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Corporate
Adopted Legislation
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UPMIFA Legislation

This Public Act enacts a version of the 2006 Uniform Prudent Management of Institutional Funds Act (UPMIFA), which modernizes the laws governing a not-for-profit organization's investment and management of donor-restricted funds. The Public Act provides a standard of conduct for managing and investing institutional funds, guidance regarding the management and investment in an institutional fund, appropriations for endowment funds, and releases or modifications of restrictions.

Effective June 30, 2009. *See Public Act 96-0029.*

Limited Liability Company Management

The Illinois Limited Liability Company Act includes certain standards of conduct that members in member-managed companies and managers in manager-managed companies must meet. The Act is now amended to state that, in a manager-managed company, a member who exercises the same management authority as a manager will be held to the same standards of conduct as a manager.

Effective January 1, 2010. *See Public Act 96-0263.*

Low Profit Limited Liability Company

The Illinois Limited Liability Company Act is amended to include the creation of a new entity, a low-profit limited liability company, or L3C. This company is a for profit company and cannot have as a significant purpose the production of income or the appreciation of property. This amendment further sets forth the requirements for the organization of a low-profit limited liability company.

Effective January 1, 2010. *See Public Act 96-0126.*

Limited Liability Company Certificate of Registration

The Illinois Limited Liability Company Act is amended to require a limited liability company that intends to provide, or does provide, professional services that require the individuals engaged in that profession to be licensed by the Department of Financial and Professional Regulation to register with the Department and obtain a certificate of registration prior to opening, operating or maintaining an establishment. A fee of \$40 will be imposed and the certificate must be conspicuously posted.

Effective August 25, 2009. *See Public Act 96-0679.*

Bylaw Voting Provisions

The Illinois General Not For Profit Corporation Act of 1986 is amended to allow a not-for-profit corporation to include in its bylaws a provision stating that the election of directors, officers, or representatives by members may be conducted by email or other electronic means in addition to mail.

Effective October 1, 2009. *See Public Act 96-0648.*

Not For Profit Corporation Act Changes

The Illinois General Not For Profit Corporation Act of 1986 is amended to allow members who are entitled to vote to do so by ballot, without a meeting, in writing by mail, email, or any other electronic means which gives the member an opportunity to vote for or against the proposed action. The action must receive approval by a majority of the members casting votes, or such larger number as may be required by the Act, the articles of incorporation or the bylaws, provided that the number of members casting votes would constitute a quorum. Voting must remain open for 5 days from the date the ballot is delivered; however certain actions

require the vote remain open for a longer period of time. Such action will become effective if at least 5 days prior to the effective date of such action a notice in writing of the proposed action is delivered to all the members entitled to vote.

The Act is further amended to state that an amendment to a bylaw provision decreasing the number of directors or eliminating the position of a director elected or appointed by persons or entities other than the members may shorten the incumbent director's term; however, such amendment must be approved by the party with the authority to elect or appoint such directors.

The Act is further amended to provide any voting member the right to examine, in person or by agent, at any reasonable time the corporation's books and records and to make extracts, but only for a proper purpose. The voting member must state in writing the records sought to be examined and the purpose therefore.

Effective January 1, 2010. *See Public Act 96-0649.*

Franchise Disclosure

The Illinois Business Bookers Act of 1995 is amended to allow an exemption from registration of any offer or sale of a business opportunity as defined in the Franchise Disclosure Act of 1987 provided that the seller delivers to each purchaser 14 days prior to the earlier of the execution by a purchase or any contract or agreement, or the payment by the purchaser of any consideration in connection with the sale of the business, a disclosure document prepared in accordance with the requirements of the Illinois Franchise Disclosure Act of 1987.

This Act is further amended to change certain documents that are needed for registration. A seller is no longer required to file a Franchise Offering Circular but instead must file a Business Opportunity Disclosure Document. A seller must also file a disclosure statement pursuant to the Federal Trade Commission's rule entitled "Disclosure Requirements and Prohibitions Concerning Franchising" or a disclosure statement pursuant to the Federal Trade Commission's rule entitled "Disclosure Requirements and Prohibitions Concerning Business Opportunities".

Effective October 1, 2009. *See Public Act 96-0648.*

Sale of Franchise

The Illinois Franchise Disclosure Act of 1987 is amended to include in the definition of franchise that a person granted the right to engage in a franchise is required to pay to the franchisor, or an affiliate of the franchisor, directly or indirectly, a franchise fee of \$500 or more.

