

1 AN ACT concerning government.

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

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

1 Supreme Court.

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

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

25 (2) have direct supervisory authority over, or
26 direct responsibility for the formulation,

1 negotiation, issuance or execution of contracts
2 entered into by the State in the amount of \$5,000 or
3 more;

4 (3) have authority for the issuance or
5 promulgation of rules and regulations within areas
6 under the authority of the State;

7 (4) have authority for the approval of
8 professional licenses;

9 (5) have responsibility with respect to the
10 financial inspection of regulated nongovernmental
11 entities;

12 (6) adjudicate, arbitrate, or decide any judicial
13 or administrative proceeding, or review the
14 adjudication, arbitration or decision of any judicial
15 or administrative proceeding within the authority of
16 the State;

17 (7) have supervisory responsibility for 20 or more
18 employees of the State; or

19 (8) negotiate, assign, authorize, or grant naming
20 rights or sponsorship rights regarding any property or
21 asset of the State, whether real, personal, tangible,
22 or intangible.

23 (g) Persons who are elected to office in a unit of
24 local government, and candidates for nomination or
25 election to that office, including regional
26 superintendents of school districts.

1 (h) Persons appointed to the governing board of a unit
2 of local government, or of a special district, and persons
3 appointed to a zoning board, or zoning board of appeals, or
4 to a regional, county, or municipal plan commission, or to
5 a board of review of any county, and persons appointed to
6 the Board of the Metropolitan Pier and Exposition Authority
7 and any Trustee appointed under Section 22 of the
8 Metropolitan Pier and Exposition Authority Act, and
9 persons appointed to a board or commission of a unit of
10 local government who have authority to authorize the
11 expenditure of public funds. This subsection does not apply
12 to members of boards or commissions who function in an
13 advisory capacity.

14 (i) Persons who are employed by a unit of local
15 government and are compensated for services as employees
16 and not as independent contractors and who:

17 (1) are, or function as, the head of a department,
18 division, bureau, authority or other administrative
19 unit within the unit of local government, or who
20 exercise similar authority within the unit of local
21 government;

22 (2) have direct supervisory authority over, or
23 direct responsibility for the formulation,
24 negotiation, issuance or execution of contracts
25 entered into by the unit of local government in the
26 amount of \$1,000 or greater;

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

5 (4) adjudicate, arbitrate, or decide any judicial
6 or administrative proceeding, or review the
7 adjudication, arbitration or decision of any judicial
8 or administrative proceeding within the authority of
9 the unit of local government;

10 (5) have authority to issue or promulgate rules and
11 regulations within areas under the authority of the
12 unit of local government; or

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

15 (j) Persons on the Board of Trustees of the Illinois
16 Mathematics and Science Academy.

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

20 (1) Special government agents. A "special government
21 agent" is a person who is directed, retained, designated,
22 appointed, or employed, with or without compensation, by or
23 on behalf of a statewide executive branch constitutional
24 officer to make an ex parte communication under Section
25 5-50 of the State Officials and Employees Ethics Act or
26 Section 5-165 of the Illinois Administrative Procedure

1 Act.

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

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

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

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

17 (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

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

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

3 (1) The name, address and type of practice of any
4 professional organization or individual professional
5 practice in which the person making the statement was an
6 officer, director, associate, partner or proprietor, or
7 served in any advisory capacity, from which income in
8 excess of \$1200 was derived during the preceding calendar
9 year;

10 (2) The nature of professional services (other than
11 services rendered to the unit or units of government in
12 relation to which the person is required to file) and the
13 nature of the entity to which they were rendered if fees
14 exceeding \$5,000 were received during the preceding
15 calendar year from the entity for professional services
16 rendered by the person making the statement.

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

21 (4) The name of any unit of government which has
22 employed the person making the statement during the
23 preceding calendar year other than the unit or units of
24 government in relation to which the person is required to
25 file.

26 (5) The name of any entity from which a gift or gifts,

1 or honorarium or honoraria, valued singly or in the
2 aggregate in excess of \$500, was received during the
3 preceding calendar year.

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

7 (1) The name and instrument of ownership in any entity
8 doing business in the State of Illinois, in which an
9 ownership interest held by the person at the date of filing
10 is in excess of \$5,000 fair market value or from which
11 dividends of in excess of \$1,200 were derived during the
12 preceding calendar year. (In the case of real estate,
13 location thereof shall be listed by street address, or if
14 none, then by legal description). No time or demand deposit
15 in a financial institution, nor any debt instrument need be
16 listed;

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

23 (3) The identity of any compensated lobbyist with whom
24 the person making the statement maintains a close economic
25 association, including the name of the lobbyist and
26 specifying the legislative matter or matters which are the

1 object of the lobbying activity, and describing the general
2 type of economic activity of the client or principal on
3 whose behalf that person is lobbying.

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

6 (1) The name and instrument of ownership in any entity
7 doing business with a unit of local government in relation
8 to which the person is required to file if the ownership
9 interest of the person filing is greater than \$5,000 fair
10 market value as of the date of filing or if dividends in
11 excess of \$1,200 were received from the entity during the
12 preceding calendar year. (In the case of real estate,
13 location thereof shall be listed by street address, or if
14 none, then by legal description). No time or demand deposit
15 in a financial institution, nor any debt instrument need be
16 listed.

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

24 (3) The name of any entity and the nature of the
25 governmental action requested by any entity which has
26 applied to a unit of local government in relation to which

1 the person must file for any license, franchise or permit
2 for annexation, zoning or rezoning of real estate during
3 the preceding calendar year if the ownership interest of
4 the person filing is in excess of \$5,000 fair market value
5 at the time of filing or if income or dividends in excess
6 of \$1,200 were received by the person filing from the
7 entity during the preceding calendar year.

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

9 (5 ILCS 420/4A-105) (from Ch. 127, par. 604A-105)

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

16 Statements must also be filed as follows:

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

24 (b) A person whose appointment to office is subject to
25 confirmation by the Senate shall file his statement at the

1 time his name is submitted to the Senate for confirmation.

2 (b-5) A special government agent, as defined in item
3 (1) of Section 4A-101 of this Act, shall file a statement
4 within 60 days after assuming responsibilities as a special
5 government agent ~~30 days after making the first ex parte~~
6 ~~communication~~ and each May 1 thereafter if he or she has
7 made an ex parte communication within the previous 12
8 months.

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

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

1 Any person who takes office or otherwise becomes required
2 to file a statement of economic interests within 30 days prior
3 to May 1 of any year may file his or her statement at any time
4 on or before May 31 without penalty. If such person fails to
5 file such statement by May 31, the officer with whom such
6 statement is to be filed under Section 4A-106 of this Act
7 shall, within 7 days after May 31, notify such person by
8 certified mail of his or her failure to file by the specified
9 date. Such person shall file his or her statement of economic
10 interests on or before June 15 with the appropriate officer,
11 together with a \$15 late filing fee. Any such person who fails
12 to file by June 15 shall be subject to a penalty of \$100 per day
13 for each day from June 16 to the date of filing, which shall be
14 in addition to the \$15 late filing fee specified above. Failure
15 to file by June 30 shall result in a forfeiture in accordance
16 with Section 4A-107 of this Act.

17 All late filing fees and penalties collected pursuant to
18 this Section shall be paid into the General Revenue Fund in the
19 State treasury, if the Secretary of State receives such
20 statement for filing, or into the general fund in the county
21 treasury, if the county clerk receives such statement for
22 filing. The Attorney General, with respect to the State, and
23 the several State's Attorneys, with respect to counties, shall
24 take appropriate action to collect the prescribed penalties.

25 Failure to file a statement of economic interests within
26 the time prescribed shall not result in a fine or ineligibility

1 for, or forfeiture of, office or position of employment, as the
2 case may be; provided that the failure to file results from not
3 being included for notification by the appropriate agency,
4 clerk, secretary, officer or unit of government, as the case
5 may be, and that a statement is filed within 30 days of actual
6 notice of the failure to file.

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

8 (5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

9 Sec. 4A-106. The statements of economic interests required
10 of persons listed in items (a) through (f), item (j), ~~and~~ item
11 (l), and item (m) of Section 4A-101 shall be filed with the
12 Secretary of State. The statements of economic interests
13 required of persons listed in items (g), (h), (i), ~~and~~ (k), and
14 (n) of Section 4A-101 shall be filed with the county clerk of
15 the county in which the principal office of the unit of local
16 government with which the person is associated is located. If
17 it is not apparent which county the principal office of a unit
18 of local government is located, the chief administrative
19 officer, or his or her designee, has the authority, for
20 purposes of this Act, to determine the county in which the
21 principal office is located. On or before February 1 annually,
22 (1) the chief administrative officer of any State agency in the
23 executive, legislative, or judicial branch employing persons
24 required to file under item (f) or item (l) of Section 4A-101
25 and the chief administrative officer of a board described in

1 item (m) of Section 4A-101 shall certify to the Secretary of
2 State the names and mailing addresses of ~~those~~ persons required
3 to file under those items, and (2) the chief administrative
4 officer, or his or her designee, of each unit of local
5 government with persons described in items (h), (i), ~~and~~ (k),
6 and (n) of Section 4A-101 shall certify to the appropriate
7 county clerk a list of names and addresses of persons described
8 in items (h), (i), ~~and~~ (k), and (n) of Section 4A-101 that are
9 required to file. In preparing the lists, each chief
10 administrative officer, or his or her designee, shall set out
11 the names in alphabetical order.

