



Sen. Jacqueline Y. Collins

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09500SB1169sam002

LRB095 10981 AMC 34559 a

1 AMENDMENT TO SENATE BILL 1169

2 AMENDMENT NO. _____. Amend Senate Bill 1169 by inserting
3 the following immediately above the enacting clause:

4 "WHEREAS, This amendatory Act of the 95th General Assembly
5 may also be cited as an Act to disassociate from genocide and
6 terrorism in Sudan; therefore"; and

7 by replacing everything after the enacting clause with the
8 following:

9 "Section 1. Findings. The Government of the United States
10 has determined that Sudan is a nation that sponsors terrorism
11 and genocide. The General Assembly finds that acts of terrorism
12 have caused injury and death to Illinois and United States
13 residents who serve in the United States military, and pose a
14 significant threat to safety and health in Illinois. The
15 General Assembly finds that public employees and their
16 families, including police officers and firefighters, are more

1 likely than others to be affected by acts of terrorism. The
2 General Assembly finds that Sudan continues to solicit
3 investment and commercial activities by forbidden entities,
4 including private market funds. The General Assembly finds that
5 investments in forbidden entities are inherently and unduly
6 risky, not in the interests of public pensioners and Illinois
7 taxpayers, and against public policy. The General Assembly
8 finds that Sudan's capacity to sponsor terrorism and genocide
9 depends on or is supported by the activities of forbidden
10 entities. The General Assembly further finds and re-affirms
11 that the people of the State, acting through their
12 representatives, do not want to be associated with forbidden
13 entities, genocide, and terrorism.

14 Section 5. The Deposit of State Moneys Act is amended by
15 reenacting and changing Section 22.5 as follows:

16 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

17 (For force and effect of certain provisions, see Section 90
18 of P.A. 94-79)

19 Sec. 22.5. Permitted investments. The State Treasurer may,
20 with the approval of the Governor, invest and reinvest any
21 State money in the treasury which is not needed for current
22 expenditures due or about to become due, in obligations of the
23 United States government or its agencies or of National
24 Mortgage Associations established by or under the National

1 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage
2 participation certificates representing undivided interests in
3 specified, first-lien conventional residential Illinois
4 mortgages that are underwritten, insured, guaranteed, or
5 purchased by the Federal Home Loan Mortgage Corporation or in
6 Affordable Housing Program Trust Fund Bonds or Notes as defined
7 in and issued pursuant to the Illinois Housing Development Act.
8 All such obligations shall be considered as cash and may be
9 delivered over as cash by a State Treasurer to his successor.

10 The State Treasurer may, with the approval of the Governor,
11 purchase any state bonds with any money in the State Treasury
12 that has been set aside and held for the payment of the
13 principal of and interest on the bonds. The bonds shall be
14 considered as cash and may be delivered over as cash by the
15 State Treasurer to his successor.

16 The State Treasurer may, with the approval of the Governor,
17 invest or reinvest any State money in the treasury that is not
18 needed for current expenditure due or about to become due, or
19 any money in the State Treasury that has been set aside and
20 held for the payment of the principal of and the interest on
21 any State bonds, in shares, withdrawable accounts, and
22 investment certificates of savings and building and loan
23 associations, incorporated under the laws of this State or any
24 other state or under the laws of the United States; provided,
25 however, that investments may be made only in those savings and
26 loan or building and loan associations the shares and

1 withdrawable accounts or other forms of investment securities
2 of which are insured by the Federal Deposit Insurance
3 Corporation.

4 The State Treasurer may not invest State money in any
5 savings and loan or building and loan association unless a
6 commitment by the savings and loan (or building and loan)
7 association, executed by the president or chief executive
8 officer of that association, is submitted in the following
9 form:

10 The Savings and Loan (or Building
11 and Loan) Association pledges not to reject arbitrarily
12 mortgage loans for residential properties within any
13 specific part of the community served by the savings and
14 loan (or building and loan) association because of the
15 location of the property. The savings and loan (or building
16 and loan) association also pledges to make loans available
17 on low and moderate income residential property throughout
18 the community within the limits of its legal restrictions
19 and prudent financial practices.

