



ILLINOIS CHAMBER

GOVERNMENT AFFAIRS

Report

February 10, 2023

This Week in Illinois

Session Update

The House and Senate were both in Springfield on Tuesday and Wednesday for brief days of session while Thursday's action was canceled. Committee hearings were minimal in both chambers but that will begin to change next week. Both the House and Senate will return on Tuesday, February 14th. Notably, the Governor's State of the State/Budget Address will take place this Wednesday, February 15th.

In a stated effort to show bipartisanship, yesterday it was announced that two Illinois Senate committees will be co-chaired by Republicans despite their status as the minority party. Senator Dale Fowler, a Republican from Harrisburg, will serve as co-chair on the Senate Higher Education Committee.

Senator Sally Turner, a Republican from Beason, will serve as the co-chair on the Senate State Government Committee. As Democrats hold a 40-19 majority in the Senate they will also have majorities on all committees.

The introduction deadline for substantive Senate bills was today, February 10th while the House deadline is February 17th. View the Senate [session calendar](#) for 2023. View the House 2023 [calendar](#).

Illinois Chamber of Commerce Submits Comments Opposing FTC's Proposed Rule Banning Noncompetes

The Illinois Chamber of Commerce recently filed comments with the Federal Trade Commission (“FTC”) opposing the FTC’s proposed rule banning on all noncompetition agreements nationwide. The Chamber opposes the proposed noncompete ban because it would wipe out Illinois’s recently enacted bipartisan noncompete reform law (the “Illinois Compromise”), along with similar bipartisan compromises in many other states across the nation.

In recent years, abusive uses of noncompetes have received wide media attention, which has led to an active debate across the country about the appropriate uses of post-employment noncompetes. Should there be minimum income thresholds? If so, at what level? Should customer or coworker non-solicits be treated differently than noncompetes? Should employers be required to pay an employee not to compete, either via a paid-post employment restricted period or other mutually agreed consideration, or via a required advance notice of resignation or termination (*i.e.*, a mandatory “garden leave” period)?

All of these issues, and many more, were debated, negotiated, and hashed out in Illinois in 2021 – *democratically* – culminating in a comprehensive reform of noncompete and nonsolicit law that was passed *unanimously* by the Illinois state Senate and House of Representatives over Memorial Day weekend 2021. The Illinois Compromise was not a complete ban on noncompetes, as some competing bills and employee advocates originally sought. And the bill was

certainly not “pro-enforcement,” as many employers would have preferred. Instead, it was that increasingly rare political creature: *a true compromise*.

The Illinois Compromise was the result of negotiations primarily involving the Illinois Chamber (on behalf of the business community in Illinois), the Chicago Chapter of the National Employment Lawyers Association (whose members represent individuals in employment matters), the AFL-CIO, and the Illinois Attorney General’s Office.

The Illinois Compromise *fairly* addressed the competing concerns of employees and employers in Illinois, as evidenced by the fact that it was *unanimously* passed by the state legislature, one of the most employee-friendly in the country.

This carefully crafted compromise, however, would be wiped out with the stroke of a regulatory pen by the Proposed Rule. This would be grossly anti-democratic and would impinge on the role of states as laboratories of democracy. Accordingly, the Chamber opposes the proposed FTC rule.

For additional information about the Chamber’s position on this issue please contact Darbi Durham at: ddurham@ilchamber.org.

Thank you to our outside counsel, Epstein Becker & Green, P.C., for their assistance in drafting the comments.

View a copy of the Chamber's comments [here](#).

**\$40 Million Grant Opportunity to Develop Megasites
Announced**

On Monday, \$40 million in Rebuild Illinois Capital Funds was announced to supercharge the development of megasites - large, developed sites ready for occupancy for manufacturers, distribution centers, industrial centers, and more. The competitive grant opportunity is open to governments, private businesses, or non-profits to support site development in order to attract large-scale industrial investments in underutilized areas and former industrial sites.

The Megasites Investment Program funding will be issued through a competitive Notice of Funding Opportunity (NOFO) and is open to private entities, non-profits, or local governments. Grants will range from \$250,000 to \$5 million, with the grant award amount determined by acreage (up to \$5,000 per acre). Eligible sites must contain at least 200 contiguous acres and applicants must own or have an agreement in place to acquire the property at the time of the application. The NOFO opportunity also requires 1:1 capital investment match.

