



ILLINOIS CHAMBER
OF COMMERCE

GOVERNMENT AFFAIRS

Report

May 26, 2017

This Week in Springfield

The Illinois General Assembly is approaching the 11th hour of the 2017 spring legislative session. All eyes have shifted over to the House as a majority of the Senate's grand bargain bills now lay in the hands of the House. The House and Senate will return to Springfield on Sunday to finish off the final 4 scheduled session days. We'll be sure to keep members updated over the weekend on any developments.

FAKE WORKERS' COMPENSATION ON THE FAST TRACK

Unfortunately, workers compensation has taken a turn for the worse. It appears as if the House and Senate Democrats are abandoning SB 12 and SB 198, which included palatable reforms to the state's workers' compensation for fake workers' compensation reform.

[HB 2525](#) (Hoffman/Raoul) is being sold as workers' compensation reform, however it is far from it. Codification of current bad case law for "causation" and "traveling employee" merely locks employers into the court expanded liability. Senate amendment 2 offers some relief but is far outweighed by increased regulation and litigation that are contained in the measure. The Senate approved the bill on a [35-19-1](#) vote this afternoon. It goes back to the House for concurrence which returns Sunday at 4 pm. Republican Senator Sam McCann was the lone GOP vote in support. No Democrat voted against the bill.

Also approved by the Senate was [HB 2622](#) (Fine/Biss). This measure uses employer and insurer tax dollars to capitalize the creation of a state established, mutual insurance company to compete with the over 300 insurers that already provide workers' compensation coverage. The \$10 million of startup money are tax dollars that currently go to run the operations of the Workers' Compensation Commission. The legislation provides that the funds are a "loan" to be paid back with interest. Given the track record regarding finances of Illinois state government, it is difficult to believe the loan would be paid in a timely fashion. Furthermore, removing resources meant to support the operations of the Commission jeopardizes the entire adjudication of workers' compensation for injured workers as well as employers. The Senate approval was [32-20-1](#) and sends the measure to the Governor. Again, Sen. McCann was the only Republican vote. Democrats Mike Hastings and Steve Landek voted "no".

SENATE DEMS APPROVE \$5.4 BILLION TAX INCREASE

Most notably, the Senate's tax omnibus bill ([SB 9](#)) passed the Senate this week [32-26-0](#). The \$5.4 billion tax increase passed without a single Republican "aye" vote. As reported last week, the bill would increase the individual income tax rate to 4.95 percent (current law 3.25), increase the corporate rate to 7 percent (current law 5.25), and adds a statewide service tax of 6.25 percent on various services.

However, a parliamentarian trick was applied to SB 9 when Republican State Representative Jeanne Ives hijacked the bill and pre-filed as chief sponsor, thus giving her complete destiny of the bill.

Rep. Ives filed an amendment to SB 9, which replaces everything in the engrossed version as passed the Senate. Her amendment does not increase the current income tax rates and reinstates various pro-growth tax credits.

The House Democrats will likely have to pass their own tax legislation under a new bill number. The House Revenue committee has scheduled a hearing on the bill on May 30.

\$15 MINIMUM WAGE REVIVED

This afternoon, a new minimum wage proposal was introduced in the House. House Committee Amendment No. 1 to [SB 81](#) (Clayborne/Guzzardi) would incrementally increase the minimum wage to \$15 per hour by 2022 for those over 18 years of age and would incrementally increase the minimum wage to \$12 per hour for those under the age of 18 by 2022. The amendment remains in House Labor Committee but is expected to be given a hearing before May 31st.

BACK LOG OF BILLS

A bill designed to pay down the state's backlog of bills passed out of the House Executive Committee this week. SB 4 (Trotter/G. Harris) would authorize the issuance of an unidentified (previously \$7 billion) amount of state general obligation bonds.

The Chamber has received several requests from members as to how the state plans on paying back the G.O Bonds. The answer was made clear this week when Senate President Cullerton filed Senate Floor Amendment No. 1 to [SB 481](#). The amendment would provide for a temporary income tax surcharge to be applied to the 4.95 percent laid out in SB 9 and would be increased to 5.25 percent until the amount bonded is paid off. The amendment has been assigned to Senate Executive Committee.

IERG'S BRENDA CARTER APPOINTED TO PCB

The Illinois Chamber is pleased to announce that Brenda Carter from the [Illinois Environmental Regulatory Group \(IERG\)](#) has been appointed to a position on the Illinois Pollution Control Board. Brenda currently serves as the Deputy Director of IERG and has been heavily involved in the development of environmentally sound laws and policies.

IERG is an affiliate of the Illinois Chamber of Commerce and negotiates environmental policies, laws, and regulations as they are promulgated, administered and implemented by the state.

[Congrats Brenda](#), and best of luck on your future endeavors!

POLL: VOTERS REJECT INCREASED DATA COLLECTION

A new statewide poll released today shows that 76% of Illinois voters oppose legislation that is being considered by the Illinois General Assembly to capture more additional consumer data and eliminate anonymous use of the internet. Additionally, 63% of voters also oppose the elimination of anonymous browsing and laws favoring special interest groups, both components of the proposed "Right to Know" bills in Springfield.

