



ILLINOIS CHAMBER
OF COMMERCE

G O V E R N M E N T *Report*

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October 25, 2019

The Illinois legislature is scheduled to return to town next week for week one of a two week fall veto session. Typically, the fall veto session is a time for the legislature to take up action on bills that were passed during the spring and vetoed by the governor. However, given the governor did not veto too many bills this summer, expect legislative action to fall outside of actions on vetoes.

See below for a brief synopsis of what we are expecting in each subject matter area.

Cannabis

With the January 1, 2020 effective date for recreational marijuana becoming lawful for adult use, there has been a great deal of speculation about the impact of Section 10-50 of [PA 101-27](#) on Illinois employers. This section provides for workplace protections regarding employer zero tolerance, drug-free workplace and drug testing policies.

The negotiation process during the legislative consideration of legalizing marijuana did not result in perfect protections for employers. However, in several key areas we were able to obtain legislative intent that helps provide guidance for employers when reviewing their workplace policies regarding marijuana and drug testing.

We continue to work on legislative clarifications to Section 10-50 to including:

1. Clarifying that an employer has the ability to take disciplinary action against applicants for failing a pre-employment drug test and against employees for failing a random drug test;
2. Clarifying that if the employer has a zero tolerance, drug-free workplace or drug testing policy, proof of impairment is not needed to allow the employer to take disciplinary action;
3. Clarifying that employers may continue to take disciplinary action when an employee who is a medical

- marijuana cardholder violates an employer's drug-testing policy; and
4. Clarifying that the Act does not interfere with any collective bargaining agreements.

We are seeking inclusion of these issues in a potential "trailer" bill during the upcoming Veto Session.

Tax

House Revenue Committee is posted for next week. Among the bills posted is [HB 3902](#). This legislation permanently reinstates the sales tax exemption for materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft. The Chamber supports this legislation.

Next week we are also expecting some technical changes to the "Leveling the Playing Field for Illinois Retail Act." As it stands right now this new law is unworkable and presents serious problems to how retailers collect sales taxes. The Chamber's Keith Staats illustrated the many pitfalls of the new law in a recent column for the Illinois CPA Society. You can view that [here](#).

During next's week veto session we are also expecting a vote on allowing Chicago to implement a graduated real estate transfer tax (GRET). The Mayor's recently proposed budget includes an increase in Real Estate Transfer Tax based on the proposed progressive tax structure is included in the 2020 budget. These changes are anticipated to generate an additional \$125.6 million in 2020 for the City. The City plans to seek legislative authorization for this change during the fall veto session. The Chamber opposes this measure.

And lastly, the Chamber is expecting a clean-up bill to address technical changes to the Chamber's data center tax incentive program.

Healthcare

The Illinois Chamber is opposing legislation to further reduce and outlaw the effective use of ethylene oxide (ETO). You may recall, the governor signed into law the strictest ETO regulations in the nation over the summer. While the ink on this new law is still wet, we oppose further regulations that would potentially threaten the supply chain of healthcare services and products in the state. [HB 3885](#) (Durkin) would create local control measures for ethylene oxide sterilization regulation. [HB 3888](#) (Mayfield) would phase out ETO statewide. The Chamber opposes both of these bills. Both are posted for committee next week.

In addition, we are also hearing that [Sen. Manar's insulin cap bill](#) will move out of the Senate. And lastly, there is a chance that Senator Fine will attempt to call her health insurance rate review bill again for a vote. As a reminder, it narrowly failed in May after Sen. Fine moved the bill out of Senate Insurance to another committee. The Chamber is opposed to this measure.

Energy

Despite the spring rumor mill of a fall veto session energy bill,

[the ongoing federal investigations](#) all but guarantee that there will be no energy bill this fall. With that said, the Clean Energy Jobs Coalition will be holding a lobby day at the statehouse on Tuesday urging the passage of the Clean Energy Jobs Act (CJEA).

Lastly, conversations have been picking up on a potential trailer bill to the coal ash regulations passed this spring under [SB 9](#). The Chamber has suggestions and draft language shall there be the opportunity to negotiate.

Pensions

On February 11, 2019 Governor Pritzker announced the creation of the Pension Consolidation Feasibility Task Force to explore and make recommendations for consolidation of pension funds in order to achieve the greatest value for pensioners and taxpayers.

That task force [recently submitted their report](#) to the Governor in which they recommended consolidating suburban and downstate police and fire funds. There was speculation that the legislature would take up pension consolidation during veto, however, as of now, there are no bills designated as a vehicle for these reforms. The Chamber is supportive of the pension consolidation measure recommended by the Governor's task force.

Employment Law

Members may recall that at the end of this spring's legislative session, there was an agreement met between the Speaker and the House Republican Leader to table legislation for the year that would have created the Illinois Hazardous Materials Workforce Training Act. This legislation, SB 1407, unfortunately has been posted for a floor vote in the House, despite an agreement not to move the bill.

[SB 1407](#) 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. The Chamber opposed this bill and we will be against any effort to move the bill that is in violation of the end of session agreement.

Infrastructure

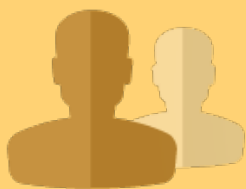
Given this spring's legislative session gave way to the first capital infrastructure investment program in over a decade, this fall veto session is expected to be light for infrastructure. There will be a push to repeal the \$10,000 trade in cap for vehicles, however, it is unlikely that this will pass this veto session.

Just last week Governor Pritzker released the FY20 Multi Year Plan (MYP) plan for road and bridge construction on state roads. That information can be found [here](#).

Flavored Tobacco Ban

Efforts are underway to ban flavored tobacco products. [HB 3883](#) is the vehicle for this proposal. In short this bill creates the Flavored Tobacco Ban Act and prohibits the sale or distribution by an establishment of any flavored tobacco product. The Chamber is opposed to this legislation. The bill

is posted for the House Human Services Committee.



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