The Act is further amended to note that this Act does not apply to a franchise relationship covered by the Petroleum Marketing Practices Act.

Additionally, this Act is amended to provide that a sale is not effected by or through a franchisor simply because a franchisor requires the new franchisee to execute a franchise agreement on terms not materially different from the existing franchise agreement. This Act also provides exemptions from registration requirements for the offer and sale of a franchise.

The Act now also states that the registration of a franchise shall expire 120 days after the franchisor's fiscal year end.

Lastly, the Act now requires that the disclosure statement required by the Act shall be prepared in accordance with the Federal Trade Commission rule "Disclosure Requirements and Prohibitions Concerning Franchising and the Guidelines of the North American Securities Administrators Association, Inc." and the rules adopted by the Administrator.

Effective October 1, 2009. *See Public Act 96-0648.*

Charity Filing With Attorney General

The Illinois Solicitation for Charity Act is amended to require any registered organization who receives contributions in excess of \$300,000 (instead of \$150,000) in a 12 month period to file a written report with the Attorney General.

Effective January 1, 2010. *See Public Act 96-0488.*

Certificates No Longer Issued

The Library Incorporation Act, the State Housing Act, the Neighborhood Redevelopment Corporation Law, the Business Corporation Act of 1983, the General Not For Profit Corporation Act and the Cemetery Association Act are amended to delete references to “certificates of incorporation”, “certificates of amendment”, “certificates of dissolution” and “certificates of authority.” The State of Illinois will not issue “certificates” for these filings.

Effective January 1, 2010. *See Public Act 96-0066.*

Tax Credits

The Illinois Income Tax Act has changed the Payment on Due Date of Return – Foreign Tax for taxable years on or after December 31, 2009. This amendment states that the credit for taxes paid to other states shall not exceed certain variables as set forth in this amendment.

Effective August 14, 2009. *See Public Act 96-0468.*

Withdrawal or Refund From Tuition Plan

The Illinois Income Tax Act is amended to include, as a modification to a taxpayer’s adjusted gross income, any nonqualified withdrawal or refund of moneys from a qualified tuition program under Section 529 of the Internal Revenue Code that is not used for qualified expenses at an eligible education institution. This applies to taxable years beginning on or after January 1, 2009.

Effective August 4, 2009. *See Public Act 96-0120.*

Municipal Officers and Not-for-Profit Board Positions

The Illinois Public Officer Prohibited Activities Act and the Illinois Municipal Code are amended to include certain circumstances in which a municipal officer may hold a position on the board of a not-for-profit corporation that is interested in a contract, work, or business of the municipality.

Effective January 1, 2010. *See Public Act 96-0277.*

Economic Interest Statement

The Illinois Governmental Ethics Act is amended to require that any person who has responsibility with respect to the procurement of goods or services must file a verified written statement of economic interest.

Effective August 18, 2009. *See Public Act 96-0555.*

Ethics Training Program

The State Officials and Employees Ethics Act is amended to include a definition of “employee benefits.” This Act is further amended to set forth reporting requirements for the State’s ethics training program as well as providing additional actions deemed a prohibited offer or promise by any state employee.

The amendment to the Act further sets forth the Attorney General’s investigatory authority.

This amendment also states that the Secretary of State’s Inspector General shall have jurisdiction to investigate complaints and allegations of wrongdoing by any person or entity related to the Lobbyist Registration Act.

Effective August 18, 2009. *See Public Act 96-0555.*

Registering as Lobbyist

The Lobbyist Registration Act is amended to require that any natural person, or a person or entity that employs another person for the purposes of lobbying, must register with the Illinois Secretary of State unless the person is exempt as set forth in the Act.

This Act is further amended to require that each person who is required to register must complete a program of ethics training provided by the Illinois Secretary of State during each year the person remains registered.

The Act is further amended to require that every lobbyist registered who is solely employed by a lobbying entity must file an affirmation attesting to various statements. The Act is also amended to set forth the information needed to complete the report.

Effective January 1, 2010. *See Public Act 96-0555.*

**Contract Procurement for Disabled Veteran
Business Owners**

The Illinois Procurement Code is amended to establish a Task Force, appointed by the Directors or Secretaries of, and made up of representatives of, the Illinois Department of Veterans' Affairs, the Illinois Department of Transportation, the Department of Central Management Services, the Business Enterprise Program, and the Business Enterprise Council for the purpose of determining the appropriate percentage goal for award each fiscal year of the State's total expenditures for contracts awarded businesses owned by disabled veterans.

Effective January 1, 2010. *See Public Act 096-0096.*