

1 AN ACT concerning State government.

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

4 Section 5. The Election Code is amended by adding Section
5 9-35 as follows:

6 (10 ILCS 5/9-35 new)

7 Sec. 9-35. Registration of business entities.

8 (a) This Section governs the procedures for the
9 registration required under Section 20-160 of the Illinois
10 Procurement Code.

11 For the purposes of this Section, the terms "officeholder",
12 "State contract", "business entity", "State agency",
13 "affiliated entity", and "affiliated person" have the meanings
14 ascribed to those terms in Section 50-37 of the Illinois
15 Procurement Code.

16 (b) Registration under Section 20-160 of the Illinois
17 Procurement Code, and any changes to that registration, must be
18 made electronically. The State Board of Elections by rule shall
19 provide for electronic registration, which must contain
20 substantially the following:

21 (1) The name and address of the business entity.

22 (2) The name and address of any affiliated entity of
23 the business entity, including a description of the

1 affiliation.

2 (3) The name and address of any affiliated person of
3 the business entity, including a description of the
4 affiliation.

5 (c) The Board shall provide a certificate of registration
6 to the business entity. The certificate shall be electronic and
7 accessible to the business entity through the State Board of
8 Elections' website and protected by a password.

9 (d) Any business entity required to register under Section
10 20-160 of the Illinois Procurement Code shall provide a copy of
11 the registration certificate, by first class mail or hand
12 delivery within 10 days after registration, to each affiliated
13 entity or affiliated person whose identity is required to be
14 disclosed. Failure to provide notice to an affiliated entity or
15 affiliated person is a business offense for which the business
16 entity is subject to a fine not to exceed \$1,001.

17 (e) In addition to any penalty under Section 20-160 of the
18 Illinois Procurement Code, intentional, willful, or material
19 failure to disclose information required for registration is
20 subject to a civil penalty imposed by the State Board of
21 Elections. The State Board shall impose a civil penalty of
22 \$1,000 per business day for failure to update a registration.

23 (f) Any business entity required to register under Section
24 20-160 of the Illinois Procurement Code shall notify any
25 political committee to which it makes a contribution, at the
26 time of the contribution, that the business entity is

1 registered with the State Board of Elections under Section
2 20-160 of the Illinois Procurement Code. Any affiliated entity
3 or affiliated person of a business entity required to register
4 under Section 20-160 of the Illinois Procurement Code shall
5 notify any political committee to which it makes a contribution
6 that it is affiliated with a business entity registered with
7 the State Board of Elections under Section 20-160 of the
8 Illinois Procurement Code.

9 (g) The State Board of Elections on its official website
10 shall have a searchable database containing (i) all information
11 required to be submitted to the Board under Section 20-160 of
12 the Illinois Procurement Code and (ii) all reports filed under
13 this Article with the State Board of Elections by all political
14 committees. For the purposes of databases maintained by the
15 State Board of Elections, "searchable" means able to search by
16 "political committee", as defined in this Article, and by
17 "officeholder", "State agency", "business entity", "affiliated
18 entity", and "affiliated person". The Board shall not place the
19 name of a minor child on the website. However, the Board shall
20 provide a link to all contributions made by anyone reporting
21 the same residential address as any affiliated person. In
22 addition, the State Board of Elections on its official website
23 shall provide an electronic connection to any searchable
24 database of State contracts maintained by the Comptroller,
25 searchable by business entity.

26 (h) The State Board of Elections shall have rulemaking

1 authority to implement this Section.

2 Section 10. The Illinois Procurement Code is amended by
3 adding Sections 20-160 and 50-37 as follows:

4 (30 ILCS 500/20-160 new)

5 Sec. 20-160. Business entities; certification;
6 registration with the State Board of Elections.

7 (a) For purposes of this Section, the terms "business
8 entity", "contract", "State contract", "contract with a State
9 agency", "State agency", "affiliated entity", and "affiliated
10 person" have the meanings ascribed to those terms in Section
11 50-37.

12 (b) Every bid submitted to and every contract executed by
13 the State on or after the effective date of this amendatory Act
14 of the 95th General Assembly shall contain (1) a certification
15 by the bidder or contractor that either (i) the bidder or
16 contractor is not required to register as a business entity
17 with the State Board of Elections pursuant to this Section or
18 (ii) the bidder or contractor has registered as a business
19 entity with the State Board of Elections and acknowledges a
20 continuing duty to update the registration and (2) a statement
21 that the contract is voidable under Section 50-60 for the
22 bidder's or contractor's failure to comply with this Section.

