

LEGISLATIVE REPORT

BOMA/SUBURBAN CHICAGO

March 29, 2019

The House and Senate were both in Session this week – the Senate adjourned Thursday and the House adjourned Friday afternoon. The House is scheduled to return Tuesday, April 2 and the Senate is scheduled to return Wednesday, April 3.

With the Senate deadline for senate bills out of senate committees having passed and the House deadline for house bills out of house committees set for today, both chambers will spend more time on floor action in the coming weeks with committee work focused solely on amendments.

The next major deadline is April 12. That deadline is for bills to be approved by the originating chamber, so Senate Bills needs to be approved by the full Senate and vice versa for House Bills.

The Governor's office and legislators continue working on the graduated income tax or more commonly referred to as the "Fair Tax Proposal."

The proposal, currently being discussed with legislators, will become legislation amending the Illinois Constitution. The constitutional amendment will need to pass both chambers of the General Assembly with minimum of 60 percent majorities (36 votes in Senate and 71 in House) in order to be placed as a ballot question for voters in November 2020. It will need 60 percent support in that election.

The Governor released a press release claiming only 1 percent or less will pay higher taxes in half the state's counties. From the press release:

Statewide, 97 percent of Illinois taxpayers will pay the same or less in state income taxes under Gov. JB Pritzker's fair tax plan, with only 3 percent of taxpayers paying more. County-level data shows that in over half of the state's 102 counties, less than 1 percent of filers will pay more.

The new county-level data illustrates how a vast majority of communities stand to do even better than the statewide average if the governor's fair tax is adopted.

A few sample counties are below:

- **Adams County (Quincy):** 98.44% of taxpayers will pay the same or less while millionaires who make up only 0.15% of the county will pay the top rate.
- **Champaign County (Champaign, Urbana):** 98.12% of taxpayers will pay the same or less while millionaires who make up only 0.15% of the county will pay the top rate.

- **Cook County** (*Chicago, Schaumburg*): 96.78% of taxpayers will pay the same or less while millionaires who make up only 0.40% of the county will pay the top rate.
- **Jackson County** (*Murphysboro, Carbondale*): 98.87% of taxpayers will pay the same or less while millionaires who make up only 0.11% of the county will pay the top rate.
- **Kane County** (*Aurora, Geneva*): 97.13% of taxpayers will pay the same or less while millionaires who make up only 0.23% of the county will pay the top rate.
- **Kankakee County** (*Kankakee, Manteno*): 99.09% of taxpayers will pay the same or less while millionaires who make up only 0.07% of the county will pay the top rate.
- **LaSalle County** (*Ottawa*): 99.06% of taxpayers will pay the same or less while millionaires who make up 0.08% of the county will pay the top rate.
- **Macon County** (*Decatur*): 98.49% of taxpayers will pay the same or less while millionaires who make up 0.15% of the county will pay the top rate.
- **Madison County** (*Edwardsville, Granite City*): 98.72% of taxpayers will pay the same or less while millionaires who make up 0.10% of the county will pay the top rate.
- **McHenry County** (*Crystal Lake, Woodstock*): 97.59% of taxpayers will pay the same or less while millionaires who make up 0.19% of the county will pay the top rate.
- **McLean County** (*Bloomington*): 97.94% of taxpayers pay the same or less while millionaires who make up 0.18% of the county will pay the top rate.
- **Peoria County** (*Peoria*): 97.32% of taxpayers pay the same or less while millionaires who make up 0.22% of the county will pay the top rate.
- **Rock Island County** (*Moline, Rock Island*): 99.07% of taxpayers will pay the same or less while millionaires who make up 0.11% of the county will pay the top rate.
- **Sangamon County** (*Springfield*): 98.13% of taxpayers will pay the same or less while millionaires who make up 0.13% of the county will pay the top rate.
- **St. Clair County** (*Belleville*): 98.80% of taxpayers pay the same or less while millionaires who make up 0.10% of the county will pay the top rate.
- **Vermillion County** (*Danville*): 99.42% of taxpayers will pay the same or less while millionaires who make up 0.05% of the county will pay the top rate.
- **Winnebago County** (*Rockford*): 98.89% of taxpayers will pay the same or less while millionaires who make up 0.08% of the county will pay the top rate.

