

# Legislative Report

**BOMA/Suburban Chicago**

May 25, 2018

The General Assembly stands adjourned until Monday, May 28. Both chambers were in Session Monday through Friday of this week. With only a few days left of session, both the House and Senate focused on floor debate of bills as well as negotiating a Fiscal Year 19 budget.

May 25 was the deadline to pass bills out of the second chamber. The General Assembly is scheduled for four more days of session.

## BUDGET UPDATE

Members from both sides of the aisle remain optimistic that a full-year budget will be negotiated. At this point, it appears as if lawmakers have come to a consensus on spending levels and are awaiting reaction from the Governor's office. Greg Hinz provides a great update...

### [CRAIN'S](#)

Sources in both parties and both chambers, and a source close to Rauner, all tell me the same thing: Real progress has been made by negotiators from the four caucuses, known as "budgeteers." That progress has been affirmed by relatively tranquil if incomplete negotiations between the four legislative leaders and Rauner. [...]

"We are doing absolutely everything we can to give the governor a reasonable budget that he can sign," says one Democratic budgeteer. "I'd makes the odds 60-40 this gets done by the end of the month," says one top Republican.

One factor that ironically may be working in favor of a deal is the latest flap over whether House Speaker Mike Madigan is serious about curbing sexual harassment by his associates and whether he retaliated against a House critic. With even many House Democrats not wanting a repeat of the budget standoffs of earlier years, the desire not to be in Springfield and under a harassment microscope "only increases the pressure on him" to finish up the budget quick.

But sources in both parties say they're still not completely convinced that Rauner, running for re-election after last year's budget and tax hike were enacted over his veto, really wants to move on.

One source close to him says he does, but laid down some conditions: The budget has to be balanced, more or less; it can't include a lot of new spending; and there must be no new taxes in the plan.

## HOUSE OKs BILL TO PAY \$63M IN BACK WAGES OWED TO 24,000 WORKERS

[SJ-R](#)

Legislation to get back pay to thousands of state workers who have been owed it since 2011 got overwhelming approval in the Illinois House Thursday.

The House voted 98-10 on House Bill 4290, which authorizes payment of the back wages. The bill will now go to the Senate, where an identical measure has been pending, but never given a vote by the full chamber.

Both bills authorize payment of more than \$63 million in back wages owed to an estimated 24,000 members of the American Federation of State, County and Municipal Employees union. AFSCME has said the workers are employed in the departments of Corrections, Juvenile Justice, Human Services, Natural Resources and Public Health. AFSCME said the back pay is worth an average of \$2,500 per worker.

The issue stems from 2011 when former Gov. Pat Quinn said lawmakers did not appropriate enough money to cover 2 percent raises for thousands of AFSCME members at 14 state agencies. Quinn said that without the appropriation, the state could not pay the additional money to workers.

Since then, through various money-saving efforts, the state did come up with the money to cover raises for thousands of the people initially affected. However, 24,000 still never got their back pay.

The union took the issue to arbitration and won a ruling that the raises had to be paid. However, the state Supreme Court eventually agreed with state officials that the money couldn't be paid without an appropriation by the General Assembly.

Money was included in an appropriation bill in 2016, but Gov. Bruce Rauner vetoed it and lawmakers did not override the veto.

Just how to account for the back pay has reportedly been part of ongoing budget discussions. Rauner's office said the governor recognizes it is an obligation, but wants to see how it "fits into a larger budget conversation."

## ILLINOIS SENATE PANEL ENDORSES WAGE-EQUITY PLAN

[AP](#)

A showdown between two Democratic measures to close the wage gap ended with Illinois senators rejecting one considered more business friendly.

The Senate Labor Committee voted 11-6 Wednesday to approve legislation prohibiting employers from asking applicants their salary history. It has stiffer penalties for violators than one supported by business interests.

The legislation is considered a pay-equity plan. Basing pay on salary history can hurt women. They often spend time outside the workforce for familial or other reasons not applicable to men.

Democratic Sen. Cristina Castro of Elgin is the sponsor. She says the penalties in her bill keep businesses accountable.

Castro's measure goes to the Senate floor.