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

25 On or before April 1 annually, the county clerk of each
26 county shall notify all persons whose names have been certified

1 to him under items (g), (h), (i), ~~and~~ (k), and (n) of Section
2 4A-101, other than candidates for office who have filed their
3 statements with their nominating petitions, of the
4 requirements for filing statements of economic interests. A
5 person required to file with a county clerk by virtue of more
6 than one item among items (g), (h), (i), ~~and~~ (k), and (n) shall
7 be notified of and is required to file only one statement of
8 economic interests relating to all items under which the person
9 is required to file with that county clerk.

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

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

1 that listing showing those who have filed statements.

2 The county clerk of each county shall note upon the
3 alphabetical listing the names of all persons required to file
4 a statement of economic interests who failed to file a
5 statement on or before May 1. It shall be the duty of the
6 several county clerks to give notice as provided in Section
7 4A-105 to any person who has failed to file his or her
8 statement with the clerk on or before May 1.

9 Any person who files or has filed a statement of economic
10 interest under this Act is entitled to receive from the
11 Secretary of State or county clerk, as the case may be, a
12 receipt indicating that the person has filed such a statement,
13 the date of such filing, and the identity of the governmental
14 unit or units in relation to which the filing is required.

15 The Secretary of State may employ such employees and
16 consultants as he considers necessary to carry out his duties
17 hereunder, and may prescribe their duties, fix their
18 compensation, and provide for reimbursement of their expenses.

19 All statements of economic interests filed under this
20 Section shall be available for examination and copying by the
21 public at all reasonable times. Not later than 12 months after
22 the effective date of this amendatory Act of the 93rd General
23 Assembly, beginning with statements filed in calendar year
24 2004, the Secretary of State shall make statements of economic
25 interests filed with the Secretary available for inspection and
26 copying via the Secretary's website.

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

2 (5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

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

7 Failure to file a statement within the time prescribed
8 shall result in ineligibility for, or forfeiture of, office or
9 position of employment, as the case may be; provided, however,
10 that if the notice of failure to file a statement of economic
11 interests provided in Section 4A-105 of this Act is not given
12 by the Secretary of State or the county clerk, as the case may
13 be, no forfeiture shall result if a statement is filed within
14 30 days of actual notice of the failure to file.

15 The Attorney General, with respect to offices or positions
16 described in items (a) through (f) and items (j), ~~and~~ (l), and
17 (m) of Section 4A-101 of this Act, or the State's Attorney of
18 the county of the entity for which the filing of statements of
19 economic interests is required, with respect to offices or
20 positions described in items (g) through (i), ~~and~~ item (k), and
21 item (n) of Section 4A-101 of this Act, shall bring an action
22 in quo warranto against any person who has failed to file by
23 either May 31 or June 30 of any given year.

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

1 Section 5. The State Officials and Employees Ethics Act is
2 amended by changing Sections 1-5, 5-10, 5-20, 5-45, 20-5,
3 20-23, 20-40, 25-5, 25-10, and 25-23 as follows:

4 (5 ILCS 430/1-5)

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

6 "Appointee" means a person appointed to a position in or
7 with a State agency, regardless of whether the position is
8 compensated.

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

20 "Candidate" means a person who has filed nominating papers
21 or petitions for nomination or election to an elected State
22 office, or who has been appointed to fill a vacancy in
23 nomination, and who remains eligible for placement on the
24 ballot at either a general primary election or general
25 election.

1 "Collective bargaining" has the same meaning as that term
2 is defined in Section 3 of the Illinois Public Labor Relations
3 Act.

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

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

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

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

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

25 "Executive branch constitutional officer" means the
26 Governor, Lieutenant Governor, Attorney General, Secretary of

1 State, Comptroller, and Treasurer.

2 "Gift" means any gratuity, discount, entertainment,
3 hospitality, loan, forbearance, or other tangible or
4 intangible item having monetary value including, but not
5 limited to, cash, food and drink, and honoraria for speaking
6 engagements related to or attributable to government
7 employment or the official position of an employee, member, or
8 officer. "Gift", however, does not include anything of value
9 solicited from a prohibited source by an officer, member, or
10 employee and given by the prohibited source to a not-for-profit
11 organization organized under Section 501(c)(3) of the Internal
12 Revenue Code of 1986, as now or hereafter amended, renumbered,
13 or succeeded. The amendment to the definition of "gift" made by
14 this amendatory Act of the 95th General Assembly is declarative
15 of existing law.

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

18 "Leave of absence" means any period during which a State
19 employee does not receive (i) compensation for State
20 employment, (ii) service credit towards State pension
21 benefits, and (iii) health insurance benefits paid for by the
22 State.

23 "Legislative branch constitutional officer" means a member
24 of the General Assembly and the Auditor General.

25 "Legislative leader" means the President and Minority
26 Leader of the Senate and the Speaker and Minority Leader of the

1 House of Representatives.

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

3 "Officer" means an executive branch constitutional officer
4 or a legislative branch constitutional officer.

5 "Political" means any activity in support of or in
6 connection with any campaign for elective office or any
7 political organization, but does not include activities (i)
8 relating to the support or opposition of any executive,
9 legislative, or administrative action (as those terms are
10 defined in Section 2 of the Lobbyist Registration Act), (ii)
11 relating to collective bargaining, or (iii) that are otherwise
12 in furtherance of the person's official State duties or
13 governmental and public service functions.

14 "Political organization" means a party, committee,
15 association, fund, or other organization (whether or not
16 incorporated) that is required to file a statement of
17 organization with the State Board of Elections or a county
18 clerk under Section 9-3 of the Election Code, but only with
19 regard to those activities that require filing with the State
20 Board of Elections or a county clerk.

21 "Prohibited political activity" means:

22 (1) Preparing for, organizing, or participating in any
23 political meeting, political rally, political
24 demonstration, or other political event.

25 (2) Soliciting contributions, including but not
26 limited to the purchase of, selling, distributing, or

1 receiving payment for tickets for any political
2 fundraiser, political meeting, or other political event.

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

6 (4) Planning, conducting, or participating in a public
7 opinion poll in connection with a campaign for elective
8 office or on behalf of a political organization for
9 political purposes or for or against any referendum
10 question.

11 (5) Surveying or gathering information from potential
12 or actual voters in an election to determine probable vote
13 outcome in connection with a campaign for elective office
14 or on behalf of a political organization for political
15 purposes or for or against any referendum question.

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

19 (7) Soliciting votes on behalf of a candidate for
20 elective office or a political organization or for or
21 against any referendum question or helping in an effort to
22 get voters to the polls.

23 (8) Initiating for circulation, preparing,
24 circulating, reviewing, or filing any petition on behalf of
25 a candidate for elective office or for or against any
26 referendum question.

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

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

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

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

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

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

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

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

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

1 directing the employee;

2 (2) does business or seeks to do business (i) with the
3 member or officer or (ii) in the case of an employee, with
4 the employee or with the member, officer, State agency, or
5 other employee directing the employee;

6 (3) conducts activities regulated (i) by the member or
7 officer or (ii) in the case of an employee, by the employee
8 or by the member, officer, State agency, or other employee
9 directing the employee;

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

13 (5) is registered or required to be registered with the
14 Secretary of State under the Lobbyist Registration Act,
15 except that an entity not otherwise a prohibited source
16 does not become a prohibited source merely because a
17 registered lobbyist is one of its members or serves on its
18 board of directors.

19 "State agency" includes all officers, boards, commissions
20 and agencies created by the Constitution, whether in the
21 executive or legislative branch; all officers, departments,
22 boards, commissions, agencies, institutions, authorities,
23 public institutions of higher learning as defined in Section 2
24 of the Higher Education Cooperation Act, and bodies politic and
25 corporate of the State; and administrative units or corporate
26 outgrowths of the State government which are created by or

1 pursuant to statute, other than units of local government and
2 their officers, school districts, and boards of election
3 commissioners; and all administrative units and corporate
4 outgrowths of the above and as may be created by executive
5 order of the Governor. "State agency" includes the General
6 Assembly, the Senate, the House of Representatives, the
7 President and Minority Leader of the Senate, the Speaker and
8 Minority Leader of the House of Representatives, the Senate
9 Operations Commission, and the legislative support services
10 agencies. "State agency" includes the Office of the Auditor
11 General. "State agency" does not include the judicial branch.

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

13 "Ultimate jurisdictional authority" means the following:

14 (1) For members, legislative partisan staff, and
15 legislative secretaries, the appropriate legislative
16 leader: President of the Senate, Minority Leader of the
17 Senate, Speaker of the House of Representatives, or
18 Minority Leader of the House of Representatives.

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

22 (3) For State employees who are professional staff or
23 employees of the House of Representatives and not covered
24 under item (1), the Speaker of the House of
25 Representatives.

26 (4) For State employees who are employees of the

1 legislative support services agencies, the Joint Committee
2 on Legislative Support Services.

3 (5) For State employees of the Auditor General, the
4 Auditor General.

5 (6) For State employees of public institutions of
6 higher learning as defined in Section 2 of the Higher
7 Education Cooperation Act, the board of trustees of the
8 appropriate public institution of higher learning.

9 (7) For State employees of an executive branch
10 constitutional officer other than those described in
11 paragraph (6), the appropriate executive branch
12 constitutional officer.

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

16 (9) For the Legislative Inspector General, State
17 employees of the Office of the Legislative Inspector
18 General, commissioners of the Legislative Ethics
19 Commission, and State employees of the Legislative Ethics
20 Commission, the Legislative Ethics Commission.

21 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
22 93-685, eff. 7-8-04.)