Underserved areas and areas located in Opportunity Zones are prioritized through the application process, which allows for the developed sites to market additional incentives to potential business prospects.

Funding can be used on a variety of site development expenses, including infrastructure expenses such as roads, electricity, water, broadband and other utilities; site development expenses like grading and drainage, rehabbing existing structures, remediation and cleanup; and land acquisition and related expenses. A link to the application - including information on an informational webinar on February 21 - can be [found here](#). Applications will be accepted through April 6, 2023.

CGFA Monthly Briefing January 2023 - Gaming Revenues Continue to Rise

In the Commission on Government Forecasting and Accountability (CGFA) monthly briefing for January, an article on gaming revenue was provided. The introduction to this section on gaming revenue is provided below.

Over the past decade, access to gambling has dramatically increased, both in its forms and locations. This is largely due to the enactment of multiple pieces of gaming expansion legislation in recent years. This expansion has significantly increased the amount of gaming related tax revenues coming into the State. During this time, the gaming landscape has shifted from primarily relying upon Riverboat Casinos for revenues to diversifying into other gaming ventures such as Video Gaming and Sports Wagering. The former, specifically, has grown massively from a revenue standpoint. Since beginning operations in 2012 to present-day, Video Gaming's annual tax revenues are quickly approaching \$1 billion per year and have now surpassed Casinos as the top revenue generating gaming format in Illinois. With additional gaming expansion on the horizon, the growth in gaming related dollars should continue in the years ahead. - Austin Verthein, Research Analyst

Click [HERE](#) to read the full segment on gaming as well as the entire briefing.

Bill Introductions of Note

[HB 1529 \(Harper\)](#) - Amends the Environmental Protection Act. Creates the Air Quality Enforcement and Mitigation Fund. Makes a conforming change to the State Finance Act. Provides that the Environmental Protection Agency shall expend 30% of moneys from the Fund for staffing and other functions of the Agency that benefit environmental protection communities and are related to one or more specified purposes. Directs the Agency to establish an Air Quality Community Impact Grant Program to provide grants to nonprofit entities, local health departments, local environmental departments, and school districts to carry out the purposes of the Act. Requires 70% of moneys from the Fund to be expended for grants under the Program for specified purposes in communities affected by violations of the Act. Requires the Agency to adopt rules to implement the Program. Provides that the Agency, in collaboration with environmental interest groups, shall develop a process to identify environmental protection communities. Requires the Agency to post on its

website and make publicly available an annual report on the purposes for which grants were awarded under the Program. Contains other provisions. Effective immediately.

[HB 2039](#) **(Moeller-Manly)** - Creates the Access to Public Health Data Act. Provides that the Department of Public Health, the Department of Human Services, and the Department of Children and Family Services shall, at the request of a local health department in Illinois, make any and all public health data related to residents of that local health department's jurisdiction available to that local health department for the purposes of preventing or controlling disease, injury, or disability. Provides that the Department of Public Health, the Department of Human Services, and the Department of Healthcare and Family Services may adopt any rules necessary to implement the Act.

[HB 2085](#) **(Stava-Murray)** – Drone Regulation. Provides that State-level oversight of unmanned aircraft systems does not deprive any unit of local government of the right to or impede any unit of local government in regulating the use of the first 150 feet above ground level of any public property intended or permitted to be used for recreational or conservation purposes.

[HB 2189](#) **(Guzzardi)**/ [SB 1559](#) **(Murphy)**- Creates the Access to Affordable Insulin Act. Each manufacturer shall establish procedures to make insulin available to eligible individuals who are in urgent need of insulin or who are in need of assistance to access an affordable insulin supply. Sets forth provisions concerning insulin urgent-need program exceptions, eligibility, forms, applications, claims and reimbursement, copayments, information sheets, navigators, and penalties. Defines terms. Amends the Illinois Insurance Code. In provisions concerning cost sharing in prescription insulin drugs, provides that an insurer that provides coverage for prescription insulin drugs under the terms of a health coverage plan the insurer offers shall limit the total amount that an insured is required to pay for a 30-day supply of covered prescription insulin drugs at an amount not to exceed \$35 (rather than \$100).

[HB 2131](#), (**Huynh**) was introduced. This bill provides that, unless some other speed restriction is established under the Code, the maximum speed limit on a highway with a designated bicycle lane is 25 miles per hour.