20 The State Treasurer may, with the approval of the Governor,
21 invest or reinvest, at a price not to exceed par, any State
22 money in the treasury that is not needed for current
23 expenditures due or about to become due, or any money in the
24 State Treasury that has been set aside and held for the payment
25 of the principal of and interest on any State bonds, in bonds
26 issued by counties or municipal corporations of the State of

1 Illinois.

2 The State Treasurer may, with the approval of the Governor,
3 invest or reinvest any State money in the Treasury which is not
4 needed for current expenditure, due or about to become due, or
5 any money in the State Treasury which has been set aside and
6 held for the payment of the principal of and the interest on
7 any State bonds, in participations in loans, the principal of
8 which participation is fully guaranteed by an agency or
9 instrumentality of the United States government; provided,
10 however, that such loan participations are represented by
11 certificates issued only by banks which are incorporated under
12 the laws of this State or any other state or under the laws of
13 the United States, and such banks, but not the loan
14 participation certificates, are insured by the Federal Deposit
15 Insurance Corporation.

16 The State Treasurer may, with the approval of the Governor,
17 invest or reinvest any State money in the Treasury that is not
18 needed for current expenditure, due or about to become due, or
19 any money in the State Treasury that has been set aside and
20 held for the payment of the principal of and the interest on
21 any State bonds, in any of the following:

22 (1) Bonds, notes, certificates of indebtedness,
23 Treasury bills, or other securities now or hereafter issued
24 that are guaranteed by the full faith and credit of the
25 United States of America as to principal and interest.

26 (2) Bonds, notes, debentures, or other similar

1 obligations of the United States of America, its agencies,
2 and instrumentalities.

3 (2.5) Bonds, notes, debentures, or other similar
4 obligations of a foreign government, other than the
5 Republic of the Sudan, that are guaranteed by the full
6 faith and credit of that government as to principal and
7 interest, but only if the foreign government has not
8 defaulted and has met its payment obligations in a timely
9 manner on all similar obligations for a period of at least
10 25 years immediately before the time of acquiring those
11 obligations.

12 (3) Interest-bearing savings accounts,
13 interest-bearing certificates of deposit, interest-bearing
14 time deposits, or any other investments constituting
15 direct obligations of any bank as defined by the Illinois
16 Banking Act.

17 (4) Interest-bearing accounts, certificates of
18 deposit, or any other investments constituting direct
19 obligations of any savings and loan associations
20 incorporated under the laws of this State or any other
21 state or under the laws of the United States.

22 (5) Dividend-bearing share accounts, share certificate
23 accounts, or class of share accounts of a credit union
24 chartered under the laws of this State or the laws of the
25 United States; provided, however, the principal office of
26 the credit union must be located within the State of

1 Illinois.

2 (6) Bankers' acceptances of banks whose senior
3 obligations are rated in the top 2 rating categories by 2
4 national rating agencies and maintain that rating during
5 the term of the investment.

6 (7) Short-term obligations of corporations organized
7 in the United States with assets exceeding \$500,000,000 if
8 (i) the obligations are rated at the time of purchase at
9 one of the 3 highest classifications established by at
10 least 2 standard rating services and mature not later than
11 180 days from the date of purchase, (ii) the purchases do
12 not exceed 10% of the corporation's outstanding
13 obligations, (iii) no more than one-third of the public
14 agency's funds are invested in short-term obligations of
15 corporations, and (iv) the corporation has not been
16 identified as a forbidden entity, as that term is defined
17 in Section 1-110.6 of the Illinois Pension Code, by an
18 independent researching firm that specializes in global
19 security risk that has been engaged by the State Treasurer
20 ~~is not a forbidden entity, as defined in Section 22.6 of~~
21 ~~the Deposit of State Moneys Act.~~

22 (8) Money market mutual funds registered under the
23 Investment Company Act of 1940, provided that the portfolio
24 of the money market mutual fund is limited to obligations
25 described in this Section and to agreements to repurchase
26 such obligations.

