

2019 Spring End of Session Report

What started out as a disastrous session for employers ended on a positive note with the Chamber securing last minute victories for its members. Two of the first six bills signed into law this year by the Governor were major blows to the business community. The very first law signed by the Governor raised the statewide minimum wage to \$15 an hour, while the other added to employers' costs to the state's workers' compensation system.

However, as session progressed, other terrible pieces of legislation such as costly data privacy regulations and a proposal to threaten our petroleum refineries were laid to rest. In the final days of session, a deal was cut between the four legislative leaders and the Governor to pass major pieces of legislation in combination for several business reforms. In addition, the Chamber secured its major policy victory for the year, a capital infrastructure program.

Despite ongoing efforts to amend our state's income tax system in the 2020 election, the Chamber received meaningful victories and looks forward to carrying the momentum into the next legislative session.

The below list does not encompass the entire list of bills tracked by the Chamber's Government Affairs Team, but rather represents the major pertinent pieces of legislation.

Session Victories

Transportation Modernization Bill

The 2019 spring session began with much anticipation around the need for a capital bill to fund improvements to the state's transportation and non-transportation infrastructure. As the Easter break approached, the Chamber and other groups became nervous that no movement had yet been seen on infrastructure funding bills and introduced legislation intended to be a framework for capital discussions. The Chamber backed [HB 3823](#) (Thapedi) and [SB 2254](#) (Sandoval), which were identical bills. Legislation backed by Operators Union Local 150 was also introduced in both chambers. Throughout the second half of the spring session, Chamber President and CEO Todd Maisch continued to press for state investment in infrastructure through print and television media interviews and editorials.

Simultaneously, the Chamber participated in conversations with legislative point people on infrastructure and the Governor's office to press for bipartisan support for increased investment in our transportation system backed by constitutionally-protected, sustainable revenues. Another key aspect of the Chamber's advocacy centered on the need to ensure that every state tax paid at the pump will go to transportation. The last week of session, after weeks of serious negotiations, legislation was introduced in SB 1939 (Hoffman) that met the Chamber's principles and would ensure ongoing investment in our critically underfunded infrastructure. In extended session, the House passed [SB 1939](#) and [SB 690](#) (Rita), which contained vertical capital revenues and some business reforms requested by the Chamber, as part of a bipartisan deal to grow Illinois' economy. The Senate returned to Springfield Sunday, June 2, to pass the

package and send it to the Governor's desk. Governor Pritzker has indicated he will sign the bills in the bipartisan package, including the capital bills.

Illinois Becomes the 31st State to Offer Data Center Tax Incentives

In January, [the Chamber Foundation released a study](#) on the potential impact of a data center tax incentive and by June it became a reality. As part of a grand bargain to the budget, [SB 690](#) included language to create a sales tax incentive for new and existing data centers. Qualifying data centers must meet a capital investment in the previous 60 months and have 20 full time employees. There is also an income tax credit for data centers that locate in underserved areas. This language was a Chamber initiative and supported its passage. **Status: Passed Both Houses.**

Pro-business Reforms

Other measures were included in the final budget deal including several other pro-business reforms. Those reforms included the reinstatement of the manufacturers purchasing credit, phase-out elimination of the franchise tax, creation of the Blue-Collar Jobs Act, and data center tax incentives (see above). These are reforms that the Chamber, along with others in the business community, have advocated for years. These reforms were contained in [SB 689](#) (Harris/Hutchinson). The Chamber supported these reforms. **Status: Passed Both Houses.**

"Streaming Tax" Defeated

A proposal floated in early May by the Governor's office to tax streaming and satellite services to pay for vertical capital projects was soundly defeated. The proposal sought to tax satellite TV and streaming services such as Netflix, Hulu, Xbox Live, and Spotify. While the Governor's proposal never made its way into legislative format, the concept was soundly defeated. [The Chamber opposed this tax and participated in a several earned media campaigns.](#)

