

2023 End of Session Report

By almost all accounts, 2023 was the most "normal" session experienced in Springfield since 2019. After three years of truncated legislative sessions, the General Assembly adjourned last week in the early morning of May 27th. Of course, this was after a self-imposed adjournment date of May 19th was missed as budget negotiations and other end-of-year business were prolonged. Just like every year, the Illinois Chamber team diligently drafted, tracked, and advocated on legislation impactful for the business community. This document is a product of that advocacy.

In this report, we begin by highlighting key 2023 victories for the Illinois Chamber. These victories include the passage of a Chamber initiative on permitting and the stoppage of harmful legislation on categories including independent contractors' status in the workplace and environmental justice. This is followed by a brief narrative of some disappointments faced by the business community. Finally, this report then transitions into a section-by-section recap of the legislation tracked and lobbied by each of the Chamber's 7 policy councils. These Councils, by order of appearance in the report, are as follows: Energy, Environment, Employment Law, Healthcare, Infrastructure, Tax, and Technology.

In This Report Illinois Chamber of Commerce Victorie

Illinois Chamber of Commerce Victories	4
Permitting Portal: Illinois Chamber and Illinois Environmental Regulatory Group Initiati Passes House and Senate Unanimously	
Consumer Health Data Bill Held for Remainder of Spring	4
Business Coalition Help Stop Onerous Environmental Justice Act Another Year	5
California Misclassification of Independent Contractor Legislation Proposed	5
Autonomous Vehicle Restrictions Prevented	5
First Medicaid Rate Increase in 28 Years	5
Close Only Counts in HorseshoesAnother Year Without BIPA Reform	6
Punitive Damages Being Added to Wrongful Death	
Energy	7
Omnibus Energy Legislation	7
Carbon Capture	7
Fleet Electrification	8
Other Major Energy Issues	8
Environment	11
Illinois House Unanimously Passes Chamber-IERG Permitting Improvement Bill	11
Thermal Power Plant Demolition	11
PFAS Reduction Act	11
Packaging and Paper Products Stewardship Act	11
Environmental Protection Act	11
Justice40 Oversight Committee	12
Employment Law	13
New Pay Scale & Benefits Posting Requirements	13
New Regulations for Independent Contractors	
New & Expanded Liabilities for Employers	14
New State Penalties for Violation of Federal Discrimination Laws	14
Punitive Damages Being Added to Wrongful Death	15
Mandated BenefitsNew & Expanded	15
Changes to Illinois Employment Laws	16
Prevailing Wage Expansions & Changes	19
Healthcare	
Rate Review (Almost) the Law in Illinois	21
Illinois Will Operate its own State Based Healthcare Exchange	21
Hospitals	21

Insurance	24
Licensing	27
Nursing	
Pharmaceuticals	29
Infrastructure	32
Procurement Omnibus Bill Passes Both Houses	32
Chamber Member Initiative: Gross Sales Cap Increased for Eligible Businesses in the Owned Business Program	
Local Government	32
Procurement	33
State Regulations	35
Transportation Systems	36
Vehicles & Safety	37
Гах	40
Геchnology	41
Artificial Intelligence (AI)	41
Apps/Gig Economy	41
BIPA	43
Broadband	43
Miscellaneous	44
Privacy	45
Right to Repair	47
Social Media	47
Telecommunications	49
Vehicles- Flectric or Autonomous	50

Illinois Chamber of Commerce Victories

Permitting Portal: Illinois Chamber and Illinois Environmental Regulatory Group Initiative Passes House and Senate Unanimously

HB 3017, sponsored by Representative Yednock and Senator Villivalam passed out of the House and Senate unanimously. This bill is a joint initiative of the Illinois Chamber and the Illinois Environmental Regulatory Group (IERG) to assist businesses in obtaining environmental permits for large-scale projects. We believe this tool will help spur economic development statewide. This Chamber initiative is a significantly amended version of HB 5555 which unanimously passed the House last spring during the 102nd General Assembly.

With this bill, the Business Assistance and Regulatory Reform Act is amended to improve the permitting process in the State by creating an online permitting portal for new and existing environmental permit applicants with a qualified investment of \$20 million or greater. With such a portal, businesses seeking certain permits for industrial projects can access a website to better understand the timeline and process for agency approval and to track the status of their permits.

This legislation will support economic growth in the state by giving businesses user-friendly tools to assist them in navigating the complexities of environmental permitting for projects. Additionally, such a tool makes Illinois competitive with nearby states that offer similar assistance for businesses.

We thank the General Assembly for recognizing a need for transparency and a pro-growth mindset in State government and empowering DCEO to utilize information technology to streamline interagency coordination for the issuance of environmental permits.

Consumer Health Data Bill Held for Remainder of Spring

One of the bills that caused us the most worry this session was <u>HB 3603</u> (Williams). This bill was pushed by the same groups that brought us BIPA and it's not an exaggeration to say this bill had the potential to be equally catastrophic. The proponents, mainly the ACLU, claim it is a reproductive health protection act. In reality, it's an omnibus data privacy bill cloaked in reproductive healthcare protections.

A thanks to all the business groups that lined up in opposition to this including Technet, IMA, IRMA, iBio, Chicagoland, and the Fuel and Retail Association. Thankfully we were able to prevent this bill from moving during the Spring session. Kudos to the General Assembly for not rushing flawed policy.

<u>HB 4093</u> is close to identical language. It was introduced late in session as a placeholder for conversations this summer.

You can read our joint fact sheet HERE.

Business Coalition Help Stop Onerous Environmental Justice Act Another Year

Expectations lingered all session regarding a desire to adopt legislation dealing with Environmental Justice (EJ). Numerous bills were filed by environmental activists. The business coalition made up of the Chamber, IERG and other associations filed its language to counteract the environmental activists' narrative. The Chamber and IERG helped stop HB 2520 (Harper) from passing this session. The bill was placed on postponed consideration after its first failed attempt to pass the House, then when a second attempt was made, the bill failed to receive the number of required votes to move to the Senate chamber. The Chamber and IERG continue to advocate for the passing of an environmental justice bill that prioritizes the economic health of a region, its businesses, and residents. The business coalition environmental justice legislation, SB 852, was filed on May 8, 2023. This language was developed by a partnership of various industry Associations.

California Misclassification of Independent Contractor Legislation Proposed

Independent contractors, sometimes referred to as 1099 employees after the tax form they receive, are a critical part of the economy. 4 years ago, California passed AB 5 which made their usage exceedingly difficult. The intervening years have seen dozens of carve outs, widespread protests and a statewide referendum overturning portions of this law.

The Attorney General's office attempted to bring this terrible law to Illinois. One of the main priorities of the Chamber this session was preventing movement on this spectacularly bad idea. We put together a weekly working group of nearly 40 lobbyists to halt this measure before it received any movement. While a sample draft was floated, we were able to stop even the official introduction of this language. We will remain on guard for similar proposals in the fall.

Autonomous Vehicle Restrictions Prevented

Four bills were filed which would have dramatically restricted the testing and implementation of autonomous vehicles in Illinois. Two of the bills were backed by the Teamsters Union HB 1403 (Evans) / SB 306 (Villivalam) and two backed by the powerful motorcycle group ABATE HB 2053 (Kifowit) / SB 1471 (Turner). The Chamber viewed these measures shortsighted, and fear based, response to the technology of the future. We have heard from auto manufacturers, trucking companies and major agricultural brands that seek to use autonomous vehicles in the near future and are concerned about these legislative proposals. We joined a coalition of business groups in opposing these measures. After meetings with the Speaker, Senate President and the Governor's staff, these bills were all held in committee.

First Medicaid Rate Increase in 28 Years

A long overdue Medicaid increase was passed in the final days of the General Assembly. Providers will see their first increase since 1995. While providers only received half the increase they requested, 10% as opposed to 20%, this represents much needed relief. As Senate Republicans pointed out on the floor, if rates had kept up with inflation over this time budgeteers would need to fund a 96% increase.

Close Only Counts in Horseshoes...Another Year Without BIPA Reform

Nobody that has read more than a handful of our publications would doubt that BIPA reform has been a major priority of the Illinois Chamber for several years now. We started this year with a list of seven reforms to the state's misguided law, the major ones remain a retroactive limit to nuclear damages and a security exception like the one in the two other states to have followed Illinois down this path.

It's been a long road but this year we were very close to a deal during the closing few weeks of the session. It fell apart at the last minute when neither retroactivity nor a security exception was offered. A limitation on future lawsuits is, genuinely, appreciated as a step in the right direction but ultimately the Chamber and our partners couldn't agree. The last offer was later filed in HB 3811, Senate Amendment 4.

The Chamber partnered with a coalition that included the IMA, IRMA, NFIB, the Illinois Railroads, Hotel Association, Chicagoland Chamber, and the Illinois Truckers. When it became obvious that we'd have to wait a little longer for real reform, the group released the following statement:

"We thank Senate President Pro Tempore Bill Cunningham for his tireless and patient leadership in attempting to negotiate changes to the state's ambiguous Biometric Information Privacy Act. Our goal through this process was to provide compliance clarity for entities operating in Illinois while maintaining strong privacy protections for individuals. While we are disappointed an agreement was not reached this Spring, we are hopeful a path remains to provide clarity surrounding the law, as requested in recent decisions by the Illinois Supreme Court. We continue to believe it is possible to implement a solution that balances personal security and common-sense application."

Punitive Damages Being Added to Wrongful Death

HB 219 (Hoffman/Harmon) amends the Wrongful Death Act to allow recovery of punitive damages. Punitive damages are not available in actions against: (i) the State or an employee of the State in his or her official capacity; (ii) a unit of local government or an employee of a unit of local government in his or her official capacity, or (iii) healing art malpractice or legal malpractice. Effective immediately. The Chamber opposed this measure as it represents yet another setback for the Illinois legal environment. We sent a veto request to the Governor, which you may read HERE.

Energy

While some semblance of normalcy returned to the statehouse this year, with the return of a May adjournment date and regular in-person hearing schedule, the energy space seemed far from normal when it came to legislative development. Talks surrounding hydrogen, electrical vehicles, and carbon capture started slowly, picked up as the calendar got to late May, and then for the most part ultimately fizzled. Rumors about another energy omnibus bill seemed unfounded until a smaller bill popped up with two weeks to go, covering a number of mostly minor issues. It seems possible that energy fatigue amongst members of the General Assembly played some role in this session's lack of significant developments, but with a number of important issues unresolved it would appear that we are in for continued negotiations and meetings over the summer, as well as a busy fall veto session and spring legislative session next year.

Omnibus Energy Legislation

Rumors abounded all spring that another omnibus bill was being developed behind the scenes, but those rumors appeared unfounded until introduction of the Illinois Clean Jobs Coalition proposal, <u>Senate Bill 2552</u>, which would address concerns the group has with clean energy capacity. But that proposal never really got any momentum, and the aforementioned fatigue seemed to be at least one of the culprits, as the Chamber met with rank-and-file legislators over the last few months of session.

A smaller "omnibus" bill of sorts, <u>House Bill 3445</u>, materialized in the last few weeks of session, and ultimately was adopted by the General Assembly. The language is largely comprised of a host of different studies that need to be pursued by the Illinois Power Agency, in collaboration with its other sister agencies which are in the energy space, that would focus on the impact on price and reliability which would result from a number of legislative proposals that stalled this spring. As the last few days of session crept on, additional language was added to address drainage issues not covered in the recently adopted commercial wind and solar siting law, and the right of first refusal for downstate utilities to decide whether or not they will build transmission lines. This last addition took many of our members by surprise, and its future is somewhat uncertain given the Governor's statements as session adjourned.

Carbon Capture

This session kicked off with a host of different carbon capture and sequestration proposals, many introduced by CCS developers, suggesting that this issue would be a significant topic throughout the spring. This never picked up steam, however, until the middle of this year's legislative session when CCS supporters, including the Chamber and other business groups, began to meet regularly and through the spring break in an effort to coalesce around a single legislative proposal encompassing all of the necessary components of a comprehensive CCS legislative package. That effort was ultimately successful and a single proposal emerged, with HB 2202 identified as the vehicle for that proposal.

When the calendar hit May, the Chamber was engaged in intense negotiations with environmental groups in an effort to find common ground over issues concerning sequestration, transport, and capture. These talks never resulted in meaningful progress, with CCS opponents never fully appreciating the significance and thoroughness of existing regulations surrounding USEPA well permitting and state regulation of pipeline siting. Despite

these struggles, optimism that a deal would get done peaked shortly after the Governor's Office indicated that they wanted to get something done, but this came too late in the spring for something to pass. The Governor's Office appears to remain committed to getting something done that works for CCS developers, and agreed to schedule another stakeholder meeting a week or two after session concludes. The Chamber will be heavily involved in those discussions over the summer, in the hopes that a bill is ready to move this fall.

Fleet Electrification

There were a host of bills that the Chamber monitored which would have created various incentives for fleet electrification. Talks with legislators and the Chamber gave reason to be hopeful that something would materialize, including a small \$20 million voucher program for fleets, but it may have been a victim of the state's gloomier budget outlook. Again, this appears primed for more summer discussions, and the Chamber will be engaged in those talks as well.

Other Major Energy Issues

HB 1541, (**Delgado/Hunter**) This bill provides that, if gas or electricity is used for space cooling at a residence, then a utility shall not terminate gas or electric utility service to that residence for the nonpayment of bills on specified days when the forecasted temperature will be greater than or equal to 90 degrees Fahrenheit. This Bill passed both Houses.

