



Sen. Jeffrey M. Schoenberg

Filed: 2/15/2006

09400SB2847sam001

LRB094 18863 JAM 56023 a

1 AMENDMENT TO SENATE BILL 2847

2 AMENDMENT NO. _____. Amend Senate Bill 2847 by replacing
3 everything after the enacting clause with the following:

4 "Section 3. The Illinois Governmental Ethics Act is amended
5 by changing Sections 4A-101, 4A-102, 4A-105, 4A-106, and 4A-107
6 as follows:

7 (5 ILCS 420/4A-101) (from Ch. 127, par. 604A-101)

8 Sec. 4A-101. Persons required to file. The following
9 persons shall file verified written statements of economic
10 interests, as provided in this Article:

11 (a) Members of the General Assembly and candidates for
12 nomination or election to the General Assembly.

13 (b) Persons holding an elected office in the Executive
14 Branch of this State, and candidates for nomination or
15 election to these offices.

16 (c) Members of a Commission or Board created by the
17 Illinois Constitution, and candidates for nomination or
18 election to such Commission or Board.

19 (d) Persons whose appointment to office is subject to
20 confirmation by the Senate.

21 (e) Holders of, and candidates for nomination or
22 election to, the office of judge or associate judge of the
23 Circuit Court and the office of judge of the Appellate or
24 Supreme Court.

1 (f) Persons who are employed by any branch, agency,
2 authority or board of the government of this State,
3 including but not limited to, the Illinois State Toll
4 Highway Authority, the Illinois Housing Development
5 Authority, the Illinois Community College Board, and
6 institutions under the jurisdiction of the Board of
7 Trustees of the University of Illinois, Board of Trustees
8 of Southern Illinois University, Board of Trustees of
9 Chicago State University, Board of Trustees of Eastern
10 Illinois University, Board of Trustees of Governor's State
11 University, Board of Trustees of Illinois State
12 University, Board of Trustees of Northeastern Illinois
13 University, Board of Trustees of Northern Illinois
14 University, Board of Trustees of Western Illinois
15 University, or Board of Trustees of the Illinois
16 Mathematics and Science Academy, and are compensated for
17 services as employees and not as independent contractors
18 and who:

19 (1) are, or function as, the head of a department,
20 commission, board, division, bureau, authority or
21 other administrative unit within the government of
22 this State, or who exercise similar authority within
23 the government of this State;

24 (2) have direct supervisory authority over, or
25 direct responsibility for the formulation,
26 negotiation, issuance or execution of contracts
27 entered into by the State in the amount of \$5,000 or
28 more;

29 (3) have authority for the issuance or
30 promulgation of rules and regulations within areas
31 under the authority of the State;

32 (4) have authority for the approval of
33 professional licenses;

34 (5) have responsibility with respect to the

1 financial inspection of regulated nongovernmental
2 entities;

3 (6) adjudicate, arbitrate, or decide any judicial
4 or administrative proceeding, or review the
5 adjudication, arbitration or decision of any judicial
6 or administrative proceeding within the authority of
7 the State;

8 (7) have supervisory responsibility for 20 or more
9 employees of the State; or

10 (8) negotiate, assign, authorize, or grant naming
11 rights or sponsorship rights regarding any property or
12 asset of the State, whether real, personal, tangible,
13 or intangible.

14 (g) Persons who are elected to office in a unit of
15 local government, and candidates for nomination or
16 election to that office, including regional
17 superintendents of school districts.

18 (h) Persons appointed to the governing board of a unit
19 of local government, or of a special district, and persons
20 appointed to a zoning board, or zoning board of appeals, or
21 to a regional, county, or municipal plan commission, or to
22 a board of review of any county, and persons appointed to
23 the Board of the Metropolitan Pier and Exposition Authority
24 and any Trustee appointed under Section 22 of the
25 Metropolitan Pier and Exposition Authority Act, and
26 persons appointed to a board or commission of a unit of
27 local government who have authority to authorize the
28 expenditure of public funds. This subsection does not apply
29 to members of boards or commissions who function in an
30 advisory capacity.

31 (i) Persons who are employed by a unit of local
32 government and are compensated for services as employees
33 and not as independent contractors and who:

34 (1) are, or function as, the head of a department,

1 division, bureau, authority or other administrative
2 unit within the unit of local government, or who
3 exercise similar authority within the unit of local
4 government;

5 (2) have direct supervisory authority over, or
6 direct responsibility for the formulation,
7 negotiation, issuance or execution of contracts
8 entered into by the unit of local government in the
9 amount of \$1,000 or greater;

10 (3) have authority to approve licenses and permits
11 by the unit of local government; this item does not
12 include employees who function in a ministerial
13 capacity;

14 (4) adjudicate, arbitrate, or decide any judicial
15 or administrative proceeding, or review the
16 adjudication, arbitration or decision of any judicial
17 or administrative proceeding within the authority of
18 the unit of local government;

19 (5) have authority to issue or promulgate rules and
20 regulations within areas under the authority of the
21 unit of local government; or

22 (6) have supervisory responsibility for 20 or more
23 employees of the unit of local government.

24 (j) Persons on the Board of Trustees of the Illinois
25 Mathematics and Science Academy.

26 (k) Persons employed by a school district in positions
27 that require that person to hold an administrative or a
28 chief school business official endorsement.

29 (l) Special government agents. A "special government
30 agent" is a person who is directed, retained, designated,
31 appointed, or employed, with or without compensation, by or
32 on behalf of a statewide executive branch constitutional
33 officer to make an ex parte communication under Section
34 5-50 of the State Officials and Employees Ethics Act or

1 Section 5-165 of the Illinois Administrative Procedure
2 Act.

3 (m) Members of the board of any pension fund or
4 retirement system established under Article 2, 14, 15, 16,
5 or 18 of the Illinois Pension Code and members of the
6 Illinois State Board of Investment, if not required to file
7 under any other provision of this Section.

8 (n) Members of the board of any pension fund or
9 retirement system established under Article 3, 4, 5, 6, 7,
10 8, 9, 10, 11, 12, 13, 17, 19, or 22 of the Illinois Pension
11 Code, if not required to file under any other provision of
12 this Section.

13 This Section shall not be construed to prevent any unit of
14 local government from enacting financial disclosure
15 requirements that mandate more information than required by
16 this Act.

17 (Source: P.A. 93-617, eff. 12-9-03; 93-816, eff. 7-27-04.)

18 (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

19 Sec. 4A-102. The statement of economic interests required
20 by this Article shall include the economic interests of the
21 person making the statement as provided in this Section. The
22 interest (if constructively controlled by the person making the
23 statement) of a spouse or any other party, shall be considered
24 to be the same as the interest of the person making the
25 statement. Campaign receipts shall not be included in this
26 statement.

27 (a) The following interests shall be listed by all persons
28 required to file:

29 (1) The name, address and type of practice of any
30 professional organization or individual professional
31 practice in which the person making the statement was an
32 officer, director, associate, partner or proprietor, or
33 served in any advisory capacity, from which income in

1 excess of \$1200 was derived during the preceding calendar
2 year;

3 (2) The nature of professional services (other than
4 services rendered to the unit or units of government in
5 relation to which the person is required to file) and the
6 nature of the entity to which they were rendered if fees
7 exceeding \$5,000 were received during the preceding
8 calendar year from the entity for professional services
9 rendered by the person making the statement.

10 (3) The identity (including the address or legal
11 description of real estate) of any capital asset from which
12 a capital gain of \$5,000 or more was realized in the
13 preceding calendar year.

14 (4) The name of any unit of government which has
15 employed the person making the statement during the
16 preceding calendar year other than the unit or units of
17 government in relation to which the person is required to
18 file.

19 (5) The name of any entity from which a gift or gifts,
20 or honorarium or honoraria, valued singly or in the
21 aggregate in excess of \$500, was received during the
22 preceding calendar year.

23 (b) The following interests shall also be listed by persons
24 listed in items (a) through (f), ~~and~~ item (l), and item (m) of
25 Section 4A-101:

26 (1) The name and instrument of ownership in any entity
27 doing business in the State of Illinois, in which an
28 ownership interest held by the person at the date of filing
29 is in excess of \$5,000 fair market value or from which
30 dividends of in excess of \$1,200 were derived during the
31 preceding calendar year. (In the case of real estate,
32 location thereof shall be listed by street address, or if
33 none, then by legal description). No time or demand deposit
34 in a financial institution, nor any debt instrument need be

1 listed;

2 (2) Except for professional service entities, the name
3 of any entity and any position held therein from which
4 income of in excess of \$1,200 was derived during the
5 preceding calendar year, if the entity does business in the
6 State of Illinois. No time or demand deposit in a financial
7 institution, nor any debt instrument need be listed.

8 (3) The identity of any compensated lobbyist with whom
9 the person making the statement maintains a close economic
10 association, including the name of the lobbyist and
11 specifying the legislative matter or matters which are the
12 object of the lobbying activity, and describing the general
13 type of economic activity of the client or principal on
14 whose behalf that person is lobbying.

15 (c) The following interests shall also be listed by persons
16 listed in items (g), (h), ~~and~~ (i), and (n) of Section 4A-101:

17 (1) The name and instrument of ownership in any entity
18 doing business with a unit of local government in relation
19 to which the person is required to file if the ownership
20 interest of the person filing is greater than \$5,000 fair
21 market value as of the date of filing or if dividends in
22 excess of \$1,200 were received from the entity during the
23 preceding calendar year. (In the case of real estate,
24 location thereof shall be listed by street address, or if
25 none, then by legal description). No time or demand deposit
26 in a financial institution, nor any debt instrument need be
27 listed.

28 (2) Except for professional service entities, the name
29 of any entity and any position held therein from which
30 income in excess of \$1,200 was derived during the preceding
31 calendar year if the entity does business with a unit of
32 local government in relation to which the person is
33 required to file. No time or demand deposit in a financial
34 institution, nor any debt instrument need be listed.

1 (3) The name of any entity and the nature of the
2 governmental action requested by any entity which has
3 applied to a unit of local government in relation to which
4 the person must file for any license, franchise or permit
5 for annexation, zoning or rezoning of real estate during
6 the preceding calendar year if the ownership interest of
7 the person filing is in excess of \$5,000 fair market value
8 at the time of filing or if income or dividends in excess
9 of \$1,200 were received by the person filing from the
10 entity during the preceding calendar year.

11 (Source: P.A. 92-101, eff. 1-1-02; 93-617, eff. 12-9-03.)

12 (5 ILCS 420/4A-105) (from Ch. 127, par. 604A-105)

13 Sec. 4A-105. Time for filing. Except as provided in
14 Section 4A-106.1, by May 1 of each year a statement must be
15 filed by each person whose position at that time subjects him
16 to the filing requirements of Section 4A-101 unless he has
17 already filed a statement in relation to the same unit of
18 government in that calendar year.

19 Statements must also be filed as follows:

20 (a) A candidate for elective office shall file his
21 statement not later than the end of the period during which
22 he can take the action necessary under the laws of this
23 State to attempt to qualify for nomination, election, or
24 retention to such office if he has not filed a statement in
25 relation to the same unit of government within a year
26 preceding such action.

27 (b) A person whose appointment to office is subject to
28 confirmation by the Senate shall file his statement at the
29 time his name is submitted to the Senate for confirmation.

30 (b-5) A special government agent, as defined in item
31 (1) of Section 4A-101 of this Act, shall file a statement
32 within 60 days after assuming responsibilities as a special
33 government agent ~~30 days after making the first ex parte~~

1 ~~communication~~ and each May 1 thereafter if he or she has
2 made an ex parte communication within the previous 12
3 months.

4 (c) Any other person required by this Article to file
5 the statement shall file a statement at the time of his or
6 her initial appointment or employment in relation to that
7 unit of government if appointed or employed by May 1.

8 If any person who is required to file a statement of
9 economic interests fails to file such statement by May 1 of any
10 year, the officer with whom such statement is to be filed under
11 Section 4A-106 of this Act shall, within 7 days after May 1,
12 notify such person by certified mail of his or her failure to
13 file by the specified date. Except as may be prescribed by rule
14 of the Secretary of State, such person shall file his or her
15 statement of economic interests on or before May 15 with the
16 appropriate officer, together with a \$15 late filing fee. Any
17 such person who fails to file by May 15 shall be subject to a
18 penalty of \$100 for each day from May 16 to the date of filing,
19 which shall be in addition to the \$15 late filing fee specified
20 above. Failure to file by May 31 shall result in a forfeiture
21 in accordance with Section 4A-107 of this Act.

22 Any person who takes office or otherwise becomes required
23 to file a statement of economic interests within 30 days prior
24 to May 1 of any year may file his or her statement at any time
25 on or before May 31 without penalty. If such person fails to
26 file such statement by May 31, the officer with whom such
27 statement is to be filed under Section 4A-106 of this Act
28 shall, within 7 days after May 31, notify such person by
29 certified mail of his or her failure to file by the specified
30 date. Such person shall file his or her statement of economic
31 interests on or before June 15 with the appropriate officer,
32 together with a \$15 late filing fee. Any such person who fails
33 to file by June 15 shall be subject to a penalty of \$100 per day
34 for each day from June 16 to the date of filing, which shall be

1 in addition to the \$15 late filing fee specified above. Failure
2 to file by June 30 shall result in a forfeiture in accordance
3 with Section 4A-107 of this Act.

4 All late filing fees and penalties collected pursuant to
5 this Section shall be paid into the General Revenue Fund in the
6 State treasury, if the Secretary of State receives such
7 statement for filing, or into the general fund in the county
8 treasury, if the county clerk receives such statement for
9 filing. The Attorney General, with respect to the State, and
10 the several State's Attorneys, with respect to counties, shall
11 take appropriate action to collect the prescribed penalties.

12 Failure to file a statement of economic interests within
13 the time prescribed shall not result in a fine or ineligibility
14 for, or forfeiture of, office or position of employment, as the
15 case may be; provided that the failure to file results from not
16 being included for notification by the appropriate agency,
17 clerk, secretary, officer or unit of government, as the case
18 may be, and that a statement is filed within 30 days of actual
19 notice of the failure to file.

20 (Source: P.A. 93-617, eff. 12-9-03.)