1 (9) The Public Treasurers' Investment Pool created
2 under Section 17 of the State Treasurer Act or in a fund
3 managed, operated, and administered by a bank.

4 (10) Repurchase agreements of government securities
5 having the meaning set out in the Government Securities Act
6 of 1986 subject to the provisions of that Act and the
7 regulations issued thereunder.

8 (11) Investments made in accordance with the
9 Technology Development Act.

10 For purposes of this Section, "agencies" of the United
11 States Government includes:

12 (i) the federal land banks, federal intermediate
13 credit banks, banks for cooperatives, federal farm credit
14 banks, or any other entity authorized to issue debt
15 obligations under the Farm Credit Act of 1971 (12 U.S.C.
16 2001 et seq.) and Acts amendatory thereto;

17 (ii) the federal home loan banks and the federal home
18 loan mortgage corporation;

19 (iii) the Commodity Credit Corporation; and

20 (iv) any other agency created by Act of Congress.

21 The Treasurer may, with the approval of the Governor, lend
22 any securities acquired under this Act. However, securities may
23 be lent under this Section only in accordance with Federal
24 Financial Institution Examination Council guidelines and only
25 if the securities are collateralized at a level sufficient to
26 assure the safety of the securities, taking into account market

1 value fluctuation. The securities may be collateralized by cash
2 or collateral acceptable under Sections 11 and 11.1.

3 (Source: P.A. 94-79, eff. 1-27-06; for force and effect of
4 certain provisions, see Section 90 of P.A. 94-79.)

5 Section 10. The State Treasurer Act is amended by changing
6 Section 16.5 as follows:

7 (15 ILCS 505/16.5)

8 Sec. 16.5. College Savings Pool. The State Treasurer may
9 establish and administer a College Savings Pool to supplement
10 and enhance the investment opportunities otherwise available
11 to persons seeking to finance the costs of higher education.
12 The State Treasurer, in administering the College Savings Pool,
13 may receive moneys paid into the pool by a participant and may
14 serve as the fiscal agent of that participant for the purpose
15 of holding and investing those moneys.

16 "Participant", as used in this Section, means any person
17 who makes investments in the pool. "Designated beneficiary", as
18 used in this Section, means any person on whose behalf an
19 account is established in the College Savings Pool by a
20 participant. Both in-state and out-of-state persons may be
21 participants and designated beneficiaries in the College
22 Savings Pool.

23 New accounts in the College Savings Pool shall be processed
24 through participating financial institutions. "Participating

1 financial institution", as used in this Section, means any
2 financial institution insured by the Federal Deposit Insurance
3 Corporation and lawfully doing business in the State of
4 Illinois and any credit union approved by the State Treasurer
5 and lawfully doing business in the State of Illinois that
6 agrees to process new accounts in the College Savings Pool.
7 Participating financial institutions may charge a processing
8 fee to participants to open an account in the pool that shall
9 not exceed \$30 until the year 2001. Beginning in 2001 and every
10 year thereafter, the maximum fee limit shall be adjusted by the
11 Treasurer based on the Consumer Price Index for the North
12 Central Region as published by the United States Department of
13 Labor, Bureau of Labor Statistics for the immediately preceding
14 calendar year. Every contribution received by a financial
15 institution for investment in the College Savings Pool shall be
16 transferred from the financial institution to a location
17 selected by the State Treasurer within one business day
18 following the day that the funds must be made available in
19 accordance with federal law. All communications from the State
20 Treasurer to participants shall reference the participating
21 financial institution at which the account was processed.