## **SENATE IGNORES IRS WARNING, PASSES TAX WORK-AROUND BILL**

### [CRAIN's](#)

Defying a warning from the Internal Revenue Service, the Illinois Senate has overwhelmingly approved a bill intended to give local taxpayers a workaround for new federal caps on state and local tax deductions. [...]

The Senate action came yesterday afternoon when, by a 51-1 margin with one abstention, the Senate approved a bill sponsored by Sen. Julia Morrison, D-Deerfield, that allows taxpayers to substitute donations to charities benefiting state government, municipalities and school districts for regular Illinois income-tax and property-tax payments. Donors would receive a credit worth 90 percent of their donations, applied to their state or local tax liability.

The IRS earlier this week suggested that it will rule against such measures, which already are the law in Connecticut, New Jersey, New York and other high-tax states. The agency suggested that charitable donations are not supposed to reap a financial reward for the donor and said it will follow not state but federal law, which under the measure approved by President Donald Trump last year limits SALT deductions to \$10,000 a year.

"Property tax relief is an important issue all around the state," Morrison said in a phone interview. Any final IRS ruling "probably is not going to happen until the fall," and may be challenged in court, she said. "I think it's important for us to pass legislation that will help our residents." [...]

"How quickly, what's in it, how it's impacted by the IRS, all those things need to be considered," [Steve Brown, spokesman for House Speaker Michael Madigan] said. Concurrence motions on House bills that were amended in the Senate and sent back will occur "next week."

## **RICH MILLER'S WEEKLY COLUMN**

Last week's press conference announcing his latest amendatory veto was, without a doubt, the best press pop Gov. Bruce Rauner has had since he fired his top staff last July and brought in that Illinois Policy Institute crowd (which he also fired).

The governor developed an unexpected and dramatic message and then stayed relentlessly on-message during his press conference at an Illinois State Police facility that featured plenty of law enforcement types by his side. Not a word leaked out in advance, either.

The result: Newspaper headlines and TV news lead-ins essentially copied and pasted Rauner's press release headline: "Gov. Rauner proposes death penalty for mass murderers and killers of law enforcement officers."

The event demonstrated a level of skill not seen in the governor's office in a good long while.

Also, the governor clearly has a new campaign issue. And the strength of that issue could be seen in the lack of almost any immediate press releases from legislative Democrats criticizing Rauner's announcement.

Abolition of the death penalty has been mostly a settled matter here, starting when Gov. George Ryan halted executions and then cleared out death row more than 15 years ago. But the public hasn't lost its appetite for the blood of the guilty, so members generally kept their heads down.

What comes next is far more important than everybody eagerly chasing Gov. Rauner's bright, shiny bouncing ball down a dead-end street. But first, a little bit of recent history.

The governor complained in late February that the General Assembly's majority Democrats were not negotiating with either him or Republican legislators about criminal justice matters.

In March, the governor sent a letter to the four legislative leaders asking them to set aside the "weapons-focused legislative responses to violence," and instead work with him to come up with better ideas. "Collaboration is our best hope of finding common sense solutions to gun violence," Gov. Rauner wrote.

Rauner's letter also asked the leaders to appoint members to a new task force. Senate President Cullerton penned a blistering response. Cullerton demanded the governor sign the bills sitting on his desk and help pass other bills in the legislative hopper before he'd even consider appointing anyone to yet another blue-ribbon panel. As the governor might say, Cullerton has always had a "weapons-focused legislative response to violence."

Speaker Madigan complied, however, and Rep. La Shawn Ford (D-Chicago) agreed to serve on the governor's new task force, which he says has met twice a week since its inception.

"It seemed like we were making progress," Rep. Ford told me, adding the task force members were receiving "great research from experts."

Ford complained that Rauner's AV was "contrary to the agreement made between members and the governor's team," but also said he believed the group could still "meet and continue to work on meaningful legislation." Ford insisted that the governor's amendatory veto shouldn't have an impact on the group's work.

But will it? The amendatory veto can easily be seen as a defensive shield against any gun control measures that arrive on his desk. Rauner vetoed the gun dealer licensing bill in March because he said

(about 20 times) he wanted a “comprehensive” solution. He has now proposed his own comprehensive solution.