21 (5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

22 Sec. 4A-106. The statements of economic interests required
23 of persons listed in items (a) through (f), item (j), ~~and~~ item
24 (l), and item (m) of Section 4A-101 shall be filed with the
25 Secretary of State. The statements of economic interests
26 required of persons listed in items (g), (h), (i), ~~and~~ (k), and
27 (n) of Section 4A-101 shall be filed with the county clerk of
28 the county in which the principal office of the unit of local
29 government with which the person is associated is located. If
30 it is not apparent which county the principal office of a unit
31 of local government is located, the chief administrative
32 officer, or his or her designee, has the authority, for
33 purposes of this Act, to determine the county in which the

1 principal office is located. On or before February 1 annually,
2 (1) the chief administrative officer of any State agency in the
3 executive, legislative, or judicial branch employing persons
4 required to file under item (f) or item (l) of Section 4A-101
5 and the chief administrative officer of a board described in
6 item (m) of Section 4A-101 shall certify to the Secretary of
7 State the names and mailing addresses of ~~those~~ persons required
8 to file under those items, and (2) the chief administrative
9 officer, or his or her designee, of each unit of local
10 government with persons described in items (h), (i), ~~and~~ (k),
11 and (n) of Section 4A-101 shall certify to the appropriate
12 county clerk a list of names and addresses of persons described
13 in items (h), (i), ~~and~~ (k), and (n) of Section 4A-101 that are
14 required to file. In preparing the lists, each chief
15 administrative officer, or his or her designee, shall set out
16 the names in alphabetical order.

17 On or before April 1 annually, the Secretary of State shall
18 notify (1) all persons whose names have been certified to him
19 under items (f), ~~and~~ (l), and (m) of Section 4A-101, and (2)
20 all persons described in items (a) through (e) and item (j) of
21 Section 4A-101, other than candidates for office who have filed
22 their statements with their nominating petitions, of the
23 requirements for filing statements of economic interests. A
24 person required to file with the Secretary of State by virtue
25 of more than one item among items (a) through (f) and items
26 (j), ~~and~~ (l), and (m) shall be notified of and is required to
27 file only one statement of economic interests relating to all
28 items under which the person is required to file with the
29 Secretary of State.

30 On or before April 1 annually, the county clerk of each
31 county shall notify all persons whose names have been certified
32 to him under items (g), (h), (i), ~~and~~ (k), and (n) of Section
33 4A-101, other than candidates for office who have filed their
34 statements with their nominating petitions, of the

1 requirements for filing statements of economic interests. A
2 person required to file with a county clerk by virtue of more
3 than one item among items (g), (h), (i), ~~and (k)~~, and (n) shall
4 be notified of and is required to file only one statement of
5 economic interests relating to all items under which the person
6 is required to file with that county clerk.

7 Except as provided in Section 4A-106.1, the notices
8 provided for in this Section shall be in writing and deposited
9 in the U.S. Mail, properly addressed, first class postage
10 prepaid, on or before the day required by this Section for the
11 sending of the notice. A certificate executed by the Secretary
12 of State or county clerk attesting that he has mailed the
13 notice constitutes prima facie evidence thereof.

14 From the lists certified to him under this Section of
15 persons described in items (g), (h), (i), ~~and (k)~~, and (n) of
16 Section 4A-101, the clerk of each county shall compile an
17 alphabetical listing of persons required to file statements of
18 economic interests in his office under any of those items. As
19 the statements are filed in his office, the county clerk shall
20 cause the fact of that filing to be indicated on the
21 alphabetical listing of persons who are required to file
22 statements. Within 30 days after the due dates, the county
23 clerk shall mail to the State Board of Elections a true copy of
24 that listing showing those who have filed statements.

25 The county clerk of each county shall note upon the
26 alphabetical listing the names of all persons required to file
27 a statement of economic interests who failed to file a
28 statement on or before May 1. It shall be the duty of the
29 several county clerks to give notice as provided in Section
30 4A-105 to any person who has failed to file his or her
31 statement with the clerk on or before May 1.

32 Any person who files or has filed a statement of economic
33 interest under this Act is entitled to receive from the
34 Secretary of State or county clerk, as the case may be, a

1 receipt indicating that the person has filed such a statement,
2 the date of such filing, and the identity of the governmental
3 unit or units in relation to which the filing is required.

4 The Secretary of State may employ such employees and
5 consultants as he considers necessary to carry out his duties
6 hereunder, and may prescribe their duties, fix their
7 compensation, and provide for reimbursement of their expenses.

8 All statements of economic interests filed under this
9 Section shall be available for examination and copying by the
10 public at all reasonable times. Not later than 12 months after
11 the effective date of this amendatory Act of the 93rd General
12 Assembly, beginning with statements filed in calendar year
13 2004, the Secretary of State shall make statements of economic
14 interests filed with the Secretary available for inspection and
15 copying via the Secretary's website.

16 (Source: P.A. 93-617, eff. 12-9-03; 94-603, eff. 8-16-05.)

17 (5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

18 Sec. 4A-107. Any person required to file a statement of
19 economic interests under this Article who willfully files a
20 false or incomplete statement shall be guilty of a Class A
21 misdemeanor.

22 Failure to file a statement within the time prescribed
23 shall result in ineligibility for, or forfeiture of, office or
24 position of employment, as the case may be; provided, however,
25 that if the notice of failure to file a statement of economic
26 interests provided in Section 4A-105 of this Act is not given
27 by the Secretary of State or the county clerk, as the case may
28 be, no forfeiture shall result if a statement is filed within
29 30 days of actual notice of the failure to file.

30 The Attorney General, with respect to offices or positions
31 described in items (a) through (f) and items (j), ~~and~~ (l), and
32 (m) of Section 4A-101 of this Act, or the State's Attorney of
33 the county of the entity for which the filing of statements of

1 economic interests is required, with respect to offices or
2 positions described in items (g) through (i), ~~and~~ item (k), and
3 item (n) of Section 4A-101 of this Act, shall bring an action
4 in quo warranto against any person who has failed to file by
5 either May 31 or June 30 of any given year.

6 (Source: P.A. 93-617, eff. 12-9-03.)

7 Section 5. The State Officials and Employees Ethics Act is
8 amended by changing Sections 1-5, 5-10, 5-20, 5-45, 20-5,
9 20-23, 20-40, 25-5, 25-10, and 25-23 as follows:

10 (5 ILCS 430/1-5)

11 Sec. 1-5. Definitions. As used in this Act:

12 "Appointee" means a person appointed to a position in or
13 with a State agency, regardless of whether the position is
14 compensated.

15 "Campaign for elective office" means any activity in
16 furtherance of an effort to influence the selection,
17 nomination, election, or appointment of any individual to any
18 federal, State, or local public office or office in a political
19 organization, or the selection, nomination, or election of
20 Presidential or Vice-Presidential electors, but does not
21 include activities (i) relating to the support or opposition of
22 any executive, legislative, or administrative action (as those
23 terms are defined in Section 2 of the Lobbyist Registration
24 Act), (ii) relating to collective bargaining, or (iii) that are
25 otherwise in furtherance of the person's official State duties.

26 "Candidate" means a person who has filed nominating papers
27 or petitions for nomination or election to an elected State
28 office, or who has been appointed to fill a vacancy in
29 nomination, and who remains eligible for placement on the
30 ballot at either a general primary election or general
31 election.

32 "Collective bargaining" has the same meaning as that term

1 is defined in Section 3 of the Illinois Public Labor Relations
2 Act.

3 "Commission" means an ethics commission created by this
4 Act.

5 "Compensated time" means any time worked by or credited to
6 a State employee that counts toward any minimum work time
7 requirement imposed as a condition of employment with a State
8 agency, but does not include any designated State holidays or
9 any period when the employee is on a leave of absence.

10 "Compensatory time off" means authorized time off earned by
11 or awarded to a State employee to compensate in whole or in
12 part for time worked in excess of the minimum work time
13 required of that employee as a condition of employment with a
14 State agency.

15 "Contribution" has the same meaning as that term is defined
16 in Section 9-1.4 of the Election Code.

17 "Employee" means (i) any person employed full-time,
18 part-time, or pursuant to a contract and whose employment
19 duties are subject to the direction and control of an employer
20 with regard to the material details of how the work is to be
21 performed, ~~or~~ (ii) any appointed or elected commissioner,
22 trustee, director, or board member of a board of a State
23 agency, or (iii) any other appointee.

24 "Executive branch constitutional officer" means the
25 Governor, Lieutenant Governor, Attorney General, Secretary of
26 State, Comptroller, and Treasurer.

27 "Gift" means any gratuity, discount, entertainment,
28 hospitality, loan, forbearance, or other tangible or
29 intangible item having monetary value including, but not
30 limited to, cash, food and drink, and honoraria for speaking
31 engagements related to or attributable to government
32 employment or the official position of an employee, member, or
33 officer. "Gift", however, does not include anything of value
34 solicited from a prohibited source by an officer, member, or

1 employee and given by the prohibited source to a not-for-profit
2 organization organized under Section 501(c)(3) of the Internal
3 Revenue Code of 1986, as now or hereafter amended, renumbered,
4 or succeeded. The amendment to the definition of "gift" made by
5 this amendatory Act of the 94th General Assembly is declarative
6 of existing law.

7 "Governmental entity" means a unit of local government or a
8 school district but not a State agency.

9 "Leave of absence" means any period during which a State
10 employee does not receive (i) compensation for State
11 employment, (ii) service credit towards State pension
12 benefits, and (iii) health insurance benefits paid for by the
13 State.

14 "Legislative branch constitutional officer" means a member
15 of the General Assembly and the Auditor General.

16 "Legislative leader" means the President and Minority
17 Leader of the Senate and the Speaker and Minority Leader of the
18 House of Representatives.

19 "Member" means a member of the General Assembly.

20 "Officer" means an executive branch constitutional officer
21 or a legislative branch constitutional officer.

22 "Political" means any activity in support of or in
23 connection with any campaign for elective office or any
24 political organization, but does not include activities (i)
25 relating to the support or opposition of any executive,
26 legislative, or administrative action (as those terms are
27 defined in Section 2 of the Lobbyist Registration Act), (ii)
28 relating to collective bargaining, or (iii) that are otherwise
29 in furtherance of the person's official State duties or
30 governmental and public service functions.

31 "Political organization" means a party, committee,
32 association, fund, or other organization (whether or not
33 incorporated) that is required to file a statement of
34 organization with the State Board of Elections or a county

1 clerk under Section 9-3 of the Election Code, but only with
2 regard to those activities that require filing with the State
3 Board of Elections or a county clerk.

4 "Prohibited political activity" means:

5 (1) Preparing for, organizing, or participating in any
6 political meeting, political rally, political
7 demonstration, or other political event.

8 (2) Soliciting contributions, including but not
9 limited to the purchase of, selling, distributing, or
10 receiving payment for tickets for any political
11 fundraiser, political meeting, or other political event.

12 (3) Soliciting, planning the solicitation of, or
13 preparing any document or report regarding any thing of
14 value intended as a campaign contribution.

15 (4) Planning, conducting, or participating in a public
16 opinion poll in connection with a campaign for elective
17 office or on behalf of a political organization for
18 political purposes or for or against any referendum
19 question.

20 (5) Surveying or gathering information from potential
21 or actual voters in an election to determine probable vote
22 outcome in connection with a campaign for elective office
23 or on behalf of a political organization for political
24 purposes or for or against any referendum question.

25 (6) Assisting at the polls on election day on behalf of
26 any political organization or candidate for elective
27 office or for or against any referendum question.

28 (7) Soliciting votes on behalf of a candidate for
29 elective office or a political organization or for or
30 against any referendum question or helping in an effort to
31 get voters to the polls.

32 (8) Initiating for circulation, preparing,
33 circulating, reviewing, or filing any petition on behalf of
34 a candidate for elective office or for or against any

1 referendum question.

2 (9) Making contributions on behalf of any candidate for
3 elective office in that capacity or in connection with a
4 campaign for elective office.

5 (10) Preparing or reviewing responses to candidate
6 questionnaires in connection with a campaign for elective
7 office or on behalf of a political organization for
8 political purposes.

9 (11) Distributing, preparing for distribution, or
10 mailing campaign literature, campaign signs, or other
11 campaign material on behalf of any candidate for elective
12 office or for or against any referendum question.

13 (12) Campaigning for any elective office or for or
14 against any referendum question.

15 (13) Managing or working on a campaign for elective
16 office or for or against any referendum question.

17 (14) Serving as a delegate, alternate, or proxy to a
18 political party convention.

19 (15) Participating in any recount or challenge to the
20 outcome of any election, except to the extent that under
21 subsection (d) of Section 6 of Article IV of the Illinois
22 Constitution each house of the General Assembly shall judge
23 the elections, returns, and qualifications of its members.

24 "Prohibited source" means any person or entity who:

25 (1) is seeking official action (i) by the member or
26 officer or (ii) in the case of an employee, by the employee
27 or by the member, officer, State agency, or other employee
28 directing the employee;

29 (2) does business or seeks to do business (i) with the
30 member or officer or (ii) in the case of an employee, with
31 the employee or with the member, officer, State agency, or
32 other employee directing the employee;

33 (3) conducts activities regulated (i) by the member or
34 officer or (ii) in the case of an employee, by the employee

1 or by the member, officer, State agency, or other employee
2 directing the employee;

3 (4) has interests that may be substantially affected by
4 the performance or non-performance of the official duties
5 of the member, officer, or employee; or

6 (5) is registered or required to be registered with the
7 Secretary of State under the Lobbyist Registration Act,
8 except that an entity not otherwise a prohibited source
9 does not become a prohibited source merely because a
10 registered lobbyist is one of its members or serves on its
11 board of directors.

12 "State agency" includes all officers, boards, commissions
13 and agencies created by the Constitution, whether in the
14 executive or legislative branch; all officers, departments,
15 boards, commissions, agencies, institutions, authorities,
16 public institutions of higher learning as defined in Section 2
17 of the Higher Education Cooperation Act, and bodies politic and
18 corporate of the State; and administrative units or corporate
19 outgrowths of the State government which are created by or
20 pursuant to statute, other than units of local government and
21 their officers, school districts, and boards of election
22 commissioners; and all administrative units and corporate
23 outgrowths of the above and as may be created by executive
24 order of the Governor. "State agency" includes the General
25 Assembly, the Senate, the House of Representatives, the
26 President and Minority Leader of the Senate, the Speaker and
27 Minority Leader of the House of Representatives, the Senate
28 Operations Commission, and the legislative support services
29 agencies. "State agency" includes the Office of the Auditor
30 General. "State agency" does not include the judicial branch.

31 "State employee" means any employee of a State agency.