23 (5 ILCS 430/5-10)

24 Sec. 5-10. Ethics training. Each officer, member, and
25 employee must complete, at least annually beginning in 2004, an

1 ethics training program conducted by the appropriate State
2 agency. Each ultimate jurisdictional authority must implement
3 an ethics training program for its officers, members, and
4 employees. ~~These ethics training programs shall be overseen by~~
5 ~~the appropriate Ethics Commission and Inspector General~~
6 ~~appointed pursuant to this Act in consultation with the Office~~
7 ~~of the Attorney General.~~

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

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

18 (5 ILCS 430/5-20)

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

21 (a) ~~No Beginning January 1, 2004, no~~ public service
22 announcement or advertisement that identifies any specific
23 program administered by a State agency is on behalf of any
24 ~~State administered program~~ and contains the proper name, image,
25 or voice of any executive branch constitutional officer or

1 member of the General Assembly shall be broadcast or aired on
2 radio or television or printed in a commercial newspaper or a
3 commercial magazine at any time.

4 (b) The proper name or image of any executive branch
5 constitutional officer or member of the General Assembly may
6 not appear on any (i) bumper stickers, (ii) commercial
7 billboards, (iii) lapel pins or buttons, (iv) magnets, (v)
8 stickers, and (vi) other similar promotional items, that are
9 not in furtherance of the person's official State duties or
10 governmental and public service functions, if designed, paid
11 for, prepared, or distributed using public dollars. This
12 subsection does not apply to stocks of items existing on the
13 effective date of this amendatory Act of the 93rd General
14 Assembly.

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

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

20 (5 ILCS 430/5-45)

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

22 (a) No current or former officer, member, or State
23 employee, or spouse or immediate family member living with such
24 person, shall, during the period of State employment or within
25 a period of one year immediately after termination of State

1 employment, knowingly accept employment or receive
2 compensation or fees for services from a person or entity if
3 the officer, member, or State employee, during the immediately
4 preceding 2 years of State employment with respect to a current
5 officer, member, or State employee, or during the year
6 immediately preceding termination of State employment with
7 respect to a former officer, member, or State employee,
8 participated personally and substantially in the decision to
9 award State contracts with a cumulative value of over \$25,000
10 to the person or entity, or its parent or subsidiary.

11 (b) No current or former officer of the executive branch or
12 State employee of the executive branch with regulatory or
13 licensing authority, or spouse or immediate family member
14 living with such person, shall, during the period of State
15 employment or within a period of one year immediately after
16 termination of State employment, knowingly accept employment
17 or receive compensation or fees for services from a person or
18 entity if the officer or State employee, during the immediately
19 preceding 2 years of State employment with respect to a current
20 officer, member, or State employee, or during the year
21 immediately preceding termination of State employment with
22 respect to a former officer, member, or State employee, made a
23 regulatory or licensing decision that directly applied to the
24 person or entity, or its parent or subsidiary.

25 (c) The requirements of this Section may be waived (i) for
26 the executive branch, in writing by the Executive Ethics

1 Commission, (ii) for the legislative branch, in writing by the
2 Legislative Ethics Commission, and (iii) for the Auditor
3 General, in writing by the Auditor General. During the time
4 period from the effective date of this amendatory Act of the
5 93rd General Assembly until the Executive Ethics Commission
6 first meets, the requirements of this Section may be waived in
7 writing by the appropriate ultimate jurisdictional authority.
8 During the time period from the effective date of this
9 amendatory Act of the 93rd General Assembly until the
10 Legislative Ethics Commission first meets, the requirements of
11 this Section may be waived in writing by the appropriate
12 ultimate jurisdictional authority. The waiver shall be granted
13 upon the person seeking the waiver proving by clear and
14 convincing evidence ~~a showing~~ that the prospective employment
15 or relationship did not affect the decisions referred to in
16 sections (a) and (b).

17 (d) With respect to former officers, members, State
18 employees, spouses, and family members, this ~~This~~ Section
19 applies only with respect to persons who terminate an affected
20 position on or after December 19, 2003 (the effective date of
21 Public ~~this amendatory~~ Act 93-617) ~~of the 93rd General~~
22 ~~Assembly.~~

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

24 (5 ILCS 430/20-5)

25 Sec. 20-5. Executive Ethics Commission.

1 (a) The Executive Ethics Commission is created.

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

20 The terms of the initial commissioners shall commence upon
21 qualification. Four initial appointees of the Governor, as
22 designated by the Governor, shall serve terms running through
23 June 30, 2007. One initial appointee of the Governor, as
24 designated by the Governor, and the initial appointees of the
25 Attorney General, Secretary of State, Comptroller, and
26 Treasurer shall serve terms running through June 30, 2008. The

1 initial appointments shall be made within 60 days after the
2 effective date of this Act.

3 After the initial terms, commissioners shall serve for
4 4-year terms commencing on July 1 of the year of appointment
5 and running through June 30 of the fourth following year.
6 Commissioners may be reappointed to one or more subsequent
7 terms.

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

11 Terms shall run regardless of whether the position is
12 filled.

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

23 (d) The Executive Ethics Commission shall have
24 jurisdiction over all officers and employees of State agencies
25 other than the General Assembly, the Senate, the House of
26 Representatives, the President and Minority Leader of the

1 Senate, the Speaker and Minority Leader of the House of
2 Representatives, the Senate Operations Commission, the
3 legislative support services agencies, the Legislative Ethics
4 Commission, the Office of the Legislative Inspector General,
5 and the Office of the Auditor General. The jurisdiction of the
6 Commission is limited to matters arising under this Act.

7 (e) The Executive Ethics Commission must meet, either in
8 person or by other technological means, at least monthly and as
9 often as necessary. At the first meeting of the Executive
10 Ethics Commission, the commissioners shall choose from their
11 number a chairperson and other officers that they deem
12 appropriate. The terms of officers shall be for 2 years
13 commencing July 1 and running through June 30 of the second
14 following year. Meetings shall be held at the call of the
15 chairperson or any 3 commissioners. Official action by the
16 Commission shall require the affirmative vote of 5
17 commissioners, and a quorum shall consist of 5 commissioners.
18 Commissioners shall receive compensation in an amount equal to
19 the compensation of members of the State Board of Elections and
20 may be reimbursed for their reasonable expenses actually
21 incurred in the performance of their duties.

22 (f) No commissioner or employee of the Executive Ethics
23 Commission may during his or her term of appointment or
24 employment:

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

26 (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 Executive Ethics Commission shall appoint an
11 Executive Director. The compensation of the Executive Director
12 shall be as determined by the Commission or by the Compensation
13 Review Board, whichever amount is higher. The Executive
14 Director of the Executive Ethics Commission may employ and
15 determine the compensation of staff, as appropriations permit.

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

17 (5 ILCS 430/20-23)

18 Sec. 20-23. Ethics Officers. Each officer and the head of
19 each State agency under the jurisdiction of the Executive
20 Ethics Commission, including without limitation the Executive
21 Ethics Commission and each Executive Inspector General, shall
22 designate an Ethics Officer for the office or State agency.
23 Ethics Officers shall:

24 (1) act as liaisons between the State agency and the
25 appropriate Executive Inspector General and between the

1 State agency and the Executive Ethics Commission;

2 (2) review statements of economic interest and
3 disclosure forms of officers, senior employees, and
4 contract monitors before they are filed with the Secretary
5 of State; and

6 (3) provide guidance to officers and employees in the
7 interpretation and implementation of this Act, which the
8 officer or employee may in good faith rely upon. Such
9 guidance shall be based, wherever possible, upon legal
10 precedent in court decisions, opinions of the Attorney
11 General, and the findings and opinions of the Executive
12 Ethics Commission.

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

14 (5 ILCS 430/20-40)

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

1 collective bargaining agreement that applies to the State
2 employee.

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

4 (5 ILCS 430/25-5)

5 Sec. 25-5. Legislative Ethics Commission.

6 (a) The Legislative Ethics Commission is created.

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

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

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

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

1 Terms shall run regardless of whether the position is
2 filled.

3 (c) The appointing authorities shall appoint commissioners
4 who have experience holding governmental office or employment
5 and may appoint commissioners who are members of the General
6 Assembly as well as commissioners from the general public. A
7 commissioner who is a member of the General Assembly must
8 recuse himself or herself from participating in any matter
9 relating to any investigation or proceeding in which he or she
10 is the subject. A person is not eligible to serve as a
11 commissioner if that person (i) has been convicted of a felony
12 or a crime of dishonesty or moral turpitude, (ii) is, or was
13 within the preceding 12 months, engaged in activities that
14 require registration under the Lobbyist Registration Act,
15 (iii) is a relative of the appointing authority, or (iv) is a
16 State officer or employee other than a member of the General
17 Assembly.

18 (d) The Legislative Ethics Commission shall have
19 jurisdiction over members of the General Assembly and all State
20 employees whose ultimate jurisdictional authority is (i) a
21 legislative leader, (ii) the Senate Operations Commission, ~~or~~
22 (iii) the Joint Committee on Legislative Support Services, or
23 (iv) the Legislative Ethics Commission. The jurisdiction of the
24 Commission is limited to matters arising under this Act.

25 (e) The Legislative Ethics Commission must meet, either in
26 person or by other technological means, monthly or as often as

1 necessary. At the first meeting of the Legislative Ethics
2 Commission, the commissioners shall choose from their number a
3 chairperson and other officers that they deem appropriate. The
4 terms of officers shall be for 2 years commencing July 1 and
5 running through June 30 of the second following year. Meetings
6 shall be held at the call of the chairperson or any 3
7 commissioners. Official action by the Commission shall require
8 the affirmative vote of 5 commissioners, and a quorum shall
9 consist of 5 commissioners. Commissioners shall receive no
10 compensation but may be reimbursed for their reasonable
11 expenses actually incurred in the performance of their duties.