22 The Treasurer may invest the moneys in the College Savings
23 Pool in the same manner, in the same types of investments, ~~and~~
24 ~~subject to the same limitations~~ provided for the investment of
25 moneys by the Illinois State Board of Investment. To enhance
26 the safety and liquidity of the College Savings Pool, to ensure

1 the diversification of the investment portfolio of the pool,
2 and in an effort to keep investment dollars in the State of
3 Illinois, the State Treasurer shall make a percentage of each
4 account available for investment in participating financial
5 institutions doing business in the State. The State Treasurer
6 shall deposit with the participating financial institution at
7 which the account was processed the following percentage of
8 each account at a prevailing rate offered by the institution,
9 provided that the deposit is federally insured or fully
10 collateralized and the institution accepts the deposit: 10% of
11 the total amount of each account for which the current age of
12 the beneficiary is less than 7 years of age, 20% of the total
13 amount of each account for which the beneficiary is at least 7
14 years of age and less than 12 years of age, and 50% of the total
15 amount of each account for which the current age of the
16 beneficiary is at least 12 years of age. The State Treasurer
17 shall adjust each account at least annually to ensure
18 compliance with this Section. The Treasurer shall develop,
19 publish, and implement an investment policy covering the
20 investment of the moneys in the College Savings Pool. The
21 policy shall be published (i) at least once each year in at
22 least one newspaper of general circulation in both Springfield
23 and Chicago and (ii) each year as part of the audit of the
24 College Savings Pool by the Auditor General, which shall be
25 distributed to all participants. The Treasurer shall notify all
26 participants in writing, and the Treasurer shall publish in a

1 newspaper of general circulation in both Chicago and
2 Springfield, any changes to the previously published
3 investment policy at least 30 calendar days before implementing
4 the policy. Any investment policy adopted by the Treasurer
5 shall be reviewed and updated if necessary within 90 days
6 following the date that the State Treasurer takes office.

7 Participants shall be required to use moneys distributed
8 from the College Savings Pool for qualified expenses at
9 eligible educational institutions. "Qualified expenses", as
10 used in this Section, means the following: (i) tuition, fees,
11 and the costs of books, supplies, and equipment required for
12 enrollment or attendance at an eligible educational
13 institution and (ii) certain room and board expenses incurred
14 while attending an eligible educational institution at least
15 half-time. "Eligible educational institutions", as used in
16 this Section, means public and private colleges, junior
17 colleges, graduate schools, and certain vocational
18 institutions that are described in Section 481 of the Higher
19 Education Act of 1965 (20 U.S.C. 1088) and that are eligible to
20 participate in Department of Education student aid programs. A
21 student shall be considered to be enrolled at least half-time
22 if the student is enrolled for at least half the full-time
23 academic work load for the course of study the student is
24 pursuing as determined under the standards of the institution
25 at which the student is enrolled. Distributions made from the
26 pool for qualified expenses shall be made directly to the

1 eligible educational institution, directly to a vendor, or in
2 the form of a check payable to both the beneficiary and the
3 institution or vendor. Any moneys that are distributed in any
4 other manner or that are used for expenses other than qualified
5 expenses at an eligible educational institution shall be
6 subject to a penalty of 10% of the earnings unless the
7 beneficiary dies, becomes disabled, or receives a scholarship
8 that equals or exceeds the distribution. Penalties shall be
9 withheld at the time the distribution is made.

10 The Treasurer shall limit the contributions that may be
11 made on behalf of a designated beneficiary based on an
12 actuarial estimate of what is required to pay tuition, fees,
13 and room and board for 5 undergraduate years at the highest
14 cost eligible educational institution. The contributions made
15 on behalf of a beneficiary who is also a beneficiary under the
16 Illinois Prepaid Tuition Program shall be further restricted to
17 ensure that the contributions in both programs combined do not
18 exceed the limit established for the College Savings Pool. The
19 Treasurer shall provide the Illinois Student Assistance
20 Commission each year at a time designated by the Commission, an
21 electronic report of all participant accounts in the
22 Treasurer's College Savings Pool, listing total contributions
23 and disbursements from each individual account during the
24 previous calendar year. As soon thereafter as is possible
25 following receipt of the Treasurer's report, the Illinois
26 Student Assistance Commission shall, in turn, provide the