32 "Ultimate jurisdictional authority" means the following:

33 (1) For members, legislative partisan staff, and
34 legislative secretaries, the appropriate legislative

1 leader: President of the Senate, Minority Leader of the
2 Senate, Speaker of the House of Representatives, or
3 Minority Leader of the House of Representatives.

4 (2) For State employees who are professional staff or
5 employees of the Senate and not covered under item (1), the
6 Senate Operations Commission.

7 (3) For State employees who are professional staff or
8 employees of the House of Representatives and not covered
9 under item (1), the Speaker of the House of
10 Representatives.

11 (4) For State employees who are employees of the
12 legislative support services agencies, the Joint Committee
13 on Legislative Support Services.

14 (5) For State employees of the Auditor General, the
15 Auditor General.

16 (6) For State employees of public institutions of
17 higher learning as defined in Section 2 of the Higher
18 Education Cooperation Act, the board of trustees of the
19 appropriate public institution of higher learning.

20 (7) For State employees of an executive branch
21 constitutional officer other than those described in
22 paragraph (6), the appropriate executive branch
23 constitutional officer.

24 (8) For State employees not under the jurisdiction of
25 paragraph (1), (2), (3), (4), (5), (6), ~~or (7)~~, or (9), the
26 Governor.

27 (9) For the Legislative Inspector General, State
28 employees of the Office of the Legislative Inspector
29 General, commissioners of the Legislative Ethics
30 Commission, and State employees of the Legislative Ethics
31 Commission, the Legislative Ethics Commission.

32 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
33 93-685, eff. 7-8-04.)

1 (5 ILCS 430/5-10)

2 Sec. 5-10. Ethics training. Each officer, member, and
3 employee must complete, at least annually beginning in 2004, an
4 ethics training program conducted by the appropriate State
5 agency. Each ultimate jurisdictional authority must implement
6 an ethics training program for its officers, members, and
7 employees. ~~These ethics training programs shall be overseen by~~
8 ~~the appropriate Ethics Commission and Inspector General~~
9 ~~appointed pursuant to this Act in consultation with the Office~~
10 ~~of the Attorney General.~~

11 Each Executive Inspector General and each ultimate
12 jurisdictional authority for the legislative branch shall set
13 standards and determine the hours and frequency of training
14 necessary for each position or category of positions. A person
15 who fills a vacancy in an elective or appointed position that
16 requires training and a person employed in a position that
17 requires training must complete his or her initial ethics
18 training within 6 months after commencement of his or her
19 office or employment.

20 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)

21 (5 ILCS 430/5-20)

22 Sec. 5-20. Public service announcements; other promotional
23 material.

24 (a) ~~No Beginning January 1, 2004, no~~ public service
25 announcement or advertisement that identifies any specific
26 program administered by a State agency is on behalf of any
27 ~~State administered program~~ and contains the proper name, image,
28 or voice of any executive branch constitutional officer or
29 member of the General Assembly shall be broadcast or aired on
30 radio or television or printed in a commercial newspaper or a
31 commercial magazine at any time.

32 (b) The proper name or image of any executive branch
33 constitutional officer or member of the General Assembly may

1 not appear on any (i) bumper stickers, (ii) commercial
2 billboards, (iii) lapel pins or buttons, (iv) magnets, (v)
3 stickers, and (vi) other similar promotional items, that are
4 not in furtherance of the person's official State duties or
5 governmental and public service functions, if designed, paid
6 for, prepared, or distributed using public dollars. This
7 subsection does not apply to stocks of items existing on the
8 effective date of this amendatory Act of the 93rd General
9 Assembly.

10 (c) This Section does not apply to communications funded
11 through expenditures required to be reported under Article 9 of
12 the Election Code.

13 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
14 93-685, eff. 7-8-04.)

15 (5 ILCS 430/5-45)

16 Sec. 5-45. Procurement; revolving door prohibition.

17 (a) No current or former officer, member, or State
18 employee, or spouse or immediate family member living with such
19 person, shall, during the period of State employment or within
20 a period of one year immediately after termination of State
21 employment, knowingly accept employment or receive
22 compensation or fees for services from a person or entity if
23 the officer, member, or State employee, during the immediately
24 preceding 2 years of State employment with respect to a current
25 officer, member, or State employee, or during the year
26 immediately preceding termination of State employment with
27 respect to a former officer, member, or State employee,
28 participated personally and substantially in the decision to
29 award State contracts with a cumulative value of over \$25,000
30 to the person or entity, or its parent or subsidiary.

31 (b) No current or former officer of the executive branch or
32 State employee of the executive branch with regulatory or
33 licensing authority, or spouse or immediate family member

1 living with such person, shall, during the period of State
2 employment or within a period of one year immediately after
3 termination of State employment, knowingly accept employment
4 or receive compensation of fees for services from a person or
5 entity if the officer or State employee, during the immediately
6 preceding 2 years of State employment with respect to a current
7 officer, member, or State employee, or during the year
8 immediately preceding termination of State employment with
9 respect to a former officer, member, or State employee, made a
10 regulatory or licensing decision that directly applied to the
11 person or entity, or its parent or subsidiary.

12 (c) The requirements of this Section may be waived (i) for
13 the executive branch, in writing by the Executive Ethics
14 Commission, (ii) for the legislative branch, in writing by the
15 Legislative Ethics Commission, and (iii) for the Auditor
16 General, in writing by the Auditor General. During the time
17 period from the effective date of this amendatory Act of the
18 93rd General Assembly until the Executive Ethics Commission
19 first meets, the requirements of this Section may be waived in
20 writing by the appropriate ultimate jurisdictional authority.
21 During the time period from the effective date of this
22 amendatory Act of the 93rd General Assembly until the
23 Legislative Ethics Commission first meets, the requirements of
24 this Section may be waived in writing by the appropriate
25 ultimate jurisdictional authority. The waiver shall be granted
26 upon the person seeking the waiver proving by clear and
27 convincing evidence ~~a showing~~ that the prospective employment
28 or relationship did not affect the decisions referred to in
29 sections (a) and (b).

30 (d) With respect to former officers, members, State
31 employees, spouses, and family members, this ~~This~~ Section
32 applies only with respect to persons who terminate an affected
33 position on or after December 19, 2003 (the effective date of
34 Public ~~this amendatory~~ Act 93-617) ~~of the 93rd General~~

1 ~~Assembly.~~

2 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)

3 (5 ILCS 430/20-5)

4 Sec. 20-5. Executive Ethics Commission.

5 (a) The Executive Ethics Commission is created.

6 (b) The Executive Ethics Commission shall consist of 9
7 commissioners. The Governor shall appoint 5 commissioners, and
8 the Attorney General, Secretary of State, Comptroller, and
9 Treasurer shall each appoint one commissioner. Appointments
10 shall be made by and with the advice and consent of the Senate
11 by three-fifths of the elected members concurring by record
12 vote. Any nomination not acted upon by the Senate within 60
13 session days of the receipt thereof shall be deemed to have
14 received the advice and consent of the Senate. If, during a
15 recess of the Senate, there is a vacancy in an office of
16 commissioner, the appointing authority shall make a temporary
17 appointment until the next meeting of the Senate when the
18 appointing authority shall make a nomination to fill that
19 office. No person rejected for an office of commissioner shall,
20 except by the Senate's request, be nominated again for that
21 office at the same session of the Senate or be appointed to
22 that office during a recess of that Senate. No more than 5
23 commissioners may be of the same political party.

24 The terms of the initial commissioners shall commence upon
25 qualification. Four initial appointees of the Governor, as
26 designated by the Governor, shall serve terms running through
27 June 30, 2007. One initial appointee of the Governor, as
28 designated by the Governor, and the initial appointees of the
29 Attorney General, Secretary of State, Comptroller, and
30 Treasurer shall serve terms running through June 30, 2008. The
31 initial appointments shall be made within 60 days after the
32 effective date of this Act.

33 After the initial terms, commissioners shall serve for

1 4-year terms commencing on July 1 of the year of appointment
2 and running through June 30 of the fourth following year.
3 Commissioners may be reappointed to one or more subsequent
4 terms.

5 Vacancies occurring other than at the end of a term shall
6 be filled by the appointing authority only for the balance of
7 the term of the commissioner whose office is vacant.

8 Terms shall run regardless of whether the position is
9 filled.

10 (c) The appointing authorities shall appoint commissioners
11 who have experience holding governmental office or employment
12 and shall appoint commissioners from the general public. A
13 person is not eligible to serve as a commissioner if that
14 person (i) has been convicted of a felony or a crime of
15 dishonesty or moral turpitude, (ii) is, or was within the
16 preceding 12 months, engaged in activities that require
17 registration under the Lobbyist Registration Act, (iii) is
18 related to the appointing authority, or (iv) is a State officer
19 or employee.

20 (d) The Executive Ethics Commission shall have
21 jurisdiction over all officers and employees of State agencies
22 other than the General Assembly, the Senate, the House of
23 Representatives, the President and Minority Leader of the
24 Senate, the Speaker and Minority Leader of the House of
25 Representatives, the Senate Operations Commission, the
26 legislative support services agencies, the Legislative Ethics
27 Commission, the Office of the Legislative Inspector General,
28 and the Office of the Auditor General. The jurisdiction of the
29 Commission is limited to matters arising under this Act.

30 (e) The Executive Ethics Commission must meet, either in
31 person or by other technological means, at least monthly and as
32 often as necessary. At the first meeting of the Executive
33 Ethics Commission, the commissioners shall choose from their
34 number a chairperson and other officers that they deem

1 appropriate. The terms of officers shall be for 2 years
2 commencing July 1 and running through June 30 of the second
3 following year. Meetings shall be held at the call of the
4 chairperson or any 3 commissioners. Official action by the
5 Commission shall require the affirmative vote of 5
6 commissioners, and a quorum shall consist of 5 commissioners.
7 Commissioners shall receive compensation in an amount equal to
8 the compensation of members of the State Board of Elections and
9 may be reimbursed for their reasonable expenses actually
10 incurred in the performance of their duties.

11 (f) No commissioner or employee of the Executive Ethics
12 Commission may during his or her term of appointment or
13 employment:

14 (1) become a candidate for any elective office;

15 (2) hold any other elected or appointed public office
16 except for appointments on governmental advisory boards or
17 study commissions or as otherwise expressly authorized by
18 law;

19 (3) be actively involved in the affairs of any
20 political party or political organization; or

21 (4) actively participate in any campaign for any
22 elective office.

23 (g) An appointing authority may remove a commissioner only
24 for cause.

25 (h) The Executive Ethics Commission shall appoint an
26 Executive Director. The compensation of the Executive Director
27 shall be as determined by the Commission or by the Compensation
28 Review Board, whichever amount is higher. The Executive
29 Director of the Executive Ethics Commission may employ and
30 determine the compensation of staff, as appropriations permit.

31 (Source: P.A. 93-617, eff. 12-9-03.)

32 (5 ILCS 430/20-23)

33 Sec. 20-23. Ethics Officers. Each officer and the head of

1 each State agency under the jurisdiction of the Executive
2 Ethics Commission, including without limitation the Executive
3 Ethics Commission and each Executive Inspector General, shall
4 designate an Ethics Officer for the office or State agency.
5 Ethics Officers shall:

6 (1) act as liaisons between the State agency and the
7 appropriate Executive Inspector General and between the
8 State agency and the Executive Ethics Commission;

9 (2) review statements of economic interest and
10 disclosure forms of officers, senior employees, and
11 contract monitors before they are filed with the Secretary
12 of State; and

13 (3) provide guidance to officers and employees in the
14 interpretation and implementation of this Act, which the
15 officer or employee may in good faith rely upon. Such
16 guidance shall be based, wherever possible, upon legal
17 precedent in court decisions, opinions of the Attorney
18 General, and the findings and opinions of the Executive
19 Ethics Commission.

20 (Source: P.A. 93-617, eff. 12-9-03.)

21 (5 ILCS 430/20-40)

22 Sec. 20-40. Collective bargaining agreements. Any
23 investigation or inquiry by an Executive Inspector General or
24 any agent or representative of an Executive Inspector General
25 must be conducted with awareness of the provisions of a
26 collective bargaining agreement that applies to the employees
27 of the relevant State agency and with an awareness of the
28 rights of the employees as set forth by State and federal law
29 and applicable judicial decisions. In implementing any ~~Any~~
30 ~~recommendation for discipline or~~ in taking any action ~~taken~~
31 against any State employee pursuant to this Act, the ultimate
32 jurisdictional authority must comply with the provisions of the
33 collective bargaining agreement that applies to the State

1 employee.

2 (Source: P.A. 93-617, eff. 12-9-03.)

3 (5 ILCS 430/25-5)

4 Sec. 25-5. Legislative Ethics Commission.

5 (a) The Legislative Ethics Commission is created.

6 (b) The Legislative Ethics Commission shall consist of 8
7 commissioners appointed 2 each by the President and Minority
8 Leader of the Senate and the Speaker and Minority Leader of the
9 House of Representatives.

10 The terms of the initial commissioners shall commence upon
11 qualification. Each appointing authority shall designate one
12 appointee who shall serve for a 2-year term running through
13 June 30, 2005. Each appointing authority shall designate one
14 appointee who shall serve for a 4-year term running through
15 June 30, 2007. The initial appointments shall be made within 60
16 days after the effective date of this Act.

17 After the initial terms, commissioners shall serve for
18 4-year terms commencing on July 1 of the year of appointment
19 and running through June 30 of the fourth following year.
20 Commissioners may be reappointed to one or more subsequent
21 terms.

22 Vacancies occurring other than at the end of a term shall
23 be filled by the appointing authority only for the balance of
24 the term of the commissioner whose office is vacant.

25 Terms shall run regardless of whether the position is
26 filled.

27 (c) The appointing authorities shall appoint commissioners
28 who have experience holding governmental office or employment
29 and may appoint commissioners who are members of the General
30 Assembly as well as commissioners from the general public. A
31 commissioner who is a member of the General Assembly must
32 recuse himself or herself from participating in any matter
33 relating to any investigation or proceeding in which he or she

1 is the subject. A person is not eligible to serve as a
2 commissioner if that person (i) has been convicted of a felony
3 or a crime of dishonesty or moral turpitude, (ii) is, or was
4 within the preceding 12 months, engaged in activities that
5 require registration under the Lobbyist Registration Act,
6 (iii) is a relative of the appointing authority, or (iv) is a
7 State officer or employee other than a member of the General
8 Assembly.