ADDED TO BILL REPORT THIS WEEK

- **No new bills added**

UPCOMING DATES

- March 29 – House Bills out of House Committee Deadline
- April 2 – Consolidated Election
- April 12 – Third Reading Deadline for Bills in Originating Chamber
- May 10 – House & Senate Bills Out of Committee Deadline

POLL SHOWS BROAD SUPPORT GRADUATED STATE INCOME TAX

[*Tribune*](#)

A new statewide poll shows two-thirds of Illinois voters support Democratic Gov. J.B. Pritzker's top policy priority, amending the state constitution to allow a graduated-rate income tax.

The poll, from the Paul Simon Public Policy Institute at Southern Illinois University at Carbondale, did not ask participants specifically about the governor's proposal. But the poll showed that a system under which higher earners are taxed at higher rates is popular throughout the state among both Democrats and independents.

Only 43 percent of Republican voters are in favor, however, with 55 percent opposing the plan.

The poll of 1,000 voters was conducted March 11-17 for the Simon Institute and had a margin of error of 3.1 percentage points. The sample results skewed to a majority of male voters, and the results were not weighted to reflect the state's racial or ethnic voting population.

Overall, support for a graduated income tax was down slightly from last year's poll, which showed 72 percent of voters favored the idea.

This year's survey began four days after Pritzker laid out his proposal to raise rates on the wealthiest 3 percent of taxpayers while cutting rates for anyone earning \$250,000 a year or less.

The current personal income tax rate is 4.95 percent for all taxpayers, and Pritzker has proposed raising the top rate to 7.95 percent on all income for those earning more than \$1 million annually.

The governor has said his plan would generate \$3.4 billion in annual revenue to help deal with the state's \$3.2 billion budget deficit, \$8 billion backlog of unpaid bills and \$134 billion in

unfunded pension liabilities. The vast majority of the new revenue — \$2.7 billion — would come from people earning more than \$1 million annually, according to the governor’s office.

LEGISLATION OF NOTE

Unions Push Hard for Prevailing Wage at “High-Hazard Facilities”

[*Greg Hinz*](#)

Labor groups are pushing a proposed super minimum wage of sorts in Springfield—an early test of just how far a pro-union agenda will reach in a Capitol that has a Democratic governor and Democratic supermajorities in both the House and Senate.

Pending in the Senate is a bill, with amendments, that would require construction workers at “high-hazard facilities” not only to be qualified journeypersons who have received advanced safety training, but also would mandate they are “paid at least a rate equivalent to the prevailing (union) hourly wage rate for a journeyperson in the applicable occupation and locality.” [...]

But business groups are lining up to oppose the bill, which reportedly stems from an organizing dispute at several Illinois oil refineries but which, according to the Illinois Manufacturers’ Association, would apply to workers at ethanol plants, chemical facilities and at least some other manufacturing plants. Similar measures stalled in prior Legislatures in recent years, perhaps because the state then had a Republican governor who would have vetoed it.

Commission to Regulate Drug Prices Fails in House

[House Bill 3493](#) would set up a state commission similar to the Illinois Commerce Commission, which regulates utilities. The commission could investigate drug prices and set limits on reimbursements and payments. The poll found the idea was strongly favored by 42 percent and somewhat favored by another 27 percent.

The bill failed in committee on a tie vote this week after two Democrats flipped to “No” and another Dem sided against it

Proposal to Require CPS Board to be Elected Advances

[*Illinois News Network*](#)

A measure to require the Chicago Public School Board be elected by voters, rather than appointed by the city’s mayor, advanced out of committee Wednesday.

State Rep. Robert Martwick, D-Chicago, said his bill codifies a popular idea that some city residents have been seeking for years.

“It’s something I’ve been pushing for for a while,” he said. “It’s something that I think the citizens of Chicago deserve.”

Martwick said he's confident Gov. J.B. Pritzker will sign it if it were to pass.

A representative from the city of Chicago opposed the move in committee Wednesday morning, saying the new mayor, whoever she is, should have the ability to appoint a new member. [...]