1 Treasurer with an electronic report listing those College
2 Savings Pool participants who also participate in the State's
3 prepaid tuition program, administered by the Commission. The
4 Commission shall be responsible for filing any combined tax
5 reports regarding State qualified savings programs required by
6 the United States Internal Revenue Service. The Treasurer shall
7 work with the Illinois Student Assistance Commission to
8 coordinate the marketing of the College Savings Pool and the
9 Illinois Prepaid Tuition Program when considered beneficial by
10 the Treasurer and the Director of the Illinois Student
11 Assistance Commission. The Treasurer's office shall not
12 publicize or otherwise market the College Savings Pool or
13 accept any moneys into the College Savings Pool prior to March
14 1, 2000. The Treasurer shall provide a separate accounting for
15 each designated beneficiary to each participant, the Illinois
16 Student Assistance Commission, and the participating financial
17 institution at which the account was processed. No interest in
18 the program may be pledged as security for a loan.

19 The assets of the College Savings Pool and its income and
20 operation shall be exempt from all taxation by the State of
21 Illinois and any of its subdivisions. The accrued earnings on
22 investments in the Pool once disbursed on behalf of a
23 designated beneficiary shall be similarly exempt from all
24 taxation by the State of Illinois and its subdivisions, so long
25 as they are used for qualified expenses. Contributions to a
26 College Savings Pool account during the taxable year may be

1 deducted from adjusted gross income as provided in Section 203
2 of the Illinois Income Tax Act. The provisions of this
3 paragraph are exempt from Section 250 of the Illinois Income
4 Tax Act.

5 The Treasurer shall adopt rules he or she considers
6 necessary for the efficient administration of the College
7 Savings Pool. The rules shall provide whatever additional
8 parameters and restrictions are necessary to ensure that the
9 College Savings Pool meets all of the requirements for a
10 qualified state tuition program under Section 529 of the
11 Internal Revenue Code (26 U.S.C. 529). The rules shall provide
12 for the administration expenses of the pool to be paid from its
13 earnings and for the investment earnings in excess of the
14 expenses and all moneys collected as penalties to be credited
15 or paid monthly to the several participants in the pool in a
16 manner which equitably reflects the differing amounts of their
17 respective investments in the pool and the differing periods of
18 time for which those amounts were in the custody of the pool.
19 Also, the rules shall require the maintenance of records that
20 enable the Treasurer's office to produce a report for each
21 account in the pool at least annually that documents the
22 account balance and investment earnings. Notice of any proposed
23 amendments to the rules and regulations shall be provided to
24 all participants prior to adoption. Amendments to rules and
25 regulations shall apply only to contributions made after the
26 adoption of the amendment.

1 Upon creating the College Savings Pool, the State Treasurer
2 shall give bond with 2 or more sufficient sureties, payable to
3 and for the benefit of the participants in the College Savings
4 Pool, in the penal sum of \$1,000,000, conditioned upon the
5 faithful discharge of his or her duties in relation to the
6 College Savings Pool.

7 (Source: P.A. 92-16, eff. 6-28-01; 92-439, eff. 8-17-01;
8 92-626, eff. 7-11-02; 93-812, eff. 1-1-05.)

9 Section 15. The Illinois Pension Code is amended by adding
10 Section 1-110.6 and changing Section 22-401 as follows:

11 (40 ILCS 5/1-110.6 new)

12 Sec. 1-110.6. Transactions prohibited by retirement
13 systems, local pension funds, or large Article 3 or 4 pension
14 funds; Sudan.