The governor is also constantly asked about specific gun issues, like school shootings. Last week, Rauner started pointing to his amendatory veto. He wants to allow schools to use highly restricted local infrastructure sales tax money to pay for guards and counselors.

The real question becomes what the governor will do if he receives a stand-alone bump-stock ban, or a bill requiring a 72-hour waiting period to buy any gun, or a “gun violence restraining order” bill, or legislation to put more mental health workers in schools, or measures to counter interstate gun trafficking. All of those proposals and more were also in the governor’s sweepingly broad and likely unconstitutional amendatory veto.

Will Rauner accept half a loaf – or even a couple of slices? Or will he go with his usual all or nothing approach by demanding a “comprehensive” solution and then wind up yet again with nothing except his rhetoric?

A cynic would say that the governor probably prefers no real legislative results. He can run on the death penalty reinstatement when and where it suits him and use those other proposals to help him pivot to the center.

Chicago Mayor Richard J. Daley once said, “Good government is good politics.” But way too many politicians get that quote bass-ackwards. Make no mistake, last week was good politics for the governor, but good politics isn’t necessarily good government.

## LEGISLATIVE WATCH LIST

**HB4163**     **EQUAL PAY ACT-WAGE HISTORY** (MOELLER A) Synopsis As Introduced - Amends the Equal Pay Act of 2003. Prohibits 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, with some exceptions. Limits defenses. Provides for penalties and injunctive relief.

House Floor Amendment No. 1 - Deletes language providing that an employer's wage differential defense does not apply if an employee demonstrates that an alternative employment practice exists that would serve the same business purpose without producing the differential and the employer has refused to adopt the alternative practice.

**Current Status:** 5/25/2018 - House Bills on Third Reading

**Recent Status:** 5/24/2018 - House Bills on Third Reading  
5/23/2018 - Placed on Calendar Order of 3rd Reading May 24, 2018

**Notes:** [AFL-CIO Support](#)

**HB4268 HOME REPAIR-CONSUMER NOTICES** (THAPEDI A) Amends the Home Repair and Remodeling Act. Provides that "residence" means a single-family home or dwelling or a multiple-family home or dwelling containing 6 or fewer apartments, condominiums, town houses, or dwelling units, used or intended to be used by the consumer as his or her dwelling place (instead of "by occupants as dwelling places"). In the home repair consumer rights pamphlet, replaces notice language concerning lien waivers with the following: "Illinois law requires that, before payment, your contractor give you a sworn statement which lists: (1) all the persons or companies your contractor hired to work on your home and their addresses; and (2) the amounts previously paid, the amounts about to be paid, and the total amount owed after the payment to these persons or companies. The sworn statement should be fully completed, signed, and notarized. When the contractor's sworn statement lists an amount due or to become due to a subcontractor, or when a subcontractor gives you notice of an amount due to the subcontractor, you must retain sufficient funds to pay that subcontractor. Subcontractors give the contractors lien waivers when they are paid. Ask your contractor for copies of these lien waivers. If your contractor tells you he or she needs a payment from you in order to pay subcontractors, you have the right to pay the subcontractors directly."

**Current Status:** 5/23/2018 - Added as Alternate Chief Co-Sponsor Sen. Mattie Hunter

**Recent Status:** 5/23/2018 - Added as Alternate Co-Sponsor Sen. Julie A. Morrison

5/23/2018 - THIRD READING Passed Third Reading in the Senate by 058-000-000.

**HB4293 INC TX-INVESTMENT SERVICES** (WELCH E) Amends the Illinois Income Tax Act. Imposes a privilege tax on partnerships and S corporations engaged in the business of conducting investment management services. Provides that the tax shall be imposed at the rate of 20% of the fees calculated by reference to the performance of the investment portfolio funds and not from the investment itself. Defines "investment management services".

**Current Status:** 5/22/2018 - Added Co-Sponsor Rep. La Shawn K. Ford

**Recent Status:** 5/17/2018 - Added Co-Sponsor Rep. Andr? Thapedi  
5/17/2018 - Added Co-Sponsor Rep. Kathleen Willis

**HB4324 WAGE LIEN ACT** (WELCH E) Creates the Wage Lien Act. Provides that a lien exists on an employer's property for the amount of unpaid wages owed to an employee. Defines terms and includes provisions concerning creation of the lien; exemptions; notice; limitations; recording of the lien; enforcement; other claims on the employer's property; successor obligations; and construction.