[HB 2203](#) (**Guzzardi**) was introduced. This bill Provides that the amendatory Act may be referred to as the Motor Vehicle Insurance Fairness Act. Provides that no insurer or insurance company group shall refuse to issue or renew a private passenger motor vehicle liability policy based in whole or in part on specified prohibited underwriting or rating factors. Sets forth factors that are prohibited with respect to automobile liability insurance underwriting and rating. Provides that every insurer or insurance company group selling automobile liability insurance in the State shall demonstrate that its marketing, underwriting, rating, claims handling, fraud investigations, and any algorithm or model used for those business practices do not disparately impact any group of customers based on race, color, national or ethnic origin, religion, sex, sexual orientation, disability, gender identity, or gender expression. Provides that no rate shall be approved or remain in effect that is excessive, inadequate, unfairly discriminatory, or otherwise in violation of the provisions. Provides that every insurer that desires to change any rate shall file a complete rate application with the Director of Insurance. Provides that all information provided to the Director under the provisions shall be available for public inspection. Provides that any person may initiate or intervene in any proceeding permitted or established under the provisions and challenge any action of the Director under the provisions. Provides that the Department of Insurance shall adopt rules. Provides that all insurers subject to the provisions shall be assessed a fee of 0.05% of their total earned premium from the prior calendar year, and that the fee shall be payable to the Department no later than July 1 of each calendar year and shall be used by the Department to implement the provisions. **The Chamber opposes this bill.**

[HB 2231](#) (**Gong-Gershowitz**) was filed. This bill amends the Transportation Network Providers Act and removes the decade plus protection of TNCs (Uber, Lyft) to lawsuit under the common carrier doctrine. **The Chamber opposes this legislation.**

[SB 324](#) (**Fine**) - Amends the Illinois Insurance Code and the Health Maintenance Organization Act. Provides that all individual and small group accident and health policies written subject to certain federal standards must file rates with the Department of Insurance for approval. Provides that

unreasonable rate increases or inadequate rates shall be disapproved. Provides that when an insurer files a schedule or table of premium rates for individual or small employer health benefit plans, the Department of Insurance shall post notice of the premium rate filings, rate filing summaries, and other information about the rate increase or decrease online on the Department's website. Provides that the Department shall open a 30-day public comment period on the date that a rate filing is posted on the website. Provides that after the close of the public comment period, the Department shall issue a decision to approve, disapprove, or modify a rate filing, and post the decision on the Department's website. **The Chamber will oppose this bill**

[SB 1322](#) - **(Vilanueva)** - Amends the Property Tax Code. Provides that, in counties with 3,000,000 or more inhabitants, taxpayers of income-producing property shall submit income and expense data annually to the chief county assessment officer on or before July 1 of each year. Provides that, in counties of fewer than 3,000,000 inhabitants, the county board may provide by ordinance or resolution that taxpayers of income-producing property shall submit income and expense data annually to the chief county assessment officer on or before March 31 of each year. Contains certain exceptions. Effective immediately.

[SB 1350](#), **(Gillespie)** was introduced. This bill provides that certain property may be certified by the Department of Revenue as containing a mega project. Provides that a "mega project" is a project with respect to which a company makes a specified investment during a specified investment period. Provides that the mega project property is eligible for an assessment freeze. Provides that mega project property may be granted an abatement. Provides that a company that operates a mega project shall enter into an agreement with the municipality in which the project is located to make certain special payments. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that qualified tangible personal property used in the construction or operation of a mega project is exempt from the taxes imposed under those Acts. Effective June 1, 2023

[SB 1375](#) - **(Villivalam)** - Creates the Phase Out Corporate Giveaways Interstate Compact. Enters into the compact, which may be entered into by any state and the District of Columbia, in which each member state agrees not to offer or provide any company-specific tax incentive or company-specific grant to any entity for a corporate headquarters, manufacturing facility, office space, or other real estate development located in any other member state as an

inducement for the corporate headquarters, manufacturing facility, office space, or other real estate development to relocate to the offering member state. Defines terms. Excludes: (1) workforce development grants that train employees; (2) company-specific tax incentives or company-specific grants from local governments; and (3) specified company-specific tax incentives or company-specific grants related to companies already within the member state. Creates the Phase Out Corporate Giveaways Board and provides for membership and meeting requirements. Provides for withdrawal of a member state with a 6-month written notice to each member state's chief executive officer. Contains construction and severability provisions.