15 (a) For purposes of this Section:

16 "Company" is any entity capable of affecting commerce,
17 including but not limited to (i) a government, government
18 agency, natural person, legal person, sole proprietorship,
19 partnership, firm, corporation, subsidiary, affiliate,
20 franchisor, franchisee, joint venture, trade association,
21 financial institution, utility, public franchise, provider of
22 financial services, trust, or enterprise; and (ii) any
23 association thereof.

24 "Forbidden entity" means any of the following:

1 (1) The government of the Republic of the Sudan and any
2 of its agencies, including but not limited to political
3 units and subdivisions;

4 (2) Any company that is wholly or partially managed or
5 controlled by the government of the Republic of the Sudan
6 and any of its agencies, including but not limited to
7 political units and subdivisions;

8 (3) Any company (i) that is established or organized
9 under the laws of the Republic of the Sudan or (ii) whose
10 principal place of business is in the Republic of the
11 Sudan;

12 (4) Any company (i) identified by the Office of Foreign
13 Assets Control in the United States Department of the
14 Treasury as sponsoring terrorist activities; or (ii)
15 fined, penalized, or sanctioned by the Office of Foreign
16 Assets Control in the United States Department of the
17 Treasury for any violation of any United States rules and
18 restrictions relating to the Republic of the Sudan that
19 occurred at any time following the effective date of this
20 Act;

21 (5) Any publicly traded company identified by an
22 independent researching firm that specializes in global
23 security risk and that has been retained by a certifying
24 company as provided in subsection (b) of this Section as
25 being a company that owns or controls property or assets
26 located in, has employees or facilities located in,

1 provides goods or services to, obtain goods or services
2 from, has distribution agreements with, issue credits or
3 loans to, purchase bonds or commercial paper issued by, or
4 invests in (A) the Republic of the Sudan; or (B) any
5 company domiciled in the Republic of the Sudan; and

6 (6) Any private market fund that:

7 (i) with respect to a commitment or investment made
8 pursuant to a written agreement executed prior to the
9 effective date of this Section, and at no additional
10 cost to the retirement system, local pension fund, or
11 large Article 3 or 4 pension fund, fails to submit to
12 the appropriate certifying company or the retirement
13 system, local pension fund, or large Article 3 or 4
14 pension fund, as the case may be:

15 (A) an affidavit sworn under oath in which an
16 expressly authorized officer of the private market
17 fund avers that the private market fund (I) does
18 not own or control any property or asset located in
19 the Republic of the Sudan and (II) did not transact
20 commercial business in the Republic of the Sudan;
21 or

22 (B) a certificate in which an expressly
23 authorized officer of the private market fund
24 certifies that the private market fund, based on
25 reasonable due diligence, has determined that,
26 other than direct or indirect investments in

1 companies certified as Non-Government
2 Organizations by the United Nations, the private
3 market fund has no direct or indirect investment in
4 any company (I) organized under the laws of the
5 Republic of Sudan; (II) whose principal place of
6 business is in the Republic of Sudan; (III) that
7 conducts operations in the Republic of Sudan; or
8 (IV) that owns any interest in real estate in the
9 Republic of Sudan, provided that the private
10 market fund further agrees that the retirement
11 system, local pension fund, or large Article 3 or 4
12 pension fund, directly or through an agent, may
13 from time to time review the certifying company's
14 certification process based on the periodic
15 reports received by the certifying company; and
16 (ii) with respect to a commitment or investment
17 made pursuant to a written agreement executed after the
18 effective date of this Section, and at no additional
19 cost to the retirement system, local pension fund, or
20 large Article 3 or 4 pension fund, fails to (A) submit
21 the affidavit or certificate required in (i); or (B)
22 agree in an enforceable written agreement that
23 provides for effective and appropriate remedies that
24 none of the assets of the retirement system, local
25 pension fund, or large Article 3 or 4 pension fund
26 shall be transferred, loaned, or otherwise invested in

1 any company that directly or indirectly (i) has
2 facilities or employees in the Republic of Sudan; (ii)
3 owns any interest in real estate in the Republic of
4 Sudan; or (iii) conducts commercial business in the
5 Republic of Sudan or with companies located in the
6 Republic of Sudan.