If passed, there would be 20 subdivisions for Chicago Public Schools with districts drawn by the Illinois General Assembly. The first election would be for the 2023 consolidated primary elections.

Exelon Proposal to Sell Capacity to State Authority Advances

Illinois lawmakers have set the wheels in motion to allow for power provider Exelon's nuclear fleet, as well as wind and solar power providers, to sell energy to a state authority that opponents say will give it preferential pricing over coal and natural gas sources.

Testimony about how the legislation would affect costs for ComEd ratepayers differed, so what it means for consumers isn't clear.

The move is a response to wholesale power grid operator PJM Interconnection Inc. separating Exelon's nuclear power from other sources' bids because Exelon gets subsidies from the state and would be able to undercut coal plants and others looking to sell energy commitments on the wholesale power market.

"The clean capacity procurement provisions in this bill are driven by new federal regulations that change the way the regional grid operator, PJM in the northern part of the state, procures its generating capacities," said Rep. Larry Walsh, D-Joliet. "Under these regulations, the Federal Energy Regulatory Commission, would undercut key provisions of the Future Energy Jobs Act ... including the development of clean energy like wind and solar and our existing clean energy resources."

Exelon said in a government filing last month that its Dresden, Byron and Braidwood stations were at risk for "early retirement" due to economic conditions related to the bidding process.

PRITZKER ANNOUNCES TWO DOZEN APPOINTMENTS

Governor JB Pritzker announced that his administration has nominated the following individuals to serve on a variety of state boards and commissions:

ILLINOIS COMMERCE COMMISSION

Carrie Zalewski will serve as Commissioner of the Illinois Commerce Commission. Zalewski is an accomplished, well-respected attorney with extensive public service as a state regulator. She has served on the Illinois Pollution Control Board since 2009, where she helped decide complex environmental cases under the Illinois Environmental Protection Act, shaped critical rulemaking

and worked to properly balance the interests of Illinois businesses and residents while protecting Illinois' land, air and water.

ILLINOIS COURT OF CLAIMS

Nancy Zettler will serve as Judge on the Illinois Court of Claims. Zettler has managed at her own law office since 1994. Prior, Zettler worked as an associate at Leonard M. Ring and Associates in Chicago.

Bob Sprague will serve as Judge on the Illinois Court of Claims. Sprague previously served as the chief judge on the Court of Claims from 2003 to 2015. He has practiced law for over five decades. He began his career in 1968 at a private practice after being admitted to the Illinois State Bar.

ILLINOIS EMPLOYMENT SECURITY BOARD OF REVIEW

Jay Rowell will serve on the Illinois Employment Security Board of Review. Rowell is the Executive Director of the Chicago Workforce HUB, a non-profit partnership of the United Way of Metro Chicago, the Chicago Federation of Labor, and large multi-sector employers to recruit, train, and place community residents in service, manufacturing, and construction industry positions. Prior to that, Rowell was the Deputy Treasurer for Illinois Treasurer Michael Frerichs, where he oversaw the state's \$31 billion portfolio.

ILLINOIS FINANCE AUTHORITY

Michael Goetz will continue to serve on the board of the Illinois Finance Authority. Goetz served for 22 years as Executive Director of the Laborers' Home Development Corporation, a not-for-profit affordable housing development corporation that is part of the Midwest Region of the Laborers' International Union.

Terrence O'Brien will continue to serve on the board of the Illinois Finance Authority. O'Brien has owned and operated his namesake real estate appraisal, brokerage and consulting services firm since 1973. His expertise includes appraisal of fee, leasehold and partial interest as well as equity investment analysis, feasibility, market and highest and best use studies.

Jeffrey Wright will serve on the board of the Illinois Finance Authority. Wright is the Managing Partner of Gold Leaf Capital Partners, a leading financial services firm focused on providing access to capital and advisory services for business owners and commercial real estate investors.

ILLINOIS GAMING BOARD

Ruben Ramirez, Jr., will serve on the Illinois Gaming Board. Ruben has a 28-year tenure with the Chicago Police Department, currently serving as a training group supervisor in the Bureau of Organized Crime.

ILLINOIS LABOR RELATIONS BOARD

John Cronin will serve on the Illinois Labor Relations Board. Cronin most recently served as president of Trinity Roofing Services, a company he grew from a small business into a multi-million dollar company throughout his over 30 years at the helm.