HB 2132, (Evans/Peters) This bill creates the Illinois Rust Belt to Green Belt Pilot Program Act. Creates the Illinois Rust Belt to Green Belt Fund as a special fund in the State treasury and makes a conforming change in the State Finance Act. Provides that the Fund shall be used by the Department of Commerce and Economic Opportunity to encourage and facilitate the employment of construction workforces located in underrepresented populations. Provides that applicants that are applying for a new utility-scale offshore wind project with the Illinois Power Agency shall file with the Department, as part of the applicant's application, an equity and inclusion plan. Amends the Illinois Power Agency Act. In provisions concerning the procurement of renewable energy credits, provides that in addition to the amount of renewable energy credits to be procured from wind projects, the Illinois Power Agency shall procure at least 700,000 renewable energy credits, delivered annually for at least 20 years, from one new utility-scale offshore wind project. In provisions concerning the development of a long-term renewable resources procurement plan, provides that the total of renewable energy resources procured under the procurement plan shall be reduced for all retail customers based on the amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than 4.25% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2009, and to no more than 4.5% of that amount as of the billing month following the expected date that a new utility-scale offshore wind project commences commercial operations and is expected to begin delivering power to the PJM Interconnection, LLC transmission grid. Provides that the Agency shall conduct at least one new utility-scale offshore wind procurement within 360 days after the effective date of the amendatory Act. In the Illinois Rust Belt to Green Belt Pilot Program Act: Provides that the Illinois Rust Belt to Green Belt Fund shall be used by the Department of Commerce and Economic Opportunity to encourage and facilitate compliance with all rules and regulations of the Environmental Protection Agency. In a provision related to the Planning and Procurement Bureau in the Illinois Power Agency Act: Changes the definition of "equity and inclusion plan scoring". Includes additional criteria for the Illinois Power Agency to use in its point-based scoring

criteria for awarding renewable energy credit contracts in a new utility-scale offshore wind procurement. This Bill passed out of the House, upon arriving in the Senate it was referred to Assignments.

HB 2204, (Costa Howard/Koehler) This bill creates the Hydrogen Fuel Replacement Tax Credit Act. Creates an income tax credit for eligible taxpayers in an amount equal to \$1 per kilogram of eligible zero-carbon hydrogen used by the eligible taxpayer during the immediately preceding year. Provides for additional credits if the use of the zero-carbon hydrogen by the eligible taxpayer occurs in an equity investment eligible community. Contains provisions concerning applications and credit allocation by the Department of Commerce and Economic Opportunity. This Bill passed both Houses.

HB 2263, (Walsh) This bill provides that owners or operators of underground utility facilities are required to be members of the One-Call Notice system (rather than the State-Wide One-Call Notice System). Provides that if, upon notice from the One-Call Notice system, an underground utility facility owner or operator determines there is a critical underground utility facility within the proposed excavation area and the underground utility facility owner or operator desires to have an authorized representative present during excavation near the critical underground utility facility, the underground utility facility owner or operator shall contact the excavator prior to the dig start date and time provided on the notice to schedule a date and time for the underground utility facility owner or operator to be present when excavation will occur near the critical underground utility facility. Requires geographic information system data to be provided to the One-Call Notice system. Makes changes in provisions concerning required activities; emergency excavation or demolition; damage or dislocation; liability or financial responsibility; negligence; record of notice and marking of facilities; penalties, liability, and fund; emergency telephone system outages and reimbursement; noncompliance and enforcement action time frames; mandamus or injunction; and home rule. Provides that if any previously unmarked underground utility facility is exposed during excavation or demolition, emergency or nonemergency, the excavator responsible for excavation or demolition operations shall immediately notify the One-Call Notice System. This Bill passed out of committee but was re-referred to the Rules Committee.

HB 2875, (Williams/Ventura) provides that the Illinois Commerce Commission shall initiate a proceeding within 3 months after the effective date of the amendatory Act to support the development of thermal energy networks. Specifies the matters the Commission shall consider in such proceeding. Provides that the Commission shall adopt rules within 2 years after the effective date of the amendatory Act to do specified tasks. Provides procedures for submittal of proposed pilot thermal energy network projects with the Commission. Provides that each gas, electric, or combination gas and utility corporation shall report to the Commission, on a quarterly basis and until completion of the pilot thermal energy network project, the status of each project. Provides that any thermal energy network created shall demonstrate that the gas, electric, or combination gas and electric corporation has entered into a labor peace agreement with a bona fide labor organization of jurisdiction that is actively engaged in representing gas and electric corporation employees. This Bill passed out of the House but did not see a committee vote upon reaching the Senate.

HB 3351, (Walsh/Castro) provides that the projects under the Illinois Solar for All Program shall be subject to the prevailing wage requirements included in the Prevailing Wage Act. Provides that the prevailing wage requirements set forth in the Prevailing Wage Act apply to each Illinois Solar for All Program project for which a project application is submitted to the

program after the effective date of the amendatory Act, except (i) projects that serve single-family or multi-family residential buildings and (ii) projects with an aggregate capacity of less than 100 kilowatts that serve houses of worship. Requires the Illinois Power Agency to verify that all construction performed on a project by the renewable energy credit delivery contract holder, its contractors, or its subcontractors relating to the construction of the facility is performed by workers receiving an amount for that work that is greater than or equal to the general prevailing rate of wages as that term is defined in the Prevailing Wage Act. Authorizes the Illinois Power Agency to adjust renewable energy credit prices to account for increased labor costs. This Bill passed both Houses.

SB 40, (Feigenholtz/Gabel) creates the Electric Vehicle Charging Act. Provides that the Act applies to newly constructed single-family homes and multi-unit residential buildings (rather than new single-family homes and newly constructed or renovated multi-unit residential buildings). Provides that the residential requirements for electric vehicle parking spaces apply to all building permits issued 90 days after the effective date of the Act. This Bill passed both Houses.

SB 76, (Rezin/Yednock) deletes language that provides that no construction shall commence on any new nuclear power plant to be located within the State, and no certificate of public convenience and necessity or other authorization shall be issued therefor by the Illinois Commerce Commission, until the Director of the Environmental Protection Agency finds that the United States Government, through its authorized agency, has identified and approved a demonstrable technology or means for the disposal of high level nuclear waste, or until such construction has been specifically approved by a statute enacted by the General Assembly. This Bill passed both Houses.

SB 1474, (Ventura/Hoffman) provides that the Illinois Power Agency is authorized to oversee the procurement by electric utilities of renewable energy credits from newly modernized or retooled hydropower dams or dams that have been converted to support hydropower generation. Provides that in developing the long-term renewable resources procurement plan: the Agency shall also consider other approaches, in addition to competitive procurements, to procure renewable energy credits from new and existing hydropower facilities to support the development and maintenance of these facilities; and the Agency shall explore options to convert existing dams but shall not consider approaches to develop new dams where they do not already exist. Provides that on and after the effective date of the amendatory Act, for all procurements of renewable energy credits from hydropower facilities, the Agency shall establish contract terms designed to optimize existing hydropower facilities through modernization or retooling and establish new hydropower facilities at existing dams, and that such procurements shall prioritize projects located in designated environmental justice communities or in projects located in units of local government with median incomes that do not exceed 82% of the median income of the State. Provides that the renewable energy access plan developed and adopted by the Illinois Commerce Commission shall make findings and policy recommendations based on analysis regarding the impact of converting nonpowered dams to hydropower dams relative to the alternative renewable energy resources. This Bill passed both Houses.

Further questions relating to energy, please contact Alec Messina at amessina@ilchamber.org

Environment

Illinois House Unanimously Passes Chamber-IERG Permitting Improvement Bill

HB 3017 (Yednock/Villivalam) A joint initiative of the Chamber and IERG, is a bipartisan bill aimed at improving the environmental permitting process. The bill creates an online permit tracking database for environmental permit applicants looking to make a \$20 million or larger investment in the State. This legislation creates user-friendly online tools to help business achieve better communication and customer service between State Agencies and the applicant; track the status of an environmental permit application; and better understand the timeline and process for permit issuance. This legislation encourages the State to have a proceonomic growth mind-set by increasing transparency, accessibility, and interagency coordination for the issuance of environmental permits for large-scale projects. This Bill passed both Houses.

Thermal Power Plant Demolition

HB 3595 (Mah/Villanueva) The Chamber provided testimony in opposition to HB 3595, includes provision on demolition of thermal power plants. This bill repeals Public Act 102-631 signed into law on August 27, 2021, creating a new section on notice of power plant demolition. The bill requires the owner/operator that plans to initiate demolition of a thermal power plant via implosion to obtain an air quality plan including air dispersion modeling, air monitoring, dust mitigation plan, among other onerous requirements. The Chamber opposed this matter in committee. The bill passed the House 63-47-1 but never passed the Senate Energy and Public Utilities Committee. The opponents tried to work with the Sponsor to narrow the bill, but more discussions were needed. This bill is likely to resurface during the fall veto session.

PFAS Reduction Act

<u>HB 3508</u> (Moeller/Fine) The Chamber monitored HB 3508 which originally would have added onerous requirements for Illinois EPA and businesses; however, the bill was reduced to a PFAS firefighting foam take-back program. The bill passed both Houses.

Packaging and Paper Products Stewardship Act

SB 1555 (**Koehler**) Creates the Packaging and Paper Products Stewardship Act. Industry was originally opposed due to the onerous requirements placed on manufacturers of paper products and packaging. This bill originally would have mandated a producer funded recycling program across the state. The bill was later paired down, in an amendment, to require the State to conduct a Statewide Recycling Needs Assessment. The bill language and scope has been paired down significantly since its introduction. This bill passed both Houses.

Environmental Protection Act

SB 1563 (**Morrison**) Senate Bill Amendment 2 amends the Environmental Protection Act to add a new section on Microplastics. Directs the Agency to make publicly available on its website a description of microplastics and their effects on aquatic life and human health; federal and state regulatory actions taken to address microplastics; contact information for an

Agency employee available to address questions on this matter; and additional resources. The Agency must also submit a report to the General Assembly on this matter by October 1, 2024. The bill passed both Houses.

Justice40 Oversight Committee

HB 2487 (Lilly/Belt) Creates the Justice40 Oversight Committee. This bill is aimed to further the interest of the State of Illinoi in Justice40, an initiative to deliver at least 40% of the overall benefits from federal investments in climate and clean energy to disadvantaged communities. This is a duplicative committee as the Illinois EPA has authority to lead the Commission on Environmental Justice. This bill passed both Houses.

Further questions relating to environment, please contact Kelly Thompson at kthompson@ierg.org

Employment Law

The 2023 spring session was like too many of recent years in regard to employment law. Unfortunately, our victories are measured by what we were able to stop or negotiate changes to mitigate and balance new liabilities and regulation on Illinois' employers. The final analysis of this session for employment law is the enactment by the General Assembly of more regulation and ways to punish and sue job creators.

One important issue that we were able to stop was the Attorney General's attempt to expand liability for employers and supervisors under the Illinois Whistleblower Act. We expect additional negotiations over the summer and a revisit of legislation during the fall session.

New Pay Scale & Benefits Posting Requirements

HB 3129 (Canty/Pacione-Zayas) NEUTRAL amends the Equal Pay Act of 2003 to require an employer with 15 or more employees to include the pay scale and benefits for a position in any job posting that will be physically performed, at least in part, in Illinois, or positions that will be physically performed outside of Illinois, but the employee reports to a supervisor, office, or other work site in Illinois. Effective January 1, 2025. Passed both houses. Enrolled Version A number of amendments were negotiated by the Illinois Chamber and other business groups. A more comprehensive analysis will be forthcoming.

New Regulations for Independent Contractors

HB 3301 (Costa-Howard/Halpin) NEUTRAL amends the Unemployment Insurance Act adding to the definition of "employee": "an individual under an independent contractor arrangement". The change is being made to Section 1801.1. Directory of New Hires under the Unemployment Insurance Act. Section 1801.1 requires employers to file with the Illinois Department of Employment Security (IDES) a report within 20 days after the date the employer hires a new employee or, in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions not less than 12 days nor more than 16 days apart. More information on the new hire reporting requirements can be found at the IDES website: New Hire Reporting (illinois.gov) Effective January 1, 2024. This Bill passed both Houses. Enrolled version

HB 1122 (Guzzardi/Pacione-Zayas) NEUTRAL creates the Freelance Worker Protection Act. Except as otherwise provided by law, a freelance worker shall be paid the contracted compensation amount on or before the date the compensation is due under the terms of the contract. If the contract does not specify when the hiring party must pay the contracted compensation or the mechanism by which the date will be determined, compensation shall be due no later than 30 days after the completion of the freelance worker's services under the contract. Once a freelance worker has commenced preparation of the product or performance of the services under the contract, a contracting entity shall not require as a condition of timely payment that the freelance worker accept less compensation than the amount of the contracted compensation. Requires written contracts for services or products provided by a freelance worker. Sets forth the information such written contracts must include. The definition of "freelance worker" does not include an individual performing construction services.

Requires the Illinois Department of Labor (IDOL) to enforce the Act and to make model contracts available on its website for use by the general public at no cost. Prohibits a

contracting entity from taking any action that penalizes a freelance worker for, or is reasonably likely to deter a freelance worker from, exercising or attempting to exercise any right guaranteed under the Act. Subject to appropriation, IDOL may conduct a public awareness campaign regarding the Act that, at a minimum, includes making information available on its website, otherwise informing contracting entities of the provisions of this Act, and establishing a means for assistance by a natural person through phone or email. Requires the Department to submit a report every 5 years to the General Assembly on freelance contracting and payment practices, the number of complaints received by the Department alleging a violation of the Act, and other matters. Requires the Department to publish each report on its website. Authorizes the Attorney General to initiate or intervene in a civil action if the Attorney General has reasonable cause to believe that any person or entity is engaged in a pattern and practice prohibited under the Act. Grants the Director rulemaking authority. Effective July 1, 2024. This Bill passed both Houses. Enrolled version

New & Expanded Liabilities for Employers

HB 1363 (Guzzardi/Villa) NEUTRAL Amends the Gender Violence Act to define "employee", "employer", and "workplace". Changes the definition of "gender-related violence" to also mean domestic violence. Provides that an employer is only liable for gender-related violence committed in the work environment by an employee or agent of the employer. Liability also only extends to gender-related violence that occurs while the employee was directly performing the employee's job duties and the job duties were the proximate cause of the injury, or while an agent of the employer was directly involved in the performance of the contracted work and the contracted work was the proximate cause of the injury. Provides that an employer is liable for gender-related violence if the employer: failed to supervise, train, or monitor the employee who engaged in the gender-related violence; or failed to investigate complaints or reports directly provided to a supervisor, manager, owner, or another person designated by the employer of similar conduct by an employee or agent of the employer and the employer failed to take remedial measures in response to the complaints or reports. Requires an action against an employer for gender-related violence to be commenced within 4 years after the cause of action accrued, except that if the person entitled to bring the action was a minor at the time the cause of action accrued, then within 4 years after the person reaches the age of 18. Provides that no person has the power to waive any provision of the Act as part of a dissolution of marriage agreement, civil union, domestic partnership, or custody agreement. Effective immediately. Passed both houses. Enrolled version The Illinois Chamber negotiated with the sponsors for over a year to narrow the impact on employers.

