



GOVERNMENT AFFAIRS *Report*

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February 17, 2017

This Week in Illinois

CHAMBER'S 2017 LEGISLATIVE INITIATIVES RELEASED

The Illinois Chamber's 2017 legislative initiatives have all been drafted and filed in the House and Senate. This year's package focuses heavily on tax incentives and reforms to Illinois' tax codes, employment law reforms, and the expansion of public private partnerships that will spur economic growth in the state.

To view the complete package of bills, [please click here](#).

GOV. RAUNER BUDGET ADDRESS

In a state that hasn't seen a full fiscal year budget in 18 months, the Governor's budget address dominated the week's headlines. Gov. Rauner laid out his vision for the upcoming fiscal year budget, which is set to take place July 1, 2017.

He highlighted his willingness to go along with an income tax increase but did not specifically reference where the rates should raise to. Under the Senate's current package, outlined in SB 9, the personal rate would jump to 4.99 percent from 3.75 percent and the corporate rate would increase to 7 percent. In addition, the governor stated his refusal to tax food, medicine, and retirement income as a way to solve the states' fiscal crisis.

The governor did stress the need for structural and economic reforms that will "get job creators excited about the future." Reforms such as term limits on legislative leaders, a permanent property tax freeze and workers' compensation reform.



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Procurement

Taxes

Workers' Compensation

Other proposals from the address included selling the state's James R. Thompson Center building in Chicago, implementing spending caps, reforming the state's procurement code, and creating a third tier benefit system for new state employees.

Over the next few weeks, the Illinois General Assembly needs to focus on three key priority issues to help Illinois employers and the state's economy: passing pro-growth economic policies, establishing sustainable state spending levels, and restoring fiscal stability, which may mean additional revenue. An infrastructure investment plan is another pro-growth policy that should be passed -- and it is part of a smart legislative strategy to get these things done.

There are other very good ideas under discussion in the Senate, but they should only be addressed at this time if they help pass these first priorities

THIS WEEK'S LEGISLATIVE ACTION

Both the House and Senate were in session Wednesday and Thursday of this week. No major action was taken on the Senate's 'grand bargain' package of legislation.

Here are two bills that are worth mentioning from the week:

[**HB 386**](#) (Mayfield - Sandoval) passed the Illinois House this week [**109-3-0**](#). This bill would repeal the commercial distribution fee on vehicles weighing more than 8,000 lbs. The Chamber is supportive of the bill. It is now arrived in the Senate.

[**SB 61**](#) (Righter) passed out of the Senate Judiciary Committee this week. This bill is a Chamber initiative and would eliminate duplicative investigations for employment discrimination charges.

NEXT WEEK'S LEGISLATIVE SESSION PREVIEW

The Illinois House is the only chamber scheduled to return to Springfield next Wednesday. They are scheduled to be in session Wednesday, Thursday, and Friday. Several bills have been assigned to committees for next week. The unusual amount of legislation in committees may result in the creation of several House subcommittees. In legislative terms, subcommittees are typically a place for legislation to receive a hearing but then 'die.' Stay tuned.



Although the Senate is not scheduled to be in next week, still expect negotiations to continue. However, at this time it is too early to predict what will come out of the package next week.

Please see below for a preview of next week:

Employment Law

[HB 813](#) (Hoffman) is posted next week in the House Labor and Commerce Committee. This bill expands the Illinois WARN law to require employers of 65 employees (now 75) notice of layoff 90 days in advance of a layoff (now 60 days). The Chamber is opposed.

[HB 2351](#) (Currie) is also posted in the House Labor and Commerce Committee. This bill creates a new lien right on an employer's personal property for the amount of unpaid wages owed to an employee. The Chamber is opposed.

Transportation & Infrastructure

[HB 220](#) (Gordon-Booth) is posted again in the House Transportation: Regulation, Roads, and Bridges Committee. This bill would restrict motor fuel tax distribution funds for municipalities, counties, or road districts that do not implement a disadvantaged business enterprise program setting goals in the procurement of contracts. The Chamber is opposed.

[HB 791](#) (Demmer) is posted next week in the House Cities and Villages Committee. This bill would prohibit home rule municipalities from implementing local ordinances prohibiting autonomous vehicles. The Chamber is support as it would safe guard technological innovation.

Tax

[HB 383](#) (D. Harris) is posted in the House Revenue and Finance Committee. This bill would reduce fees for filing articles of organization for all LLCs. However, in order to make up for the reduction in fees, the bill expands the definition of the United States to include the outer continental shelf. Therefore, the Chamber is opposed.

[HB 497](#) (Costello III) is also posted for House Revenue and Finance Committee for next week. This bill would provide for the exemption of sales tax on mining equipment. The Chamber is in support of the measure.



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[HB 818](#) (Zalewski) is also posted for the House Revenue and Finance Committee next week. HB 818 is an initiative of the Chamber and would create a sales and use tax exemption for tangible personal property used in the construction or operation of a new or existing data center.

Healthcare & Insurance

[HB 302](#) (Martwick) is posted for House Consumer Protection Committee next week. This bill would retroactively require companies to search for beneficiaries. The Chamber is opposed.

[HB 502](#) (Fine) is posted in the House Insurance: Health and Life Committee next week. This bill will dictate to employers both large and small who purchase group life insurance what they must offer to their employees. Presently that is an employer choice except for the employee who becomes totally disabled where continuation of coverage is required. The bill would require extended coverage for employees on authorized absences and raise the cost of this product for employers. It is our belief this should remain an employer choice and not be dictated by the legislature. The Chamber is opposed.

Procurement

[HB 795](#) (Costello III) is posted for the House State Government Administration Committee. This bill would require that all vehicles purchased by the State of Illinois to be assembled in North America. The Chamber is opposed.

Trade

[HJR 3](#) (Thapedi) has been posted for the House International Trade & Commerce Committee. This joint-resolution would create the Trade Policy Task Force within the Illinois Department of Commerce and Economic Opportunity to (1) analyze important issues relative to the growth of international trade from and to Illinois; (2) make recommendations to Congress, the United States Trade Representative, and the White House National Trade Council regarding trade policies that best serve Illinois; and (3) promote the exportation of goods and services from Illinois and the importation of goods and services into Illinois. The Chamber is in support of this task force.

Technology

[HB 2411](#) (Yingling) is posted for House Consumer Protection Committee next week. This bill deals with bio-metrics to prohibit a private entity from requiring a person or customer's bio-metric identifier as a condition for goods and services. The Chamber is opposed.



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