Kendra Cunningham will serve on the Illinois Labor Relations Board. Kendra Cunningham currently serves as the Business Manager and General Counsel of Laborers' International Union of North America, Local 2002, Illinois State Employees Association. She served as the Secretary-Treasurer prior to being elected Business Manager in 2017.

Jose Gudino will serve on the Illinois Labor Relations Board. Gudino has been involved in labor relations for more than 47 years with experience in areas including collective bargaining and effective negotiation, arbitration, grievance handling and employment law.

William Lowry, Jr., will serve on the Illinois Labor Relations Board. Lowry has been a pillar in Chicago business and philanthropy for five decades, with leadership roles at Inland Steel, the MacArthur Foundation and the Chicago Community Trust.

ILLINOIS PRISONER REVIEW BOARD

Salvador Diaz will continue to serve on the Illinois Prisoner Review Board. Diaz was first appointed in July 2005. He has a broad community-based background in working with youth, social work, law enforcement, and education.

Aurthur Mae Perkins will continue to serve on the Illinois Prisoner Review Board. Perkins was first appointed to the PRB in March 2015. She retired from Peoria Public School District 150 after 30 years of service.

Joseph Ruggiero will continue to serve on the Illinois Prisoner Review Board. Ruggiero was first appointed to the PRB in September 2018. He spent 30 years of his career as a prosecutor for the DuPage County State's Attorney's Office.

ILLINOIS STATE BOARD OF INVESTMENTS

Gisela Attlan will serve on the Illinois State Board of Investments. Attlan is a real estate advisor who specializes in residential transactions. Before doing real estate, Attlan worked 14 years at Nuveen, a global asset management firm, where she was responsible for developing and managing the business in Latin America and the international client segment in the U.S.

Ron Powell will serve on the Illinois State Board of Investments. After five decades of his professional career in the American labor movement, Powell recently retired as the president of Local 881 United Food and Commercial Workers, a post he served for 36 years; vice president of the UFCW International Executive Board; and vice president of the Illinois AFL-CIO.

Michael Tarnoff will serve on the Illinois State Board of Investments. Tarnoff retired in 2015 as the Executive Vice President and Chief Financial Officer of the Jewish Federation of Metropolitan Chicago, a position he held for 36 years.

Jaye Williams will serve on the Illinois State Board of Investments. Williams is a seasoned financial executive and management consultant having spent more than 35 years in the public and private sectors managing and delivering large complex engagements and strategic initiatives.

METROPOLITAN PIER AND EXPOSITION AUTHORITY

Don Villar will serve on the board of directors of the Metropolitan Pier and Exposition Authority. Don Villar is a labor activist, an Emmy award-winning former broadcast news journalist, civil rights attorney, and Asian American community leader. Villar is the current Secretary-Treasurer of the Chicago Federation of Labor — the third largest central labor council in the country.

Sherman Wright will serve on the board of directors of the Metropolitan Pier and Exposition Authority. Sherman Wright is the co-founder and managing partner of TEN35, a marketing agency specializing in transforming brands through culture. His work and thought leadership has created award-winning campaigns for global brands including The Coca-Cola Company, Nike, Disney, MillerCoors, Verizon, Nissan and NBC Universal.

STATE UNIVERSITIES RETIREMENT SYSTEM

Richard Figueroa will serve on the State Universities Retirement System Board Of Trustees. Figueroa has served as the chief investment officer of Barrett-Lo Visionary Development since July 2017. He previously served as the chief operating officer of Janko Group and was the director of capital markets for the Opus Group, where he was responsible for developing and leading a national capital markets capability that sources capital for current and future development/investment opportunities.

Jamie-Claire Flaherty will serve on the State Universities Retirement System Board Of Trustees. Flaherty currently serves as Director of Strategic Initiatives for The Obama Foundation. In that capacity, she assists with public engagement, workforce development, and inclusion efforts.

John Lyons will serve on the State Universities Retirement System Board Of Trustees. Lyons is a partner at the law firm DLA Piper LLP (US) and has practiced law in Illinois for the past 30 years.