New State Penalties for Violation of Federal Discrimination Laws

HB 2248 (Cassidy/Peters) OPPOSED creates the Civil Rights Remedies Restoration Act providing that violations of the following federal Acts constitute a violation of the Act: the Rehabilitation Act of 1973; the Patient Protection and Affordable Care Act; the Americans with Disabilities Act of 1990; the Age Discrimination Act of 1975; the Education Amendments of 1972; the Civil Rights Act of 1964; or other federal statutes prohibiting discrimination under a program or activity receiving federal financial assistance. Whoever injures another by a violation of the Act is liable for each and every offense for all remedies available at law, including, but not limited to various damages in an amount no less than \$4,000, and attorney's fees, costs, and expenses. Allows a court to grant as relief any permanent or preliminary negative or mandatory injunction, temporary restraining order, order of declaratory judgment, or other relief. Allows claims for a violation of the Act to be filed in any court of competent

jurisdiction. Provides that nothing limits any enforcement authority under the Illinois Human Rights Act. Provides that the State waives sovereign and Eleventh Amendment immunity for any violation of the Act. Effective immediately. Passed both houses. **Enrolled Version** The Illinois Chamber has asked the sponsors to provide for a trailer bill that clarifies the new law will not apply to employment-related matters.

Punitive Damages Being Added to Wrongful Death

HB 219 (Hoffman/Harmon) OPPOSED amends the Wrongful Death Act to allow recovery of punitive damages. Punitive damages are not available in actions against: (i) the State or an employee of the State in his or her official capacity; (ii) a unit of local government or an employee of a unit of local government in his or her official capacity, or (iii) healing art malpractice or legal malpractice. Effective immediately. This Bill passed both Houses. Enrolled version

Mandated Benefits...New & Expanded

SB 2034 (Villa/West) NEUTRAL creates the Child Extended Bereavement Leave **Act** also known as Zachary's Parent Protection Act. An employee of a large employer that employs 250 or more full-time employees is entitled to use a maximum of 12 weeks of unpaid leave if the employee experiences the loss of a child by suicide or homicide. An employee of a small employer that employs at least 50 but fewer than 250 full-time employees is entitled to use a maximum of 6 weeks of unpaid leave if the employee experiences the loss of a child by suicide or homicide. Leave may be taken in a single continuous period or intermittently in increments of no less than 4 hours, but leave must be completed within one year after the employee notifies the employer of the loss. Permits an employer to require reasonable advance notice of the employee's intention to leave and reasonable documentation. An employee who takes leave is entitled to be restored to the position of employment held by the employee when the leave commenced or to be restored to an equivalent position. Nothing shall be construed to entitle any restored employee the accrual of any seniority or employment benefits during any period of leave. The Act does not extend the maximum period of leave to which an employee is entitled under the federal Family and Medical Leave Act of 1993 or under any other paid or unpaid leave provided under federal, State or local law, a collective bargaining agreement, or an employment benefits program or plan. Prohibits an employer from taking any adverse action against an employee who exercises his or her rights under the Act. A person who uses leave under either the Child Bereavement Leave Act or the Child Extended Bereavement Leave Act may not take leave under the other Act. Requires the Illinois Department of Labor to enforce the Act. Effective January 1, 2024. This Bill passed both Houses. Enrolled version

HB 2493 (Ortiz/Peters) NEUTRAL amends the Victims' Economic Security and Safety Act to allow an employee to take unpaid leave from work for specified reasons relating to a family or household member who is killed in a crime of violence. An employee is entitled to a total of not more than 2 workweeks of unpaid leave for specified reasons relating to a family or household member who is killed in a crime of violence, which must be completed within 60 days after the date on which the employee receives notice of the death of the victim. An employee may satisfy the certification requirement by providing an employer with a death certificate, published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or government agency, documenting that a victim was killed in a crime of violence. Effective January 1, 2024. This Bill passed both Houses. Enrolled version

HB 3516 (Syed/Villivalam) NEUTRAL amends the Employee Blood Donation Leave Act changing the name of the Act to the Employee Blood and Organ Donation Leave Act. Allows an employee to use up to 10 days of paid leave in any 12-month period to serve as an organ donor. Effective January 1, 2024. This Bill passed both Houses. Enrolled version

HB 2068 (Mah/Villivalam) OPPOSED creates the Transportation Benefits

Program Act which requires employers to provide a program that allows a covered employee to elect to exclude from taxable wages and compensation the employee's commuting costs incurred for the purchase of a transit pass to use public transit or for the purchase of qualified parking, up to a maximum level allowed by federal tax law. A "covered employer" includes an employer that employs 50 or more covered employees in Cook County and certain designated townships in the collar counties and at an address that is located within one mile of regularly scheduled transit service. Effective January 1, 2024. This Bill passed both Houses. Enrolled version

SB 1515 (Cervantes/ Delgado) NEUTRAL amends the Right to Privacy in the Workplace Act restricting the use of employment eligibility systems. If an employer receives notification from the Social Security Administration of a discrepancy between an employee's name or social security number and the Social Security Administration's records and the employer takes any adverse action against the employee, an employer must provide the employee with specified information and grant the employee no less than 30 days of unpaid leave to correct any verification discrepancy.

Also, if an employer receives a notification of a discrepancy from any federal or State agency, including, but not limited to, the Social Security Administration or Internal Revenue Service, the employee may choose which work authorization documents to present to the employer during the verification or re-verification process and choose to be represented by counsel or represent his of herself in any meetings, discussions, or proceedings with the employer.

If the discrepancy has been remedied, the employer must:

(1) return the employee to his or her former position, without loss of seniority, compensation rate or salary, or benefits; and (2) not consider the discrepancy in future promotion decisions or continued employment considerations. Effective January 1, 2024. This Bill passed both Houses. Enrolled version

Changes to Illinois Employment Laws

<u>HB 3733</u> (Olickal/Villivalam) NEUTRAL amends the Personnel Record Review Act to require an employer, upon the employee's written request, email or mail a copy of a requested record to the employee.

Amends the Minimum Wage Law, the Equal Pay Act of 2003, the Illinois Wage Payment and Collection Act, and the Day and Temporary Labor Services Act regarding remote workers. Requires an employer with employees who do not regularly report to a physical workplace, such as employees who work remotely or travel for work, shall provide specified information by email to its employees or conspicuous posting on the employer's website or intranet site, if such site is regularly used by the employer to communicate work-related information to employees and is able to be regularly accessed by all employees, freely and without interference.

Also **amends the Equal Pay Act of 2003** eliminating the requirement that an employer file its annual Employer Information Report EEO-1 with the Director of Labor. For the Equal Pay Compliance Statement indicating compliance that the average compensation for its female and minority employees is not consistently below the average compensation, the definition of "compensation" changed. The use of average compensation from "as determined by rule by the USDOL" is now "remuneration or compensation an employee receives in return for services rendered to an employer, including hourly wages, overtime wages, commissions, piece rate work, salary, bonuses, or any other basis of calculation for services performed". Effective January 1, 2024. This Bill passed both Houses. **Enrolled version**

Labor Dispute Act. <u>HB 2907</u> (Yednock/Villivalam) OPPOSED Provides that no award of monetary damages, except for damage done to an employer's property as a result of conduct prohibited by law, shall be granted by any court of this State in any case involving a labor dispute. Effective January 1, 2024, This Bill passed both Houses. <u>Enrolled version</u>

HB 3396 (Yednock/Villivalam) OPPOSED Provides that a person who, with the intent of interfering with, obstructing, or impeding a picket or other demonstration or protest, places any object in the public way commits a Class A misdemeanor with a minimum fine of \$500. Effective January 1, 2024, This Bill passed both Houses. Enrolled version

HB 3135 (A. Williams/Fine) NEUTRAL amends the Illinois Human Rights Act to allow the Department of Human Rights (IDHR) to intervene as a party in the proceeding if the Human Rights Commission determines that: IDHR has an interest different from one or more of the parties; the expertise of IDHR makes it better suited to articulate a particular point of view; or the representation of IDHR's interest by existing parties is or may be inadequate and IDHR will or may be bound by an order or judgment in the action. If IDHR certifies that the case is of general public importance, the Attorney General may seek to intervene on behalf of IDHR in a civil action filed by a complainant in State or federal court.

Requires, in various situations, a complainant to notify IDHR that a complaint has been filed by serving a copy of the complaint on the IDHR chief legal counsel within 21 days from the date that the complaint is filed in circuit court. A petition for temporary relief shall contain a certification by the IDHR Director that the particular matter warrants temporary relief. The filing of a petition for temporary relief does not affect the initiation or continuation of other specified administrative proceedings. Removes language providing that when a petition for temporary relief is based upon a civil rights violation, the relief or restraining order shall not exceed 5 days. Proceedings on requests for review shall toll the time limitation from the date on which IDHR's notice of dismissal or default is issued until 30 days after (rather than issued to) the date on which the Human Rights Commission's order is served on the IDHR chief legal counsel. Effective January 1, 2024. This Bill passed both Houses. Enrolled version

HB 2829 (Delgado/Villivalam) NEUTRAL amends the Illinois Human Rights Commission Article of the Illinois Human Rights Act. Removes language providing that: the Governor shall appoint a special temporary panel of commissioners. Requires the Commission to appoint at the expense of the Commission a qualified interpreter whenever a hearing-impaired individual or an individual who lacks proficiency in the English language is a party or witness in proceedings before the Commission. Effective January 1, 2024. This Bill passed both Houses. Enrolled version

HB 2145 (Evans/N. Harris) NEUTRAL requires certain license revocation for failure of an employer to be covered or self-insured for workers' compensation.

Amends the Department of Professional Regulation Law, the Asbestos Abatement Act, the Lead Poisoning Prevention Act, and the Illinois Plumbing License Law requiring the Department of Financial and Professional Regulation (DFPR) to refuse the issuance or renewal of a license to, or suspend or revoke the license of, any individual, corporation, partnership, or other business entity that has been found by the Workers' Compensation Commission or the Department of Insurance to have failed to secure workers' compensation obligations in the manner required by the Workers' Compensation Act, to pay in full a fine or penalty imposed due to a failure to secure workers' compensation obligations in the manner required by the Workers' Compensation Act, or to fulfill all obligations assumed pursuant to a settlement reached with the Workers' Compensation Commission or the Department of Insurance relating to a failure to secure workers' compensation obligations in the manner required by the Workers' Compensation Act. In various provisions concerning licensing, provides that no license shall be suspended or revoked until after the licensee is afforded any due process protection guaranteed by statute or rule adopted by the Workers' Compensation Commission or the Department of Insurance. Effective January 1, 2024. This Bill passed both Houses. **Enrolled version**

HB 2862 (Gonzalez/Peters) OPPOSED amends the Day and Temporary Labor

Services Act. No day and temporary labor service agency may send a day or temporary laborer to a place where a strike, a lockout, or other labor trouble exists without providing, at or before the time of dispatch, a statement, in writing and in a language that the day and temporary laborer understands, informing the day or temporary laborer of the labor dispute and the day or temporary laborer's right to refuse the assignment without prejudice to receiving another assignment. A day or temporary laborer who is assigned to work at a third party client for more than 60 calendar days shall be paid not less than the rate of pay and equivalent benefits as the lowest paid directly hired employee of the third party client with the same level of seniority at the company and performing the same or substantially similar work on jobs the performance of which requires substantially similar skill, effort, and responsibility, and that are performed under similar working conditions. Upon a reasonable belief that a day and temporary labor service agency or a third-party client is in violation of any part of the Act, an interested party may initiate a civil action in the county where the alleged offenses occurred or where any party to the action resides. Before the assignment of an employee to a worksite employer, a day and temporary labor service agency must: (i) inquire about the client company's safety and health practices and hazards at the actual workplace where the day or temporary laborer will be working; (ii) provide training to the day or temporary laborer for general awareness safety training for recognized industry hazards the day or temporary laborer may encounter at the client company's worksite; (iii) transmit a general description of the training program; (iv) provide the Department of Labor's hotline number for the employee to call to report safety hazards and concerns as part of the employment materials provided to the day or temporary laborer; and (v) inform the day or temporary laborer who the day or temporary laborer should report safety concerns to at the workplace. Effective July 1, 2023. This Bill passed both Houses. Enrolled version

HB 3448 (Evans/Castro) NEUTRAL amends the Illinois Wage Payment and Collection Act. Requires construction contractors and subcontractors to post and keep posted, in one or more conspicuous places accessible to all laborers, workers, and mechanics at a job site, a notice, to be made available by the Director of Labor, summarizing specified requirements under the Act and information pertaining to the filing of a complaint. One copy

of the notice at a job site shall satisfy the notice requirement. The Director shall provide copies of summaries and rules to construction contractors and subcontractors upon request without charge. Any construction contractor or subcontractor who fails to provide notice as required shall be subject to a civil penalty, not to exceed \$250, payable to the Department of Labor. Effective July 1, 2023. This Bill passed both Houses. Enrolled version

Prevailing Wage Expansions & Changes

HB 3351 (Walsh/Castro) amends the Illinois Power Agency Act to require projects under the Illinois Solar for All Program to be subject to the prevailing wage requirements of the Prevailing Wage Act. The Illinois Power Agency shall require verification that all construction performed on the project is performed by workers receiving an amount for that work equal to or greater than the general prevailing rate, as that term is defined in the Prevailing Wage Act. All projects, with the exception of residential houses and houses of worship, shall be classified as public works similar to the applicable projects falling under the Adjustable Block program are classified. This Bill passed both Houses.