State Mandates Fiscal Note (Dept. of Commerce & Economic Opportunity)  
This bill does not create a State mandate.

Fiscal Note (Dept. of Labor)

The Department of Labor currently lacks expertise in the filing and enforcement of liens. With passage of this bill, the Department will need to add a minimum of three full-time staff to devise and implement new lien procedures, research, file, and process the liens. Also, two additional attorneys preferably with lien recovery experience are needed to review for enforcement sufficiency and to represent the Department at hearings. Additionally, two administrative law judges with lien recovery and or Uniform Commercial Code expertise would also be needed to handle the increase in administrative hearings.

Administrative costs include postage, filing fees, office supplies and new employee IT equipment and licensing. Currently, according to the Cook County Recorder of Deeds, recording costs for liens range from \$25.00 to \$32.00. The Department estimate that if we had this additional staff the number of liens that we could theoretically record would be around 1,000 to 1,500 per year. Fiscal Impact = \$1,038,336 (7 Headcount = \$972,336; Administrative Costs = \$66,000)

State Mandates Fiscal Note (Dept. of Commerce & Economic Opportunity)  
Does not create a State Mandate.

House Floor Amendment No. 2 - Replaces everything after the enacting clause. Amends the Illinois Wage Payment and Collection Act. Provides that the Department of Labor shall adjudicate claims under the Act within 30 days. Provides that the Department of Labor shall request that an employer deposit up to 10% of a disputed wage claim with the Department pending adjudication of the claim. Increases the administrative fees imposed upon an employer who has been demanded or ordered by the Department of Labor or a court to a pay wage settlement. Authorizes the placement of a judgment lien upon and employer's real estate and authorizes action under the Code of Civil Procedure for a citation or a supplementary proceeding to discover assets.

Senate Committee Amendment No. 1 - Provides that the 30-day adjudication period begins upon the claim being filed. Requires the Department of Labor to send a notice of a wage claim when requesting escrow for disputed claims. Removes the 45-day limit on holding the escrowed moneys.

**Current Status:** 5/25/2018 - Added as Alternate Co-Sponsor Sen. Mattie Hunter

**Recent Status:** 5/25/2018 - Third Reading - Passed; 031-018-001  
5/25/2018 - THIRD READING Passed Third Reading in the Senate by 031-018-001.

**Notes:** **AFL-CIO Support**

**HB4569 ABOVEGROUND FUEL STORAGE (PARKHURST L)** Amends the Gasoline Storage Act. Provides that each facility used for: (i) agricultural purposes at an agriculture site; (ii) refueling construction equipment at a construction site; or (iii) parking, operating, or maintaining a commercial vehicle fleet may store up to 12,000 gallons of any single type of fuel for dispensing in aboveground storage tanks that are constructed of steel, made vapor tight, and outside of buildings. Effective immediately.

House Committee Amendment No. 1 - Replaces everything after the enacting clause. Amends the Gasoline Storage Act. Provides that a facility used for: (i) agricultural purposes at an agricultural site; (ii) refueling construction equipment at a construction site; (iii) parking, operating, or maintaining a commercial vehicle fleet; or (iv) fueling at railway yards, may store an aggregate total of 12,000 gallons of fuel for dispensing in aboveground storage tanks, as long as the facility complies with all other requirements of the rules of the Office of the State Fire Marshal. Effective immediately.

Senate Floor Amendment No. 1 - Removes language concerning a facility used for fueling at railway yards from the bill.

