each annual report.

25 (d) Beginning no later than March 1, 2021, and every March
26 1 thereafter, the University of Illinois Systems shall review

1 the information reported and published under subsection (c)
2 and shall publish on its website a report that provides
3 aggregate data on the demographic characteristics of the
4 boards of directors and executive officers of corporations
5 filing an annual report for the preceding year along with an
6 individualized rating for each corporation. The report shall
7 also identify strategies for promoting diversity and inclusion
8 among boards of directors and corporate executive officers.

9 (e) The University of Illinois System shall establish a
10 rating system assessing the representation of women,
11 minorities, and LGBTQ people on corporate boards of directors
12 of those corporations that are publicly held domestic or
13 foreign corporations with their principal executive office
14 located in Illinois based on the information gathered under
15 this Section. The rating system shall consider, among other
16 things: compliance with the demographic reporting obligations
17 in subsection (c); the corporation's policies and practices
18 for encouraging diversity in recruitment, board membership,
19 and executive appointments; and the demographic diversity of
20 board seats and executive positions.

21 (Source: P.A. 101-589, eff. 8-27-19; 102-223, eff. 1-1-22;
22 102-813, eff. 5-13-22.)".