The prevailing wage requirements apply to each Illinois Solar for All Program project for which a project application is submitted to the program after the effective date of the amendatory Act, except (i) projects that serve single-family or multi-family residential buildings and (ii) projects with an aggregate capacity of less than 100 kilowatts that serve houses of worship. Requires the Illinois Power Agency to verify that all construction performed on a project by the renewable energy credit delivery contract holder, its contractors, or its subcontractors relating to the construction of the facility is performed by workers receiving an amount for that work that is greater than or equal to the general prevailing rate of wages as that term is defined in the Prevailing Wage Act. Authorizes the Illinois Power Agency to adjust renewable energy credit prices to account for increased labor costs. Effective immediately. This Bill passed both Houses. Enrolled version

HB 3491 (Hanson/Preston) NEUTRAL amends the Prevailing Wage Act. Any laborer, worker, or mechanic who is employed by the contractor or by any lower tier sub-contractor and is paid for services in a sum less than the prevailing wage rates for work performed on a project shall have a right of action for whatever difference there may be between the amount so paid and the prevailing rates required to be paid for work performed on the project. Effective January 1, 2024. This Bill passed both Houses. Enrolled version

HB 3400 (Guzzardi/Hunter) SUPPORT amends the Prevailing Wage Act to require the Department of Labor to report quarterly, rather than annually, to the General Assembly and the Governor the number of people employed on public works in the State during the preceding 3 months. This report shall include the total number of people employed on each public works project during the preceding 3 months. The report shall identify every public works project in the State by project name and contractor name and include the demographics of the workers on the project by percentage, including gender, race, and ethnicity, broken down by the following categories: (i) type of trade; (ii) whether the worker is a journey worker or apprentice; and (iii) total work hours performed. Effective January 1, 2024. This Bill passed both Houses. Enrolled version

HB 2845 (Vella/ Cappel) OPPOSED amends the Prevailing Wage Act to add the removal, hauling, and transportation of biosolids, lime sludge, and lime residue from a water treatment plant or facility and the disposal of biosolids, lime sludge, and lime residue

removed from a water treatment plant or facility at a landfill. Effective January 1, 2024. This Bill passed both Houses. Enrolled version

<u>HB 3370</u> (Vella/Castro) OPPOSED amends the Prevailing Wage Act to add power washing projects by a public body or paid for wholly or in part out of public funds. Effective January 1, 2024. This Bill passed both Houses. <u>Enrolled version</u>

HB 3792 (Walsh/Stadelman) OPPOSED amends the Prevailing Wage Act to add all construction projects involving fixtures or permanent attachments affixed to light poles that are owned by a public body, including street light poles, traffic light poles, and other lighting fixtures, whether or not done under public supervision or direction, or paid for wholly or in part out of public funds. Effective immediately. This Bill passed both Houses. Enrolled version

Further Questions please contact Aaron Harris at adharris@michaelbeststrategies.com

Healthcare

Rate Review (Almost) the Law in Illinois

<u>HB 2296</u> provides for rate review for health insurance in Illinois. Beginning before or on May 1, 2026, and each May 1 thereafter, the Department of Insurance shall report to the Governor and the General Assembly on health insurance coverage, affordability, and cost trends.

In a win for the insurance community, any forms and rates filed for large employer group accident and health insurance shall be automatically deemed approved after 90 days after filing. Beginning plan year 2026, rate increases for all individual and small group accident and health insurance policies must be filed with the Department for approval. So-called unreasonable rate increases, or inadequate rates shall be modified or disapproved.

Beginning plan year 2025, the Department shall post all insurers' rate filings and summaries on the Department's website. The Department shall open a 30-day public comment period on the date that a rate filing is posted on the website. After the close of the public comment period, the Department shall issue a decision to approve, disapprove, or modify a rate filing within 60 days, and post the decision on the Department's website.

Senator Fine pushed very hard for this bill. Frankly, we have real doubts about the Department's ability to find and hire adequate staff to implement this and I fear their cost estimates are woefully short. For this reason, the insertion of the automatic approval was critically important. It will be interesting to watch whether this language creates a political issue as the minority party will likely be quick to blame the majority for any future increases to voters' premiums.

Note that the annual Budget Implementation Bill (known as the bill) provides for up to \$10 million annually from the Insurance Producer Administration Fund to administer the exchange.

Illinois Will Operate its own State Based Healthcare Exchange

The Department of Insurance shall operate the Illinois Health Benefits Exchange as a State-based exchange using the federal platform by plan year 2025 and as a State-based exchange by plan year 2026. The Director of Insurance may elect to add a small business health options program to the Illinois Health Benefits Exchange. Provides that the General Assembly shall appropriate funds to establish the Illinois Health Benefits Exchange. Issuers must remit an assessment in monthly installments to the Department. Through the adoption of rules, the Director of Insurance may require that plans offered on the exchange conform with standardized plan designs.

Note that the assessment rate was lowered in the Senate by a half point to 3.5% from 4% as it passed the House. **HB** 579 (Gabel/ Gillespie) was sent to the Governor for his signature.

Hospitals

HB 2519 (Stuart/Murphy) requires hospitals licensed under the Act to provide information and instructional materials regarding the option to voluntarily donate milk to nonprofit milk

banks that are accredited by the Human Milk Banking Association of North America. Provides that the information and instructional materials shall be provided to the parents of each newborn upon discharge from the hospital after the newborn's birth. This Bill passed both Houses.

HB 2609 (Davis) creates the Hospital Price Transparency Act. Provides that, notwithstanding any other provision of law, a facility (a hospital licensed under the Hospital Licensing Act, organized under the University of Illinois Hospital Act, or licensed under the Ambulatory Surgical Treatment Center Act) must make specified information public. Requires facilities to maintain lists of standard charges and shoppable services and ensure that the lists are available at all times to the public. This Bill did not see a vote and was re-referred to the Rules Committee.

HB 2719 (Avelar/Peters) amends the Fair Patient Billing Act. It mandates that a hospital shall screen each uninsured patient for eligibility in State and federal health insurance programs, financial assistance offered by the hospital, and other public programs that may assist with health care costs and provide information about those programs. This Bill passed both Houses.

HB 2996 (Meier/Plummer) amends the Hospital District Law to allow each director of a hospital district to be reimbursed for reasonable expenses incurred in connection with the director's duties. This Bill passed the House with a unanimous vote, and was referred to Assignments in the Senate.

HB 3030 (**Morgan/Morrison**) amends the Illinois Insurance Code. In provisions concerning billing for services provided by nonparticipating providers or facilities, provides that if attempts to negotiate reimbursement for services provided by a nonparticipating provider do not result in a resolution of the payment dispute within 30 days after receipt of written explanation of benefits by the health insurance issuer, then the health insurance issuer, nonparticipating provider, or the facility may initiate binding arbitration to determine payment for services provided on a per-bill or a batched-bill basis (instead of only a per-bill basis). **This Bill passed both Houses**.

<u>HB 3338</u> (Mah) creates the "Safe Patient Limits Act. The bill sets up nurse staffing ratios. The Illinois Chamber of Commerce opposes this bill as a legislative overreach best left up to hospital administrators and their staffs. This Bill did not see a vote and was rereferred to Rules Committee.

HB 3452 (Avelar) Opposed by the Chamber. Amends the Consumer Fraud and Deceptive Business Practices Act. Provides that it is an unlawful practice under the Act for a person to report to a consumer reporting agency any medical debt incurred by a consumer or any collection action against the consumer to collect that medical debt. This Bill did not see a vote and was re-referred to Rules Committee.

HB 3783 (Crespo) amends the Illinois Wage Payment and Collection Act. Provides that each workday a nurse is required to report for work, based upon a previously approved and distributed work schedule, and either (1) does report, but is not put to work, or (2) was directed to not report, the nurse shall be paid for half the usual or scheduled day's work at the nurse's regular rate of pay, which shall not be less than the minimum wage. Provides that the requirement applies to nurses who are directed not to report to work and to nurses engaged in

telemedicine. Provides that the report-to-work requirement is to be based upon an approved and distributed work schedule. Effective January 1, 2024. This Bill did not see a vote and was re-referred to Rules Committee.

HB 3890 (Crespo/Morrison) amends the Hospital Licensing Act. The Department of Public Health shall require a hospital licensed under the Act to annually notify the hospital staff of the staffs' rights under the Nurse Staffing Improvement Act. The notification shall provide a phone number and an email for staff to report noncompliance of the staffs' rights as described in the Nurse Staffing Improvement Act. Further, notification should be provided via email and the United States Postal Service. The Department shall monitor and enforce the notification requirements. This Bill passed both Houses.

HB 3955 (Lilly/Hunter) provides that, notwithstanding any provision of law to the contrary, hospitals organized or licensed under the Acts, in accordance with specified federal law, shall not delay provisions of a required appropriate medical screening examination or further medical examination and treatment for a patient in a hospital's emergency room in order to inquire about the individual's method of payment or insurance status. This Bill passed both Houses.

SB 69 (Fine/Stava-Murray) requires every hospital to adopt an influenza and pneumococcal immunization policy that includes procedures for identifying patients age 50 or older for influenza immunization and 65 or older for pneumococcal immunization (rather than just for identifying patients age 65 or older). This Bill passed both Houses.

SB 1665 (Pacione-Zayas/Moeller) for purposes of determining eligibility and the amount of assistance under the Code, the Department of Human Services and local governmental units shall exclude from consideration any financial assistance, including cash transfers or gifts, that is provided to a person through a guaranteed income program (rather than the Department of Human Services and local governmental units shall exclude from consideration, for a period of no more than 60 months, any financial assistance, including wages, cash transfers, or gifts, that is provided to a person who is enrolled in a program or research project that is not funded with general revenue funds and that is intended to investigate the impacts of policies or programs designed to reduce poverty, promote social mobility, or increase financial stability for Illinois residents if there is an explicit plan to collect data and evaluate the program or initiative that is developed prior to participants in the study being enrolled in the program and if a research team has been identified to oversee the evaluation). Additionally in determining eligibility under this Act, a hospital subject to the Act shall exclude from consideration any unconditional cash transfers, payments, or gifts received under a guaranteed income program if: (A) such cash transfers, payments, or gifts are excluded from consideration for determining eligibility under public health insurance programs administered by the State in which the State has the authority to waive guaranteed income; and (B) the guaranteed income program is a program for a defined number of months or years designed to reduce poverty, promote social mobility, or increase financial stability for program participants and if there is an explicit plan to collect data. This Bill passed both Houses with a final vote of 38-18-0.

SB 2080 (Peters) amends the Fair Patient Billing Act. Requires hospitals to screen patients for health insurance and financial assistance. Prohibits the sale of a patient's medical debt by a hospital. Prohibits hospitals from offering a payment plan to an uninsured patient without first exhausting any discount available to the uninsured patient under the Hospital Uninsured Patient Discount Act and from entering into a payment plan for a bill that is eligible to be

discounted by 100% under the Hospital Uninsured Patient Discount Act. This Bill did not see a vote and was re-referred to Assignments.

Insurance

HB 1186 (Croke/Fine) Support the powers of a health maintenance organization include the voluntary use of a referral system for enrollees to access providers under contract with or employed by the health maintenance organization. Provides that the provisions shall not be construed as requiring the use of a referral system to obtain a certificate of authority. This Bill passed both Houses.

HB 1384 (Cassidy/Cappel) Neutral provides that a managed care plan that is amended, delivered, issued, or renewed on or after January 1, 2025 may not deny coverage for medically necessary reconstructive services that are intended to restore physical appearance. This Bill passed both Houses.

HB 1565 (Stuart/Cappel) Insurance mandate for vaginal estrogen. This Bill passed both Houses.

<u>HB 2070</u> (Gong-Gershowitz)- Dental Loss Ratio Act. The Chamber opposes as this bill is not reflective of the workings of dental insurance and will increase premiums for payors. This Bill did not see a vote and was re-referred to Rules Committee.

<u>HB 2072</u> (Gong-Gershowitz/Fine) specifies that no dental carrier may automatically enroll a provider in a leased network without allowing any provider that is part of the dental carrier's provider network to choose to not participate by opting out. This Bill passed both Houses.

HB 2292 (Lilly) in a provision concerning the \$630 per diem rate to be paid to safety nethospitals for inpatient psychiatric services on and after January 1, 2021, removes language making the payment rate subject to appropriation. Effective July 1, 2021. This Bill did not see a vote and was re-referred to Rules Committee.

<u>HB 2350</u> (Cassidy/Pacione-Zayas) is an insurance mandate for pap tests and prostate cancer screenings for all insured (rather than by gender). This Bill passed both Houses with a final vote of 37-17-0.

HB 2385 (Nichols) insurance mandate requiring a group or individual policy of accident and health insurance or managed care plan amended, delivered, issued, or renewed on or after January 1, 2024 shall provide coverage for a colonoscopy determined to be medically necessary for persons aged 39 years old to 75 years old. This Bill did not see a vote and was re-referred to Rules Committee.

HB 2301 (Scherer) mandates ground ambulance services are subject to provisions concerning billing for emergency services and nonparticipating providers. Changes the definition of "health care provider" to include ground ambulance services. This Bill did not see a vote and was referred to Rules Committee.

HB 2428 (Lilly) requires the Department of Healthcare and Family Services to ensure that patients experiencing opioid-related overdose or withdrawal are admitted on inpatient status, rather than observation status, for at least 48 hours from the time of admittance to a safety-net

hospital. Prohibits managed care organizations from denying inpatient coverage to safety-net hospitals for patients presenting with opioid overdose or withdrawal diagnosis for at least 48 hours from the time of admittance. This Bill did not see a vote and was re-referred to Rules Committee.

HB 2443 (Chung/Koehler) an individual or group policy of accident and health insurance or managed care plan that is amended, delivered, issued, or renewed after the effective date of the amendatory Act must provide coverage for medically necessary hearing instruments and related services for all individuals (rather than all individuals under the age of 18) when a hearing care professional prescribes a hearing instrument to augment communication. This Bill passed both Houses.

HB 2472 (Morgan) Insurance adverse determination appeals. This Bill did not see a vote and was re-referred to Rules Committee.

HB 2799, **(Hammond/Koehler)** another insurance mandate, this time for proton beam therapy with the same standards as used for any other radiation therapy. This Bill passed both Houses.

HB 2847 (LaPointe/Fine) a group or individual policy of accident and health insurance or a managed care plan that is amended, delivered, issued, or renewed on or after January 1, 2025 shall cover all medically necessary out-of-network mental health visits, treatment, and services provided by a mental health provider or facility. This Bill passed both Houses.