**Current Status:** 5/25/2018 - Consideration of Senate Amendments Concurrence

**Recent Status:** 5/24/2018 - Senate Floor Amendment No. 1 Motion to Concur Referred to Rules Committee  
5/24/2018 - Senate Floor Amendment No. 1 Motion Filed Concur Rep. Lindsay Parkhurst

**SB2211**     **FIRE SPRINKLER - DATABASE** (HARMON D) Amends the Fire Sprinkler Contractor Licensing Act. Provides that an individual who performs inspection and testing of fire sprinkler systems and control equipment must possess on his or her person a photo identification card issued by the State Fire Marshal as proof of compliance with the Act. Provides that the photo identification card shall be issued by the State Fire Marshal annually at a fee determined by the State Fire Marshal by rule. Provides that all inspections and testing of fire sprinkler systems and control equipment must be recorded on an inspection report issued by the State Fire Marshal and provides requirements for the inspection reports. Provides that all fire sprinkler systems must be affixed with a pre-printed label bearing specified information that shall be purchased by the licensed contractor from the State Fire Marshal. Provides that a copy of the inspection report must be forwarded to the State Fire Marshal within 24 hours after completion of the inspection. Provides that the fees for an inspection form and photo identification card shall be determined by the State Fire Marshal by rule. Provides that the State Fire Marshal has the power and duty to establish a database of all persons involved in the inspection or testing of existing fire sprinkler systems or control equipment.

**Current Status:** 5/25/2018 - Senate Bills on Third Reading

**Recent Status:** 5/24/2018 - Senate Bills on Third Reading  
5/23/2018 - Senate Bills on Third Reading

**Notes:** Currently postponed but we need to make sure it does not resurface  
" it will be another inspection fee just like the State Certification  
inspection of elevators

**SB3215**     **PROP TX-SALE IN ERROR** (BARICKMAN J) Amends the Property Tax Code. In provisions concerning sales in error, provides that, in cases where improvements upon the property sold have been substantially destroyed or rendered uninhabitable or otherwise unfit for occupancy, the court may order the holder of the certificate of purchase to assign the certificate to the county collector, upon request of the county collector. Provides that the county collector may further assign the certificate to the county, acting as trustee for taxing districts, or to a taxing district having an interest in the taxes sold. Provides that, if the certificate of purchase is assigned to the county delinquent tax agent because the improvements have been substantially destroyed or rendered uninhabitable or otherwise unfit for occupancy, then the county delinquent tax agent shall extend the redemption period by 36 months.

Senate Floor Amendment No. 1 - Makes changes to the introduced bill to provide that, if a certificate has been assigned to the county collector by court order, then the period of redemption shall be extended for a period of time designated by the holder of the certificate, which may not exceed 36 months from the date of the assignment to the collector (in the introduced bill, extended for 36 months).

**Current Status:** 5/25/2018 - Senate Bills on Third Reading

**Recent Status:** 5/24/2018 - Senate Bills on Third Reading  
5/23/2018 - Senate Bills on Third Reading

**SB3394**     **PROF LICENSING-VARIOUS-MIN AGE** (ALTHOFF P) Amends the Community Association Manager Licensing and Disciplinary Act, the Home Inspector License Act, and the Real Estate License Act of 2000. Reduces the minimum age requirement for licensure as a community association manager, supervising community association manager, home inspector, broker, or managing broker to 18 years of age (rather than 21 years of age). Makes a conforming change. Effective immediately.

Senate Committee Amendment No. 1 - Replaces everything after the enacting clause. Reinserts the provisions of the introduced bill with the following changes: Removes the changes made to the Real Estate License Act of 2000 regarding the minimum age requirement for licensure as a broker or managing broker. Effective immediately.

**Current Status:** 5/25/2018 - Passed Both Houses

**Recent Status:** 5/25/2018 - Third Reading - Short Debate - Passed 108-001-000  
5/25/2018 - THIRD READING Passed Third Reading in the House by 108-001-000.

**Notes:** Make sure if this passes that we inform our members as all third-party managers have this license

**SB3561**

**BLDG COMMISSION-DESIGN-BUILD (MUNOZ A)** Amends the Public Building Commission Act. Changes various repeal dates from June 1, 2018 to June 1, 2023 in provisions concerning allowing public building commissions to use the design-build delivery method for public projects. Makes conforming changes.

**Current Status:** 5/25/2018 - Senate Bills on Third Reading

**Recent Status:** 5/24/2018 - Senate Bills on Third Reading  
5/23/2018 - Senate Bills on Third Reading