

AN ACT concerning State government.

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

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

(10 ILCS 5/9-35 new)

Sec. 9-35. Registration of business entities.

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

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

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

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

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

affiliation.

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

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

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

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

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

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

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

(h) The State Board of Elections shall have rulemaking

authority to implement this Section.

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

(30 ILCS 500/20-160 new)

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 50-37. Prohibition of political contributions.

(a) As used in this Section:

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

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

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

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

Illinois, Southern Illinois University, Illinois State University, Eastern Illinois University, Northern Illinois University, Western Illinois University, Chicago State University, Governors State University, Northeastern Illinois University, and the Illinois Board of Higher Education.

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

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

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

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

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

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

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

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

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

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

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

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

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

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