HB 3183 (Weber) an individual or group policy of accident and health insurance that is amended, delivered, issued, or renewed on or after January 1, 2025 shall cover a medically necessary coronary calcium scan and scoring every 24 months for individuals over the age of 40. This Bill did not see a vote and was referred to Rules Committee.

HB 3202 (Sanalitro/Lewis) mandates that an individual or group policy of accident and health insurance that is amended, delivered, issued, or renewed on or after January 1, 2025 shall cover a medically necessary home saliva cancer screening every 24 months if the patient is asymptomatic and at high risk for the disease being tested for or demonstrates symptoms of the disease being tested for at a physical exam. This Bill passed both Houses.

HB 3229 (LaPointe) requires an insurance policy to provide coverage for medically necessary treatments for genetic, rare, unknown or unnamed, and unique conditions, including Ehlers-Danlos syndrome and altered drug metabolism. This Bill did not see a vote and was referred to Rules Committee.

HB 3251 (Rita) no health insurer may charge a patient out-of-network rates for neonatal care at any hospital. This Bill did not see a vote and was re-referred to Rules Committee.

HB 3639 (**Mason/Halpin**) creates an insurance mandate for an insurer that provides coverage for medically necessary epinephrine injectors shall limit the total amount that an insured is required to pay for a twin-pack of medically necessary epinephrine injectors at an amount not to exceed \$60, regardless of the type of epinephrine injector. This Bill passed both Houses.

HB 3809 (DeLuca/Joyce) a group or individual policy of accident and health insurance amended, delivered, issued, or renewed on or after the effective date of the amendatory Act shall provide coverage for therapy, diagnostic testing, and equipment necessary to increase quality of life for children who have been clinically or genetically diagnosed with any disease, syndrome, or disorder that includes low tone neuromuscular impairment, neurological impairment, or cognitive impairment. Provides that the coverage shall include 315 combined therapy sessions per year. This Bill passed both Houses.

HB 3920 (Meyers-Martin) A group or individual policy of accident and health insurance or a managed care plan shall provide coverage for cranial prostheses when prescribed as part of a course of rehabilitative treatment by a physician licensed to practice medicine in all of its branches. This Bill did not see a vote and was re-referred to Rules Committee.

SB 101, (Fine/Gong-Gershowitz) this bill provides that no group or individual policy of accident and health insurance or managed care plan shall deny or delay coverage for medically necessary treatment because the insured, enrollee, or beneficiary previously received any treatment, including the same or similar treatment, for pediatric autoimmune neuropsychiatric disorders associated with streptococcal infections or pediatric acute onset neuropsychiatric syndrome, or because the insured, enrollee, or beneficiary has been diagnosed with or receives treatment for an otherwise diagnosed condition. The Illinois Chamber was neutral on this bill. These provisions were worked out in Veto Session, but the clock ran out before passage. This Bill passed both Houses.

SB 130 **(Fine)** the powers of a health maintenance organization include the voluntary use of a referral system for enrollees to access providers under contract with or employed by the health maintenance organization. Provides that the provisions shall not be construed as requiring the use of a referral system to obtain a certificate of authority. Changes the definition of "health care plan". Defines "referral system". Effective January 1, 2024. **The Chamber supported this language. Identical language was sent to the Governor with HB** 1186. This Bill saw a committee vote, but was referred to Assignments.

SB 1282 (**Simmons/Huynh**) another mandate requiring a group or individual policy of accident and health insurance or a managed care plan that is amended, delivered, issued, or renewed on or after January 1, 2025 shall provide coverage for preventative liver disease screenings for individuals 35 years of age or older and under the age of 65 at high risk for liver disease, including liver ultrasounds and alpha-fetoprotein blood tests every 6 months, without imposing a deductible, coinsurance, copayment, or any other cost-sharing requirement on the coverage provided. This Bill passed both Houses with a final vote of 75-26-0.

SB 1289, **(Fine/Gong-Gershowitz)** no insurer, dental service plan corporation, professional service corporation, insurance network leasing company, or any company that amends, delivers, issues, or renews an individual or group policy of accident and health insurance on or after the effective date of the amendatory Act shall require a dental care provider to incur a fee to access and obtain payment or reimbursement for services provided. Provides that a dental plan carrier shall provide a dental care provider with 100% of the contracted amount of the payment or reimbursement. This Bill was held on calendar order of second reading.

SB 1568 (Morrison/Morgan) directs the Department of Insurance to collect specified information concerning disability insurance plans and limitations on mental health and

substance use disorder benefits. Provides that the Department shall present its findings regarding information collected under the provisions to the General Assembly no later than April 30, 2024. This Bill passed both Houses.

SB 2195 (Gillespie/Guzzardi) is an insurance mandate for orthotic devices. that with respect to an enrollee at any age, in addition to coverage of a prosthetic or custom orthotic device, benefits shall be provided for a prosthetic or custom orthotic device determined by the enrollee's provider to be the most appropriate model that is medically necessary for the enrollee to perform physical activities, as applicable, such as running, biking, swimming, and lifting weights, and to maximize the enrollee's whole body health and strengthen the lower and upper limb function. This Bill passed both Houses.

Licensing

HB 559 (Morgan/Hilton) bill provides that any person who was issued a temporary out-of-state permit or temporary reinstatement permit by the Department of Financial and Professional Regulation in response to the COVID-19 pandemic may continue to practice under his or her temporary out-of-state permit if he or she submits an application for licensure by endorsement to the Department on or before May 11, 2023. This Bill passed both Houses and was approved by the Governor.

HB 2238 (Hernandez/Ellman) This bill provides for the certification and designation of Thrombectomy Capable Stroke Centers, Thrombectomy Ready Stroke Centers, and Primary Stroke Centers Plus and makes conforming changes throughout the Act. This Bill passed both Houses.

HB 2267 (Stuart/Cunningham) allows, without the supervision of a dentist, a dental hygienist may perform dental health education functions, including instruction in proper oral health care and dental hygiene in, for example, a school setting, a long-term care facility, and a health fair (rather than just either a school setting and a long-term care facility). A dental hygienist may record case (rather than care) histories and oral conditions. Finally, a dentist may enter into an agreement for public health supervision with 4 (rather than 2) public health dental hygienists. This Bill passed both Houses.

HB 2895 (Moeller) a certified registered nurse anesthetist providing anesthesia services outside the hospital, ambulatory surgical treatment center, or hospital affiliate shall enter into a written collaborative agreement with a physician, podiatric physician, or dentist. Removes provisions providing that a certified registered nurse anesthetist, an anesthesiologist, a physician, a dentist, or a podiatric physician must participate through discussion of an agreement with the anesthesia plan and remain physically present and available on the premises during the delivery of anesthesia services. This Bill did not see a vote and was rereferred to Rules Committee.

SB 48 (Syverson) in a provision concerning vendor enrollment in the medical assistance program, provides that nothing in the provision shall be construed to require a vendor or provider who exclusively offers telehealth services or any telehealth provider group to maintain a physical address or office in Illinois or have an Illinois mailing address in order to be eligible to enroll as a vendor or provider in the medical assistance program, if the vendor, provider, or telehealth provider group is licensed or authorized to practice in Illinois and has a principal

place of business located in the United States. This Bill did not see a vote and was re-referred to Assignments.

SB 199 (Feigenholtz/Williams) increases the scope of practice of an advanced practice registered nurse with full practice authority includes prescribing up to a 120-day supply of benzodiazepines without a consultation relationship with a physician. Provides that thereafter, continued prescription of benzodiazepines shall require a consultation with a physician. This Bill passed both Houses.

SB 218 (Gillespie/Collins) provides that any physician assistant required to enter into a written collaborative agreement with a collaborating physician is authorized to continue to practice for up to 90 days after the termination of a written collaborative agreement, provided the physician assistant seeks any necessary collaboration at a local hospital and refers patients who require services beyond the training and experience of the physician assistant to a physician or other health care provider. Provides that physicians and physician assistants who work in a federally qualified health center are exempt from specified collaborative ratio restriction requirements. Adds physician assistants providing services in federally qualified health centers to provisions that authorize certain physician assistants to provide services without a written collaborative agreement and to prescribe certain controlled substances. This Bill passed both Houses.

SB 303 (Morrison/Morgan) amends the Pharmacy Practice Act. In provisions concerning how pharmacy technicians may be educated and trained, includes equivalent work experience of 500 hours as a pharmacy technician covering specified practice areas or equivalent work experience as a pharmacy technician as set forth by the Department of Financial and Professional Regulation by rule. This Bill passed both Houses.

SB 759 (Morrison/Mah) provides that a podiatric physician may provide vaccinations to patients 18 years of age and older upon completion of appropriate training. Provides that vaccinations administered by a podiatric physician shall be limited to influenza (inactivated influenza vaccine and live attenuated influenza intranasal vaccine), tetanus, and SARS-CoV-2. Requires the podiatric physician to notify the patient's primary care physician of each dose of vaccine administered to the patient and enter all patient level data or update the patient's current record. This Bill passed both Houses.

Nursing

HB 1615 (Hirschauer/Villa) This bill provides that a primary goal of the Illinois Nursing Workforce Center is to develop a strategic plan for nursing workforce in the State by selecting priorities to be addressed, including: (1) for license renewals beginning in 2024 and each renewal thereafter, to develop and require the completion of a supply survey of all licensed nurses at initial licensure and each license renewal thereafter; and (2) no later than 2026, to develop a nurse demand and employer survey to be collected biennially. Adds 2 members to the Illinois Nursing Workforce Center Advisory Board representing a labor organization recognized under the National Labor Relations Act that represents active registered professional nurses licensed by the Department of Financial and Professional Regulation. This Bill passed both Houses.

HB 2509 (Delgado/Harmon) The Illinois Chamber supports this bill which amends the Nurse Practice Act. Provides that an applicant who graduates from a

professional nursing program in the State on or after the effective date of the amendatory Act and does not take the licensure examination within 180 days after his or her degree is conferred by the institution of higher education or fails the licensure examination for a second time shall be required to demonstrate proof of completion of a National Council Licensure Examination preparatory class or a comparable examination preparatory program before taking a subsequent licensure examination or the graduate may return to the institution of higher education from which he or she graduated which shall provide remedial educational resources to the graduate at no cost to the graduate. Provides that such an applicant must contact the institution of higher education from which he or she graduated prior to retesting. Provides that such an applicant shall contact the institution of higher education from which he or she graduated prior to retesting. Provides that prior to September 1, 2026, no professional nursing program shall be placed on probationary status for failing to reach a passage rate of less than 75%. This Bill passed both Houses.

Pharmaceuticals

HB 1054 (Mayfield) a group or individual policy of accident and health insurance amended, delivered, issued, or renewed on or after January 1, 2024 that provides coverage for prescription drugs shall require that a covered individual's defined cost sharing for each prescription drug shall be calculated at the point of sale based on a price that is reduced by an amount equal to at least 100% of all rebates received in connection with the dispensation or administration of the prescription drug. Provides that an insurer shall apply any rebate amount more than the defined cost sharing amount to the health plan to reduce premiums. This Bill did not see a vote and was re-referred to Rules Committee.

HB 2046 (Cassidy) all decisions regarding the treatment of patients experiencing pain, including chronic pain, shall be made by the prescriber. Provides that ordering, prescribing, dispensing, administering, or paying for controlled substances, including opioids, shall not in any way be predetermined by specific morphine milligram equivalent guidelines. Provides that, before the Department of Human Services releases confidential information from the central repository, the applicant, in addition to other requirements of the Act, must demonstrate in writing to the Department that the applicant has a valid court order or subpoena for the release of the confidential information requested. This Bill saw a committee vote, was re-referred to Rules Committee.

HB 2189, (Ladisch Douglass/Murphy) Neutral. This bill creates the Access to Affordable Insulin Act. Provides that the Department of Insurance shall offer a discount program that allows participants to purchase insulin at a discounted, post-rebate price. This bill was amended after discussion with opponents in order to bring the Chamber to neutral. This Bill passed both Houses.

HB 2814 (Lilly) Provides that a health benefit plan amended, delivered, issued, or renewed on or after January 1, 2023 that provides prescription drug coverage or its contracted pharmacy benefit manager shall not engage in or require an enrollee to engage in specified prohibited acts. Provides that a clinician-administered drug supplied shall meet the supply chain security controls and chain of distribution set by the federal Drug Supply Chain Security Act. The Chamber opposed this bill and it did not move from committee. This Bill did not see a vote and was re-referred to Rules Committee.

<u>HB 3256</u> (**Syed**) creates the Affordable Drug Manufacturing Act. Provides that the Department of Public Health shall enter into partnerships to increase competition, lower prices, and address shortages in the market for generic prescription drugs, to reduce the cost of prescription drugs for public and private purchasers, taxpayers, and consumers, and to increase patient access to affordable drugs. This Bill did not see a vote and was re-referred to Rules Committee.

HB 3490 (Huynh) creates Canadian Drug Importation Act. Illinois Chamber opposes. This Bill did not see a vote and was re-referred to Rules Committee.

HB 3631, (Huynh/Simmons) Neutral This bill amends the Pharmacy Benefit Managers Article of the Illinois Insurance Code. Provides that a pharmacy benefit manager may not retaliate against a pharmacist or pharmacy for disclosing information in a court, in an administrative hearing, before a legislative commission or committee, in any other proceeding, or to a government or law enforcement agency, if the pharmacist or pharmacy has reasonable cause to believe that the disclosed information is evidence of a violation of a State or federal law, rule, or regulation. Provides that a pharmacist or pharmacy shall make commercially reasonable efforts to limit the disclosure of confidential and proprietary information. Provides that retaliatory actions against a pharmacy or pharmacist include specified actions. The Chamber initially opposed the bill as filed. The sponsor amended the bill which removed our opposition and was adopted unanimously. This Bill passed both Houses.

HB 3682 (Benton) creates the Opioid Crisis Committee. Provides that the purpose of the Commission shall be to study the opioid crisis across the nation and the State. This Bill did not see a vote and was re-referred to Rules Committee.

