



GOVERNMENT AFFAIRS

Report

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September 1, 2017

This Week in Springfield

This week the two chambers and the Governor provided cloture to the years-long debate over revamping how Illinois funds public education.

House amendment #5 to [SB 1947](#) (Manar/Davis) represents a new evidence-based funding formula that was agreed upon between all four legislative leaders and the Governor.

The new law, which was signed yesterday by Gov. Rauner, includes several of the originating provisions of SB 1. Most notably under the new law and at the request of the Governor and the leader of the Archdiocese of Chicago, is the creation of a new tax credit for scholarship donations.

The new tax credit created under the new law would incentivize donations for private school scholarships by allowing individuals or businesses to receive a 75% tax credit for each dollar

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donated. The program is expected to cover roughly 6,000 scholarships and would only operate as a 5 year pilot program.

In order to obtain the tax credit, K-12 students must meet a certain income threshold to be eligible to receive the scholarship and there is a priority given to certain students in underserved areas with low household incomes.

Other modifications under the new law include physical education mandate relief and the ability for schools to use third party providers for drivers' education.

Given that the budget, revenue increases and education funding reform kept legislators in a continuous impasse for the last several years - it is expected that the legislature will not return until veto session.

GOV. RAUNER TAKES ACTION ON SEVERAL BILLS

Gov. Rauner continues to be busy taking action on several bills. After last week's *Government Affairs Report* went out, several more bills received action by the governor. Many of which were positive defensive vetoes for the business community.

Last week, Gov. Rauner vetoed [HB 2462](#) (Moeller/Biss) in its entirety. This bill would prohibit an employer from: (i) screening job applicants based on their wage or salary history, (ii) requiring that an applicant's prior wages satisfy minimum or maximum criteria, and (iii) requesting or requiring as a condition of being interviewed or as a condition of continuing to be considered for an offer of employment that an applicant disclose prior wages or salary. Prohibits an employer from seeking the salary, including benefits or other compensation or salary history, of a job applicant from any current or former employer. In addition, the very concerning changes being made by HB 2462 are the undermining of employer defenses along with the expansion of civil penalties, including punitive damages and injunctive relief.

The question we ask is this legislation really about limiting what employers can ask of a job applicant or is the bill all about increasing litigation opportunities and judicial awards against employers? The Illinois Chamber's request for a veto was granted by the Governor.

Sustaining this veto may be the most difficult of bills vetoed as 25 House Republicans joined 66 Democrats to pass the measure back in April. To sustain the veto only 3 Republicans can vote with Democrats to override. In his veto message, the Governor recommended that the General Assembly consider the Massachusetts approach. The Illinois Chamber spearheaded an effort to promote the Massachusetts alternative by supporting an amendment introduced by Rep. Hammond (R-Macomb) to [HB 2094](#) . A similar amendment was filed in the Senate by Sen. Connelly (R-Lisle).

Business owners can breathe a sigh of relief after the Governor vetoed a proposal to increase the state's minimum wage to \$15 an hour. [SB 81](#) (Lightford/Guzzardi) would incrementally increase the minimum wage to \$15 per hour by 2022 for those over 18 and to \$12 per hour by 2022 for those under 18.

The legislation also creates a convoluted credit against the withholding tax liability of employers with 50 or fewer employees, calculated based on the increase in the minimum wage. The Illinois Chamber asked for a veto by the Governor. In the Senate, SB 81 received only 30 votes, 6 short of an override. Joining all Senate Republicans in voting against SB 81 were Sen. Scott Bennett (D-Champaign) and Sen. Julie Morrison (D-Deerfield). SB 81. Sen. Linda Holmes (D-Aurora) voted "present". Senate Democrats "not voting" were Bertino-Tarrant (Shorewood), Haine (Alton), Harris (Flossmoor), and Silverstein (Chicago).

Gov. Rauner also sided with the Chamber by vetoing [HB 2525](#) (Hoffman/Raoul). This bill is being promoted by the House and Senate Democrats as workers' compensation reform. It is far from it. Codification of current bad case law for "causation" and "traveling employee" merely locks employers into the court-expanded liability. In addition, it prevents employers from being able to achieve a change in the

case law from future courts. Some benefit relief is included but is far outweighed by increased regulation and litigation that are contained in the measure. The Illinois Chamber urged for a veto by the Governor. No Republicans voted for HB 2525 when it passed the House on May 31. Sixty-four Democrats supported the bill.

The Governor also stood up for the state's technology and innovation sectors by approving [HB 791](#) (Demmer/McConnaughay). This bill would prohibit a unit of local government from implementing an ordinance prohibiting autonomous vehicles from operating within the unit's jurisdiction. The timing of this bill is significant, [since the aldermen from the City of Chicago were working towards prohibiting autonomous vehicles from city streets.](#) The Chamber requested the governor to sign the legislation.

Lastly, the Governor issued a veto to [SB 1720](#) (Biss/Hernandez) at the behest of the Illinois Chamber. HB 1720 increases criminal penalties for violation of the Wage Payment & Collection Act. It also bars contractors for 5 years from bidding on any state procurement by a business violating certain Illinois employment laws, any comparable laws in other states or the federal FLSA.

The Illinois Chamber sought a veto by the Governor. SB 1720 also received only 30 Senate votes, far short of the 2/3 needed to override. Sen. Steve Landek (D-Bridgeview) voted "no". Democrats Bertino-Tarrant, Haine, Harris, Hastings (Orland Hills), Morrison and Stadelman (Rockford) all were recorded as "not voting".

However, the Chamber did fall short on a bill this week. The Governor did approve a bill that was opposed by the Chamber and several other business groups. [SB 647](#) (Collins/Turner) 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. These temporary fees can add as much as \$800 in

additional costs onto struggling Illinois residents and businesses.

MAKE YOUR VOICE HEARD; SUBMIT NAFTA COMMENTS

As you may already know, negotiations on the North American Free Trade Agreement (NAFTA) are currently ongoing.

Given the 23-year-old trade deal could be enhanced, the Illinois Chamber of Commerce is seeking comments and information on the areas of NAFTA that have been most beneficial to Illinois businesses and exporters.

We are also interested in comments about potential proposals that may have an adverse or unintended consequence to your business or industry.

We want the voice of Illinois business to be heard during these negotiations.

To better fulfill our promise, we want to provide the Illinois congressional delegation and the administration with a document summarizing the Illinois business community's top issues pertaining to NAFTA.

[Please submit your comments here by September 8, 2017.](#)

IL BIZ INTERESTED IN SHARING THEIR STORIES

Have you or your business been a victim of lawsuit abuse in Illinois? If so, the U.S Chamber is looking to find a small business owner/representative who can speak about their experience with abusive litigation at their upcoming Small Business Summit on September 12 in Washington D.C. Your travel and hotel accommodations will be paid for!

If you are interested in attending the event please email [Tyler Diers](#) ASAP!



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If you have questions about the Government Affairs Report, contact Tyler Diers at tdiers@ilchamber.org. Do not reply to this email.

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