23 (c) Within 30 days after the effective date of this
24 amendatory Act of the 95th General Assembly, each business

1 entity (i) whose aggregate bids and proposals on State
2 contracts annually total more than \$50,000, (ii) whose
3 aggregate bids and proposals on State contracts combined with
4 the business entity's aggregate annual total value of State
5 contracts exceed \$50,000, or (iii) whose contracts with State
6 agencies, in the aggregate, annually total more than \$50,000
7 shall register with the State Board of Elections in accordance
8 with Section 9-35 of the Election Code. A business entity
9 required to register under this subsection shall submit a copy
10 of the certificate of registration to the applicable chief
11 procurement officer within 90 days after the effective date of
12 this amendatory Act of the 95th General Assembly. A business
13 entity required to register under this subsection due to item
14 (i) or (ii) has a continuing duty to ensure that the
15 registration is accurate during the period beginning on the
16 date of registration and ending on the day after the date the
17 contract is awarded; any change in information must be reported
18 to the State Board of Elections within 2 business days
19 following such change. A business entity required to register
20 under this subsection due to item (iii) has a continuing duty
21 to ensure that the registration is accurate in accordance with
22 subsection (f).

23 (d) Any business entity, not required under subsection (c)
24 to register within 30 days after the effective date of this
25 amendatory Act of the 95th General Assembly, whose aggregate
26 bids and proposals on State contracts annually total more than

1 \$50,000, or whose aggregate bids and proposals on State
2 contracts combined with the business entity's aggregate annual
3 total value of State contracts exceed \$50,000, shall register
4 with the State Board of Elections in accordance with Section
5 9-35 of the Election Code prior to submitting to a State agency
6 the bid or proposal whose value causes the business entity to
7 fall within the monetary description of this subsection. A
8 business entity required to register under this subsection has
9 a continuing duty to ensure that the registration is accurate
10 during the period beginning on the date of registration and
11 ending on the day after the date the contract is awarded. Any
12 change in information must be reported to the State Board of
13 Elections within 2 business days following such change.

14 (e) A business entity whose contracts with State agencies,
15 in the aggregate, annually total more than \$50,000 must
16 maintain its registration under this Section and has a
17 continuing duty to ensure that the registration is accurate for
18 the duration of the term of office of the incumbent
19 officerholder awarding the contracts or for a period of 2 years
20 following the expiration or termination of the contracts,
21 whichever is longer. Any change in information shall be
22 reported to the State Board of Elections within 10 days
23 following such change; however, if a business entity required
24 to register under this subsection has a pending bid or
25 proposal, any change in information shall be reported to the
26 State Board of Elections within 2 business days.

1 (f) A business entity's continuing duty under this Section
2 to ensure the accuracy of its registration includes the
3 requirement that the business entity notify the State Board of
4 Elections of any change in information, including but not
5 limited to changes of affiliated entities or affiliated
6 persons.

7 (g) A copy of a certificate of registration must accompany
8 any bid or proposal for a contract with a State agency by a
9 business entity required to register under this Section. A
10 chief procurement officer shall not accept a bid or proposal
11 unless the certificate is submitted to the agency with the bid
12 or proposal.

13 (h) A registration, and any changes to a registration, must
14 include the business entity's verification of accuracy and
15 subjects the business entity to the penalties of the laws of
16 this State for perjury.

17 In addition to any penalty under Section 9-35 of the
18 Election Code, intentional, willful, or material failure to
19 disclose information required for registration shall render
20 the contract, bid, proposal, or other procurement relationship
21 voidable by the chief procurement officer if he or she deems it
22 to be in the best interest of the State of Illinois.

23 (i) This Section applies regardless of the method of source
24 selection used in awarding the contract.

1 Sec. 50-37. Prohibition of political contributions.

2 (a) As used in this Section:

3 The terms "contract", "State contract", and "contract
4 with a State agency" each mean any contract, as defined in
5 this Code, between a business entity and a State agency let
6 or awarded pursuant to this Code. The terms "contract",
7 "State contract", and "contract with a State agency" do not
8 include cost reimbursement contracts; purchase of care
9 agreements as defined in Section 1-15.68 of this Code;
10 grants, including but are not limited to grants for job
11 training or transportation; and grants, loans, or tax
12 credit agreements for economic development purposes.

13 "Contribution" means a contribution as defined in
14 Section 9-1.4 of the Election Code.

15 "Declared candidate" means a person who has filed a
16 statement of candidacy and petition for nomination or
17 election in the principal office of the State Board of
18 Elections.