HB 3957 (Syed/Koehler) Neutral Provides that a manufacturer or wholesale drug distributor shall not engage in price gouging in the sale of an essential off-patent or generic drug. Provides that the Director of Healthcare and Family Services or Director of Central Management Services may notify the Attorney General of any increase in the price of any essential off-patent or generic drug under the Medical Assistance Program under the Illinois Public Aid Code or a State health plan, respectively, that amounts to price gouging. Provides that whenever the Attorney General has reason to believe that a manufacturer or wholesale drug distributor of an essential off-patent or generic drug has violated the Act, the Attorney General shall send a notice to the manufacturer or wholesale drug distributor requesting a specified statement. Provides that within 45 days after receipt of the request, the manufacturer or wholesale drug distributor shall submit the statement to the Attorney General. Effective January 1, 2024. This Bill passed both Houses.

SB 285 (Koehler/Moeller) the Department of Human Services shall not require, either expressly or effectively, electronic health records systems, pharmacies, or other providers to utilize a particular entity or system for integration of pharmacy records with the Prescription Monitoring Program. Provides that electronic health records systems and providers may integrate with the Prescription Monitoring Program through the integration entity or system of choice of the electronic health records system or provider, including cloud-based systems and systems that are not part of pharmacy management systems, if the integration entity or system has a HITRUST certification, SOC2 certification, or a security certification by a department of the federal government or another United States state government with which Illinois has a controlled substance data-sharing arrangement. This Bill passed both Houses.

SB 1255 (Castro) Prohibits white bagging. Provides that a health benefit plan amended, delivered, issued, or renewed on or after January 1, 2024 that provides prescription drug coverage or its contracted pharmacy benefit manager shall not engage in or require an enrollee to engage in specified prohibited acts. Provides that a clinician-administered drug supplied shall meet the supply chain security controls and chain of distribution set by the federal Drug Supply Chain Security Act. The Illinois Chamber opposed this bill and it was sent back to Assignments. This Bill did not see a vote and was re-referred to Assignments.

SB 1559 (Murphy/Ford) creates the Access to Affordable Insulin Act. 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).

SB 1774 (Johnson/Lilly) is supported by the Illinois Chamber. It amends the Cancer Clinical Trial Participation Program Act. Changes the short title of the Act to the Clinical Trial Participation Program Act. Throughout the Act, replaces references to "cancer clinical trial" with references to "clinical trial" and makes conforming changes. Provides that "clinical trial" includes a voluntary research study conducted on people and designed to answer specific questions about the safety or effectiveness of a drug, vaccine, therapy, medical device, medical diagnostic, or new way of using an existing treatment to treat or diagnose a condition. This Bill passed both Houses.

SB 1889 (**Rose/Hammond**) allows supportive staff who solely perform clerical work are not required to be licensed as a registered pharmacy technician. When a pharmacist is not present in the pharmacy, a registered pharmacy technician, registered certified pharmacy technician, student pharmacist, and other supportive staff shall sell prescriptions that have received final verification by a pharmacist. This Bill passed both Houses.

Any further questions please contact Clark Kaericher at ckaericher@ilchamber.org.

Infrastructure

Procurement Omnibus Bill Passes Both Houses

Senate Amendments #2 and #3 were filed on <u>HB 2878</u> to become the omnibus procurement bill that had been rumored over the past couple of months. It should be noted that versions of much of what is contained within this 195-page bill had already been seen throughout the Spring as many of the proposals in the omnibus bill were introduced as standalone bills noted in sections below. HB 2878 passed the Senate 53-0-2 and passed the House 77-9-1.

Among other things, this bill includes the following:

- Eliminates the sunset of single-prime procurement for the capital development board and some limitations of use.
- Contains a section on bid preferences for Illinois-based businesses.
- Increased gross sales cap for Veteran Owned Businesses from \$75,000,000 to \$150,000,000 for firms in the VOSB program.
- Establishes diversity reporting requirements for state contractors for their professional services suppliers.
- Requires additional reasoning for those seeking an aspirational goal waiver under the BEP Act.
- Expands P3 for Transportation Act to include any responsible public entity instead of just transportation agencies. Contains additional P3-related expansions.
 - Responsible public entity: IDOT, State Tollway, and any county, municipality, or other unit of local government.
- Raises threshold for public construction bonds from \$50,000 to \$150,000 (\$500,000 for IDOT and Tollway)

Read the full bill here.

Chamber Member Initiative: Gross Sales Cap Increased for Eligible Businesses in the Veteran Owned Business Program

HB 2288 by Representative Rosenthal in the House and Senator Porfirio in the Senate is a Chamber member initiative that amends the Illinois Procurement Code as it establishes procurement goals for veteran-owned small businesses. For this purpose, the term "small business" means a business that has annual gross sales of less than \$150,000,000 (rather than less than \$75,000,000). Simply put, this bill is doubling the gross sales cap for businesses participating in the veteran owned business program. While this bill did not pass the Senate, its contents were put into the procurement omnibus mentioned above.

This initiative restored parity between veteran-owned firms and firms participating under Business Enterprise for Minorities, Women, and Persons with Disabilities Act as existed before the 102nd GA lame duck session. Additionally, this would be the first increase in the sales cap for the program since its enactment in 2011.

Local Government

HB 1105, (Hoffman/Belt) Support provides that property belonging to a public utility that provides water or sewer service and that is subject to the jurisdiction of the Illinois Commerce

Commission may not be taken or damaged by eminent domain without prior approval of the Illinois Commerce Commission. Provides that the requirement does not apply to property to be acquired by a municipality with 140,000 or more inhabitants or a regional water commission formed under specified provisions of the Illinois Municipal Code or a municipality that is a member of such a regional water commission, only in furtherance of purposes authorized under the specified provisions of the Illinois Municipal Code, and limited solely to interests in real property and not improvements to or assets on the real property belonging to a public utility that provides water or sewer service and that is subject to the jurisdiction of the Illinois Commerce Commission. This bill passed both houses.

HB 2219, (Evans/Preston) Support authorizes the corporate authorities of a sanitary district to issue bonds prior to December 31, 2034, for the development of distributed renewable energy generation devices. Also authorizes a district to construct, maintain, finance, and operate distributed renewable energy generation devices as necessary to sell or otherwise dispose of recovered resources or renewable energy resources resulting from the operation of district facilities. This bill passed both houses.

<u>HB 3641</u>, (Mason/Halpin) provides that ordinances of units of local government may not be enforced against construction, reconstruction, improvement, or installation of State facilities. Provides that units of local government cannot require payment of permitting fees or require permit inspections for the construction, reconstruction, improvement, or installation of State facilities. This bill passed the House and was placed on third reading in the Senate but did not receive a vote.

SB 1570, (Lightford/DeLuca) creates the Municipal Design-build Authorization Act. Provides that a municipality may enter into design-build contracts. Includes scope and performance criteria for design-build contracts, a two-phase procedure for selection of contracts, requirements for submission of proposals, procedures for awarding contracts, and requirements of reports and evaluation of contracts. Provides that, if the total overall cost of a project is estimated to be less than \$12,000,000, the municipality may combine the two-phase procedure for selection into one phase. Provides that, after a response to a request for qualifications or a request for proposal has been submitted, a design-build entity may not replace, remove, or otherwise modify any firm identified as a member of the proposer's team unless authorized to do so by the municipality. Provides that a school district may enter into design-build contracts. This bill passed both houses.

SB 1997, **(Edly-Allen/Faver Dias)** provides that a county with a population of less than 1,000,000 may establish minimum requirements for new building design and construction to lessen the risks caused by new building design and construction to wildlife and sensitive habitats. This bill passed both houses.

Procurement

HB 1409, (Davis/Harris) amends the Business Enterprise for Minorities, Women, and Persons with Disabilities Act. Provides that all goals established concerning the awarding of State contracts apply to architectural, engineering, and land surveying contracts under the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act. This bill passed the House but was re-referred to Senate Assignments.

HB 1465, (McCombie/Anderson) amends the Illinois Highway Code. In provisions concerning the performance of functions by the highway commissioner of a road district, provides that, except for professional services, when the cost of construction, materials, supplies, new machinery or equipment exceeds \$30,000 (instead of \$20,000), the contract for such construction, materials, supplies, machinery or equipment shall be let to the lowest responsible bidder if specified conditions are met. This bill passed both houses.

HB 2288, (Rosenthal/Porfirio) Support provides that, as used in a provision of the Code that establishes procurement goals for veteran-owned small businesses, the term "small business" means a business that has annual gross sales of less than \$150,000,000 (rather than less than \$75,000,000). This bill was a Chamber member initiative that passed the House but was re-referred to Senate Assignments. The contents of this were incorporated into the procurement omnibus.

HB 3400, (Guzzardi/Hunter) Support provides that the Department of Labor shall report quarterly (rather than annually) to the General Assembly and the Governor the number of people employed on public works in the State during the preceding 3 months (rather preceding calendar year). This report shall include the total number of people employed on each public works project during the preceding 3 months. Provides that the report shall identify every public works project in the State by project name and contractor name and include the demographics of the workers on the project by percentage, including gender, race, and ethnicity, broken down by the following categories: (i) type of trade; (ii) whether the worker is a journey worker or apprentice; and (iii) total work hours performed. This bill passed both houses.

HB 3606, (Tarver/Lightford) provides factors for determining whether a good faith effort has been made for purposes of granting a waiver under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act. Provides for a uniform standard of contract goals for State agencies, public institutions of higher education, and other departments. Specifies further requirements concerning uniform contract goals. Provides that the terms of every contract entered into by a State agency or public institution of higher education for purposes of the Act shall include a provision requiring vendors who fail to comply with a utilization plan to return all funds paid to that vendor with an expectation of compliance. Provides that the Business Enterprise Council may (rather than shall) grant a waiver under specified circumstances. Provides criteria for granting a waiver. This bill passed the House but was re-referred to Senate Assignments. The content of this bill was incorporated into the procurement omnibus.

SB 2192, (Villivalam/Davis) provides that if a bidder has failed to be awarded a contract after 4 consecutive bids to provide the same services to a single agency, the applicable agency shall detail, in writing, why the 4 bids were not awarded to the bidder. Provides that the agency shall submit by certified copy to the bidder the reasoning for the rejection of the bid within the same quarter in which the 4th bid was rejected. Provides that the provisions of the introduced bill only apply to the Department of Transportation, the Capital Development Board, and the Illinois State Toll Highway Authority. This bill passed both houses.

SB 2424, **(Villivalam/Rashid)** provides that the definition of "project" includes any land acquisition that is conducted by either the Department of Transportation or Illinois Toll Highway Authority and that requires architectural, engineering, or land surveying services. This bill passed both houses.

State Regulations

HB 1345, (**Hoffman**) provides that a public utility that provides both water and wastewater services may request, in a general rate case proceeding, that the Illinois Commerce Commission allocate a portion of the public utility's wastewater service revenue requirement for recovery through water service base rates, allocate a portion of the public utility's water service revenue requirement through wastewater base rates, or combine that public utility's water service and wastewater service revenue requirements. Provides that as part of a proceeding, the public utility shall present evidence to establish, and the Commission shall consider, specified factors. Provides that if the Commission finds that an allocation or combination is in the public interest, the Commission shall enter an order approving such allocation or combination of the public utility's water and wastewater service revenue requirements. Provides that the water service revenue requirement or wastewater service revenue requirement may not be increased by more than 2.5% through an allocation from the water service revenue requirement or wastewater service revenue requirement. Provides for notice to customers. Allows the Commission to adopt rules to implement the amendatory provisions. Repeals the amendatory provisions on December 31, 2026. This bill did not advance out of Committee.

HB 2531, (Davis/Harris) Oppose amends the Public-Private Agreements for the South Suburban Airport Act. Defines cargo-oriented development as the development of places that are both multimodal nodes of freight transportation and centers of employment in logistics and manufacturing businesses. Provides that the Department of Transportation shall (instead of may) establish a process for prequalification of offerors. Requires the Department to commence the prequalification process within 6 months after the effective date of the amendatory Act. This bill passed both houses.

HB 2837, (LaPointe) amends the Video Gaming Act. Provides that for revenue generated under provisions concerning imposition and distribution of tax after \$850,000,000, funds shall be distributed as follows: one-sixth shall be distributed to the Department of Human Services Community Services Fund for mental health services and treatment; one-sixth shall be distributed to the Local Government Distributive Fund; and two-thirds shall be distributed to the Capital Projects Fund. This bill did not move out of Rules Committee.

HB 2845, (Vella/Loughran Cappel) Oppose amends the Prevailing Wage Act. The bill provides that the definition of "public works" also includes the removal, hauling, and transportation of biosolids, lime sludge, and lime residue from a water treatment plant or facility and the disposal of biosolids, lime sludge, and lime residue removed from a water treatment plant or facility at a landfill. This bill passed both houses.

HB 3770, (Hoffman) Oppose provides that as part of proof of financial responsibility, every rail carrier shall verify hit and run and uninsured motor vehicle coverage and underinsured motor vehicle coverage in a total amount of not less than \$250,000 per passenger. This bill did not move out of committee.

HB 3927/SB 1919 (Hoffman & Curran) 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. Neither bill advanced out of its original chamber. However, some of the bills' contents were incorporated into the P3 expansion in the procurement omnibus.

SB 157, (Villivalam) Oppose provides that public construction bonds are required only for those public work construction contracts that are valued over \$5,000,000. Authorizes any official, board, commission, agent of the State, or any political subdivision of the State to create a self-insured risk pool for contracts of \$5,000,000 or less. This bill did not advance out of committee and was rereferred to House Rules. A scaled-back version of this legislation was included in the procurement omnibus.

SB 1653, (Ventura/Syed) provides that the Department of Transportation shall establish a low-clearance early warning device pilot program. Provides that an early warning device may include, but is not limited to, LiDAR, radar, visual signal, or additional signage. Allows the Department of Transportation to work with the University of Illinois on the pilot program. Provides that the fine shall not exceed \$1,000. This bill passed both houses.