7 Notwithstanding the foregoing, the term "forbidden entity"
8 shall exclude companies that transact business in Sudan under
9 the law, license, or permit of the United States, including a
10 license from the United States Department of the Treasury, and
11 companies, except agencies of the Republic of the Sudan, who
12 are certified as Non-Government Organizations by the United
13 Nations, or who engage solely in (i) the provision of goods and
14 services intended to relieve human suffering or to promote
15 welfare, health, religious and spiritual activities, and
16 education or humanitarian purposes; or (ii) journalistic
17 activities.

18 "Large Article 3 or 4 pension fund" means a pension fund
19 that (1) is established under Article 3 or Article 4 of this
20 Code; (2) receives direct contributions of tax dollars from a
21 unit of local government; and (3) may, under this Code,
22 directly invest in corporate stocks.

23 "Local pension fund" means a pension fund or retirement
24 system established under this Code that (1) is not established
25 under Article 3 or 4 of this Code; and (2) receives direct
26 contributions of tax dollars from a unit of local government, a

1 political subdivision of the State, or any other body politic
2 and corporate that is not the State of Illinois or unit
3 thereof.

4 "Private market fund" means any private equity fund,
5 private equity fund of funds, venture capital fund, hedge fund,
6 hedge fund of funds, real estate fund, or other investment
7 vehicle that is not publicly traded.

8 "Retirement system" means a retirement system or pension
9 fund established under this Code that receives contributions of
10 tax dollars from the State of Illinois or any unit or agency
11 thereof.

12 (b) A retirement system, local pension fund, or large
13 Article 3 or 4 pension fund established under this Code shall
14 not transfer or disburse funds to, deposit into, acquire any
15 bonds or commercial paper from, or otherwise loan to or invest
16 in any entity unless, as provided in this Section, a certifying
17 company certifies to the retirement system, local pension fund,
18 or large Article 3 or 4 pension fund that, (1) with respect to
19 investments in a publicly traded company, the certifying
20 company has relied on information provided by an independent
21 researching firm that specializes in global security risk and
22 (2) 100% of the retirement system's, local pension fund's, or
23 large Article 3 or 4 pension fund's assets for which the
24 certifying company provides services or advice are not and have
25 not been invested or reinvested in any forbidden entity at any
26 time after 4 months after the effective date.

1 The certifying company shall make the certification
2 required under this subsection (b) to a large Article 3 or 4
3 pension fund 6 months after the effective date of this Section
4 and every 6 months thereafter, and to any other retirement
5 systems or local pension fund 6 months after the effective date
6 of this Section and annually thereafter. A large Article 3 or 4
7 pension fund shall submit the certifications to the Public
8 Pension Division of the Department of Financial and
9 Professional Regulation, and the Public Pension Division shall
10 notify the Secretary of Financial and Professional Regulation
11 if a pension fund fails to do so.

12 (c) In addition to any other penalties and remedies
13 available under the law of Illinois and the United States, any
14 transaction that violates the provisions of this Act shall be
15 against public policy and void or voidable, at the sole
16 discretion of the retirement system, local pension fund, or
17 large Article 3 or 4 pension fund.

18 (d) If a private market fund fails to provide the affidavit
19 or certification required in item (6) of the definition of
20 "forbidden entity" in subsection (a) of this Section:

21 (1) the retirement system, local pension fund, large
22 Article 3 or 4 pension fund, or certifying company, as the
23 case may be, shall, within 90 days, divest or attempt in
24 good faith to divest the retirement system's, local pension
25 fund's, or large Article 3 or 4 pension fund's interest in
26 the private market fund, provided that the Board of the

1 retirement system, pension fund, or large Article 3 or 4
2 pension fund confirms, through resolution, that the
3 divestment does not have a material and adverse impact on
4 the retirement system or pension fund; and

5 (2) the retirement system, local pension fund, or large
6 Article 3 or 4 pension fund shall immediately notify the
7 State Board of Investment, who shall, in turn, immediately
8 notify all retirement systems, local pension funds, and
9 large Article 3 or 4 pension funds established under this
10 Code, whereupon said retirement systems, local pension
11 funds, and large Article 3 or 4 pension funds shall not
12 enter into any agreement under which the retirement system,
13 local pension fund, or large Article 3 or 4 pension fund
14 directly or indirectly invests in that private market fund.