19 "State agency" means and includes all boards,
20 commissions, agencies, institutions, authorities, and
21 bodies politic and corporate of the State, created by or in
22 accordance with the Illinois Constitution or State
23 statute, of the executive branch of State government and
24 does include colleges, universities, public employee
25 retirement systems, and institutions under the
26 jurisdiction of the governing boards of the University of

1 Illinois, Southern Illinois University, Illinois State
2 University, Eastern Illinois University, Northern Illinois
3 University, Western Illinois University, Chicago State
4 University, Governors State University, Northeastern
5 Illinois University, and the Illinois Board of Higher
6 Education.

7 "Officeholder" means the Governor, Lieutenant
8 Governor, Attorney General, Secretary of State,
9 Comptroller, or Treasurer. The Governor shall be
10 considered the officeholder responsible for awarding all
11 contracts by all officers and employees of, and vendors and
12 others doing business with, executive branch State
13 agencies under the jurisdiction of the Executive Ethics
14 Commission and not within the jurisdiction of the Attorney
15 General, the Secretary of State, the Comptroller, or the
16 Treasurer.

17 "Sponsoring entity" means a sponsoring entity as
18 defined in Section 9-3 of the Election Code.

19 "Affiliated person" means (i) any person with any
20 ownership interest or distributive share of the bidding or
21 contracting business entity in excess of 7.5%, (ii)
22 executive employees of the bidding or contracting business
23 entity, and (iii) the spouse and minor children of any such
24 persons.

25 "Affiliated entity" means (i) any subsidiary of the
26 bidding or contracting business entity, (ii) any member of

1 the same unitary business group, (iii) any organization
2 recognized by the United States Internal Revenue Service as
3 a tax-exempt organization described in Section 501(c) of
4 the Internal Revenue Code of 1986 (or any successor
5 provision of federal tax law) established by the bidding or
6 contracting business entity, any affiliated entity of that
7 business entity, or any affiliated person of that business
8 entity, or (iv) any political committee for which the
9 bidding or contracting business entity, or any 501(c)
10 organization described in item (iii) related to that
11 business entity, is the sponsoring entity.

12 "Business entity" means any entity doing business for
13 profit, whether organized as a corporation, partnership,
14 sole proprietorship, limited liability company or
15 partnership, or otherwise.

16 "Executive employee" means the President, Chairman,
17 Chief Executive Officer, or other employee with executive
18 decision-making authority over the long-term and
19 day-to-day affairs of the entity employing the employee, or
20 an employee whose compensation is determined directly, in
21 whole or in part, by the award or payment of contracts by a
22 State agency to the entity employing the employee.

23 (b) Any business entity whose contracts with State
24 agencies, in the aggregate, annually total more than \$50,000,
25 and any affiliated entities or affiliated persons of such
26 business entity, are prohibited from making any contributions

1 to any political committees established to promote the
2 candidacy of (i) the officeholder responsible for awarding the
3 contracts or (ii) any other declared candidate for that office.
4 This prohibition shall be effective for the duration of the
5 term of office of the incumbent officeholder awarding the
6 contracts or for a period of 2 years following the expiration
7 or termination of the contracts, whichever is longer.

8 (c) Any business entity whose aggregate pending bids and
9 proposals on State contracts total more than \$50,000, or whose
10 aggregate pending bids and proposals on State contracts
11 combined with the business entity's aggregate annual total
12 value of State contracts exceed \$50,000, and any affiliated
13 entities or affiliated persons of such business entity, are
14 prohibited from making any contributions to any political
15 committee established to promote the candidacy of the
16 officeholder responsible for awarding the contract on which the
17 business entity has submitted a bid or proposal during the
18 period beginning on the date the invitation for bids or request
19 for proposals is issued and ending on the day after the date
20 the contract is awarded.

21 (d) All contracts between State agencies and a business
22 entity that violate subsection (b) or (c) shall be voidable
23 under Section 50-60. If a business entity violates subsection
24 (b) 3 or more times within a 36-month period, then all
25 contracts between State agencies and that business entity shall
26 be void, and that business entity shall not bid or respond to

1 any invitation to bid or request for proposals from any State
2 agency or otherwise enter into any contract with any State
3 agency for 3 years from the date of the last violation. A
4 notice of each violation and the penalty imposed shall be
5 published in both the Procurement Bulletin and the Illinois
6 Register.

7 (e) Any political committee that has received a
8 contribution in violation of subsection (b) or (c) shall pay an
9 amount equal to the value of the contribution to the State no
10 more than 30 days after notice of the violation concerning the
11 contribution appears in the Illinois Register. Payments
12 received by the State pursuant to this subsection shall be
13 deposited into the general revenue fund.

14 Section 97. Severability. If the provisions of this Act or
15 its application to any person or circumstance is held invalid,
16 the invalidity of that provision or application does not affect
17 the other provisions or applications of this Act that can be
18 given effect without the invalid provision or application.