9 (d) The Legislative Ethics Commission shall have
10 jurisdiction over members of the General Assembly and all State
11 employees whose ultimate jurisdictional authority is (i) a
12 legislative leader, (ii) the Senate Operations Commission, ~~or~~
13 (iii) the Joint Committee on Legislative Support Services, or
14 (iv) the Legislative Ethics Commission. The jurisdiction of the
15 Commission is limited to matters arising under this Act.

16 (e) The Legislative Ethics Commission must meet, either in
17 person or by other technological means, monthly or as often as
18 necessary. At the first meeting of the Legislative Ethics
19 Commission, the commissioners shall choose from their number a
20 chairperson and other officers that they deem appropriate. The
21 terms of officers shall be for 2 years commencing July 1 and
22 running through June 30 of the second following year. Meetings
23 shall be held at the call of the chairperson or any 3
24 commissioners. Official action by the Commission shall require
25 the affirmative vote of 5 commissioners, and a quorum shall
26 consist of 5 commissioners. Commissioners shall receive no
27 compensation but may be reimbursed for their reasonable
28 expenses actually incurred in the performance of their duties.

29 (f) No commissioner, other than a commissioner who is a
30 member of the General Assembly, or employee of the Legislative
31 Ethics Commission may during his or her term of appointment or
32 employment:

33 (1) become a candidate for any elective office;

34 (2) hold any other elected or appointed public office

1 except for appointments on governmental advisory boards or
2 study commissions or as otherwise expressly authorized by
3 law;

4 (3) be actively involved in the affairs of any
5 political party or political organization; or

6 (4) actively participate in any campaign for any
7 elective office.

8 (g) An appointing authority may remove a commissioner only
9 for cause.

10 (h) The Legislative Ethics Commission shall appoint an
11 Executive Director subject to the approval of at least 3 of the
12 4 legislative leaders. The compensation of the Executive
13 Director shall be as determined by the Commission or by the
14 Compensation Review Board, whichever amount is higher. The
15 Executive Director of the Legislative Ethics Commission may
16 employ, subject to the approval of at least 3 of the 4
17 legislative leaders, and determine the compensation of staff,
18 as appropriations permit.

19 (Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

20 (5 ILCS 430/25-10)

21 Sec. 25-10. Office of Legislative Inspector General.

22 (a) The independent Office of the Legislative Inspector
23 General is created. The Office shall be under the direction and
24 supervision of the Legislative Inspector General and shall be a
25 fully independent office with its own appropriation.

26 (b) The Legislative Inspector General shall be appointed
27 without regard to political affiliation and solely on the basis
28 of integrity and demonstrated ability. The Legislative Ethics
29 Commission shall diligently search out qualified candidates
30 for Legislative Inspector General and shall make
31 recommendations to the General Assembly.

32 The Legislative Inspector General shall be appointed by a
33 joint resolution of the Senate and the House of

1 Representatives, which may specify the date on which the
2 appointment takes effect. A joint resolution, or other document
3 as may be specified by the Joint Rules of the General Assembly,
4 appointing the Legislative Inspector General must be certified
5 by the Speaker of the House of Representatives and the
6 President of the Senate as having been adopted by the
7 affirmative vote of three-fifths of the members elected to each
8 house, respectively, and be filed with the Secretary of State.
9 The appointment of the Legislative Inspector General takes
10 effect on the day the appointment is completed by the General
11 Assembly, unless the appointment specifies a later date on
12 which it is to become effective.

13 The Legislative Inspector General shall have the following
14 qualifications:

15 (1) has not been convicted of any felony under the laws
16 of this State, another state, or the United States;

17 (2) has earned a baccalaureate degree from an
18 institution of higher education; and

19 (3) has 5 or more years of cumulative service (A) with
20 a federal, State, or local law enforcement agency, at least
21 2 years of which have been in a progressive investigatory
22 capacity; (B) as a federal, State, or local prosecutor; (C)
23 as a senior manager or executive of a federal, State, or
24 local agency; (D) as a member, an officer, or a State or
25 federal judge; or (E) representing any combination of (A)
26 through (D).

27 The Legislative Inspector General may not be a relative of
28 a commissioner.

29 The term of the initial Legislative Inspector General shall
30 commence upon qualification and shall run through June 30,
31 2008.

32 After the initial term, the Legislative Inspector General
33 shall serve for 5-year terms commencing on July 1 of the year
34 of appointment and running through June 30 of the fifth

1 following year. The Legislative Inspector General may be
2 reappointed to one or more subsequent terms.

3 A vacancy occurring other than at the end of a term shall
4 be filled in the same manner as an appointment only for the
5 balance of the term of the Legislative Inspector General whose
6 office is vacant.

7 Terms shall run regardless of whether the position is
8 filled.

9 (c) The Legislative Inspector General shall have
10 jurisdiction over the members of the General Assembly and all
11 State employees whose ultimate jurisdictional authority is (i)
12 a legislative leader, (ii) the Senate Operations Commission, ~~or~~
13 (iii) the Joint Committee on Legislative Support Services, or
14 (iv) the Legislative Ethics Commission.

15 The jurisdiction of each Legislative Inspector General is
16 to investigate allegations of fraud, waste, abuse,
17 mismanagement, misconduct, nonfeasance, misfeasance,
18 malfeasance, or violations of this Act or violations of other
19 related laws and rules.

20 (d) The compensation of the Legislative Inspector General
21 shall be the greater of an amount (i) determined by the
22 Commission or (ii) by joint resolution of the General Assembly
23 passed by a majority of members elected in each chamber.
24 Subject to Section 25-45 of this Act, the Legislative Inspector
25 General has full authority to organize the Office of the
26 Legislative Inspector General, including the employment and
27 determination of the compensation of staff, such as deputies,
28 assistants, and other employees, as appropriations permit.
29 Employment of staff is subject to the approval of at least 3 of
30 the 4 legislative leaders.

31 (e) No Legislative Inspector General or employee of the
32 Office of the Legislative Inspector General may, during his or
33 her term of appointment or employment:

34 (1) become a candidate for any elective office;

1 (2) hold any other elected or appointed public office
2 except for appointments on governmental advisory boards or
3 study commissions or as otherwise expressly authorized by
4 law;

5 (3) be actively involved in the affairs of any
6 political party or political organization; or

7 (4) actively participate in any campaign for any
8 elective office.

9 In this subsection an appointed public office means a
10 position authorized by law that is filled by an appointing
11 authority as provided by law and does not include employment by
12 hiring in the ordinary course of business.

13 (e-1) No Legislative Inspector General or employee of the
14 Office of the Legislative Inspector General may, for one year
15 after the termination of his or her appointment or employment:

16 (1) become a candidate for any elective office;

17 (2) hold any elected public office; or

18 (3) hold any appointed State, county, or local judicial
19 office.

20 (e-2) The requirements of item (3) of subsection (e-1) may
21 be waived by the Legislative Ethics Commission.

22 (f) The Commission may remove the Legislative Inspector
23 General only for cause. At the time of the removal, the
24 Commission must report to the General Assembly the
25 justification for the removal.

26 (Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

27 (5 ILCS 430/25-23)

28 Sec. 25-23. Ethics Officers. The President and Minority
29 Leader of the Senate and the Speaker and Minority Leader of the
30 House of Representatives shall each appoint an ethics officer
31 for the members and employees of his or her legislative caucus.
32 The commissioners of the Legislative Ethics Commission shall
33 designate an ethics officer for the Legislative Ethics

1 Commission. The Legislative Inspector General shall designate
2 an ethics officer for the Office of the Legislative Inspector
3 General. No later than January 1, 2004, the head of each other
4 State agency under the jurisdiction of the Legislative Ethics
5 Commission, other than the General Assembly, shall designate an
6 ethics officer for the State agency. Ethics Officers shall:

7 (1) act as liaisons between the State agency and the
8 Legislative Inspector General and between the State agency
9 and the Legislative Ethics Commission;

10 (2) review statements of economic interest and
11 disclosure forms of officers, senior employees, and
12 contract monitors before they are filed with the Secretary
13 of State; and

14 (3) provide guidance to officers and employees in the
15 interpretation and implementation of this Act, which the
16 officer or employee may in good faith rely upon. Such
17 guidance shall be based, wherever possible, upon legal
18 precedent in court decisions, opinions of the Attorney
19 General, and the findings and opinions of the Legislative
20 Ethics Commission.

21 (Source: P.A. 93-617, eff. 12-9-03.)

22 Section 15. The Lobbyist Registration Act is amended by
23 changing Section 2 as follows:

24 (25 ILCS 170/2) (from Ch. 63, par. 172)

25 Sec. 2. Definitions. As used in this Act, unless the
26 context otherwise requires:

27 (a) "Person" means any individual, firm, partnership,
28 committee, association, corporation, or any other organization
29 or group of persons.

30 (b) "Expenditure" means a payment, distribution, loan,
31 advance, deposit, or gift of money or anything of value, and
32 includes a contract, promise, or agreement, whether or not

1 legally enforceable, to make an expenditure, for the ultimate
2 purpose of influencing executive, legislative, or
3 administrative action, other than compensation as defined in
4 subsection (d).

5 (c) "Official" means:

6 (1) the Governor, Lieutenant Governor, Secretary of
7 State, Attorney General, State Treasurer, and State
8 Comptroller;

9 (2) Chiefs of Staff for officials described in item
10 (1);

11 (3) Cabinet members of any elected constitutional
12 officer, including Directors, Assistant Directors and
13 Chief Legal Counsel or General Counsel;

14 (4) Members of the General Assembly.

15 (d) "Compensation" means any money, thing of value or
16 financial benefits received or to be received in return for
17 services rendered or to be rendered, for lobbying as defined in
18 subsection (e).

19 Monies paid to members of the General Assembly by the State
20 as remuneration for performance of their Constitutional and
21 statutory duties as members of the General Assembly shall not
22 constitute compensation as defined by this Act.

23 (e) "Lobbying" means any communication with (i) an official
24 of the executive or legislative branch of State government as
25 defined in subsection (c) or (ii) a State employee as defined
26 in this Section, for the ultimate purpose of influencing
27 executive, legislative, or administrative action.

28 (f) "Influencing" means any communication, action,
29 reportable expenditure as prescribed in Section 6 or other
30 means used to promote, support, affect, modify, oppose or delay
31 any executive, legislative or administrative action or to
32 promote goodwill with officials as defined in subsection (c).

33 (g) "Executive action" means the proposal, drafting,
34 development, consideration, amendment, adoption, approval,

1 promulgation, issuance, modification, rejection or
2 postponement by a State entity of a rule, regulation, order,
3 decision, determination, contractual arrangement, purchasing
4 agreement or other quasi-legislative or quasi-judicial action
5 or proceeding.

6 (h) "Legislative action" means the development, drafting,
7 introduction, consideration, modification, adoption,
8 rejection, review, enactment, or passage or defeat of any bill,
9 amendment, resolution, report, nomination, administrative rule
10 or other matter by either house of the General Assembly or a
11 committee thereof, or by a legislator. Legislative action also
12 means the action of the Governor in approving or vetoing any
13 bill or portion thereof, and the action of the Governor or any
14 agency in the development of a proposal for introduction in the
15 legislature.

16 (i) "Administrative action" means the execution or
17 rejection of any rule, regulation, legislative rule, standard,
18 fee, rate, contractual arrangement, purchasing agreement or
19 other delegated legislative or quasi-legislative action to be
20 taken or withheld by any executive agency, department, board or
21 commission of the State.

22 (j) "Lobbyist" means any person who undertakes to lobby
23 State government as provided in subsection (e).

24 (k) "State employee" is defined as that term is defined in
25 Section 1-5 of the State Officials and Employees Ethics Act.

26 (l) "Employee", with respect to a State employee, is
27 defined as that term is defined in Section 1-5 of the State
28 Officials and Employees Ethics Act.

29 (m) "State agency" is defined as that term is defined in
30 Section 1-5 of the State Officials and Employees Ethics Act.

31 (Source: P.A. 88-187.)

32 Section 25. The Illinois Procurement Code is amended by
33 changing Sections 1-15.15, 1-15.100, 15-25, 20-10, 20-30,

1 35-15, 35-20, 35-25, 35-30, 35-35, 35-40, 40-15, 40-25, 50-13,
2 50-20, and 50-30 and by adding Sections 20-43, 50-21, and 50-37
3 as follows:

4 (30 ILCS 500/1-15.15)

5 Sec. 1-15.15. Chief Procurement Officer. "Chief
6 Procurement Officer" means:

7 (1) for procurements for construction and
8 construction-related services committed by law to the
9 jurisdiction or responsibility of the Capital Development
10 Board, the executive director of the Capital Development Board.

11 (2) for procurements for all construction,
12 construction-related services, operation of any facility, and
13 the provision of any service or activity committed by law to
14 the jurisdiction or responsibility of the Illinois Department
15 of Transportation, including the direct or reimbursable
16 expenditure of all federal funds for which the Department of
17 Transportation is responsible or accountable for the use
18 thereof in accordance with federal law, regulation, or
19 procedure, the Secretary of Transportation.

20 (3) for all procurements made by a public institution of
21 higher education, (i) a representative designated by the
22 Governor for procurements made before July 1, 2006, and (ii)
23 for procurements made on or after July 1, 2006, an employee of
24 the Board of Higher Education designated by the Board of Higher
25 Education. The higher education chief procurement officer
26 designated by the Board of Higher Education shall not be a
27 trustee, officer, or employee of a public institution of higher
28 education.

29 (4) for the selection and appointment of consultants by a
30 pension fund or retirement system created under Article 2, 14,
31 15, 16, or 18 of the Illinois Pension Code or an investment
32 board created under Article 22A of the Illinois Pension Code,
33 as the term "consultant" is defined in subsection (a-5) of

1 Section 1-113.5 or subsection (e) of Section 22A-111,
2 respectively, of the Illinois Pension Code, a representative
3 designated by the board of trustees of that pension fund or
4 retirement system or by the Illinois State Board of Investment,
5 as the case may be, for a total of 6 pension chiefs of
6 procurement.

7 (5) ~~(4)~~ for all other procurements, the Director of the
8 Department of Central Management Services.

9 (Source: P.A. 90-572, eff. 2-6-98.)