SB 2278, (Simmons/Buckner) Neutral provides that the State or any unit of local government shall not be required to design or construct a new non-designated highway to accommodate truck tractor-semitrailer combinations. Provides that each unit of local government shall (rather than may) report to the Department of Transportation, and the Department shall post on its official website, any limitations prohibiting the operation of vehicles imposed by ordinance or resolution in the unit of local government's non-designated highway system and any non-designated highway that is not designed and constructed after January 1, 2023 to the overall length dimension of vehicles permitted under the Code. Negotiations by the trucking industry brought the Chamber to neutral on this bill. This bill passed both houses.

Transportation Systems

<u>HJR 23</u> (Stava-Murray/Cunningham) received Chamber support. This resolution supports the "I-55 Managed Lane Project" and IDOT's efforts to pursue the project as a P3. This resolution was adopted in both houses.

HB 1342, (Buckner/Villivalam) provides that the powers of the Chicago Transit Board include the power to pass ordinances or adopt rules and regulations concerning the suspension of riding privileges or confiscation of fare media. The Chicago Transit Board shall partner with the City of Chicago to provide transportation at reduced fares for participants in programs that offer employment and internship opportunities to youth and young adults ages 14 to 24. Further amends the Regional Transportation Authority Act. Provides that, due to the fiscal impacts of the COVID-19 pandemic, the aggregate of all projected fare revenues from specified fares and charges received in fiscal years 2021, 2022, 2023, 2024, and 2025 (rather than 2021, 2022, and 2023) may be less than 50% of the aggregate costs of providing public transportation in those fiscal years. After July 1, 2026, a Service Board may not enter into a new contract to purchase a bus that is not a zero-emission bus for the purpose of the Service Board's transit bus fleet. Provides that a Service Board shall not be deemed to be in violation of the provisions when failure to comply is due to: (1) the unavailability of zero-emission buses from a manufacturer or funding to purchase zero-emission buses; (2) the lack of necessary charging, fueling, or storage facilities or funding to procure charging, fueling, or storage facilities; or (3) the inability of a third party to enter into a contractual or commercial

relationship with a Service Board that is necessary to carry out the purposes of the provisions. Provides that the Regional Transportation Authority shall file a statement certifying that the Service Boards published specified data with the General Assembly and the Governor after adoption of the Annual Budget and Two-Year Financial Plan and, if the Authority fails to file a statement certifying publication of the data, then the appropriations to the Department of Transportation for grants to the Authority intended to reimburse the Service Boards for providing free and reduced fares shall be withheld. This bill passed both houses.

HB 2781, (Hoffman) Support provides that the General Assembly shall annually appropriate to the Department of Transportation \$60,000,000 (instead of \$15,000,000) for apportionment to counties for the use of road districts for the construction of bridges 20 feet or more in length. Provides that funds that are not obligated within 72 (instead of 48) months shall revert to the Road Fund. This bill did not advance out of committee and was rereferred to Rules.

SB 688, (Turner/Harper) creates the Cairo Development Authority for the purpose of facilitating and promoting the redevelopment of certain property in Cairo and the surrounding areas. Provides that the jurisdiction of the Authority extends over Alexander County. Provides that the Authority is governed by a 5-member Board of Directors. Sets forth the powers and responsibilities of the Authority, including the power to acquire, own, lease, sell, and dispose of real property and, under the supervision of the Illinois Finance Authority, the power to issue revenue bonds. Amends the Illinois Finance Authority Act. Provides that all bond issuances of the Cairo Development Authority are subject to supervision, management, control, and approval of the Illinois Finance Authority. This bill passed out of the Senate but was re-referred to House Rules.

SB 1438, (Ventura/Hoffman) creates the Illinois Dig Once Act. This bill provides that the Department of Transportation, the Illinois State Toll Highway Authority, the Illinois Commerce Commission, and the Department of Commerce and Economic Opportunity shall consult with the State-Wide One-Call Notice System to jointly develop rules for the design and construction of road, highway, tollway, and expressway projects to reduce the need for the relocation of public water and wastewater infrastructure and to promote the deployment (rather than reduce the scale and number of repeated excavations of roads, highways, tollways, and expressways for the installation and maintenance) of broadband infrastructure and underground utility facilities in an efficient and competitively neutral process for all road, highway, tollway, and expressway projects. Provides that the rules adopted under the Act are not intended to delay the design or construction of road, highway, tollway, and expressway construction projects, and shall not be construed to provide authority to approve, deny, or delay broadband infrastructure projects or underground utility facilities projects. Provides that whenever a public utility makes an application for a grant or easement in, over, or upon real property of the State for purposes of locating and maintaining such utility, or such utility's wire, pipe, cable, fiber conduit, or other facility or equipment, the Administrator, with the consent of the agency having jurisdiction over the real property, may grant such an easement. This bill passed both houses.

Vehicles & Safety

HB 1403, **(Evans) Oppose** provides that an operator of an autonomous vehicle shall not use the vehicle to engage in the transport of interstate commerce or the transporting of passengers, or the transporting of goods, unless a human safety operator is physically present in the

autonomous vehicle such that he or she has the ability to monitor the vehicle's performance and intervene if necessary, including operating or shutting off the vehicle. This bill would greatly restrict the AV industry. This bill did not move out of committee.

HB 2121 (Huynh/Simmons) requires the Secretary of Transportation to establish and convene the Zero Traffic Fatalities Task Force to develop a structured, coordinated process for early engagement of all parties to develop policies to reduce traffic fatalities to zero. Requires the Secretary of Transportation to prepare and submit a report of findings based on the Zero Traffic Fatalities Task Force's efforts to the General Assembly on or before January 1, 2025. Establishes membership of task force. This bill passed both houses.

HB 2246, (Moylan/Murphy) Support establishes that funds from the Illinois State Tollway Highway Authority may be used for installation and maintenance of the camera systems, telecommunications costs, and for camera warranties. Provides that the provision exempting images from cameras under the Expressway and Highway Camera Act are inoperative on and after July 1, 2025 (rather than 2023). This bill passed the House but was rereferred to Senate Assignments.

HB 2397, (**Delgado**) provides that the Secretary of State may issue an intrastate non-domiciled CPL or intrastate non-domiciled CDL to a foreign national who is ineligible to obtain a social security number, if the foreign national presents to the Secretary a consular card or passport from the applicant's country of citizenship along with an individual tax identification number and proof of Illinois residency. This bill did not advance out of committee.

HB 2913, (Tarver) Support creates the Safe Autonomous Vehicle Act. Provides that upon notification to the Secretary of State, a Motor Vehicle Manufacturer may commence a safe autonomous vehicle project with a vehicle installed with an Automated Driving System after providing notification to the Secretary of State and after self-certification under certain conditions. Provides that the Manufacturer shall determine the geographical boundaries of the project and shall maintain incident records and provide periodic summaries to the Secretary of State and the National Highway Traffic Safety Administration. This bill is the national model language for the AV industry. This bill did not advance out of committee.

HB 3326, (Williams/Feigenholtz) Neutral provides that an automated license plate reader user shall not sell, share, allow access to, or transfer ALPR information to any state or local jurisdiction for the purpose of investigating or enforcing a law that:(i)denies or interferes with a person's right to choose or obtain reproductive health care services or any lawful health care services as defined by the Lawful Health Care Activity Act; or (ii) permits the detention or investigation of a person based on the person's immigration status. Provides that any ALPR user in this State, including any law enforcement agency of this State that uses ALPR systems, shall not share ALPR information with an out-of-state law enforcement agency without first obtaining a written declaration from the out-of-state law enforcement agency that it expressly affirms that ALPR information obtained shall not be used in a manner that violates the Act. This bill passed both houses.

HB 3597, (**Didech**) requires the Environmental Protection Agency to establish a voucher program to promote the use of electric vehicles by offering, subject to appropriation, a voucher in specified amounts per electric vehicle purchased or leased. This bill was one of many concerning fleet electrification vouchers but did not move past 2nd reading and was rereferred to House Rules.

SB 1526, **(Ellman/Hernandez)** requires the Department to develop a mobile application that provides motorists with updated traffic conditions. This bill passed both houses.

SB 1769, (Ventura/Hoffman) provides that, notwithstanding any other provision of law, beginning on January 1, 2030, all passenger vehicles, except law enforcement vehicles, purchased or leased by a governmental unit must either be a manufactured zero-emissions vehicle or a converted zero-emissions vehicle. Provides that "passenger vehicle" does not include vehicles purchased by the Department of Transportation as part of their consolidated vehicle procurement program. This bill passed the House as amended but awaits Senate action on concurrence.

SB 1897, (Halpin/Johnson) creates the Rock Island Regional Port District Act. Establishes the Rock Island Regional Port District within the corporate limits of the City of Rock Island. Provides that territory of adjacent municipalities may be annexed into the Port District. Contains provisions related to the operation of the Port District, rights and powers of the Port District and participating municipalities, lease of property, easements and permits, bonds and tax levies, eminent domain powers, and other provisions. Limits the concurrent exercise of home rule powers. This bill passed both houses.

Any further questions please contact Andrew Cunningham at acunningham@ilchamber.org

Tax

Once again the General Assembly passes Omnibus tax bills in the last days of the session, <u>SB</u> <u>1963</u>. The following items are included in the <u>558</u> page tax bill:

The exemption for aircraft repair parts is expanded to include engines or power plants - through 12/31/29,

Parking Excise Tax - clarifies that booking intermediaries are generally not subject to tax. Explains that when a parking facility is not registered to collect the parking tax the tax will be charged and collected by the booking intermediary.- changes are effective 1/1/24,

Personal income tax standard exemption - inflation adjustment sunset date extended to 12/31/28,

Aviation fuel - the sustainable aviation fuel tax credit from the Use Tax is clarified.

<u>HB 2507</u> (**Kifowit/Villanueva**) the following items are included in the property tax omnibus bill:

Establishes a total property tax exemption for veterans of WWII and modifies the exemption for veterans with a greater than 70% disability to provide an exemption from tax for the first \$250,000 equalized assessed value - currently the property would be totally exempt.

A new Section is added to the Property Tax Code dealing with a special homestead exemption for certain municipality-built homes in Cook County. This Bill passed both Houses.

A new Section is added to the Property Tax Code concerning assessment of nursing homes and specialized mental health facilities locate in Cook County.

HB 3817, (Gordon-Booth/Sims) the Budget Implementation bill - amends the Corporate Franchise Tax to provide that on and after January 1, 2023, the first \$5,000 in liability is exempt from the tax. Currently, the first \$1,000 in liability is exempt from the tax. This Bill passed both Houses.

HB 2204 (Howard/Koehler) Hydrogen Fuel Replacement tax credit An income tax credit for using qualifying hydrogen fuel to replace other non-qualifying fuel, not a personal property tax replacement income tax credit. This Bill passed both Houses. The credit is for tax years ending on or after 12/31/2027 and beginning before 1/1/2029.

Further questions relating to taxes, please contact Keith Staats at kstaats@ilchamber.org

Technology

Artificial Intelligence (AI)

HB 3285 (Kifowit) Creates the Artificial Intelligence Consent Act. If a person creates an image or video that uses artificial intelligence to mimic or replicate another person's voice or likeness in a manner that would otherwise deceive an average viewer, and displays the content for public viewing, the creator must provide a disclosure on the bottom of the image or video that the image or video is not authentic and does not reflect the original voice or likeness of the person being depicted, unless the person whose voice or likeness is being depicted consents to its use. Provides that a person aggrieved by a violation of the Act shall have a right of action against an offending party. This was held in committee.

HB 3563, (Rashid/Peters) DOIT-AI Task Force-Support passed the House on concurrence 113-0-0. This bill provides that the Department of Innovation and Technology shall establish the Generative AI and Natural Language Processing Task Force investigate and provide a report on generative artificial intelligence software and natural language processing software. Sets forth the members to serve on the Task Force. Provides that the Task Force shall provide a report by December 31, 2024. This Bill passed both Houses.

HB 3773 (Andrade) - Predictive AI. Provides that an employer that uses predictive data analytics in its employment decisions may not consider the applicant's race or zip code when used as a proxy for race to reject an applicant in the context of recruiting, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure or terms, privileges, or conditions of employment. Provides that nothing in the Act shall be construed to prevent the use of predictive data analytics to support the inclusion of diverse candidates in making employment decisions. Amends the Consumer Fraud and Deceptive Business Practices Act. Provides that a person or entity that relies either partially or fully on predictive data analytics to determine a consumer's creditworthiness may not allow the use of information about the consumer that assigns specific risk factors to the consumer's race or zip code resulting in rejection of credit or other adverse credit-related action to a consumer. Provides that a person or entity that uses predictive data analytics to determine the creditworthiness of more than 50 consumers in a calendar year who are State residents shall devise procedures to ensure that it does not consider information that assigns specific risk factors to a consumer's race or zip code when rejecting or taking other adverse action on a consumer's application for credit. Provides that a person or entity that violates the provisions commits an unlawful practice within the meaning of the Act. This Bill did not see a vote and was re-referred to Rules Committee.

SB 1742 (Stadelman) – Deep Fakes and Elections. Provides that a person commits a Class A misdemeanor if the person, with intent to injure a candidate or influence the result of an election, creates a deep fake video (a video created with the intent to deceive that appears to depict a real person performing an action that did not occur in reality) and causes the deep fake video to be published or distributed within 30 days of an election. This Bill did not see a vote and was re-referred to Assignments.

Apps/Gig Economy

<u>HB 1122</u>, (Guzzardi/Pacione-Zayas) Freelance Workers-Neutral As amended, this bill creates the Freelance Worker Protection Act. Provides that, except as otherwise provided

by law, a freelance worker shall be paid the contracted compensation amount no later than 30 days after the freelance worker provides the product or completes the services under the contract. Provides that once a freelance worker has commenced preparation of the product or performance of the services under the contract, a contracting entity shall not require as a condition of timely payment that the freelance worker accept less compensation than the amount of the contracted compensation. Requires written contracts for services or products provided by a freelance worker. A contracting entity must make the contract available to the Department of Labor upon request. Requires the Department to make model contracts available on its website for use by the public at no cost. Prohibits a contracting entity from taking any action that penalizes a freelance worker for or is reasonably likely to deter a freelance worker from exercising or attempting to exercise any right guaranteed under the Act. Sets for the procedure for freelance workers to file a complaint alleging a violation of the Act. This Bill passed both Houses with a final vote of 35-20-0.