12 (f) No commissioner, other than a commissioner who is a
13 member of the General Assembly, or employee of the Legislative
14 Ethics Commission may during his or her term of appointment or
15 employment:

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

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

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

23 (4) actively participate in any campaign for any
24 elective office.

25 (g) An appointing authority may remove a commissioner only
26 for cause.

1 (h) The Legislative Ethics Commission shall appoint an
2 Executive Director subject to the approval of at least 3 of the
3 4 legislative leaders. The compensation of the Executive
4 Director shall be as determined by the Commission or by the
5 Compensation Review Board, whichever amount is higher. The
6 Executive Director of the Legislative Ethics Commission may
7 employ, subject to the approval of at least 3 of the 4
8 legislative leaders, and determine the compensation of staff,
9 as appropriations permit.

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

11 (5 ILCS 430/25-10)

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

13 (a) The independent Office of the Legislative Inspector
14 General is created. The Office shall be under the direction and
15 supervision of the Legislative Inspector General and shall be a
16 fully independent office with its own appropriation.

17 (b) The Legislative Inspector General shall be appointed
18 without regard to political affiliation and solely on the basis
19 of integrity and demonstrated ability. The Legislative Ethics
20 Commission shall diligently search out qualified candidates
21 for Legislative Inspector General and shall make
22 recommendations to the General Assembly.

23 The Legislative Inspector General shall be appointed by a
24 joint resolution of the Senate and the House of
25 Representatives, which may specify the date on which the

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

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

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

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

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

26 The Legislative Inspector General may not be a relative of

1 a commissioner.

2 The term of the initial Legislative Inspector General shall
3 commence upon qualification and shall run through June 30,
4 2008.

5 After the initial term, the Legislative Inspector General
6 shall serve for 5-year terms commencing on July 1 of the year
7 of appointment and running through June 30 of the fifth
8 following year. The Legislative Inspector General may be
9 reappointed to one or more subsequent terms.

10 A vacancy occurring other than at the end of a term shall
11 be filled in the same manner as an appointment only for the
12 balance of the term of the Legislative Inspector General whose
13 office is vacant.

14 Terms shall run regardless of whether the position is
15 filled.

16 (c) The Legislative Inspector General shall have
17 jurisdiction over the members of the General Assembly and all
18 State employees whose ultimate jurisdictional authority is (i)
19 a legislative leader, (ii) the Senate Operations Commission, ~~or~~
20 (iii) the Joint Committee on Legislative Support Services, or
21 (iv) the Legislative Ethics Commission.

22 The jurisdiction of each Legislative Inspector General is
23 to investigate allegations of fraud, waste, abuse,
24 mismanagement, misconduct, nonfeasance, misfeasance,
25 malfeasance, or violations of this Act or violations of other
26 related laws and rules.

1 (d) The compensation of the Legislative Inspector General
2 shall be the greater of an amount (i) determined by the
3 Commission or (ii) by joint resolution of the General Assembly
4 passed by a majority of members elected in each chamber.
5 Subject to Section 25-45 of this Act, the Legislative Inspector
6 General has full authority to organize the Office of the
7 Legislative Inspector General, including the employment and
8 determination of the compensation of staff, such as deputies,
9 assistants, and other employees, as appropriations permit.
10 Employment of staff is subject to the approval of at least 3 of
11 the 4 legislative leaders.

12 (e) No Legislative Inspector General or employee of the
13 Office of the Legislative Inspector General may, during his or
14 her term of appointment or employment:

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

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

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

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

24 In this subsection an appointed public office means a
25 position authorized by law that is filled by an appointing
26 authority as provided by law and does not include employment by

1 hiring in the ordinary course of business.

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

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

6 (2) hold any elected public office; or

7 (3) hold any appointed State, county, or local judicial
8 office.

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

11 (f) The Commission may remove the Legislative Inspector
12 General only for cause. At the time of the removal, the
13 Commission must report to the General Assembly the
14 justification for the removal.

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

16 (5 ILCS 430/25-23)

17 Sec. 25-23. Ethics Officers. The President and Minority
18 Leader of the Senate and the Speaker and Minority Leader of the
19 House of Representatives shall each appoint an ethics officer
20 for the members and employees of his or her legislative caucus.
21 The commissioners of the Legislative Ethics Commission shall
22 designate an ethics officer for the Legislative Ethics
23 Commission. The Legislative Inspector General shall designate
24 an ethics officer for the Office of the Legislative Inspector
25 General. No later than January 1, 2004, the head of each other

1 State agency under the jurisdiction of the Legislative Ethics
2 Commission, other than the General Assembly, shall designate an
3 ethics officer for the State agency. Ethics Officers shall:

4 (1) act as liaisons between the State agency and the
5 Legislative Inspector General and between the State agency
6 and the Legislative Ethics Commission;

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

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

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

19 Section 15. The Lobbyist Registration Act is amended by
20 changing Section 2 as follows:

21 (25 ILCS 170/2) (from Ch. 63, par. 172)

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

24 (a) "Person" means any individual, firm, partnership,

1 committee, association, corporation, or any other organization
2 or group of persons.

3 (b) "Expenditure" means a payment, distribution, loan,
4 advance, deposit, or gift of money or anything of value, and
5 includes a contract, promise, or agreement, whether or not
6 legally enforceable, to make an expenditure, for the ultimate
7 purpose of influencing executive, legislative, or
8 administrative action, other than compensation as defined in
9 subsection (d).

10 (c) "Official" means:

11 (1) the Governor, Lieutenant Governor, Secretary of
12 State, Attorney General, State Treasurer, and State
13 Comptroller;

14 (2) Chiefs of Staff for officials described in item
15 (1);

16 (3) Cabinet members of any elected constitutional
17 officer, including Directors, Assistant Directors and
18 Chief Legal Counsel or General Counsel;

19 (4) Members of the General Assembly.

20 (d) "Compensation" means any money, thing of value or
21 financial benefits received or to be received in return for
22 services rendered or to be rendered, for lobbying as defined in
23 subsection (e).

24 Monies paid to members of the General Assembly by the State
25 as remuneration for performance of their Constitutional and
26 statutory duties as members of the General Assembly shall not

1 constitute compensation as defined by this Act.

2 (e) "Lobbying" means any communication with (i) an official
3 of the executive or legislative branch of State government as
4 defined in subsection (c) or (ii) a State employee as defined
5 in this Section, for the ultimate purpose of influencing
6 executive, legislative, or administrative action.

7 (f) "Influencing" means any communication, action,
8 reportable expenditure as prescribed in Section 6 or other
9 means used to promote, support, affect, modify, oppose or delay
10 any executive, legislative or administrative action or to
11 promote goodwill with officials as defined in subsection (c).

12 (g) "Executive action" means the proposal, drafting,
13 development, consideration, amendment, adoption, approval,
14 promulgation, issuance, modification, rejection or
15 postponement by a State entity of a rule, regulation, order,
16 decision, determination, contractual arrangement, purchasing
17 agreement or other quasi-legislative or quasi-judicial action
18 or proceeding.

19 (h) "Legislative action" means the development, drafting,
20 introduction, consideration, modification, adoption,
21 rejection, review, enactment, or passage or defeat of any bill,
22 amendment, resolution, report, nomination, administrative rule
23 or other matter by either house of the General Assembly or a
24 committee thereof, or by a legislator. Legislative action also
25 means the action of the Governor in approving or vetoing any
26 bill or portion thereof, and the action of the Governor or any

1 agency in the development of a proposal for introduction in the
2 legislature.

3 (i) "Administrative action" means the execution or
4 rejection of any rule, regulation, legislative rule, standard,
5 fee, rate, contractual arrangement, purchasing agreement or
6 other delegated legislative or quasi-legislative action to be
7 taken or withheld by any executive agency, department, board or
8 commission of the State.

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

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

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

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

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

19 Section 25. The Illinois Procurement Code is amended by
20 changing Sections 1-15.15, 1-15.100, 15-25, 20-10, 20-30,
21 35-15, 35-20, 35-25, 35-30, 35-35, 35-40, 40-15, 40-25, 50-13,
22 50-20, and 50-30 and by adding Sections 20-43, 50-21, and 50-37
23 as follows:

24 (30 ILCS 500/1-15.15)

1 Sec. 1-15.15. Chief Procurement Officer. "Chief
2 Procurement Officer" means:

3 (1) for procurements for construction and
4 construction-related services committed by law to the
5 jurisdiction or responsibility of the Capital Development
6 Board, the executive director of the Capital Development Board.

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

16 (3) for all procurements made by a public institution of
17 higher education, (i) a representative designated by the
18 Governor for procurements made before July 1, 2007, and (ii)
19 for procurements made on or after July 1, 2007, an employee of
20 the Board of Higher Education designated by the Board of Higher
21 Education. The higher education chief procurement officer
22 designated by the Board of Higher Education shall not be a
23 trustee, officer, or employee of a public institution of higher
24 education.

25 (4) for the selection and appointment of consultants by a
26 pension fund or retirement system created under Article 2, 14,

1 15, 16, or 18 of the Illinois Pension Code or an investment
2 board created under Article 22A of the Illinois Pension Code,
3 as the term "consultant" is defined in subsection (a-5) of
4 Section 1-113.5 or subsection (e) of Section 22A-111,
5 respectively, of the Illinois Pension Code, a representative
6 designated by the board of trustees of that pension fund or
7 retirement system or by the Illinois State Board of Investment,
8 as the case may be, for a total of 6 pension chiefs of
9 procurement.

10 (5) ~~(4)~~ for all other procurements, the Director of the
11 Department of Central Management Services.