10 (30 ILCS 500/1-15.100)

11 Sec. 1-15.100. State agency. "State agency" means and
12 includes all boards, commissions, agencies, institutions,
13 authorities, and bodies politic and corporate of the State,
14 created by or in accordance with the constitution or statute,
15 of the executive branch of State government and does include
16 colleges, universities, and institutions under the
17 jurisdiction of the governing boards of the University of
18 Illinois, Southern Illinois University, Illinois State
19 University, Eastern Illinois University, Northern Illinois
20 University, Western Illinois University, Chicago State
21 University, Governor State University, Northeastern Illinois
22 University, and the Board of Higher Education. However, this
23 term applies ~~does not apply~~ to public employee pension funds,
24 retirement systems, or investment boards that are subject to
25 fiduciary duties imposed by the Illinois Pension Code only to
26 the extent and for the purpose of procurements required under
27 Sections 1-113.5 and 22A-111 of the Illinois Pension Code to be
28 made in accordance with Article 35 of this Code. The term
29 "State agency" does not apply ~~or~~ to the University of Illinois
30 Foundation. "State agency" does not include units of local
31 government, school districts, community colleges under the
32 Public Community College Act, and the Illinois Comprehensive
33 Health Insurance Board.

1 (Source: P.A. 90-572, eff. 2-6-98.)

2 (30 ILCS 500/15-25)

3 Sec. 15-25. Bulletin content.

4 (a) Invitations for bids. Notice of each and every contract
5 that is offered, including renegotiated contracts and change
6 orders, shall be published in the Bulletin. The applicable
7 chief procurement officer may provide by rule an organized
8 format for the publication of this information, but in any case
9 it must include at least the date first offered, the date
10 submission of offers is due, the location that offers are to be
11 submitted to, the purchasing State agency, the responsible
12 State purchasing officer, a brief purchase description, the
13 method of source selection, and information of how to obtain a
14 comprehensive purchase description and any disclosure and
15 contract forms.

16 (b) Contracts let or awarded. Notice of each and every
17 contract that is let or awarded, including renegotiated
18 contracts and change orders, shall be published in the next
19 available subsequent Bulletin, and the applicable chief
20 procurement officer may provide by rule an organized format for
21 the publication of this information, but in any case it must
22 include at least all of the information specified in subsection
23 (a) as well as the name of the successful responsible bidder or
24 offeror, the contract price, the number of unsuccessful
25 responsive bidders, and any other disclosure specified in any
26 Section of this Code. This notice shall include the disclosures
27 under Section 50-37, if those disclosures are required. In
28 addition, the notice shall summarize the outreach efforts
29 undertaken by the agency to make potential bidders or offerors
30 aware of any contract offer other than publication in the
31 Bulletin. This notice must be posted in the online electronic
32 Bulletin no later than 10 business days after services or goods
33 are first provided.

1 (c) Emergency purchase disclosure. Any chief procurement
2 officer, State purchasing officer, or designee exercising
3 emergency purchase authority under this Code shall publish a
4 written description and reasons and the total cost, if known,
5 or an estimate if unknown and the name of the responsible chief
6 procurement officer and State purchasing officer, and the
7 business or person contracted with for all emergency purchases
8 in the next timely, practicable Bulletin. This notice must be
9 posted in the online electronic Bulletin within 10 business
10 days after the earlier of (i) execution of the contract or (ii)
11 whenever services or goods begin to be provided under the
12 contract and, in any event, prior to any payment by the State
13 under the contract.

14 (c-5) Each State agency shall post in the online electronic
15 Bulletin a copy of its annual report of utilization of
16 businesses owned by minorities, females, and persons with
17 disabilities as submitted to the Business Enterprises Council
18 for Minorities, Females, and Persons with Disabilities
19 pursuant to Section 6(c) of the Business Enterprise for
20 Minorities, Females, and Persons with Disabilities Act within
21 10 business days of its submission of its report to the
22 Council.

23 (c-10) Renewals. Notice of each contract renewal shall be
24 posted online on the Procurement Bulletin. The Procurement
25 Policy Board by rule shall specify the information to be
26 included in the notice, and the applicable chief procurement
27 officer by rule may provide a format for the information.

28 (d) Other required disclosure. The applicable chief
29 procurement officer shall provide by rule for the organized
30 publication of all other disclosure required in other Sections
31 of this Code in a timely manner.

32 (e) The changes to subsections (b), (c), and (c-5) of this
33 Section made by this amendatory Act of the 94th General
34 Assembly apply to reports submitted, offers made, and notices

1 on contracts executed on or after its effective date.

2 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

3 (30 ILCS 500/20-10)

4 Sec. 20-10. Competitive sealed bidding.

5 (a) Conditions for use. All contracts shall be awarded by
6 competitive sealed bidding except as otherwise provided in
7 Section 20-5.

8 (b) Invitation for bids. An invitation for bids shall be
9 issued and shall include a purchase description and the
10 material contractual terms and conditions applicable to the
11 procurement.

12 (c) Public notice. Public notice of the invitation for bids
13 shall be published in the Illinois Procurement Bulletin at
14 least 14 days before the date set in the invitation for the
15 opening of bids.

16 (d) Bid opening. Bids shall be opened publicly in the
17 presence of one or more witnesses at the time and place
18 designated in the invitation for bids. The name of each bidder,
19 the amount of each bid, and other relevant information as may
20 be specified by rule shall be recorded. After the award of the
21 contract, the winning bid and the record of each unsuccessful
22 bid shall be open to public inspection.

23 (e) Bid acceptance and bid evaluation. Bids shall be
24 unconditionally accepted without alteration or correction,
25 except as authorized in this Code. Bids shall be evaluated
26 based on the requirements set forth in the invitation for bids,
27 which may include criteria to determine acceptability such as
28 inspection, testing, quality, workmanship, delivery, and
29 suitability for a particular purpose. Those criteria that will
30 affect the bid price and be considered in evaluation for award,
31 such as discounts, transportation costs, and total or life
32 cycle costs, shall be objectively measurable. The invitation
33 for bids shall set forth the evaluation criteria to be used.

1 (f) Correction or withdrawal of bids. Correction or
2 withdrawal of inadvertently erroneous bids before or after
3 award, or cancellation of awards of contracts based on bid
4 mistakes, shall be permitted in accordance with rules. After
5 bid opening, no changes in bid prices or other provisions of
6 bids prejudicial to the interest of the State or fair
7 competition shall be permitted. All decisions to permit the
8 correction or withdrawal of bids based on bid mistakes shall be
9 supported by written determination made by a State purchasing
10 officer.

11 (g) Award. The contract shall be awarded with reasonable
12 promptness by written notice to the lowest responsible and
13 responsive bidder whose bid meets the requirements and criteria
14 set forth in the invitation for bids, except when a State
15 purchasing officer determines it is not in the best interest of
16 the State and by written explanation determines another bidder
17 shall receive the award. The explanation shall appear in the
18 appropriate volume of the Illinois Procurement Bulletin. The
19 written explanation must include:

20 (1) a description of the agency's needs;

21 (2) a determination that the anticipated cost will be
22 fair and reasonable;

23 (3) a listing of all responsible and responsive
24 bidders; and

25 (4) the name of the bidder selected, pricing, and the
26 reasons for selecting that bidder instead of the lowest
27 responsible and responsive bidder.

28 Each agency may adopt rules to implement the requirements
29 of this subsection (g).

30 The written explanation shall be filed with the Legislative
31 Audit Commission and the Procurement Policy Board and be made
32 available for inspection by the public within 30 days after the
33 agency's decision to award the contract.

34 (h) Multi-step sealed bidding. When it is considered

1 impracticable to initially prepare a purchase description to
2 support an award based on price, an invitation for bids may be
3 issued requesting the submission of unpriced offers to be
4 followed by an invitation for bids limited to those bidders
5 whose offers have been qualified under the criteria set forth
6 in the first solicitation.

7 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

8 (30 ILCS 500/20-30)

9 Sec. 20-30. Emergency purchases.

10 (a) Conditions for use. In accordance with standards set by
11 rule, a purchasing agency may make emergency procurements
12 without competitive sealed bidding or prior notice when there
13 exists a threat to public health or public safety, or when
14 immediate expenditure is necessary for repairs to State
15 property in order to protect against further loss of or damage
16 to State property, to prevent or minimize serious disruption in
17 critical State services that affect health, safety, or
18 collections of substantial State revenue, or to ensure the
19 integrity of State records; provided, however, that the term of
20 the emergency purchase shall be limited to the time reasonably
21 needed for a competitive procurement, not to exceed 6 months.

22 Emergency procurements shall be made with as much competition
23 as is practicable under the circumstances. A written
24 description of the basis for the emergency and reasons for the
25 selection of the particular contractor shall be included in the
26 contract file.

27 (b) Notice. Before the next appropriate volume of the
28 Illinois Procurement Bulletin, the purchasing agency shall
29 publish in the Illinois Procurement Bulletin a copy of each
30 written description and reasons and the total cost of each
31 emergency procurement made during the previous month. When only
32 an estimate of the total cost is known at the time of
33 publication, the estimate shall be identified as an estimate

1 and published. When the actual total cost is determined, it
2 shall also be published in like manner before the 10th day of
3 the next succeeding month.

4 (c) Affidavits. A purchasing agency making a procurement
5 under this Section shall file affidavits with the chief
6 procurement officer and the Auditor General within 10 days
7 after the procurement setting forth the amount expended, the
8 name of the contractor involved, and the conditions and
9 circumstances requiring the emergency procurement. When only
10 an estimate of the cost is available within 10 days after the
11 procurement, the actual cost shall be reported immediately
12 after it is determined. At the end of each fiscal quarter, the
13 Auditor General shall file with the Legislative Audit
14 Commission and the Governor a complete listing of all emergency
15 procurements reported during that fiscal quarter. The
16 Legislative Audit Commission shall review the emergency
17 procurements so reported and, in its annual reports, advise the
18 General Assembly of procurements that appear to constitute an
19 abuse of this Section.

20 (d) Quick purchases. The chief procurement officer may
21 promulgate rules extending the circumstances by which a
22 purchasing agency may make purchases under this Section,
23 including but not limited to the procurement of items available
24 at a discount for a limited period of time.

25 (e) The changes to this Section made by this amendatory Act
26 of the 94th General Assembly apply to procurements executed on
27 or after its effective date.

28 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

29 (30 ILCS 500/20-43 new)

30 Sec. 20-43. Bidder or offeror authorized to do business in
31 Illinois. In addition to meeting any other requirement of law
32 or rule, a person (other than an individual acting as a sole
33 proprietor) may qualify as a bidder or offeror under this Code

1 only if the person is a legal entity authorized to do business
2 in Illinois prior to submitting the bid, offer, or proposal.

3 (30 ILCS 500/35-15)

4 Sec. 35-15. Prequalification.

5 (a) The Director of Central Management Services, the
6 pension chief procurement officers, and the higher education
7 chief procurement officer shall each develop appropriate and
8 reasonable prequalification standards and categories of
9 professional and artistic services.

10 (b) The prequalifications and categorizations shall be
11 submitted to the Procurement Policy Board and published for
12 public comment prior to their submission to the Joint Committee
13 on Administrative Rules for approval.

14 (c) The Director of Central Management Services, the
15 pension chief procurement officers, and the higher education
16 chief procurement officer shall each also assemble and maintain
17 a comprehensive list of prequalified and categorized
18 businesses and persons.

19 (d) Prequalification shall not be used to bar or prevent
20 any qualified business or person for bidding or responding to
21 invitations for bid or proposal.

22 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

23 (30 ILCS 500/35-20)

24 Sec. 35-20. Uniformity in procurement.

25 (a) The Director of Central Management Services, the
26 pension chief procurement officers, and the higher education
27 chief procurement officer shall each develop, cause to be
28 printed, and distribute uniform documents for the
29 solicitation, review, and acceptance of all professional and
30 artistic services.

31 (b) All chief procurement officers, State purchasing
32 officers, and their designees shall use the appropriate uniform

1 procedures and forms specified in this Code for all
2 professional and artistic services.

3 (c) These forms shall include in detail, in writing, at
4 least:

- 5 (1) a description of the goal to be achieved;
- 6 (2) the services to be performed;
- 7 (3) the need for the service;
- 8 (4) the qualifications that are necessary; and
- 9 (5) a plan for post-performance review.

10 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

11 (30 ILCS 500/35-25)

12 Sec. 35-25. Uniformity in contract.

13 (a) The Director of Central Management Services, the
14 pension chief procurement officers, and the higher education
15 chief procurement officer shall each develop, cause to be
16 printed, and distribute uniform documents for the contracting
17 of professional and artistic services.

18 (b) All chief procurement officers, State purchasing
19 officers, and their designees shall use the appropriate uniform
20 contracts and forms in contracting for all professional and
21 artistic services.

22 (c) These contracts and forms shall include in detail, in
23 writing, at least:

- 24 (1) the detail listed in subsection (c) of Section
25 35-20;
- 26 (2) the duration of the contract, with a schedule of
27 delivery, when applicable;
- 28 (3) the method for charging and measuring cost (hourly,
29 per day, etc.);
- 30 (4) the rate of remuneration; and
- 31 (5) the maximum price.

32 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

1 (30 ILCS 500/35-30)

2 Sec. 35-30. Awards.

3 (a) All State contracts for professional and artistic
4 services, except as provided in this Section, shall be awarded
5 using the competitive request for proposal process outlined in
6 this Section.

7 (b) For each contract offered, the chief procurement
8 officer, State purchasing officer, or his or her designee shall
9 use the appropriate standard solicitation forms available from
10 the Department of Central Management Services, the appropriate
11 pension chief procurement officer, or the higher education
12 chief procurement officer.

13 (c) Prepared forms shall be submitted to the Department of
14 Central Management Services, a pension chief procurement
15 officer, or the higher education chief procurement officer,
16 whichever is appropriate, for publication in its Illinois
17 Procurement Bulletin and circulation to the Department of
18 Central Management Services', the pension chief procurement
19 officer's, or the higher education chief procurement officer's
20 list of prequalified vendors. Notice of the offer or request
21 for proposal shall appear at least 14 days before the response
22 to the offer is due.

23 (d) All interested respondents shall return their
24 responses to the Department of Central Management Services, the
25 pension chief procurement officer, or the higher education
26 chief procurement officer, whichever is appropriate, which
27 shall open and record them. The Department, the pension chief
28 procurement officer, or higher education chief procurement
29 officer then shall forward the responses, together with any
30 information it has available about the qualifications and other
31 State work of the respondents.

32 (e) After evaluation, ranking, and selection, the
33 responsible chief procurement officer, State purchasing
34 officer, or his or her designee shall notify the Department of

1 Central Management Services, the pension chief procurement
2 officer, or the higher education chief procurement officer,
3 whichever is appropriate, of the successful respondent and
4 shall forward a copy of the signed contract for the
5 Department's, pension chief procurement officer's, or higher
6 education chief procurement officer's file. The Department,
7 the pension chief procurement officer, or higher education
8 chief procurement officer shall publish the names of the
9 responsible procurement decision-maker, the agency letting the
10 contract, the successful respondent, a contract reference, and
11 value of the let contract in the next appropriate volume of the
12 Illinois Procurement Bulletin.