Burdensome Property Tax Legislation Stalls

[SB 1379](#) (Hutchinson/Davis) was an initiative of the Cook County Assessor's office to seek information from property owners with "income producing properties" remained in the House Rules committee and did not move forward. Along with other members of the business community we negotiated with the Assessor's office to try to improve what was deeply flawed legislation. We were successful in convincing the House not to move forward with the legislation because it remains flawed, even as amended in the course of our extensive negotiations with the Assessor. The Chamber provided substantive suggestions to make the bill better and held stakeholder negotiations at our Springfield office. We look forward to continuing to work on this issue with the Assessor and legislative sponsors. **Status: House Revenue and Finance Committee.**

'Water's Edge' Legislation Defeated

[HB 2085](#) (Harris) and [SB 1115](#) (Steans) both have the effect of making world-wide combination, for purposes of apportioning the income of a unitary business group, the default position in Illinois. The bills amend IITA Section 304 to authorize a water's edge election. The water's edge election would also include the entire income and apportionment factors of any member of a unitary business group doing business in a so-called tax haven. The bills contained a list of tax havens. To move towards world-wide combination as the default position, the definition of unitary business group in IITA Section 1501 is modified and includes a repeal the 80-20 rule. The legislation also provides that the foreign dividend deduction in the case of a water's edge election is limited to 75%. [The Chamber's Tax Institute lead a coalition of business groups opposing this proposal](#) and [educating lawmakers on why this was bad policy](#). **Status: Revenue and Finance Committee/Senate Revenue Committee**

Costly Data Regulations Defeated

For the second time in the last three years, the Chamber and other technology trade associations were successful in defeating legislation pushed by trial lawyers to enact costly and burdensome data privacy legislation. Drafted to hurt our state's tech community, this legislation also would have negatively applied to small and medium sized businesses. This legislation sought to regulate the collection of personal information. Personal information ranges from IP addresses from website visits, to credit card numbers, to email addresses. Any business that collects this information would have been subjected to this new regulatory regime. The Chamber [launched a grassroots letter](#) consisting of 40+ state and local chambers throughout the country, urging lawmakers to take this issue up at the federal level. [We also penned op-eds](#) and conducted radio interviews on this topic. While [HB 3358](#) (Turner/Cullerton) did not move to the Governor's desk this year, we are anticipating summer subject matter hearings on this topic. **Status: Senate Judiciary Committee.**

Workplace Sexual Harassment Reform Bill

[SB 75](#) (Bush/Williams) is legislation that provides extensive changes to limiting unilateral employment agreements for sexual harassment and employment discrimination related to NDAs and arbitration. The legislation requires disclosure by any employer of a final adverse administrative or final judicial ruling to the Illinois Department of Human Rights. And, all Illinois employers will be required annually to have all its employees trained regarding sexual harassment. The Illinois Chamber led the negotiations on behalf of employers and went neutral on the bill. **Status: Passed Both Houses.**

Business Regulation

[SB 2088](#) (Fine) and HB 2026 (Mussman) would both create the Digital Fair Repair Act (aka Right to Repair) and would force original equipment manufacturers to give up proprietary information, repair documentation and diagnostic code to any owner of the device or equipment. This ranges from cell phones, to TV's to tractors. The Chamber opposed this legislation. **Status: House Cybersecurity, Data Analytics and IT Committee.**

[HB 255](#) (Guzzardi) would have repealed the Rent Control Preemption Act. This legislation would have applied to both commercial and residential. The Chamber opposed this bill. **Status: House Judiciary Subcommittee.**

[HB 345](#) (Lilly/Morrison) or Public Act 101-0002, was the second law Gov. Pritzker signed into law. This law increases the legal purchasing age for tobacco products from 18 to 21. The Chamber opposed this legislation. **Status: Public Act 101-0002.**

[HB 2127](#) (Mussman) would have required any private business that contract with the state for information-technology services over \$500,000 to install tracking software on every computer that works on a state project. Contractors with the state would pay a per employee fee to the software tracking company for spyware to record every user's keystroke, mouse click, browsing history, program usage and time spent on a computer. Usernames, passwords, confidential and proprietary personal and company information would be captured by the third party. The Chamber was vocally opposed to this legislation as government contracting process already has thorough accountability and oversight. In addition, this proposal would create a cybersecurity nightmare. We expect this bill to resurface next year. Status: House State Government Committee.