"The 'Right to Know' bill sounds good in theory - but once Illinois voters know what's actually in it, they are clearly against these provisions," said Todd Maisch, President and CEO, Illinois Chamber of Commerce. "Forcing businesses into collecting more data for longer about their customers and exposing residents' private browsing is a step backwards for our state."

The poll conducted from May 12-15 shows that people throughout Illinois are concerned with the effects of SB1502, "Right to Know" would have on their ability to use the internet and their apps safely. Both bills are currently moving through the House and the Senate.

Full poll, questions and answers available at NetChoice.org/poll

MEMBER SPOTLIGHT: GOOGLE ECONOMIC IMPACT

The web is working for Illinois businesses. The internet is where business is done and jobs are created. And Google is helping. Across the U.S., Google's search and advertising tools helped provide \$222 billion in economic activity in 2016. \$17 billion of which helped provide for Illinois businesses, website publishers, and non-profits.

46,000 Illinois businesses, website publishers, and non-profits benefited from using Google's advertising tools, AdWords and AdSense in 2016. \$20.6 million of free advertising was provided to Illinois non-profits through the Google Ad Grants program.

In addition to employing 750+ full-time Illinoisans, Google is proud to have an office in Chicago. To read the full economic report, [click here](#).

IDOT LONG RANGE TRANSPORTATION PLAN OUTREACH

The Illinois Department of Transportation's Long Range Transportation Plan outreach team is giving Illinois residents the opportunity to tell policy makers how the state's transportation system can best meet residents' needs.

Through June 9th, Illinoisans are encouraged to complete an online activity that will help the agency identify where residents would spend their budget if they were IDOT. This exercise provides IDOT officials insight into where residents would like to see an increased focus.

The survey can be found by [clicking here](#).

ODDS AND ENDS: LEGISLATION

[HB 3449](#) (Williams/T. Cullerton) passed out of the Senate Judiciary Committee and the Senate this week this week 33-22-0. This bill would require app developers in Illinois to include unnecessary and complex disclosure language before using a mobile application - rather than the useful short-form disclosures you see today. The Chamber testified in opposition this week as this bill as it would send the wrong message to consumers and Illinois' growing tech industry. The bill now heads back to the House for concurrence.

[HB 2802](#) (Mah) requires all covered employers to offer at least one transportation benefit program. An employer may choose between providing a program consistent with federal law that allows employees to elect to exclude from taxable wages and compensation the

employee's commuting costs incurred for the purchase of a transit pass to use public transit or for the purchase of qualified parking, or a program under which the employer supplies a transit pass for the particular qualifying public transit requested by the covered employee or reimburses the covered employee for payments made for the use of qualified parking.

Rep. Mah and the proponents have negotiated with myself and others in the business community to reduce the impact on employers in the Chicagoland area. Major changes to the bill include:

- The benefits will be available only to fulltime employees(working 35 hours per week after 120 days of employment);
- Covered employers are employers with 25 or more full-time employees in the RTA/CTA service area; and
- Exempts current collective bargaining agreements.

The legislation is on third reading in the Senate but will be called back to add the our amendment.

[SB 1381](#) (Cunningham/Phelps) passed the Senate this week 56-2-0. The bill is the comprehensive telecom rewrite, which would allow certain companies to transition into the 21st century telecommunications service. It now heads to the House Public Utilities Committee. The Chamber supports the bill.

[HB 3419](#) (Andrade/Martinez) passed the Senate this week 45-10-0. This bill would prohibit expatriate entities who have committed corporate inversions from bidding in state contracts or investing in the state's pension systems. The Chamber opposed the measure.

[SB 1730](#) (Munoz/Turner) passed House Consumer Protection Committee today. The bill provides that a rental car company may void a damage waiver if damage or loss occurs to the rental vehicle when the rental vehicle is stolen and the renter fails to: (i) return the rental vehicle's ignition key and key tag identifying the rental vehicle to the rental company; (ii) file a police report within the 24-hour period after discovery of the rental vehicle theft; and (iii) fully cooperate with the rental company, law enforcement agency, or any other authority in all matters connected to the investigation of the stolen rental vehicle. The Chamber supports the bill.

[SB 1730](#) (Munoz/Turner) passed out of Consumer Protection this week 5-0-0. The bill would remove the artificial cap on the rental car damage waiver. The Chamber supports the bill.

[SB 898](#) (Althoff/Mah) passed out of House Healthcare Licenses this week. The bill includes Chamber language that protects employers from covering dry needling services performed by physical therapists.

[SB 647](#) (Collins/Turner) passed out of the House Executive Committee this week 7-4-0. This bill would continue the collection of court fees (up to \$500) associated with filing a foreclosure lawsuit in Illinois. It also extends a judicial sale fee (up to \$300) on foreclosed homes. The Chamber is opposed to the bill. It now heads to the House floor for final action.

Amendment 3 to [SB 1417](#) (Althoff), was moved to subcommittee in Senate Environment and Conservation on Wednesday. This amendment included requested changes from the Illinois EPA to the e-waste bill. SB 1417 will update and reform the state's electronic waste recycling program. The Chamber is opposed to the bill as aspects for how the program will operate are not clearly defined and therefore, make it difficult for manufactures to understand what their expectations will be under the law. Further, the expanded scope of CEDs to 17 includes numerous products that are valuable in the return stream, such as game consoles and laptops. Negotiations with developing a companion trailer bill remain ongoing. The bill passed today [49-0-0](#).