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

13 (30 ILCS 500/1-15.100)

14 Sec. 1-15.100. State agency. "State agency" means and
15 includes all boards, commissions, agencies, institutions,
16 authorities, and bodies politic and corporate of the State,
17 created by or in accordance with the constitution or statute,
18 of the executive branch of State government and does include
19 colleges, universities, and institutions under the
20 jurisdiction of the governing boards of the University of
21 Illinois, Southern Illinois University, Illinois State
22 University, Eastern Illinois University, Northern Illinois
23 University, Western Illinois University, Chicago State
24 University, Governor State University, Northeastern Illinois
25 University, and the Board of Higher Education. However, this

1 term applies ~~does not apply~~ to public employee pension funds,
2 retirement systems, or investment boards that are subject to
3 fiduciary duties imposed by the Illinois Pension Code only to
4 the extent and for the purpose of procurements required under
5 Sections 1-113.5 and 22A-111 of the Illinois Pension Code to be
6 made in accordance with Article 35 of this Code. The term
7 "State agency" does not apply ~~or~~ to the University of Illinois
8 Foundation. "State agency" does not include units of local
9 government, school districts, community colleges under the
10 Public Community College Act, and the Illinois Comprehensive
11 Health Insurance Board.

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

13 (30 ILCS 500/15-25)

14 Sec. 15-25. Bulletin content.

15 (a) Invitations for bids. Notice of each and every contract
16 that is offered, including renegotiated contracts and change
17 orders, shall be published in the Bulletin. The applicable
18 chief procurement officer may provide by rule an organized
19 format for the publication of this information, but in any case
20 it must include at least the date first offered, the date
21 submission of offers is due, the location that offers are to be
22 submitted to, the purchasing State agency, the responsible
23 State purchasing officer, a brief purchase description, the
24 method of source selection, information of how to obtain a
25 comprehensive purchase description and any disclosure and

1 contract forms, and encouragement to prospective vendors to
2 hire qualified veterans, as defined by Section 45-67 of this
3 Code, and Illinois residents discharged from any Illinois adult
4 correctional center.

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

23 (c) Emergency purchase disclosure. Any chief procurement
24 officer, State purchasing officer, or designee exercising
25 emergency purchase authority under this Code shall publish a
26 written description and reasons and the total cost, if known,

1 or an estimate if unknown and the name of the responsible chief
2 procurement officer and State purchasing officer, and the
3 business or person contracted with for all emergency purchases
4 in the next timely, practicable Bulletin. This notice must be
5 posted in the online electronic Bulletin within 10 business
6 days after the earlier of (i) execution of the contract or (ii)
7 whenever services or goods begin to be provided under the
8 contract and, in any event, prior to any payment by the State
9 under the contract.

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

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

24 (d) Other required disclosure. The applicable chief
25 procurement officer shall provide by rule for the organized
26 publication of all other disclosure required in other Sections

1 of this Code in a timely manner.

2 (e) The changes to subsections (b), (c), and (c-5) of this
3 Section made by this amendatory Act of the 95th General
4 Assembly apply to reports submitted, offers made, and notices
5 on contracts executed on or after its effective date.

6 (Source: P.A. 94-1067, eff. 8-1-06.)

7 (30 ILCS 500/20-10)

8 Sec. 20-10. Competitive sealed bidding.

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

12 (b) Invitation for bids. An invitation for bids shall be
13 issued and shall include a purchase description and the
14 material contractual terms and conditions applicable to the
15 procurement.

16 (c) Public notice. Public notice of the invitation for bids
17 shall be published in the Illinois Procurement Bulletin at
18 least 14 days before the date set in the invitation for the
19 opening of bids.

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

1 bid shall be open to public inspection.

2 (e) Bid acceptance and bid evaluation. Bids shall be
3 unconditionally accepted without alteration or correction,
4 except as authorized in this Code. Bids shall be evaluated
5 based on the requirements set forth in the invitation for bids,
6 which may include criteria to determine acceptability such as
7 inspection, testing, quality, workmanship, delivery, and
8 suitability for a particular purpose. Those criteria that will
9 affect the bid price and be considered in evaluation for award,
10 such as discounts, transportation costs, and total or life
11 cycle costs, shall be objectively measurable. The invitation
12 for bids shall set forth the evaluation criteria to be used.

13 (f) Correction or withdrawal of bids. Correction or
14 withdrawal of inadvertently erroneous bids before or after
15 award, or cancellation of awards of contracts based on bid
16 mistakes, shall be permitted in accordance with rules. After
17 bid opening, no changes in bid prices or other provisions of
18 bids prejudicial to the interest of the State or fair
19 competition shall be permitted. All decisions to permit the
20 correction or withdrawal of bids based on bid mistakes shall be
21 supported by written determination made by a State purchasing
22 officer.

23 (g) Award. The contract shall be awarded with reasonable
24 promptness by written notice to the lowest responsible and
25 responsive bidder whose bid meets the requirements and criteria
26 set forth in the invitation for bids, except when a State

1 purchasing officer determines it is not in the best interest of
2 the State and by written explanation determines another bidder
3 shall receive the award. The explanation shall appear in the
4 appropriate volume of the Illinois Procurement Bulletin. The
5 written explanation must include:

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

7 (2) a determination that the anticipated cost will be
8 fair and reasonable;

9 (3) a listing of all responsible and responsive
10 bidders; and

11 (4) the name of the bidder selected, pricing, and the
12 reasons for selecting that bidder instead of the lowest
13 responsible and responsive bidder.

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

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

20 (h) Multi-step sealed bidding. When it is considered
21 impracticable to initially prepare a purchase description to
22 support an award based on price, an invitation for bids may be
23 issued requesting the submission of unpriced offers to be
24 followed by an invitation for bids limited to those bidders
25 whose offers have been qualified under the criteria set forth
26 in the first solicitation.

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

2 (30 ILCS 500/20-30)

3 Sec. 20-30. Emergency purchases.

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

16 Emergency procurements shall be made with as much competition
17 as is practicable under the circumstances. A written
18 description of the basis for the emergency and reasons for the
19 selection of the particular contractor shall be included in the
20 contract file.

21 (b) Notice. Before the next appropriate volume of the
22 Illinois Procurement Bulletin, the purchasing agency shall
23 publish in the Illinois Procurement Bulletin a copy of each
24 written description and reasons and the total cost of each
25 emergency procurement made during the previous month. When only

1 an estimate of the total cost is known at the time of
2 publication, the estimate shall be identified as an estimate
3 and published. When the actual total cost is determined, it
4 shall also be published in like manner before the 10th day of
5 the next succeeding month.

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

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

1 (e) The changes to this Section made by this amendatory Act
2 of the 95th General Assembly apply to procurements executed on
3 or after its effective date.

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

5 (30 ILCS 500/20-43 new)

6 Sec. 20-43. Bidder or offeror authorized to do business in
7 Illinois. In addition to meeting any other requirement of law
8 or rule, a person (other than an individual acting as a sole
9 proprietor) may qualify as a bidder or offeror under this Code
10 only if the person is a legal entity authorized to do business
11 in Illinois prior to submitting the bid, offer, or proposal.

12 (30 ILCS 500/35-15)

13 Sec. 35-15. Prequalification.

14 (a) The Director of Central Management Services, the
15 pension chief procurement officers, and the higher education
16 chief procurement officer shall each develop appropriate and
17 reasonable prequalification standards and categories of
18 professional and artistic services.

19 (b) The prequalifications and categorizations shall be
20 submitted to the Procurement Policy Board and published for
21 public comment prior to their submission to the Joint Committee
22 on Administrative Rules for approval.

23 (c) The Director of Central Management Services, the
24 pension chief procurement officers, and the higher education

1 chief procurement officer shall each also assemble and maintain
2 a comprehensive list of prequalified and categorized
3 businesses and persons.

4 (d) Prequalification shall not be used to bar or prevent
5 any qualified business or person for bidding or responding to
6 invitations for bid or proposal.

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

8 (30 ILCS 500/35-20)

9 Sec. 35-20. Uniformity in procurement.

10 (a) The Director of Central Management Services, the
11 pension chief procurement officers, and the higher education
12 chief procurement officer shall each develop, cause to be
13 printed, and distribute uniform documents for the
14 solicitation, review, and acceptance of all professional and
15 artistic services.

16 (b) All chief procurement officers, State purchasing
17 officers, and their designees shall use the appropriate uniform
18 procedures and forms specified in this Code for all
19 professional and artistic services.

20 (c) These forms shall include in detail, in writing, at
21 least:

22 (1) a description of the goal to be achieved;

23 (2) the services to be performed;

24 (3) the need for the service;

25 (4) the qualifications that are necessary; and

1 (5) a plan for post-performance review.

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

3 (30 ILCS 500/35-25)

4 Sec. 35-25. Uniformity in contract.

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, cause to be
8 printed, and distribute uniform documents for the contracting
9 of professional and artistic services.

10 (b) All chief procurement officers, State purchasing
11 officers, and their designees shall use the appropriate uniform
12 contracts and forms in contracting for all professional and
13 artistic services.

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

16 (1) the detail listed in subsection (c) of Section
17 35-20;

18 (2) the duration of the contract, with a schedule of
19 delivery, when applicable;

20 (3) the method for charging and measuring cost (hourly,
21 per day, etc.);

22 (4) the rate of remuneration; and

23 (5) the maximum price.

24 (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

1 shall open and record them. The Department, the pension chief
2 procurement officer, or higher education chief procurement
3 officer then shall forward the responses, together with any
4 information it has available about the qualifications and other
5 State work of the respondents.