[HB 3394](#) (Welch/Belt) requires publicly traded corporations whose principal executive offices are located in Illinois to report whether each member of the corporation's board of directors self-identifies as a minority person and, if so, which race or ethnicity to which the member belongs. Requires the University of Illinois System to review the reported information and publish on its website a report that provides aggregate data on the demographic characteristics of the boards of directors and executive officers of corporations filing an annual report for the preceding year along with an individualized rating for each corporation. While the bill originally was much worse, the Chamber remained opposed to the bill. **Status: Passed Both Houses.**

Employment law

[SB 1](#) (Lightford/Guzzardi) or Public Act 101-0001, was the first law Gov. Pritzker signed into law. This law sets forth a \$15 an hour minimum wage by 2025. The first increase kicks in January 1, 2020 and increases until it reaches \$15 an hour. The bill also includes a small tax credit for small businesses. The Chamber opposed this bill. **Status: Public Act 101-0001.**

[SB 75](#) (Bush/Williams) provides extensive changes to limiting unilateral employment agreements for sexual harassment and employment discrimination related to NDAs and arbitration. The legislation requires disclosure by any employer of a final adverse administrative or final judicial ruling to the Illinois Department of Human Rights. And, all Illinois employers will be required annually to have all its employees trained regarding sexual harassment. More details will be forthcoming. The Illinois Chamber led the negotiations on behalf of employers and is neutral on the bill. **Status: Passed Both Houses.**

[SB 471](#) (Hutchinson/Gordon-Booth) would have created the Healthy Workplace Act. This legislation would have mandated 40 hours of paid sick leave to full and part time employees. The Chamber opposed this bill. **Status: House Labor and Commerce Committee.**

[HB 834](#) (Moeller/Castro) amends the Equal Pay Act of 2003 and provides that an employer may prohibit a human resources employee, supervisor, or other employee whose job responsibilities require or allow access to other employees' wage or salary information from disclosing that information without prior written consent from the employee whose information is sought or requested. In addition, this bill will limit employers' protections. The Chamber opposed this bill. **Status: Passed Both Houses.**

[SB 1407](#) (Hastings/Walsh) created the Illinois Hazardous Materials Workforce Training Act. It passed the Senate but did not pass the House. SB1407 would have required all construction and maintenance work at privately owned petroleum refineries, petrochemical facilities, and ethanol facilities within the state to be exclusively performed by members of certain trade unions. It was not considered in the House as part of Republican Leader Jim Durkin's requests in exchange for Republican votes on the remaining legislative issues at the end of session. Expect this issue to come back. The Chamber opposed the bill. **Status: House Labor and Commerce Committee**

[HB 1438](#) (Steans/Cassidy) is legislation to regulate recreational cannabis. With cannabis legalization a top priority for Governor Pritzker, most in Springfield thought it likely that cannabis legalization would become law after the spring session. As a result, the Chamber felt it was important to engage with the sponsors and proponents to ensure that local governments had local control over cannabis establishments in their jurisdiction and that employers would be able to maintain the drug policy that best protects their employees and businesses. Working with the sponsors and lead Republican negotiators on this topic, the Chamber was able to insert all of our requested language for workplace protections and to ensure local control options. The workplace protections in the final legislation are the strongest in the country and the Chamber feels strongly that those protections are vital to Illinois businesses. HB 1438 (Steans) carried the final cannabis legalization language. It passed the Senate with a vote of 38-17-2 and the House with a vote of 66-47-2. Governor Pritzker is expected to sign the legislation. The Chamber was neutral on cannabis legislation because of the strong workplace protections and local control provisions. **Status: Passed Both Houses.**