[SB 1437](#) (**Ventura**) – Universal Broadband Act. Creates the Universal Broadband Act. Creates the Office of Broadband Access within the Department of Commerce and Economic Opportunity. Provides that the Office of Broadband Access shall oversee the construction, development, and operation of a Statewide retail broadband network to provide reliable broadband service to all areas of the State.

[SB 1513](#), (**Porfirio-Preston**) was introduced. This bill provides that no rail carrier shall cause, suffer, allow, or permit the unnecessary foreseeable idling of a diesel locomotive within 1,000 feet of a residence, business, school, or hospital for a continuous period of time longer than 30 minutes in a manner such as to cause or contribute to a condition of air pollution. Provides that no rail carrier shall cause, suffer, allow, or permit an unnecessarily foreseeable delay, up to 10 minutes from its established schedule, in a manner such as to cause or contribute to unexpected delays on the road. Imposes a statutory fine for violating the provisions.

[SB 1557](#) (**Murphy**) - No individual or group policy of accident and health insurance or managed care organization shall change an insured's eligibility or coverage during a contract period. Provides that during a contract period, insureds shall have the protection and continuity of their providers, medication, covered benefits, and formulary during the contract period

[SB 1865](#) (**Simmons**) Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department of Commerce and Economic Opportunity shall develop a program

of technical assistance in support of regional manufacturing partnerships that include secondary, postsecondary, and workforce stakeholders. Provides that the program shall include a collaboration between an employer association representing manufacturers and a public university.

[SB 1880](#) (**Cunningham**) Amends the Illinois Income Tax Act. Makes changes to the definition of investment partnership to provide that a dealer in qualifying investment securities may be considered an investment partnership. Allows a partnership interest to be considered a qualified security if the interest qualifies as a security within the meaning of the federal Securities Act of 1933. In provisions requiring that no less than 90% of the investment partnership's gross income shall consist of interest, dividends, and gains from the sale or exchange of qualifying investment securities, provides that that includes the distributive share of partnership income from lower-tier partnership interests and does not include income from partnerships that are operating at a federal taxable loss. Effective immediately.

[SB 1916](#) (**McClure**) - Creates the Safety Moratorium on Carbon Dioxide Pipelines Act. Provides that no certificate of authority for the construction and operation of a pipeline intended for transportation of carbon dioxide shall be issued by the Illinois Commerce Commission before the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) has adopted its revised federal safety standards for transportation of carbon dioxide. Provides that any application for a certificate of authority to construct and operate a pipeline intended for transportation of carbon dioxide currently pending before the Commission shall be held in abeyance, without prejudice, until the completion of PHMSA's rulemaking and the issuance of its new safety standards for carbon dioxide pipelines or the expiration of the temporary moratorium. Provides that the temporary moratorium will expire 2 years after the Act becomes effective or upon the adoption of PHMSA's new safety standards for carbon dioxide pipelines, whichever happens first. Effective immediately.

[SB 1919](#), (**Curran**) was introduced. This bill creates the Public-Private Partnerships Act. Provides that the intent of the Act, among others, is to authorize responsible public entities to develop and enter into public-private partnership agreements for qualifying projects which result in the availability of such projects to the public in a more timely and less costly fashion, thereby serving the public safety, benefit, and welfare. Creates the Infrastructure Investment Commission, including its membership and duties. Establishes the

qualifications and processes related to unsolicited proposals for projects that become public-private agreements for the building, upgrading, providing of services, operating, ownership or financing of facilities. Sets forth the procedures and standards for the formation of public-private agreements between public and private entities, including the powers of the entities and the provisions of the agreements. Establishes development and operation standards for projects. Includes provisions related to the taxation and financial arrangements related to public-private partnerships. Sets forth additional provisions related to: the acquisition of property; law enforcement; and additional powers of responsible public entities with respect to qualifying projects.

GAP Call

This is a notice that the Illinois Chamber will host a Government Affairs Professionals (GAP) call this Monday, **February 13th at 3:00 pm**. We will provide you updates on what new legislation we are watching for this week and for the Spring. GAP Call information is provided below.

Throughout the Spring, GAP calls will take place every Monday afternoon when either the House or Senate is in session. We will make you aware of scheduling changes as they occur.

Please send any questions in advance to ckaericher@ilchamber.org.

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When: Tuesday, April 18, 2023
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