6 (e) After evaluation, ranking, and selection, the
7 responsible chief procurement officer, State purchasing
8 officer, or his or her designee shall notify the Department of
9 Central Management Services, the pension chief procurement
10 officer, or the higher education chief procurement officer,
11 whichever is appropriate, of the successful respondent and
12 shall forward a copy of the signed contract for the
13 Department's, pension chief procurement officer's, or higher
14 education chief procurement officer's file. The Department,
15 the pension chief procurement officer, or higher education
16 chief procurement officer shall publish the names of the
17 responsible procurement decision-maker, the agency letting the
18 contract, the successful respondent, a contract reference, and
19 value of the let contract in the next appropriate volume of the
20 Illinois Procurement Bulletin.

21 (f) For all professional and artistic contracts with
22 annualized value that exceeds \$25,000, evaluation and ranking
23 by price are required. Any chief procurement officer or State
24 purchasing officer, but not their designees, may select an
25 offeror other than the lowest bidder by price. In any case,
26 when the contract exceeds the \$25,000 threshold ~~threshold~~ and

1 the lowest bidder is not selected, the chief procurement
2 officer or the State purchasing officer shall forward together
3 with the contract notice of who the low bidder was and a
4 written decision as to why another was selected to the
5 Department of Central Management Services, the pension chief
6 procurement officer, or the higher education chief procurement
7 officer, whichever is appropriate. The Department, the pension
8 chief procurement officer, or higher education chief
9 procurement officer shall publish as provided in subsection (e)
10 of Section 35-30, but shall include notice of the chief
11 procurement officer's or State purchasing officer's written
12 decision.

13 (g) The Department of Central Management Services, the
14 pension chief procurement officers, and higher education chief
15 procurement officer may each refine, but not contradict, this
16 Section by promulgating rules for submission to the Procurement
17 Policy Board and then to the Joint Committee on Administrative
18 Rules. Any refinement shall be based on the principles and
19 procedures of the federal Architect-Engineer Selection Law,
20 Public Law 92-582 Brooks Act, and the Architectural,
21 Engineering, and Land Surveying Qualifications Based Selection
22 Act; except that pricing shall be an integral part of the
23 selection process.

24 (Source: P.A. 90-572, eff. date - See Sec. 99-5; revised
25 10-19-05.)

1 (30 ILCS 500/35-35)

2 Sec. 35-35. Exceptions.

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

9 (b) All exceptions granted under this Article must still be
10 submitted to the Department of Central Management Services, the
11 appropriate pension chief procurement officer, or the higher
12 education chief procurement officer, whichever is appropriate,
13 and published as provided for in subsection (f) of Section
14 35-30, shall name the authorizing chief procurement officer or
15 State purchasing officer, and shall include a brief explanation
16 of the reason for the exception.

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

18 (30 ILCS 500/35-40)

19 Sec. 35-40. Subcontractors.

20 (a) Any contract granted under this Article shall state
21 whether the services of a subcontractor will be used. The
22 contract shall include the names and addresses of all
23 subcontractors and the expected amount of money each will
24 receive under the contract.

25 (b) If at any time during the term of a contract, a

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

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

10 (30 ILCS 500/40-15)

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

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

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

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

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

20 (3) Duration of less than one year that cannot be
21 renewed.

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

23 (5) Renewal or extension of a lease ~~in effect before~~
24 ~~July 1, 2002;~~ provided that: (i) the chief procurement
25 officer determines in writing that the renewal or extension

1 is in the best interest of the State; (ii) the chief
2 procurement officer submits his or her written
3 determination and the renewal or extension to the Board;
4 (iii) the Board does not object in writing to the renewal
5 or extension within 30 days after its submission; and (iv)
6 the chief procurement officer publishes the renewal or
7 extension in the appropriate volume of the Procurement
8 Bulletin.

9 (c) Leases with governmental units. Leases with other
10 governmental units may be negotiated without using the request
11 for information process when deemed by the chief procurement
12 officer to be in the best interest of the State.

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

14 (30 ILCS 500/40-25)

15 Sec. 40-25. Length of leases.

16 (a) Maximum term. Leases shall be for a term not to exceed
17 10 years and shall include a termination option in favor of the
18 State after 5 years.

19 (b) Renewal. Leases may include a renewal option. An option
20 to renew may be exercised only when a State purchasing officer
21 determines in writing that renewal is in the best interest of
22 the State and notice of the exercise of the option is published
23 in the appropriate volume of the Procurement Bulletin at least
24 60 days prior to the exercise of the option.

25 (c) Subject to appropriation. All leases shall recite that

1 they are subject to termination and cancellation in any year
2 for which the General Assembly fails to make an appropriation
3 to make payments under the terms of the lease.

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

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

7 (30 ILCS 500/50-13)

8 Sec. 50-13. Conflicts of interest.

9 (a) Prohibition. It is unlawful for any person holding an
10 elective office in this State, holding a seat in the General
11 Assembly, or appointed to or employed in any of the offices or
12 agencies of State government ~~and who receives compensation for~~
13 ~~such employment in excess of 60% of the salary of the Governor~~
14 ~~of the State of Illinois~~, or who is an officer or employee of
15 the Capital Development Board or the Illinois Toll Highway
16 Authority, or who is the spouse or minor child of any such
17 person to have or acquire any contract, or any direct pecuniary
18 interest in any contract therein, whether for stationery,
19 printing, paper, or any services, materials, or supplies, that
20 will be wholly or partially satisfied by the payment of funds
21 appropriated by the General Assembly of the State of Illinois
22 or in any contract of the Capital Development Board or the
23 Illinois Toll Highway Authority.

24 (b) Interests. It is unlawful for any firm, partnership,
25 association, or corporation, in which any person listed in

1 subsection (a) is entitled to receive (i) more than 7 1/2% of
2 the total distributable income or (ii) an amount in excess of
3 the salary of the Governor, to have or acquire any such
4 contract or direct pecuniary interest therein.

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

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

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

19 (e) Prior interests. This Section does not affect the
20 validity of any contract made between the State and an officer
21 or employee of the State or member of the General Assembly, his
22 or her spouse, minor child, or other immediate family member
23 living in his or her residence or any combination of those
24 persons if that contract was in existence before his or her
25 election or employment as an officer, member, or employee. The
26 contract is voidable, however, if it cannot be completed within

1 365 days after the officer, member, or employee takes office or
2 is employed.

3 (f) Exceptions.

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

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

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

23 (4) Child and family services. This Section does not
24 apply to payments made to a member of the General Assembly,
25 a State officer or employee, his or her spouse or minor
26 child acting as a foster parent, homemaker, advocate, or

1 volunteer for or in behalf of a child or family served by
2 the Department of Children and Family Services.

3 (5) Licensed professionals. Contracts with licensed
4 professionals, provided they are competitively bid or part
5 of a reimbursement program for specific, customary goods
6 and services through the Department of Children and Family
7 Services, the Department of Human Services, the Department
8 of Healthcare and Family Services ~~Public Aid~~, the
9 Department of Public Health, or the Department on Aging.

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

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

14 (30 ILCS 500/50-20)

15 Sec. 50-20. Exemptions. With the approval of the
16 appropriate chief procurement officer involved, the Governor,
17 or an executive ethics board or commission he or she
18 designates, may exempt named individuals from the prohibitions
19 of Section 50-13 when, in his, her, or its judgment, the public
20 interest in having the individual in the service of the State
21 outweighs the public policy evidenced in that Section. An
22 exemption is effective only when it is filed with the Secretary
23 of State and the Comptroller within 60 days after its issuance
24 or when performance of the contract begins, whichever is
25 earlier, and includes a statement setting forth the name of the

1 individual and all the pertinent facts that would make that
2 Section applicable, setting forth the reason for the exemption,
3 and declaring the individual exempted from that Section.
4 Exemptions must be filed with the Secretary of State and
5 Comptroller prior to execution of any contracts. A copy of
6 Notice of each exemption shall be published in the Illinois
7 Procurement Bulletin in its electronic form prior to execution
8 of the contract. The changes to this Section made by this
9 amendatory Act of the 95th General Assembly apply to exemptions
10 granted on or after its effective date.

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

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

14 (30 ILCS 500/50-21 new)

15 Sec. 50-21. Bond issuances.

16 (a) A State agency shall not enter into a contract with
17 respect to the issuance of bonds or other securities by the
18 State or a State agency with any entity that uses an
19 independent consultant.

20 As used in this subsection, "independent consultant" means
21 a person used by the entity to obtain or retain securities
22 business through direct or indirect communication by the person
23 with a State official or employee on behalf of the entity when
24 the communication is undertaken by the person in exchange for
25 or with the understanding of receiving payment from the entity

1 or another person. "Independent consultant" does not include
2 (i) a finance professional employed by the entity or (ii) a
3 person whose sole basis of compensation from the entity is the
4 actual provision of legal, accounting, or engineering advice,
5 services, or assistance in connection with the securities
6 business that the entity seeks to obtain or retain.

7 (b) Each contract entered into by a State agency with
8 respect to the issuance of bonds or other securities by the
9 State or a State agency shall include a certification by any
10 contracting party subject to the Municipal Securities
11 Rulemaking Board's Rule G-38, or a successor rule, that the
12 contracting entity is and shall remain for the duration of the
13 contract in compliance with the Rule's requirements for
14 reporting political contributions. Violation of the
15 certification makes the contract voidable by the State and
16 shall bar the awarding of a State agency contract with respect
17 to the issuance of bonds or other securities to the violator
18 for a period of 10 years after the determination of the
19 violation.

20 (c) Any entity convicted of violating the Municipal
21 Securities Rulemaking Board's Rule G-37 or Rule G-38, or any
22 successor rules, with respect to the prohibitions of those
23 rules against obtaining or retaining municipal securities
24 business and the making of political contributions or payments
25 is permanently barred from participating in any State agency
26 contract with respect to the issuance of bonds or other

1 securities.