[SB 1596](#) (Sims/Hoffman) or Public Act 101-0006, provides that specified Sections limiting recovery do not apply to injuries or death resulting from an occupational disease as to which the recovery of compensation benefits under the Act would be precluded due to the operation of any period of repose or repose provision. As to any such injury or occupational disease, the employee, the employee's heirs, and any person having the standing under law to bring a civil action at law has the nonwaivable right to bring such an action against any employer or employers. The Illinois Chamber opposed and requested a veto. **Status: Public Act 101-0006.**

[HB 252](#) (Guzzardi/Castro) amends the Illinois Human Rights Act. Provides that "employer" includes any person employing one (instead of 15) or more employees within Illinois during 20 or more calendar weeks within the calendar year of or preceding the alleged violation. The Chamber opposed this bill. **Status: Passed Both Houses.**

[HB 2233](#) (Thapedi/Mulroe) amends the Code of Civil Procedure providing that within the discretion of the court, the jury may be asked (rather than required by the court and must be required on the request of any party) to find specially upon any material question or questions of fact submitted to the jury in writing. Any party may request special interrogatories. The Chamber opposed this bill. **Status: Passed Both Houses.**

[HB 2557](#) – See Technology.

Energy and Environment

[SB 9](#) (Bennett/Ammons) regulates coal ash and passed both Chambers. It is the product of much improvement, but work remains. Particularly how it will marry impending federal coal ash rules and liability issues for off-site pollution. Without these changes, the risks to job losses and actual environmental harm are real. Opponents have offered language to mitigate these issues, but the Sponsors have been unwilling to amend the bill. A trailer bill may be explored over the summer. The Chamber opposed the bill. **Status: Passed Both Houses.**

SB 1407 – See Employment Law.

[SB 1852](#) (Curran/Durkin) sets forth various requirements for the use of ethylene oxide in Illinois, such as emission restrictions, trapping, and testing. It passed both Chambers. Both Chambers held multiple hearings and negotiated legislation to prevent against ethylene oxide leakages. The bills were in response to the Sterigencis facility issue. After much negotiation, the Chamber was neutral on its passage.

[HB 1633](#) (Hoffman/Hastings) sets stricter penalties for intentionally damaging critical infrastructure facilities. It did not advance in the Senate. While the bill passed the House with bipartisan support by a vote of 77-28 and was amended significantly to appease environmental groups concerns, it was not considered by the Senate. Significant misinformation was being spread and opponents were arguing against points that no longer applied with the amendment. The Chamber supported the bill. **Status: Tabled in the Senate.**

[HB 2839](#) (Gong-Gerschowtiz) provides that a person suffering legal wrong or aggrieved because of a final administrative decision is entitled to judicial review to the same extent as a person who is a party. It applied to the Department of Ag, IDOT, Public Health, Natural Resources, and IEPA. The Chamber opposed this legislation. **Status: House Judiciary Civil Committee.**

[HB 2728](#) (Mah) provides that the IEPA shall consider adverse impacts on EJ communities when granting a permit or permit renewal. The bill would codify EJ policies that the IEPA considers now and adds requirements beyond current practices. The Chamber is opposed. It is likely this issue will be considered next year. **Status: Public Utilities Committee.**

[HB 3481](#) (Gabel/Ellman) repeals the Kyoto Protocol Act. The bill will enable state agencies to regulate greenhouse gases. We believe that any attempt to regulate greenhouse gases should be a national approach. The Chamber opposed the bill. **Status: Passed Both Houses.**

Energy Package: Multiple proposals were introduced to modify Illinois' energy economy. A total of six, none of them advanced out of either Chamber. Committee hearings and subject matter hearings were conducted. It is expected that negotiations will occur over the summer to attempt a package for the fall veto session. Of those proposals were: [HB125/SB135](#), the Competitive Clean Energy Act; [SB2080/HB3152](#), legislation to extend utility formula rates; [HB2713](#), the Illinois Coal to Solar and Storage Act; and [HB2966/SB1781](#) the Path to 100 Act. The Chamber is opposed to [HB2861/SB661](#) (Walsh/Munoz), which would reform the electricity capacity market process and [HB3624/SB2132](#) (Williams/Castro), the Clean Energy Jobs Act.