15 (e) If a private market fund fails to fulfill the agreement
16 provided for in paragraph (ii) of item (6) of subsection (a),
17 the retirement system, local pension fund, or large Article 3
18 or 4 pension fund shall immediately take legal and other action
19 to obtain satisfaction through all remedies and penalties
20 available under the law and the agreement itself, and shall
21 immediately notify the State Board of Investment. The State
22 Board of Investment shall, in turn, immediately notify all
23 retirement systems, local pension funds, and large Article 3 or
24 4 pension funds, whereupon said retirement systems, local
25 pension funds, and large Article 3 or 4 pension funds shall not
26 enter into any agreement under which the retirement system,

1 local pension fund, or large Article 3 or 4 pension fund
2 directly or indirectly invests in that private market fund.

3 (f) The changes made to this Section by this amendatory Act
4 of the 95th General Assembly shall have full force and effect
5 during any period in which the Government of Sudan, or the
6 officials of that government, are subject to sanctions
7 authorized under any statute or executive order of the United
8 States or until such time as the State Department of the United
9 States confirms in the federal register or through other means
10 that Sudan is no longer subject to sanctions by the government
11 of the United States.

12 (g) If any provision of this Section or its application to
13 any person, body politic and corporate, or circumstance is held
14 invalid, the invalidity of that provision or application does
15 not affect other provisions or applications of this Section
16 that can be given effect without the invalid provision or
17 application.

18 (40 ILCS 5/22-401) (from Ch. 108 1/2, par. 22-401)

19 Sec. 22-401. Pension fund - body politic and corporate. Any
20 annuity and benefit fund, annuity and retirement fund or
21 retirement system, heretofore or hereafter created by the
22 legislature of the State of Illinois or pursuant to law for the
23 benefit of employees of the State or of any county, city, town,
24 municipal corporation or body politic and corporate, located in
25 the State of Illinois and functioning pursuant to legislative

1 enactment, to which the State or any such county, city, town,
2 municipal corporation or body politic and corporate is required
3 to contribute by way of tax levies, appropriations from the
4 corporate fund, or otherwise, and by whatever name such annuity
5 and benefit fund, annuity and retirement fund or retirement
6 system may be called, is hereby declared to be a pension fund
7 and to be a creature of the State and body politic and
8 corporate under the title specified in the law creating such
9 fund, limited to the performance of the duties set out in the
10 law creating such fund. The trustees of each fund are hereby
11 declared to be the officials of such body politic and
12 corporate, vested with the powers and duties set out in said
13 law.

14 (b) This Section applies to all pending actions and all
15 actions commenced on or after the effective date of this
16 amendatory Act of the 95th General Assembly.

17 (c) If any provision of this Section or its application to
18 any person or circumstance is held invalid, the invalidity of
19 that provision or application does not affect other provisions
20 or applications of this Section that can be given effect
21 without the invalid provision or application.

22 (Source: Laws 1963, p. 161.)

23 (15 ILCS 520/22.6 rep.)

24 Section 90. The Deposit of State Moneys Act is amended by
25 repealing Section 22.6.

1 (40 ILCS 5/1-110.5 rep.)

2 Section 95. The Illinois Pension Code is amended by
3 repealing Section 1-110.5.

4 Section 97. Severability. The provisions of this Act are
5 severable under Section 1.31 of the Statute on Statutes.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.".