2 (30 ILCS 500/50-37 new)

3 Sec. 50-37. Contract award disclosure.

4 (a) For the purposes of this Section:

5 "Contracting entity" means an entity that would execute any
6 contract with a State agency.

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

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

16 (1) The contracting entity.

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

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

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

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

1 (d) The changes made to this Section made by this
2 amendatory Act of the 95th General Assembly apply to contracts
3 first offered on or after its effective date.

4 Section 35. The Illinois Pension Code is amended by
5 changing Sections 1-101.2, 1-101.4, 1-109.1, 1-110, 1-113.5,
6 1-113.12, 1A-113, 22A-108.1, and 22A-111 and by adding Sections
7 1-125, 1-130, 1-135, and 1-140 as follows:

8 (40 ILCS 5/1-101.2)

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

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

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

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

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

2 (40 ILCS 5/1-101.4)

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

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

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

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

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

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

23 (40 ILCS 5/1-109.1) (from Ch. 108 1/2, par. 1-109.1)

24 Sec. 1-109.1. Allocation and Delegation of Fiduciary

1 Duties.

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

6 (a) Appoint one or more investment managers as
7 fiduciaries to manage (including the power to acquire and
8 dispose of) any assets of the retirement system or pension
9 fund; and

10 (b) Allocate duties among themselves and designate
11 others as fiduciaries to carry out specific fiduciary
12 activities other than the management of the assets of the
13 retirement system or pension fund.

14 (2) The board of trustees of a pension fund established
15 under Article 5, 6, 8, 9, 10, 11, 12 or 17 of this Code may not
16 transfer its investment authority, nor transfer the assets of
17 the fund to any other person or entity for the purpose of
18 consolidating or merging its assets and management with any
19 other pension fund or public investment authority, unless the
20 board resolution authorizing such transfer is submitted for
21 approval to the contributors and pensioners of the fund at
22 elections held not less than 30 days after the adoption of such
23 resolution by the board, and such resolution is approved by a
24 majority of the votes cast on the question in both the
25 contributors election and the pensioners election. The
26 election procedures and qualifications governing the election

1 of trustees shall govern the submission of resolutions for
2 approval under this paragraph, insofar as they may be made
3 applicable.

4 (3) Pursuant to subsections (h) and (i) of Section 6 of
5 Article VII of the Illinois Constitution, the investment
6 authority of boards of trustees of retirement systems and
7 pension funds established under this Code is declared to be a
8 subject of exclusive State jurisdiction, and the concurrent
9 exercise by a home rule unit of any power affecting such
10 investment authority is hereby specifically denied and
11 preempted.

12 (4) For the purposes of this Code, "emerging investment
13 manager" means a qualified investment adviser that manages an
14 investment portfolio of at least \$10,000,000 but less than
15 \$2,000,000,000 and is a "minority owned business" or "female
16 owned business" as those terms are defined in the Business
17 Enterprise for Minorities, Females, and Persons with
18 Disabilities Act.

19 It is hereby declared to be the public policy of the State
20 of Illinois to encourage the trustees of public employee
21 retirement systems to use emerging investment managers in
22 managing their system's assets to the greatest extent feasible
23 within the bounds of financial and fiduciary prudence, and to
24 take affirmative steps to remove any barriers to the full
25 participation of emerging investment managers in investment
26 opportunities afforded by those retirement systems.

1 On or before July 1, 2007 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.)

1 Sec. 1-110. Prohibited Transactions.

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

6 (1) Sale or exchange, or leasing of any property from
7 the retirement system or pension fund to a party in
8 interest for less than adequate consideration, or from a
9 party in interest to a retirement system or pension fund
10 for more than adequate consideration.

11 (2) Lending of money or other extension of credit from
12 the retirement system or pension fund to a party in
13 interest without the receipt of adequate security and a
14 reasonable rate of interest, or from a party in interest to
15 a retirement system or pension fund with the provision of
16 excessive security or an unreasonably high rate of
17 interest.

18 (3) Furnishing of goods, services or facilities from
19 the retirement system or pension fund to a party in
20 interest for less than adequate consideration, or from a
21 party in interest to a retirement system or pension fund
22 for more than adequate consideration.

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

26 (b) A fiduciary with respect to a retirement system or

1 pension fund established under this Code shall not:

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

4 (2) In his individual or any other capacity act in any
5 transaction involving the retirement system or pension
6 fund on behalf of a party whose interests are adverse to
7 the interests of the retirement system or pension fund or
8 the interests of its participants or beneficiaries; or

9 (3) Receive any consideration for his own personal
10 account from any party dealing with the retirement system
11 or pension fund in connection with a transaction involving
12 the assets of the retirement system or pension fund.

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

15 (1) Receiving any benefit to which he may be entitled
16 as a participant or beneficiary in the retirement system or
17 pension fund.

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

21 (3) Serving as a trustee in addition to being an
22 officer, employee, agent or other representative of a party
23 in interest.

24 (d) A fiduciary with respect to a retirement system or
25 pension fund shall not knowingly cause or advise the retirement
26 system or pension fund to engage in an investment transaction

1 when the fiduciary (i) has any direct interest in the income,
2 gains, or profits of the investment advisor through which the
3 investment transaction is made or (ii) has a business
4 relationship with that investment advisor that would result in
5 a pecuniary benefit to the fiduciary as a result of the
6 investment transaction.

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

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

10 (40 ILCS 5/1-113.5)

11 Sec. 1-113.5. Investment advisers; consultants; and
12 investment services.

13 (a) The board of trustees of a pension fund or retirement
14 system may appoint investment advisers as defined in Section
15 1-101.4. The board of any pension fund investing in common or
16 preferred stock under Section 1-113.4 shall appoint an
17 investment adviser before making such investments.

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

21 (1) an investment adviser registered under the federal
22 Investment Advisers Act of 1940 and the Illinois Securities
23 Law of 1953;

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

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

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

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

18 (a-10) For the board of trustees of a pension fund or
19 retirement system created under Article 2, 14, 15, 16, or 18,
20 the selection and appointment of a consultant, and the
21 contracting for investment services from a consultant,
22 constitute procurements of professional and artistic services
23 under the Illinois Procurement Code that must be made and
24 awarded in accordance with and through the use of the method of
25 selection required by Article 35 of that Code. For the board of
26 trustees of a pension fund or retirement system created under

1 any other Article of this Code, the selection and appointment
2 of a consultant, and the contracting for investment services by
3 a consultant, constitute procurements that must be made and
4 awarded in a manner substantially similar to the method of
5 selection required for the procurement of professional and
6 artistic services under Article 35 of the Illinois Procurement
7 Code. All offers from responsive offerors shall be accompanied
8 by disclosure of the names and addresses of the following:

9 (1) The offeror.

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

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

14 (4) The offeror's key persons.

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

20 Beginning on July 1, 2007, a person, other than a trustee
21 or an employee of a pension fund or retirement system, may not
22 act as a consultant under this Section unless that person is at
23 least one of the following: (i) registered as an investment
24 adviser under the federal Investment Advisers Act of 1940 (15
25 U.S.C. 80b-1, et seq.); (ii) registered as an investment
26 adviser under the Illinois Securities Law of 1953; (iii) a

1 bank, as defined in the Investment Advisers Act of 1940; or
2 (iv) an insurance company authorized to transact business in
3 this State.

4 (b) All investment advice and services provided by an
5 investment adviser or a consultant appointed under this Section
6 shall be (i) rendered pursuant to a written contract between
7 the investment adviser or consultant and the board, awarded as
8 provided in subsection (a-10), and (ii) in accordance with the
9 board's investment policy.

10 The contract shall include all of the following:

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

14 (2) the board's investment policy;

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

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

25 (b-5) Each contract described in subsection (b) shall also
26 include (i) full disclosure of direct and indirect fees,

1 commissions, penalties, and other compensation, including
2 reimbursement for expenses, that may be paid by or on behalf of
3 the investment adviser or consultant in connection with the
4 provision of services to the pension fund or retirement system
5 and (ii) a requirement that the investment adviser or
6 consultant update the disclosure promptly after a modification
7 of those payments or an additional payment.

8 Within 30 days after the effective date of this amendatory
9 Act of the 95th General Assembly, each investment adviser and
10 consultant currently providing services or subject to an
11 existing contract for the provision of services must disclose
12 to the board of trustees all direct and indirect fees,
13 commissions, penalties, and other compensation paid by or on
14 behalf of the investment adviser or consultant in connection
15 with the provision of those services and shall update that
16 disclosure promptly after a modification of those payments or
17 an additional payment.

18 A person required to make a disclosure under subsection (d)
19 is also required to disclose direct and indirect fees,
20 commissions, penalties, or other compensation that shall or may
21 be paid by or on behalf of the person in connection with the
22 rendering of those services. The person shall update the
23 disclosure promptly after a modification of those payments or
24 an additional payment.

25 The disclosures required by this subsection shall be in
26 writing and shall include the date and amount of each payment

1 and the name and address of each recipient of a payment.

2 (c) Within 30 days after appointing an investment adviser
3 or consultant, the board shall submit a copy of the contract to
4 the Division Department of Insurance of the Department of
5 Financial and Professional Regulation.

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

13 (e) The board of trustees of each pension fund or
14 retirement system shall retain records of investment
15 transactions in accordance with the rules of the Department of
16 Financial and Professional Regulation Insurance.