Healthcare

While the Chamber supported the overall SB 689 for its pro-business reforms, [SB 689](#) contained language in the budget bill to enact a managed care provider tax. The Chamber was able to get the language less burdensome on employers. **Status: Passed Both Houses.**

[HB 156](#) (Flowers/Mulroe) creates the Prescription Drug Pricing Transparency Act. Requires health insurers to disclose certain rate and spending information concerning prescription drugs and certain prescription drug pricing information to the Department of Public Health. The Chamber opposed this bill. **Status: Senate Insurance.**

[HB 815](#) (Morgan) would have created the Freedom from Aggressive Insurance Increases Review Act. Creates the independent, quasi-judicial Health Insurance Rate Review Board to ensure insurance rates are reasonable and justified. Sets forth duties and prohibited activities concerning the Board. Sets forth the procedures for appointment to the Board. The Chamber opposed this bill. **Status: House Insurance Committee.**

[HB 2604](#) (Crespo) would mandate nursing staff levels for hospitals. This legislation would have added costs and compliance would have resulted in staffing and service reductions in other areas. The Chamber opposed. **Status: House 3rd Reading.**

Infrastructure

[SB 24](#) (Link) mandates freight trains must have a two-person crew. The Chamber opposed the effort to create additional regulations on railroads operating in the state. Despite working against it throughout the spring session, the bill passed both chambers on mostly party lines. However, shortly after passage, the Federal Railroad Administration repealed a proposed rule that would have regulated the size the freight train crews and indicated the repeal was intended to preempt state laws regulating freight train crew sizes. **Status: Passed Both Houses.**

SB 1939 – See victories.

[SB 2006](#) (Sandoval), [HB 2823](#) (Zalewski) and [SB 2005](#) (Sandoval) increase RTA and CTA bond authority to allow them to provide working cash to offset the impact of late state payments and also to open a line of credit if that option makes the most financial sense. HB 2823 passed both chambers. The Chamber supported the bills.

[HJR 8](#) (Batinick) authorizes the Department of Transportation to commence a procurement process for a project to provide additional highway capacity along Interstate 55 from Interstate 355 to Interstate 90/Interstate 94 in DuPage, Cook, and Will Counties, and toll the additional capacity pursuant to the authority provided under the Public-Private Partnerships for Transportation Act. The resolution, which is needed for the approval of public-private-partnerships, was never called for a vote. The Chamber supports the authorization for the I-55 managed lanes program.

[HJR 80](#) (Walsh) authorizes the Illinois Tollway to commence a procurement process for a project to provide additional highway capacity along Interstate 80 from Interstate 55 to the Illinois-Indiana border in Cook and Will Counties and toll the additional capacity. The resolution, which is needed for the Tollway to participate in building and tolling additional capacity was never called for a vote. The resolution was a Chamber initiative. **Status: House Transportation Committee.**

[HB 2981](#) (McDermid) contained several provisions the Chamber wanted to offer as ideas to become part of a transportation funding package. Although the bill did not move, several ideas resonated with legislators during capital discussions and influenced the final package. This was an initiative of the Chamber.