13 (f) For all professional and artistic contracts with
14 annualized value that exceeds \$25,000, evaluation and ranking
15 by price are required. Any chief procurement officer or State
16 purchasing officer, but not their designees, may select an
17 offeror other than the lowest bidder by price. In any case,
18 when the contract exceeds the \$25,000 ~~threshold~~ ~~threshold~~ and
19 the lowest bidder is not selected, the chief procurement
20 officer or the State purchasing officer shall forward together
21 with the contract notice of who the low bidder was and a
22 written decision as to why another was selected to the
23 Department of Central Management Services, the pension chief
24 procurement officer, or the higher education chief procurement
25 officer, whichever is appropriate. The Department, the pension
26 chief procurement officer, or higher education chief
27 procurement officer shall publish as provided in subsection (e)
28 of Section 35-30, but shall include notice of the chief
29 procurement officer's or State purchasing officer's written
30 decision.

31 (g) The Department of Central Management Services, the
32 pension chief procurement officers, and higher education chief
33 procurement officer may each refine, but not contradict, this
34 Section by promulgating rules for submission to the Procurement

1 Policy Board and then to the Joint Committee on Administrative
2 Rules. Any refinement shall be based on the principles and
3 procedures of the federal Architect-Engineer Selection Law,
4 Public Law 92-582 Brooks Act, and the Architectural,
5 Engineering, and Land Surveying Qualifications Based Selection
6 Act; except that pricing shall be an integral part of the
7 selection process.

8 (Source: P.A. 90-572, eff. date - See Sec. 99-5; revised
9 10-19-05.)

10 (30 ILCS 500/35-35)

11 Sec. 35-35. Exceptions.

12 (a) Exceptions to Section 35-30 are allowed for sole source
13 procurements, emergency procurements, and at the discretion of
14 the chief procurement officer or the State purchasing officer,
15 but not their designees, for professional and artistic
16 contracts that are nonrenewable, one year or less in duration,
17 and have a value of less than \$20,000.

18 (b) All exceptions granted under this Article must still be
19 submitted to the Department of Central Management Services, the
20 appropriate pension chief procurement officer, or the higher
21 education chief procurement officer, whichever is appropriate,
22 and published as provided for in subsection (f) of Section
23 35-30, shall name the authorizing chief procurement officer or
24 State purchasing officer, and shall include a brief explanation
25 of the reason for the exception.

26 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

27 (30 ILCS 500/35-40)

28 Sec. 35-40. Subcontractors.

29 (a) Any contract granted under this Article shall state
30 whether the services of a subcontractor will be used. The
31 contract shall include the names and addresses of all
32 subcontractors and the expected amount of money each will

1 receive under the contract.

2 (b) If at any time during the term of a contract, a
3 contractor adds or changes any subcontractors, he or she shall
4 promptly notify, in writing, the Department of Central
5 Management Services, the appropriate pension chief procurement
6 officer, or the higher education chief procurement officer,
7 whichever is appropriate, and the responsible chief
8 procurement officer, State purchasing officer, or their
9 designee of the names and addresses and the expected amount of
10 money each new or replaced subcontractor will receive.

11 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

12 (30 ILCS 500/40-15)

13 Sec. 40-15. Method of source selection.

14 (a) Request for information. Except as provided in
15 subsections (b) and (c), all State contracts for leases of real
16 property or capital improvements shall be awarded by a request
17 for information process in accordance with Section 40-20.

18 (b) Other methods. A request for information process need
19 not be used in procuring any of the following leases:

20 (1) Property of less than 10,000 square feet.

21 (2) Rent of less than \$100,000 per year.

22 (3) Duration of less than one year that cannot be
23 renewed.

24 (4) Specialized space available at only one location.

25 (5) Renewal or extension of a lease ~~in effect before~~
26 ~~July 1, 2002~~; provided that: (i) the chief procurement

27 officer determines in writing that the renewal or extension

28 is in the best interest of the State; (ii) the chief

29 procurement officer submits his or her written

30 determination and the renewal or extension to the Board;

31 (iii) the Board does not object in writing to the renewal

32 or extension within 30 days after its submission; and (iv)

33 the chief procurement officer publishes the renewal or

1 extension in the appropriate volume of the Procurement
2 Bulletin.

3 (c) Leases with governmental units. Leases with other
4 governmental units may be negotiated without using the request
5 for information process when deemed by the chief procurement
6 officer to be in the best interest of the State.

7 (Source: P.A. 93-133, eff. 1-1-04; 93-839, eff. 7-30-04.)

8 (30 ILCS 500/40-25)

9 Sec. 40-25. Length of leases.

10 (a) Maximum term. Leases shall be for a term not to exceed
11 10 years and shall include a termination option in favor of the
12 State after 5 years.

13 (b) Renewal. Leases may include a renewal option. An option
14 to renew may be exercised only when a State purchasing officer
15 determines in writing that renewal is in the best interest of
16 the State and notice of the exercise of the option is published
17 in the appropriate volume of the Procurement Bulletin at least
18 60 days prior to the exercise of the option.

19 (c) Subject to appropriation. All leases shall recite that
20 they are subject to termination and cancellation in any year
21 for which the General Assembly fails to make an appropriation
22 to make payments under the terms of the lease.

23 (d) Holdover. No lease may continue on a month-to-month or
24 other holdover basis for a total of more than 6 months.

25 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

26 (30 ILCS 500/50-13)

27 Sec. 50-13. Conflicts of interest.

28 (a) Prohibition. It is unlawful for any person holding an
29 elective office in this State, holding a seat in the General
30 Assembly, or appointed to or employed in any of the offices or
31 agencies of State government ~~and who receives compensation for~~
32 ~~such employment in excess of 60% of the salary of the Governor~~

1 ~~of the State of Illinois~~, or who is an officer or employee of
2 the Capital Development Board or the Illinois Toll Highway
3 Authority, or who is the spouse or minor child of any such
4 person to have or acquire any contract, or any direct pecuniary
5 interest in any contract therein, whether for stationery,
6 printing, paper, or any services, materials, or supplies, that
7 will be wholly or partially satisfied by the payment of funds
8 appropriated by the General Assembly of the State of Illinois
9 or in any contract of the Capital Development Board or the
10 Illinois Toll Highway Authority.

11 (b) Interests. It is unlawful for any firm, partnership,
12 association, or corporation, in which any person listed in
13 subsection (a) is entitled to receive (i) more than 7 1/2% of
14 the total distributable income or (ii) an amount in excess of
15 the salary of the Governor, to have or acquire any such
16 contract or direct pecuniary interest therein.

17 (c) Combined interests. It is unlawful for any firm,
18 partnership, association, or corporation, in which any person
19 listed in subsection (a) together with his or her spouse or
20 minor children is entitled to receive (i) more than 15%, in the
21 aggregate, of the total distributable income or (ii) an amount
22 in excess of 2 times the salary of the Governor, to have or
23 acquire any such contract or direct pecuniary interest therein.

24 (c-5) Appointees and firms. In addition to any provisions
25 of this Code, the interests of certain appointees and their
26 firms are subject to Section 3A-35 of the Illinois Governmental
27 Ethics Act.

28 (d) Securities. Nothing in this Section invalidates the
29 provisions of any bond or other security previously offered or
30 to be offered for sale or sold by or for the State of Illinois.

31 (e) Prior interests. This Section does not affect the
32 validity of any contract made between the State and an officer
33 or employee of the State or member of the General Assembly, his
34 or her spouse, minor child, or other immediate family member

1 living in his or her residence or any combination of those
2 persons if that contract was in existence before his or her
3 election or employment as an officer, member, or employee. The
4 contract is voidable, however, if it cannot be completed within
5 365 days after the officer, member, or employee takes office or
6 is employed.

7 (f) Exceptions.

8 (1) Public aid payments. This Section does not apply to
9 payments made for a public aid recipient.

10 (2) Teaching. This Section does not apply to a contract
11 for personal services as a teacher or school administrator
12 between a member of the General Assembly or his or her
13 spouse, or a State officer or employee or his or her
14 spouse, and any school district, public community college
15 district, the University of Illinois, Southern Illinois
16 University, Illinois State University, Eastern Illinois
17 University, Northern Illinois University, Western Illinois
18 University, Chicago State University, Governor State
19 University, or Northeastern Illinois University.

20 (3) Ministerial duties. This Section does not apply to
21 a contract for personal services of a wholly ministerial
22 character, including but not limited to services as a
23 laborer, clerk, typist, stenographer, page, bookkeeper,
24 receptionist, or telephone switchboard operator, made by a
25 spouse or minor child of an elective or appointive State
26 officer or employee or of a member of the General Assembly.

27 (4) Child and family services. This Section does not
28 apply to payments made to a member of the General Assembly,
29 a State officer or employee, his or her spouse or minor
30 child acting as a foster parent, homemaker, advocate, or
31 volunteer for or in behalf of a child or family served by
32 the Department of Children and Family Services.

33 (5) Licensed professionals. Contracts with licensed
34 professionals, provided they are competitively bid or part

1 of a reimbursement program for specific, customary goods
2 and services through the Department of Children and Family
3 Services, the Department of Human Services, the Department
4 of Healthcare and Family Services ~~Public Aid~~, the
5 Department of Public Health, or the Department on Aging.

6 (g) Penalty. A person convicted of a violation of this
7 Section is guilty of a business offense and shall be fined not
8 less than \$1,000 nor more than \$5,000.

9 (Source: P.A. 93-615, eff. 11-19-03; revised 12-15-05.)

10 (30 ILCS 500/50-20)

11 Sec. 50-20. Exemptions. With the approval of the
12 appropriate chief procurement officer involved, the Governor,
13 or an executive ethics board or commission he or she
14 designates, may exempt named individuals from the prohibitions
15 of Section 50-13 when, in his, her, or its judgment, the public
16 interest in having the individual in the service of the State
17 outweighs the public policy evidenced in that Section. An
18 exemption is effective only when it is filed with the Secretary
19 of State and the Comptroller within 60 days after its issuance
20 or when performance of the contract begins, whichever is
21 earlier, and includes a statement setting forth the name of the
22 individual and all the pertinent facts that would make that
23 Section applicable, setting forth the reason for the exemption,
24 and declaring the individual exempted from that Section.
25 Exemptions must be filed with the Secretary of State and
26 Comptroller prior to execution of any contracts. A copy of
27 ~~Notice of~~ each exemption shall be published in the Illinois
28 Procurement Bulletin in its electronic form prior to execution
29 of the contract. The changes to this Section made by this
30 amendatory Act of the 94th General Assembly apply to exemptions
31 granted on or after its effective date.

32 A contract for which a waiver has been issued but has not
33 been filed in accordance with this Section is voidable.

1 (Source: P.A. 90-572, eff. 2-6-98.)

2 (30 ILCS 500/50-21 new)

3 Sec. 50-21. Bond issuances.

4 (a) A State agency shall not enter into a contract with
5 respect to the issuance of bonds or other securities by the
6 State or a State agency with any entity that uses an
7 independent consultant.

8 As used in this subsection, "independent consultant" means
9 a person used by the entity to obtain or retain securities
10 business through direct or indirect communication by the person
11 with a State official or employee on behalf of the entity when
12 the communication is undertaken by the person in exchange for
13 or with the understanding of receiving payment from the entity
14 or another person. "Independent consultant" does not include
15 (i) a finance professional employed by the entity or (ii) a
16 person whose sole basis of compensation from the entity is the
17 actual provision of legal, accounting, or engineering advice,
18 services, or assistance in connection with the securities
19 business that the entity seeks to obtain or retain.

20 (b) Each contract entered into by a State agency with
21 respect to the issuance of bonds or other securities by the
22 State or a State agency shall include a certification by any
23 contracting party subject to the Municipal Securities
24 Rulemaking Board's Rule G-38, or a successor rule, that the
25 contracting entity is and shall remain for the duration of the
26 contract in compliance with the Rule's requirements for
27 reporting political contributions. Violation of the
28 certification makes the contract voidable by the State and
29 shall bar the awarding of a State agency contract with respect
30 to the issuance of bonds or other securities to the violator
31 for a period of 10 years after the determination of the
32 violation.

33 (c) Any entity convicted of violating the Municipal

1 Securities Rulemaking Board's Rule G-37 or Rule G-38, or any
2 successor rules, with respect to the prohibitions of those
3 rules against obtaining or retaining municipal securities
4 business and the making of political contributions or payments
5 is permanently barred from participating in any State agency
6 contract with respect to the issuance of bonds or other
7 securities.

8 (30 ILCS 500/50-37 new)

9 Sec. 50-37. Contract award disclosure.

10 (a) For the purposes of this Section:

11 "Contracting entity" means an entity that would execute any
12 contract with a State agency.

13 "Key persons" means any persons who (i) have an ownership
14 or distributive income share in the contracting entity that is
15 in excess of 5%, or an amount greater than 60% of the annual
16 salary of the Governor, or (ii) serve as executive officers of
17 the contracting entity.

18 (b) For contracts with an annual value of \$50,000 or more,
19 all offers from responsive bidders or offerors shall be
20 accompanied by disclosure of the names and addresses of the
21 following:

22 (1) The contracting entity.

23 (2) Any entity that is a parent of, or owns a
24 controlling interest in, the contracting entity.

25 (3) Any entity that is a subsidiary of, or in which a
26 controlling interest is owned by, the contracting entity.

27 (4) The contracting entity's key persons.

28 (c) Notices of contracts let or awarded published in the
29 Procurement Bulletin pursuant to Section 15-25 shall include as
30 part of the notice posted online the names disclosed by the
31 winning bidder or offeror pursuant to subsection (b).

32 (d) The changes made to this Section made by this
33 amendatory Act of the 94th General Assembly apply to contracts

1 first offered on or after its effective date.