17 (f) This subsection applies to the board of trustees of a
18 pension fund or retirement system created under Article 2, 14,
19 15, 16, or 18. Notwithstanding any other provision of law, a
20 board of trustees shall comply with the Business Enterprise for
21 Minorities, Females, and Persons with Disabilities Act. The
22 board of trustees shall post upon its website the percentage of
23 its contracts awarded under this Section currently and during
24 the preceding 5 fiscal years that were awarded to "minority
25 owned businesses", "female owned businesses", and "businesses
26 owned by a person with a disability", as those terms are

1 defined in the Business Enterprise for Minorities, Females, and
2 Persons with Disabilities Act.

3 (g) This Section is a denial and limitation of home rule
4 powers and functions in accordance with subsection (i) of
5 Section 6 of Article VII of the Illinois Constitution. A home
6 rule unit may not regulate investment adviser and consultant
7 contracts in a manner that is less restrictive than the
8 provisions of this Section.

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

10 (40 ILCS 5/1-113.12)

11 Sec. 1-113.12. Application. Sections 1-113.1 through
12 1-113.10 apply only to pension funds established under Article
13 3 or 4 of this Code, except that Section 1-113.5 applies to all
14 pension funds and retirement systems established under this
15 Code.

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

17 (40 ILCS 5/1-125 new)

18 Sec. 1-125. No monetary gain on investments. No trustee or
19 employee of the board of any retirement system or pension fund
20 or of the Illinois State Board of Investment shall have any
21 direct interest in the income, gains, or profits of any
22 investments made in behalf of the retirement system or pension
23 fund or of the Illinois State Board of Investment, nor receive
24 any pay or emolument for services in connection with any

1 investment. No trustee or employee of the board of any
2 retirement system or pension fund or the Illinois State Board
3 of Investment shall become an endorser or surety, or in any
4 manner an obligor for money loaned or borrowed from the
5 retirement system or pension fund or the Illinois State Board
6 of Investment. Whoever violates any of the provisions of this
7 Section is guilty of a Class 3 felony.

8 (40 ILCS 5/1-130 new)

9 Sec. 1-130. Fraud. Any person who knowingly makes any false
10 statement, or falsifies or permits to be falsified any record
11 of a retirement system or pension fund or of the Illinois State
12 Board of Investment, in an attempt to defraud the retirement
13 system or pension fund or the Illinois State Board of
14 Investment, is guilty of a Class 3 felony.

15 (40 ILCS 5/1-135 new)

16 Sec. 1-135. Prohibition on gifts.

17 (a) For the purposes of this Section:

18 (1) "Board" means (i) the board of trustees of a
19 pension fund or retirement system created under this Code
20 or (ii) the Illinois State Board of Investment created
21 under Article 22A of this Code.

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

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

1 (i) is seeking official action (A) by the board,
2 (B) by a board member, or (C) in the case of a board
3 employee, by the employee, the board, a board member,
4 or another employee directing the employee;

5 (ii) does business or seeks to do business (A) with
6 the board, (B) with a board member, or (C) in the case
7 of a board employee, with the employee, the board, a
8 board member, or another employee directing the
9 employee;

10 (iii) has interests that may be substantially
11 affected by the performance or non-performance of the
12 official duties of the board member or employee; or

13 (iv) is registered or required to be registered
14 with the Secretary of State under the Lobbyist
15 Registration Act, except that an entity not otherwise a
16 prohibited source does not become a prohibited source
17 merely because a registered lobbyist is one of its
18 members or serves on its board of directors.

19 (b) No board member or employee shall solicit or accept any
20 gift from a prohibited source or from an officer, agent, or
21 employee of a prohibited source. No prohibited source or
22 officer, agent, or employee of a prohibited source shall offer
23 to a board member or employee any gift.

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

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

14 (40 ILCS 5/1A-113)

15 Sec. 1A-113. Penalties.

16 (a) A pension fund that fails, without just cause, to file
17 its annual statement within the time prescribed under Section
18 1A-109 shall pay to the Department a penalty to be determined
19 by the Department, which shall not exceed \$100 for each day's
20 delay.

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

1 (c) A pension fund that fails to pay a fee within the time
2 prescribed under Section 1A-112 shall pay to the Department a
3 penalty of 5% of the amount of the fee for each month or part of
4 a month that the fee is late. The entire penalty shall not
5 exceed 25% of the fee due.

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

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

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

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

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

26 (4) If upon hearing the Director determines that good

1 and sufficient cause for noncompliance has not been shown,
2 the Director may order the person to submit evidence of
3 compliance within a specified period of not less than 30
4 days.

5 (5) If evidence of compliance has not been submitted to
6 the Director within the period of time prescribed in the
7 order and no administrative appeal from the order has been
8 initiated, the Director may assess a civil penalty of up to
9 \$2,000 against the governing body, officer, or official for
10 each noncompliance with an order of the Director.

11 The Director shall develop by rule, with as much
12 specificity as practicable, the standards and criteria to be
13 used in assessing penalties and their amounts. The standards
14 and criteria shall include, but need not be limited to,
15 consideration of evidence of efforts made in good faith to
16 comply with applicable legal requirements. This rulemaking is
17 subject to the provisions of the Illinois Administrative
18 Procedure Act.

19 If a penalty is not paid within 30 days of the date of
20 assessment, the Director without further notice shall report
21 the act of noncompliance to the Attorney General of this State.
22 It shall be the duty of the Attorney General or, if the
23 Attorney General so designates, the State's Attorney of the
24 county in which the governmental unit is located to apply
25 promptly by complaint on relation of the Director of Insurance
26 in the name of the people of the State of Illinois, as

1 plaintiff, to the circuit court of the county in which the
2 governmental unit is located for enforcement of the penalty
3 prescribed in this subsection or for such additional relief as
4 the nature of the case and the interest of the employees of the
5 governmental unit or the public may require.

6 (e) Whoever knowingly makes a false certificate, entry, or
7 memorandum upon any of the books or papers pertaining to any
8 pension fund or upon any statement, report, or exhibit filed or
9 offered for file with the Division or the Director of Insurance
10 in the course of any examination, inquiry, or investigation,
11 with intent to deceive the Director, the Division, or any of
12 its employees is guilty of a Class 3 felony ~~A misdemeanor~~.

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

14 (40 ILCS 5/22A-108.1) (from Ch. 108 1/2, par. 22A-108.1)

15 Sec. 22A-108.1. Investment Advisor: Any person or business
16 entity which provides investment advice to the ~~the~~ Board on a
17 personalized basis and with an understanding of the policies
18 and goals of the Board. "Investment Advisor" shall not include
19 any person or business entity which provides statistical or
20 general market research data available for purchase or use by
21 others.

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

23 (40 ILCS 5/22A-111) (from Ch. 108 1/2, par. 22A-111)

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

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

6 (b) The authority of the board to manage pension fund
7 investments and the liability shall begin when there has been a
8 physical transfer of the pension fund investments to the board
9 and placed in the custody of the State Treasurer.

10 (c) The authority of the board to manage monies from the
11 education fund for investment and the liability of the board
12 shall begin when there has been a physical transfer of
13 education fund investments to the board and placed in the
14 custody of the State Treasurer.

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

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

6 Beginning on July 1, 2007, a person, other than a trustee
7 or an employee of the board, may not act as a consultant under
8 this Section unless that person is at least one of the
9 following: (i) registered as an investment adviser under the
10 federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et
11 seq.); (ii) registered as an investment adviser under the
12 Illinois Securities Law of 1953; (iii) a bank, as defined in
13 the Investment Advisers Act of 1940; or (iv) an insurance
14 company authorized to transact business in this State.

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

25 Within 30 days after the effective date of this amendatory
26 Act of the 95th General Assembly, each investment advisor and

1 consultant currently providing services or subject to an
2 existing contract for the provision of services must disclose
3 to the Board all direct and indirect fees, commissions,
4 penalties, and other compensation paid by or on behalf of the
5 investment advisor or consultant in connection with the
6 provision of those services and shall update that disclosure
7 promptly after a modification of those payments or an
8 additional payment.

9 The disclosures required by this subsection shall be in
10 writing and shall include the date and amount of each payment
11 and the name and address of each recipient of a payment.

12 Notwithstanding any other provision of law, the Board shall
13 comply with the Business Enterprise for Minorities, Females,
14 and Persons with Disabilities Act. The Board shall post upon
15 its website the percentage of its contracts awarded under this
16 subsection currently and during the preceding 5 fiscal years
17 that were awarded to "minority owned businesses", "female owned
18 businesses", and "businesses owned by a person with a
19 disability", as those terms are defined in the Business
20 Enterprise for Minorities, Females, and Persons with
21 Disabilities Act.

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

23 (40 ILCS 5/2-152 rep.)

24 (40 ILCS 5/2-155 rep.)

25 (40 ILCS 5/12-190.3 rep.)

1 (40 ILCS 5/13-806 rep.)

2 (40 ILCS 5/14-148 rep.)

3 (40 ILCS 5/15-186 rep.)

4 (40 ILCS 5/15-189 rep.)

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

6 (40 ILCS 5/16-198 rep.)

7 (40 ILCS 5/18-159 rep.)

8 (40 ILCS 5/18-162 rep.)

9 Section 40. The Illinois Pension Code is amended by
10 repealing Sections 2-152, 2-155, 12-190.3, 13-806, 14-148,
11 15-186, 15-189, 16-191, 16-198, 18-159, and 18-162.

12 Section 90. The State Mandates Act is amended by adding
13 Section 8.31 as follows:

14 (30 ILCS 805/8.31 new)

15 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
16 of this Act, no reimbursement by the State is required for the
17 implementation of any mandate created by this amendatory Act of
18 the 95th General Assembly.

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

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.