[HB 3316](#) (Connor) and [SB 1783](#) (Hastings) requires drivers delivering aggregate or asphalt to a construction project be paid prevailing wage. The Chamber opposed this legislation and worked, as part of a coalition, to prevent it from moving forward this session because of the additional cost this regulation would have on businesses and the cost of construction in Illinois. **Status: These bills did not receive a vote in either chamber.**

[HB 3823](#) (Thapedi) and SB 2254 (Sandoval) contained transportation—only capital funding backed by the Illinois Chamber. Some of the Chamber’s ideas were incorporated into the final package. **Status: Neither bill received committee consideration.**

Taxes

[SJRC 1](#) (Harmon/Martwick) would amend the Illinois Constitution to remove the flat tax with a graduated income tax for individuals AND corporations. In addition, this proposal would allow for the legislature to enact multiple income taxes (current constitution only allows for one). For example, legislators could create a new income tax on various industries and income (i.e. a tax on capital gains, a tax on hog farmers, or a tax on financial advisers). The Chamber opposed this resolution. **Status: Passed Both Houses; Goes to Voters in 2020 Election.**

[SB 687](#) (Hutchinson/Zalewski) imposes graduated income tax rates effective January 2021, if the constitutional amendment authorizing graduated rates is approved by the voters. The bill would raise the top rate on individuals and corporations to 7.99% (10.49% for corporations with the 2.5% replacement tax), making Illinois’ income tax burden one of the highest in the nation. The Chamber opposed this bill. **Status: Passed Both Houses.**

SB 689 – See Victories.

SB 690 – See victories.

SB 1379 – See Victories.

[SB 1515](#) (Hutchinson/Manley) amends the Illinois Income Tax Act. Provides that, for purposes of being liable for income tax, compensation is paid in this State if some of the individual's service is performed within this State, the individual's service performed within this State is nonincidental to the individual's service performed without this State, and the individual's service is performed within this State for more than 30 working days during the tax year. Defines terms. Contains provisions concerning the calculation

of compensation paid in this State if the employer maintains a time and attendance system. The Chamber was supportive of the measure. **Status: Passed Both Houses.**

[SB 1591](#) (Gillespie/Walker), originally our data center bill, The Chamber's Data Center initiative, was amended and the Data Center exemption language was replaced. As amended and passed by the General Assembly the bill amends the Illinois Income Tax Act. Provides that the research and development credit apply for taxable years ending prior to January 1, 2027 (currently, January 1, 2022). Creates an income tax credit for qualified education expenses incurred by an employer on behalf of a qualifying apprentice, subject to certain limitations. **Status: Passed Both Houses.**

HB 2085 and SB 1115 – See Victories.

Technology

SB 690 – Data Centers. See victories.

[SB 1624](#) (Glowiak/Andrade) amends the Personal Information Protection Act and will require owners of data that experience data breaches of more than 500 Illinois residents to report to the Attorney General. The Chamber initially was opposed but worked with the sponsor to remove our opposition. **Status: Passed Both Houses.**

[SB 1719](#) (Castro/Slaghter) would have created the Keep Internet Devices Safe Act. This bill sought to regulate microphone-enabled devices. Under this bill, these devices would have been able to be enabled until users provide explicit consent to turning on the microphone. The Chamber opposed this bill as it contained back-door private right of action on businesses. **Status: House Executive Committee.**

SB 2088 and HB 2026 – See Business Regulation.

[SB 2134](#) (Barickman) Amends the Biometric Information Privacy Act. Removes the private right of action from current law. This was a Chamber initiative. **Status: Senate Judiciary Committee.**

HB 3358 – See Victories.

[HB 2557](#) (Andrade/Martinez) creates the Artificial Intelligence Video Interview Act. This bill seeks to regulate employer's use of artificial intelligent applicant interviews. Employers who utilize this technology would need to disclose the use of this technology to the applicant. In addition, destruction of the videos is contingent upon an applicant's request for destruction within 30 days. The Chamber worked with the sponsor and ended up being supportive of its passage. **Status: Passed Both Houses.**

[HB 2785](#) (Williams) would have created the Geolocation Privacy Protection Act. This legislation sought to regulate the use of geolocation technology. The Chamber opposed this bill. **Status: House Executive Committee.**

[HB 2871](#) (Villanueva) creates the Data Broker Registration. Sets up a regulatory process for data brokers. The Chamber opposed this bill. **Status: House Cyber Committee.**