2 Section 35. The Illinois Pension Code is amended by
3 changing Sections 1-101.2, 1-101.4, 1-109.1, 1-110, 1-113.5,
4 1-113.12, 1A-113, 22A-108.1, and 22A-111 and by adding Sections
5 1-125, 1-130, 1-135, and 1-140 as follows:

6 (40 ILCS 5/1-101.2)

7 Sec. 1-101.2. Fiduciary. A person is a "fiduciary" with
8 respect to a pension fund or retirement system established
9 under this Code to the extent that the person:

10 (1) exercises any discretionary authority or
11 discretionary control respecting management of the pension
12 fund or retirement system, or exercises any authority or
13 control respecting management or disposition of its
14 assets;

15 (2) renders investment advice, or advice with respect
16 to the selection of other fiduciaries, for a fee or other
17 compensation, direct or indirect, with respect to any
18 moneys or other property of the pension fund or retirement
19 system, or has any authority or responsibility to do so; or

20 (3) has any discretionary authority or discretionary
21 responsibility in the administration of the pension fund or
22 retirement system.

23 (Source: P.A. 90-507, eff. 8-22-97.)

24 (40 ILCS 5/1-101.4)

25 Sec. 1-101.4. Investment adviser. A person is an
26 "investment adviser", "investment advisor", or "investment
27 manager" with respect to a pension fund or retirement system
28 established under this Code if the ~~the~~ person:

29 (1) is a fiduciary appointed by the board of trustees
30 of the pension fund or retirement system in accordance with
31 Section 1-109.1;

1 (2) has the power to manage, acquire, or dispose of any
2 asset of the retirement system or pension fund;

3 (3) has acknowledged in writing that he or she is a
4 fiduciary with respect to the pension fund or retirement
5 system; and

6 (4) is at least one of the following: (i) registered as
7 an investment adviser under the federal Investment
8 Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.); (ii)
9 registered as an investment adviser under the Illinois
10 Securities Law of 1953; (iii) a bank, as defined in the
11 Investment Advisers Act of 1940; or (iv) an insurance
12 company authorized to transact business in this State.

13 (Source: P.A. 90-507, eff. 8-22-97.)

14 (40 ILCS 5/1-109.1) (from Ch. 108 1/2, par. 1-109.1)

15 Sec. 1-109.1. Allocation and Delegation of Fiduciary
16 Duties.

17 (1) Subject to the provisions of Section 22A-113 of this
18 Code and subsections (2) and (3) of this Section, the board of
19 trustees of a retirement system or pension fund established
20 under this Code may:

21 (a) Appoint one or more investment managers as
22 fiduciaries to manage (including the power to acquire and
23 dispose of) any assets of the retirement system or pension
24 fund; and

25 (b) Allocate duties among themselves and designate
26 others as fiduciaries to carry out specific fiduciary
27 activities other than the management of the assets of the
28 retirement system or pension fund.

29 (2) The board of trustees of a pension fund established
30 under Article 5, 6, 8, 9, 10, 11, 12 or 17 of this Code may not
31 transfer its investment authority, nor transfer the assets of
32 the fund to any other person or entity for the purpose of
33 consolidating or merging its assets and management with any

1 other pension fund or public investment authority, unless the
2 board resolution authorizing such transfer is submitted for
3 approval to the contributors and pensioners of the fund at
4 elections held not less than 30 days after the adoption of such
5 resolution by the board, and such resolution is approved by a
6 majority of the votes cast on the question in both the
7 contributors election and the pensioners election. The
8 election procedures and qualifications governing the election
9 of trustees shall govern the submission of resolutions for
10 approval under this paragraph, insofar as they may be made
11 applicable.

12 (3) Pursuant to subsections (h) and (i) of Section 6 of
13 Article VII of the Illinois Constitution, the investment
14 authority of boards of trustees of retirement systems and
15 pension funds established under this Code is declared to be a
16 subject of exclusive State jurisdiction, and the concurrent
17 exercise by a home rule unit of any power affecting such
18 investment authority is hereby specifically denied and
19 preempted.

20 (4) For the purposes of this Code, "emerging investment
21 manager" means a qualified investment adviser that manages an
22 investment portfolio of at least \$10,000,000 but less than
23 \$2,000,000,000 and is a "minority owned business" or "female
24 owned business" as those terms are defined in the Business
25 Enterprise for Minorities, Females, and Persons with
26 Disabilities Act.

27 It is hereby declared to be the public policy of the State
28 of Illinois to encourage the trustees of public employee
29 retirement systems to use emerging investment managers in
30 managing their system's assets to the greatest extent feasible
31 within the bounds of financial and fiduciary prudence, and to
32 take affirmative steps to remove any barriers to the full
33 participation of emerging investment managers in investment
34 opportunities afforded by those retirement systems.

1 On or before July 1, 2006 each system or fund subject to
2 Article 2, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, or 18 of
3 this Code and the Illinois State Board of Investment shall
4 adopt a policy including quantifiable goals for the utilization
5 of emerging investment managers. This policy shall also include
6 quantifiable goals for the management of assets in specific
7 classes by emerging investment managers, including but not
8 limited to: large cap domestic equity, small and medium cap
9 domestic equity, international equity, fixed income
10 investments, and private equity.

11 Each retirement system subject to this Code shall prepare a
12 report to be submitted to the Governor and the General Assembly
13 by September 1 of each year. The report shall identify the
14 emerging investment managers used by the system, the percentage
15 of the system's assets under the investment control of emerging
16 investment managers, and the actions it has undertaken to
17 increase the use of emerging investment managers, including
18 encouraging other investment managers to use emerging
19 investment managers as subcontractors when the opportunity
20 arises.

21 The use of an emerging investment manager does not
22 constitute a transfer of investment authority for the purposes
23 of subsection (2) of this Section.

24 (Source: P.A. 94-471, eff. 8-4-05.)

25 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

26 Sec. 1-110. Prohibited Transactions.

27 (a) A fiduciary with respect to a retirement system or
28 pension fund shall not cause the retirement system or pension
29 fund to engage in a transaction if he or she knows or should
30 know that such transaction constitutes a direct or indirect:

31 (1) Sale or exchange, or leasing of any property from
32 the retirement system or pension fund to a party in
33 interest for less than adequate consideration, or from a

1 party in interest to a retirement system or pension fund
2 for more than adequate consideration.

3 (2) Lending of money or other extension of credit from
4 the retirement system or pension fund to a party in
5 interest without the receipt of adequate security and a
6 reasonable rate of interest, or from a party in interest to
7 a retirement system or pension fund with the provision of
8 excessive security or an unreasonably high rate of
9 interest.

10 (3) Furnishing of goods, services or facilities from
11 the retirement system or pension fund to a party in
12 interest for less than adequate consideration, or from a
13 party in interest to a retirement system or pension fund
14 for more than adequate consideration.

15 (4) Transfer to, or use by or for the benefit of, a
16 party in interest of any assets of a retirement system or
17 pension fund for less than adequate consideration.

18 (b) A fiduciary with respect to a retirement system or
19 pension fund established under this Code shall not:

20 (1) Deal with the assets of the retirement system or
21 pension fund in his own interest or for his own account;

22 (2) In his individual or any other capacity act in any
23 transaction involving the retirement system or pension
24 fund on behalf of a party whose interests are adverse to
25 the interests of the retirement system or pension fund or
26 the interests of its participants or beneficiaries; or

27 (3) Receive any consideration for his own personal
28 account from any party dealing with the retirement system
29 or pension fund in connection with a transaction involving
30 the assets of the retirement system or pension fund.

31 (c) Nothing in this Section shall be construed to prohibit
32 any trustee from:

33 (1) Receiving any benefit to which he may be entitled
34 as a participant or beneficiary in the retirement system or

1 pension fund.

2 (2) Receiving any reimbursement of expenses properly
3 and actually incurred in the performance of his duties with
4 the retirement system or pension fund.

5 (3) Serving as a trustee in addition to being an
6 officer, employee, agent or other representative of a party
7 in interest.

8 (d) A fiduciary with respect to a retirement system or
9 pension fund shall not knowingly cause or advise the retirement
10 system or pension fund to engage in an investment transaction
11 when the fiduciary (i) has any direct interest in the income,
12 gains, or profits of the investment advisor through which the
13 investment transaction is made or (ii) has a business
14 relationship with that investment advisor that would result in
15 a pecuniary benefit to the fiduciary as a result of the
16 investment transaction.

17 Whoever violates the provisions of this subsection (d) is
18 guilty of a Class 3 felony.

19 (Source: P.A. 88-535.)

20 (40 ILCS 5/1-113.5)

21 Sec. 1-113.5. Investment advisers; consultants; and
22 investment services.

23 (a) The board of trustees of a pension fund or retirement
24 system may appoint investment advisers as defined in Section
25 1-101.4. The board of any pension fund investing in common or
26 preferred stock under Section 1-113.4 shall appoint an
27 investment adviser before making such investments.

28 The investment adviser shall be a fiduciary, as defined in
29 Section 1-101.2, with respect to the pension fund or retirement
30 system and shall be one of the following:

31 (1) an investment adviser registered under the federal
32 Investment Advisers Act of 1940 and the Illinois Securities
33 Law of 1953;

1 (2) a bank or trust company authorized to conduct a
2 trust business in Illinois;

3 (3) a life insurance company authorized to transact
4 business in Illinois; or

5 (4) an investment company as defined and registered
6 under the federal Investment Company Act of 1940 and
7 registered under the Illinois Securities Law of 1953.

8 (a-5) Notwithstanding any other provision of law, a person
9 or entity that provides consulting services (referred to as a
10 "consultant" in this Section) to a pension fund or retirement
11 system with respect to the selection of fiduciaries may not be
12 awarded a contract to provide those consulting services that is
13 more than 5 years in duration. No contract to provide such
14 consulting services may be renewed or extended. At the end of
15 the term of a contract, however, the contractor is eligible to
16 compete for a new contract as provided in subsection (a-10). No
17 pension fund, retirement system, or consultant shall attempt to
18 avoid or contravene the restrictions of this subsection by any
19 means.

20 (a-10) For the board of trustees of a pension fund or
21 retirement system created under Article 2, 14, 15, 16, or 18,
22 the selection and appointment of a consultant, and the
23 contracting for investment services from a consultant,
24 constitute procurements of professional and artistic services
25 under the Illinois Procurement Code that must be made and
26 awarded in accordance with and through the use of the method of
27 selection required by Article 35 of that Code. For the board of
28 trustees of a pension fund or retirement system created under
29 any other Article of this Code, the selection and appointment
30 of a consultant, and the contracting for investment services by
31 a consultant, constitute procurements that must be made and
32 awarded in a manner substantially similar to the method of
33 selection required for the procurement of professional and
34 artistic services under Article 35 of the Illinois Procurement

1 Code. All offers from responsive offerors shall be accompanied
2 by disclosure of the names and addresses of the following:

3 (1) The offeror.

4 (2) Any entity that is a parent of, or owns a
5 controlling interest in, the offeror.

6 (3) Any entity that is a subsidiary of, or in which a
7 controlling interest is owned by, the offeror.

8 (4) The offeror's key persons.

9 "Key persons" means any persons who (i) have an ownership
10 or distributive income share in the offeror that is in excess
11 of 5%, or an amount greater than 60% of the annual salary of
12 the Governor, or (ii) serve as executive officers of the
13 offeror.

14 Beginning on July 1, 2006, a person, other than a trustee
15 or an employee of a pension fund or retirement system, may not
16 act as a consultant under this Section unless that person is at
17 least one of the following: (i) registered as an investment
18 adviser under the federal Investment Advisers Act of 1940 (15
19 U.S.C. 80b-1, et seq.); (ii) registered as an investment
20 adviser under the Illinois Securities Law of 1953; (iii) a
21 bank, as defined in the Investment Advisers Act of 1940; or
22 (iv) an insurance company authorized to transact business in
23 this State.

24 (b) All investment advice and services provided by an
25 investment adviser or a consultant appointed under this Section
26 shall be (i) rendered pursuant to a written contract between
27 the investment adviser or consultant and the board, awarded as
28 provided in subsection (a-10), and (ii) in accordance with the
29 board's investment policy.

30 The contract shall include all of the following:

31 (1) acknowledgement in writing by the investment
32 adviser or consultant that he or she is a fiduciary with
33 respect to the pension fund or retirement system;

34 (2) the board's investment policy;

1 (3) full disclosure of direct and indirect fees,
2 commissions, penalties, and any other compensation that
3 may be received by the investment adviser or consultant,
4 including reimbursement for expenses; and

5 (4) a requirement that the investment adviser or
6 consultant submit periodic written reports, on at least a
7 quarterly basis, for the board's review at its regularly
8 scheduled meetings. All returns on investment shall be
9 reported as net returns after payment of all fees,
10 commissions, and any other compensation.

11 (b-5) Each contract described in subsection (b) shall also
12 include (i) full disclosure of direct and indirect fees,
13 commissions, penalties, and other compensation, including
14 reimbursement for expenses, that may be paid by or on behalf of
15 the investment adviser or consultant in connection with the
16 provision of services to the pension fund or retirement system
17 and (ii) a requirement that the investment adviser or
18 consultant update the disclosure promptly after a modification
19 of those payments or an additional payment.

20 Within 30 days after the effective date of this amendatory
21 Act of the 94th General Assembly, each investment adviser and
22 consultant currently providing services or subject to an
23 existing contract for the provision of services must disclose
24 to the board of trustees all direct and indirect fees,
25 commissions, penalties, and other compensation paid by or on
26 behalf of the investment adviser or consultant in connection
27 with the provision of those services and shall update that
28 disclosure promptly after a modification of those payments or
29 an additional payment.

30 A person required to make a disclosure under subsection (d)
31 is also required to disclose direct and indirect fees,
32 commissions, penalties, or other compensation that shall or may
33 be paid by or on behalf of the person in connection with the
34 rendering of those services. The person shall update the

1 disclosure promptly after a modification of those payments or
2 an additional payment.

3 The disclosures required by this subsection shall be in
4 writing and shall include the date and amount of each payment
5 and the name and address of each recipient of a payment.

6 (c) Within 30 days after appointing an investment adviser
7 or consultant, the board shall submit a copy of the contract to
8 the Division Department of Insurance of the Department of
9 Financial and Professional Regulation.

10 (d) Investment services provided by a person other than an
11 investment adviser appointed under this Section, including but
12 not limited to services provided by the kinds of persons listed
13 in items (1) through (4) of subsection (a), shall be rendered
14 only after full written disclosure of direct and indirect fees,
15 commissions, penalties, and any other compensation that shall
16 or may be received by the person rendering those services.

17 (e) The board of trustees of each pension fund or
18 retirement system shall retain records of investment
19 transactions in accordance with the rules of the Department of
20 Financial and Professional Regulation Insurance.

21 (f) This subsection applies to the board of trustees of a
22 pension fund or retirement system created under Article 2, 14,
23 15, 16, or 18. Notwithstanding any other provision of law, a
24 board of trustees shall comply with the Business Enterprise for
25 Minorities, Females, and Persons with Disabilities Act. The
26 board of trustees shall post upon its website the percentage of
27 its contracts awarded under this Section currently and during
28 the preceding 5 fiscal years that were awarded to "minority
29 owned businesses", "female owned businesses", and "businesses
30 owned by a person with a disability", as those terms are
31 defined in the Business Enterprise for Minorities, Females, and
32 Persons with Disabilities Act.

33 (g) This Section is a denial and limitation of home rule
34 powers and functions in accordance with subsection (i) of

1 Section 6 of Article VII of the Illinois Constitution. A home
2 rule unit may not regulate investment adviser and consultant
3 contracts in a manner that is less restrictive than the
4 provisions of this Section.

5 (Source: P.A. 90-507, eff. 8-22-97.)

6 (40 ILCS 5/1-113.12)

7 Sec. 1-113.12. Application. Sections 1-113.1 through
8 1-113.10 apply only to pension funds established under Article
9 3 or 4 of this Code, except that Section 1-113.5 applies to all
10 pension funds and retirement systems established under this
11 Code.

12 (Source: P.A. 90-507, eff. 8-22-97.)

13 (40 ILCS 5/1-125 new)

14 Sec. 1-125. No monetary gain on investments. No trustee or
15 employee of the board of any retirement system or pension fund
16 or of the Illinois State Board of Investment shall have any
17 direct interest in the income, gains, or profits of any
18 investments made in behalf of the retirement system or pension
19 fund or of the Illinois State Board of Investment, nor receive
20 any pay or emolument for services in connection with any
21 investment. No trustee or employee of the board of any
22 retirement system or pension fund or the Illinois State Board
23 of Investment shall become an endorser or surety, or in any
24 manner an obligor for money loaned or borrowed from the
25 retirement system or pension fund or the Illinois State Board
26 of Investment. Whoever violates any of the provisions of this
27 Section is guilty of a Class 3 felony.

28 (40 ILCS 5/1-130 new)

29 Sec. 1-130. Fraud. Any person who knowingly makes any false
30 statement, or falsifies or permits to be falsified any record
31 of a retirement system or pension fund or of the Illinois State

1 Board of Investment, in an attempt to defraud the retirement
2 system or pension fund or the Illinois State Board of
3 Investment, is guilty of a Class 3 felony.

4 (40 ILCS 5/1-135 new)

5 Sec. 1-135. Prohibition on gifts.

6 (a) For the purposes of this Section:

7 (1) "Board" means (i) the board of trustees of a
8 pension fund or retirement system created under this Code
9 or (ii) the Illinois State Board of Investment created
10 under Article 22A of this Code.

11 (2) "Gift" means a gift as defined in Section 1-5 of
12 the State Officials and Employees Ethics Act.

13 (3) "Prohibited source" is a person or entity who:

14 (i) is seeking official action (A) by the board,
15 (B) by a board member, or (C) in the case of a board
16 employee, by the employee, the board, a board member,
17 or another employee directing the employee;

18 (ii) does business or seeks to do business (A) with
19 the board, (B) with a board member, or (C) in the case
20 of a board employee, with the employee, the board, a
21 board member, or another employee directing the
22 employee;

23 (iii) has interests that may be substantially
24 affected by the performance or non-performance of the
25 official duties of the board member or employee; or

26 (iv) is registered or required to be registered
27 with the Secretary of State under the Lobbyist
28 Registration Act, except that an entity not otherwise a
29 prohibited source does not become a prohibited source
30 merely because a registered lobbyist is one of its
31 members or serves on its board of directors.

32 (b) No board member or employee shall solicit or accept any
33 gift from a prohibited source or from an officer, agent, or

1 employee of a prohibited source. No prohibited source or
2 officer, agent, or employee of a prohibited source shall offer
3 to a board member or employee any gift.

4 (c) Violation of this Section is a Class A misdemeanor.

5 (40 ILCS 5/1-140 new)

6 Sec. 1-140. Contingent fees. No person shall retain or
7 employ another to attempt to influence the outcome of an
8 investment decision of or the procurement of investment advice
9 or services by a board of a pension fund or retirement system
10 or the Illinois State Board of Investment for compensation
11 contingent in whole or in part upon the decision or
12 procurement, and no person shall accept any such retainer or
13 employment for compensation contingent in whole or in part upon
14 the decision or procurement. Any person who violates this
15 Section is guilty of a business offense and shall be fined not
16 more than \$10,000. In addition, any person convicted of a
17 violation of this Section is prohibited for a period of 3 years
18 from conducting such activities.

19 (40 ILCS 5/1A-113)

20 Sec. 1A-113. Penalties.

21 (a) A pension fund that fails, without just cause, to file
22 its annual statement within the time prescribed under Section
23 1A-109 shall pay to the Department a penalty to be determined
24 by the Department, which shall not exceed \$100 for each day's
25 delay.

26 (b) A pension fund that fails, without just cause, to file
27 its actuarial statement within the time prescribed under
28 Section 1A-110 or 1A-111 shall pay to the Department a penalty
29 to be determined by the Department, which shall not exceed \$100
30 for each day's delay.

31 (c) A pension fund that fails to pay a fee within the time
32 prescribed under Section 1A-112 shall pay to the Department a

1 penalty of 5% of the amount of the fee for each month or part of
2 a month that the fee is late. The entire penalty shall not
3 exceed 25% of the fee due.

4 (d) This subsection applies to any governmental unit, as
5 defined in Section 1A-102, that is subject to any law
6 establishing a pension fund or retirement system for the
7 benefit of employees of the governmental unit.

8 Whenever the Division determines by examination,
9 investigation, or in any other manner that the governing body
10 or any elected or appointed officer or official of a
11 governmental unit has failed to comply with any provision of
12 that law:

13 (1) The Director shall notify in writing the governing
14 body, officer, or official of the specific provision or
15 provisions of the law with which the person has failed to
16 comply.

17 (2) Upon receipt of the notice, the person notified
18 shall take immediate steps to comply with the provisions of
19 law specified in the notice.

20 (3) If the person notified fails to comply within a
21 reasonable time after receiving the notice, the Director
22 may hold a hearing at which the person notified may show
23 cause for noncompliance with the law.

24 (4) If upon hearing the Director determines that good
25 and sufficient cause for noncompliance has not been shown,
26 the Director may order the person to submit evidence of
27 compliance within a specified period of not less than 30
28 days.

29 (5) If evidence of compliance has not been submitted to
30 the Director within the period of time prescribed in the
31 order and no administrative appeal from the order has been
32 initiated, the Director may assess a civil penalty of up to
33 \$2,000 against the governing body, officer, or official for
34 each noncompliance with an order of the Director.

1 The Director shall develop by rule, with as much
2 specificity as practicable, the standards and criteria to be
3 used in assessing penalties and their amounts. The standards
4 and criteria shall include, but need not be limited to,
5 consideration of evidence of efforts made in good faith to
6 comply with applicable legal requirements. This rulemaking is
7 subject to the provisions of the Illinois Administrative
8 Procedure Act.

9 If a penalty is not paid within 30 days of the date of
10 assessment, the Director without further notice shall report
11 the act of noncompliance to the Attorney General of this State.
12 It shall be the duty of the Attorney General or, if the
13 Attorney General so designates, the State's Attorney of the
14 county in which the governmental unit is located to apply
15 promptly by complaint on relation of the Director of Insurance
16 in the name of the people of the State of Illinois, as
17 plaintiff, to the circuit court of the county in which the
18 governmental unit is located for enforcement of the penalty
19 prescribed in this subsection or for such additional relief as
20 the nature of the case and the interest of the employees of the
21 governmental unit or the public may require.

22 (e) Whoever knowingly makes a false certificate, entry, or
23 memorandum upon any of the books or papers pertaining to any
24 pension fund or upon any statement, report, or exhibit filed or
25 offered for file with the Division or the Director of Insurance
26 in the course of any examination, inquiry, or investigation,
27 with intent to deceive the Director, the Division, or any of
28 its employees is guilty of a Class 3 felony ~~A misdemeanor~~.

29 (Source: P.A. 90-507, eff. 8-22-97.)

30 (40 ILCS 5/22A-108.1) (from Ch. 108 1/2, par. 22A-108.1)

31 Sec. 22A-108.1. Investment Advisor: Any person or business
32 entity which provides investment advice to the ~~the~~ Board on a
33 personalized basis and with an understanding of the policies

1 and goals of the Board. "Investment Advisor" shall not include
2 any person or business entity which provides statistical or
3 general market research data available for purchase or use by
4 others.

5 (Source: P.A. 79-1171.)

6 (40 ILCS 5/22A-111) (from Ch. 108 1/2, par. 22A-111)

7 Sec. 22A-111. Duties and responsibilities.

8 (a) The Board shall manage the investments of any pension
9 fund, retirement system or education fund for the purpose of
10 obtaining a total return on investments for the long term. It
11 also shall perform such other functions as may be assigned or
12 directed by the General Assembly.

13 (b) The authority of the board to manage pension fund
14 investments and the liability shall begin when there has been a
15 physical transfer of the pension fund investments to the board
16 and placed in the custody of the State Treasurer.

17 (c) The authority of the board to manage monies from the
18 education fund for investment and the liability of the board
19 shall begin when there has been a physical transfer of
20 education fund investments to the board and placed in the
21 custody of the State Treasurer.

22 (d) The board may not delegate its management functions but
23 it may arrange to compensate for personalized investment
24 advisory service for any or all investments under its control,
25 with any national or state bank or trust company authorized to
26 do a trust business and domiciled in Illinois, or other
27 financial institution organized under the laws of Illinois, or
28 an investment advisor who is qualified under Federal Investment
29 Advisors Act of 1940 and is registered under the Illinois
30 Securities Law of 1953. Nothing contained herein shall prevent
31 the Board from subscribing to general investment research
32 services available for purchase or use by others. The Board
33 shall also have the authority to compensate for accounting

1 services.

2 (e) Notwithstanding any other provision of law, a person or
3 entity that provides consulting services (referred to as a
4 "consultant" in this Section) to the board with respect to the
5 selection of fiduciaries may not be awarded a contract to
6 provide those consulting services that is more than 5 years in
7 duration. No contract to provide such consulting services may
8 be renewed or extended. At the end of the term of a contract,
9 however, the contractor is eligible to compete for a new
10 contract as provided in subsection (f). Neither the board nor a
11 consultant shall attempt to avoid or contravene the
12 restrictions of this subsection by any means.

13 (f) The selection of a consultant, and the contracting for
14 investment services from a consultant, constitute procurements
15 of professional and artistic services under the Illinois
16 Procurement Code that must be made and awarded in accordance
17 with and through the use of the method of selection required by
18 Article 35 of that Code. All offers from responsive offerors
19 shall be accompanied by disclosure of the names and addresses
20 of the following:

21 (1) The offeror.

22 (2) Any entity that is a parent of, or owns a
23 controlling interest in, the offeror.

24 (3) Any entity that is a subsidiary of, or in which a
25 controlling interest is owned by, the offeror.

26 (4) The offeror's key persons.

27 "Key persons" means any persons who (i) have an ownership
28 or distributive income share in the offeror that is in excess
29 of 5%, or an amount greater than 60% of the annual salary of
30 the Governor, or (ii) serve as executive officers of the
31 offeror.

32 Beginning on July 1, 2006, a person, other than a trustee
33 or an employee of a the board, may not act as a consultant
34 under this Section unless that person is at least one of the

1 following: (i) registered as an investment adviser under the
2 federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et
3 seq.); (ii) registered as an investment adviser under the
4 Illinois Securities Law of 1953; (iii) a bank, as defined in
5 the Investment Advisers Act of 1940; or (iv) an insurance
6 company authorized to transact business in this State.

7 In addition to any other requirement, each contract between
8 the Board and an investment advisor or consultant shall include
9 (i) full disclosure of direct and indirect fees, commissions,
10 penalties, and other compensation, including reimbursement for
11 expenses, that may be paid by or on behalf of the investment
12 advisor or consultant in connection with the provision of
13 services to the pension fund or retirement system and (ii) a
14 requirement that the investment advisor or consultant update
15 the disclosure promptly after a modification of those payments
16 or an additional payment.

17 Within 30 days after the effective date of this amendatory
18 Act of the 94th General Assembly, each investment advisor and
19 consultant currently providing services or subject to an
20 existing contract for the provision of services must disclose
21 to the Board all direct and indirect fees, commissions,
22 penalties, and other compensation paid by or on behalf of the
23 investment advisor or consultant in connection with the
24 provision of those services and shall update that disclosure
25 promptly after a modification of those payments or an
26 additional payment.

27 The disclosures required by this subsection shall be in
28 writing and shall include the date and amount of each payment
29 and the name and address of each recipient of a payment.

30 Notwithstanding any other provision of law, the Board shall
31 comply with the Business Enterprise for Minorities, Females,
32 and Persons with Disabilities Act. The Board shall post upon
33 its website the percentage of its contracts awarded under this
34 subsection currently and during the preceding 5 fiscal years

1 that were awarded to "minority owned businesses", "female owned
2 businesses", and "businesses owned by a person with a
3 disability", as those terms are defined in the Business
4 Enterprise for Minorities, Females, and Persons with
5 Disabilities Act.

6 (Source: P.A. 84-1127.)

7 (40 ILCS 5/2-152 rep.)

8 (40 ILCS 5/2-155 rep.)

9 (40 ILCS 5/12-190.3 rep.)

10 (40 ILCS 5/13-806 rep.)

11 (40 ILCS 5/14-148 rep.)

12 (40 ILCS 5/15-186 rep.)

13 (40 ILCS 5/15-189 rep.)

14 (40 ILCS 5/16-191 rep.)

15 (40 ILCS 5/16-198 rep.)

16 (40 ILCS 5/18-159 rep.)

17 (40 ILCS 5/18-162 rep.)

18 Section 40. The Illinois Pension Code is amended by
19 repealing Sections 2-152, 2-155, 12-190.3, 13-806, 14-148,
20 15-186, 15-189, 16-191, 16-198, 18-159, and 18-162.

21 Section 90. The State Mandates Act is amended by adding
22 Section 8.30 as follows:

23 (30 ILCS 805/8.30 new)

24 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
25 of this Act, no reimbursement by the State is required for the
26 implementation of any mandate created by this amendatory Act of
27 the 94th General Assembly.

28 Section 98. Severability. The provisions of this Act are
29 severable under Section 1.31 of the Statute on Statutes.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".