This bill, while still not great, is much improved after we were able to negotiate several changes in the House. Please review these provisions if you use independent contractors to make sure your current practices comply with the contract and recordkeeping provisions.

HB 1266 (West) – Food Delivery Service Fee Cap. Amends the Fair Food and Retail Delivery Act. Provides that beginning January 1, 2024, no third-party delivery service may charge a merchant a fee, commission, or charge per order through a digital network that totals more than 15% of the purchase price of the order, unless: (1) the third-party delivery service offers all merchants the option to obtain core delivery services for a fee, commission, or charge not to exceed 15% of the purchase price of the order without requiring the purchase of additional services; and (2) no later than November 1, 2023, the third-party delivery service notifies all merchants that have an existing contract with the third-party delivery service of this option. This Bill did not see a vote and was referred to Rules Committee.

HB 2231, (Gong-Gershowitz/Martwick) TNC/Common Carrier-Opposed This bill, as amended, extends the Act's repeal date from September 1, 2023 to September 1, 2028. Provides that a provision which specifies that TNCs and TNC drivers are not common carriers, contract carriers, or motor carriers and do not provide taxicab or for-hire vehicle service becomes inoperative January 1, 2024. Make no mistake, your next ride will be notably more expensive. This Bill passed both Houses.

HB 2902 (Andrade) – Personal Delivery Devices. Provides that a personal delivery device shall be authorized to operate on any sidewalk, crosswalk, or public roadway or highway in the State if the personal delivery device meets specified criteria. Specifies that a personal delivery device shall have all the rights and duties applicable to a pedestrian under the same circumstances. Provides that a personal delivery device shall not be deemed a motor vehicle or a vehicle. Provides that a personal delivery device shall be exempt from all vehicle or motor vehicle registration requirements. Requires a personal delivery device operator to maintain an insurance policy that provides general liability coverage of at least \$100,000 for damages arising from the combined operations of any personal delivery devices under the personal delivery device operator's control. Prohibits local authorities from enacting or enforcing a rule, regulation, ordinance, or resolution relating to specified aspects of a personal delivery device. This Bill did not see a vote and was re-referred to Rules Committee.

<u>HB 3098</u> (Rashid) – App Store Bill. A provider of a digital application distribution platform for which cumulative downloads of software applications from the digital application distribution platform to Illinois users exceed 1,000,000 downloads in the previous or current

calendar year may not: (i) require a software application developer that is domiciled in the State to use a particular in-application payment system as a mode of accepting payments from a user for software application downloads or digital purchases; (ii) require use of a particular in-application payment system as a mode of accepting payments from Illinois users to download a software application or purchase a digital or physical product or service through a software application; (iii) retaliate against a developer that is domiciled in the State or an Illinois user for using an in-application payment system or digital application distribution platform that is not owned by, operated by, or affiliated with the provider; or (iv) discriminate against any developer on account of the developer using a third-party payment system to process payments for in-application payments. **Chamber opposes.** This Bill was held in committee.

HB 4054 (Burke) a delivery network company that delivers tangible personal property on behalf of a marketplace seller or a marketplace serviceman is not considered a marketplace facilitator. Provides that a delivery network company is a business that facilitates, through the use of an Internet website or mobile application, the delivery of local products. Provides that a local product is any item, including food, other than freight, mail, or a package to which postage has been affixed. Effective immediately. The Illinois Chamber supports this bill. This Bill did not see a vote and was referred to Rules Committee.

BIPA

For an update on BIPA reform in Illinois, see the narrative section at the top of this report. We want to flag the following BIPA reform bills that were filed:

<u>HB 1230</u> (Jones) – BIPA Healthcare exemption. The Chamber supports. This Bill did not see a vote and was re-referred to Rules Committee.

<u>HB 2252</u> (Ugaste) – Broad BIPA Reform. The Chamber supports. This Bill did not see a vote and was re-referred to Rules Committee.

<u>HB 2259</u> (Ugaste) – BIPA Security Purpose. Chamber initiative. This Bill did not see a vote and was re-referred to Rules Committee.

<u>HB 3199</u> (**Keicher**) – Broad BIPA reform bill. **The Chamber supports.** This Bill did not see a vote and was re-referred to Rules Committee.

<u>HB 3204</u> (McCombie) – BIPA one year statute of limitations. The Chamber supports. This Bill did not see a vote and was re-referred to Rules Committee.

Broadband

HB 2470 (Ortiz) - Creates Low Income Broadband Assistance Program. Requires the Department of Commerce and Economic Opportunity to establish a Low-Income Broadband Assistance Program to ensure the availability and affordability of broadband service to low-income families. Provides that the Department shall coordinate with local administrative agencies identified by the Department to determine eligibility for the program, provided that eligible income shall be no more than 150% of the federal poverty level. Provides that families whose annual household income is at or below 135% of the federal poverty level

shall be eligible for free broadband service. Provides that a credit of at least \$9.95 a month for broadband services shall be payable monthly to: (i) families whose annual household income is greater than 135% but less than 150% of the federal poverty level; and (ii) families that include at least one adult person or dependent child who qualifies for or participates in the Supplemental Nutrition Assistance Program, the Supplemental Security Income program, Veterans Pension and Survivors Benefits Programs, or other specified assistance programs. Provides that the \$9.95 broadband service credit may be adjusted according to family size. This Bill did not see a vote and was re-referred to Rules Committee.

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. This Bill did not see a vote and was re-referred to Assignments.

SB 851, (Ventura/Hoffman) Broadband. The Chamber was neutral with the adoption of Senate Amendment 2. This bill provides that the Broadband Advisory Council shall evaluate the expansion of the Illinois Century Network to Illinois public schools, public libraries, and State-owned correctional institutions or facilities, including issuing recommendations for increasing agency staffing, infrastructure development, price modeling, and providing download speeds of at least one gigabyte per second and upload speeds of at least one gigabyte per second. Requires the Council to study the feasibility of connecting all Illinois public schools, public libraries, and State-owned correctional institutions or facilities to the Illinois Century Network by January 1, 2030. Provides that the Office of Broadband within the Department of Commerce and Economic Opportunity shall support and assist the Council in the development of the study. Provides that the Council shall issue a report on its findings, recommendations, options for expansion, and any recommended legislation to the General Assembly by January 1, 2024. This Bill passed both Houses.

Miscellaneous

<u>HB 2130</u>, (Morgan/Harris) Insurance Data Security sets forth provisions concerning an information security program, investigations of cybersecurity events, and notifications of cybersecurity events. Provides that the Director of Insurance shall have power to examine and investigate into the affairs of any licensee to determine whether the licensee has been or is engaged in any conduct in violation of the Act. This Bill passed both Houses.

HB 3233, (Hernandez/Villa) DREAM Fund – Neutral after the Chamber and others negotiated an amendment. This bill provides that the Illinois Dream Fund Commission shall develop a comprehensive program, including creation of informational materials and a marketing plan, to educate people in the State of Illinois about the purpose and benefits of contributions made to the Illinois DREAM Fund. Provides that the Illinois DREAM Fund Commission shall develop specific marketing materials for voluntary use by persons licensed pursuant to the Transmitters of Money Act. Money transmitters may offer every customer who transmits money internationally the option to make a voluntary donation to the Illinois DREAM Fund. Provides that licensees may present customers with the option to donate to the Illinois DREAM Fund before the customer completes the transaction. The amount of the donation shall be no less than \$1 per transaction. This Bill passed both Houses.

HB 3305 (Davidsmeyer) – Domain Name Grace Period. Provides that a person who hosts or registers an Internet domain name to a person located in this State shall not sell or lease the Internet domain name to another person for a period of 5 years after the buyer or lessee ends his or her ownership or lease of the Internet domain name. Provides that a buyer or lessee who ends his or her ownership or lease agreement shall have the right to repurchase or renew the lease for the Internet domain name during the 5-year period for the cost the buyer or lessee would have owed to the host or registrar if the ownership or lease agreement had not ended. Provides that any person who violates these provisions commits an unlawful practice within the meaning of the Act. This Bill passed out of committee, then referred to Assignments.

HB 3479, (Walker/Ellman) Digital Assets passed out of the House 90-21-0. This bill creates the Digital Assets Regulation Act. Provides that the Department of Financial and Professional Regulation shall regulate digital asset business activity in the State. Sets forth provisions concerning customer protections; compliance; licensure; supervision; general restrictions and prohibitions; confidentiality; and rulemaking authority. This Bill passed through the House and was referred to Assignments once reaching the Senate.

SB 328, (Hilton/Hanson) Automatic Contract Renewal This bill, as amended. provides that any person, firm, partnership, association, or corporation that sells or offers to sell any products or services to a consumer pursuant to a contract, where such contract automatically renews unless the consumer cancels the contract, shall (i) disclose the automatic renewal offer terms clearly and conspicuously in the contract before the subscription or purchasing agreement is fulfilled and in visual proximity, or in the case of an offer conveyed by voice, in temporal proximity, to the request for consent to the offer; (ii) not charge the consumer's credit or debit card or other payment mechanism for an automatic renewal service without first obtaining the consumer's consent to the contract containing the automatic renewal offer terms; (iii) provide an acknowledgment that includes the automatic renewal offer terms, cancellation policy, and information regarding how to cancel, which may be accomplished by linking to a resource that provides instructions that account for different platforms and services, in a manner that is capable of being retained by the consumer; and (iv) if the offer includes a free gift or trial, disclose how to cancel the contract, which may be accomplished by linking to a resource that provides instructions that account for different platforms and services, and allow the consumer to cancel before the consumer pays for the good or services. This Bill passed both Houses.

Privacy

HB 1381 (Buckner)- Creates RIGHT TO KNOW ACT. The Illinois Chamber

opposed. An operator of a commercial website or online service that collects personally identifiable information through the Internet about individual customers residing in Illinois who use or visit its commercial website or online service shall notify those customers of certain specified information pertaining to its personal information sharing practices. Requires an operator to make available certain specified information upon disclosing a customer's personal information to a third party, and to provide an e-mail address or toll-free telephone number whereby customers may request or obtain that information. Contains a private right of action. This Bill did not see a vote and was re-referred to Rules Committee.

HB 3385 (Rashid) – Data Privacy. Creates the Illinois Data Privacy and Protection Act. Provides that a covered entity (any entity or any person, other than an individual acting in a non-commercial context, that alone or jointly with others determines the purposes and means

of collecting, processing, or transferring covered data) may not collect, process, or transfer covered data unless the collection, processing, or transfer is limited to what is reasonably necessary and proportionate. Provides that a covered entity and a service provider shall establish, implement, and maintain reasonable policies, practices, and procedures concerning the collection, processing, and transferring of covered data. Contains provisions concerning retaliation; transparency; individual data rights; consent; data protection for children and minors; civil rights; data security; small business protections; executive responsibility; service providers and third parties; enforcement; severability; and rulemaking. Effective 180 days after becoming law. This Bill did not see a vote and was re-referred to Rules Committee.

HB 3438 (Sosnowski) – Connected Devices. Creates the Keep Internet Devices Safe Act. Provides that no private entity may turn on or enable a digital device's microphone unless the registered account holder or another user that is setting up or configuring the device first agrees to a consumer agreement or privacy notice meeting specified criteria. Provides that a private entity that collects, stores, or transmits any information collected through a digital device's microphone concerning a registered account holder shall implement and maintain reasonable security measures to protect such information from unauthorized access, acquisition, destruction, use, modification, and disclosure. Provides that the Attorney General shall have exclusive authority to enforce the Act. Provides that any waiver of the provisions of the Act is void and unenforceable. This Bill did not see a vote and was referred to Rules Committee.

HB 3880 (Moeller) – Children Data Privacy. Creates the Children's Privacy Protection and Parental Empowerment Act. Provides that a business that provides an online service, product, or feature likely to be accessed by children shall take specified actions, including completing a Data Protection Impact Assessment for any online service, product, or feature likely to be accessed by children. Provides that a business shall complete a Data Protection Impact Assessment on or before July 1, 2024, for any online service, product, or feature likely to be accessed by children offered to the public before July 1, 2024. Provides that any business that violates the Act shall be subject to an injunction and liable for a civil penalty of not more than \$2,500 per affected child for each negligent violation or not more than \$7,500 per affected child for each intentional violation. Creates the Children's Data Protection Working Group to deliver a report to the General Assembly regarding best practices for the implementation of the Act. Effective immediately. This Bill did not see a vote and was rereferred to Rules Committee.

SB 1887 (Peters) – Creates Digital Property Protection Act. Creates the Digital Property Protection and Law Enforcement Act. Provides that upon a valid request from the Attorney General or a State's Attorney, made pursuant to the substantive or procedural laws of the State, a court may order any appropriate blockchain transaction for digital property or for the execution of a smart contract. Provides that a blockchain network that processes a blockchain transaction originating in the State at any time after the effective date of the Act shall process a court-ordered blockchain transaction without the need for the private key associated with the digital property or smart contract. Provides that upon a petition by the Attorney General or a State's Attorney, the court shall assess a civil penalty of between \$5,000 and \$10,000 for each day that the blockchain network fails to comply with the order. Sets forth provisions concerning protection of digital property and contract rights, security interests, and service of process. This Bill did not see a vote and was referred to Assignments.

SB 2359 (Ventura)- Creates "Protecting Privacy from Government Intrusion

Act". Creates the Protecting Privacy from Government Intrusion Act. Provides that a government entity may not obtain the location information of an electronic device without a tracking warrant. Provides that a warrant granting access to location information must be issued only if the government entity shows that there is probable cause that the person who possesses an electronic device is committing, has committed, or is about to commit a crime. Provides for requirements of an application for a warrant. Describes when a government entity may obtain location information without a tracking warrant. Provides for a time period to achieve the objective of the authorization; notice on the persons named in the warrant; a report on collection of location information; a prohibition on the use of evidence; a limit on storage of license plate data; a prohibition on transfer of license plate data; and student online personal information protection. This Bill did not see a vote and was referred to Assignments.

Right to Repair

None of the right to repair bills moved out of committee:

HB 3593 (**Mussman**) – Right to Repair for electronics.

HB 3601 (Mussman) – Education Technology Right to Repair

HB 3602 (Mussman) - Wheelchair Right to Repair

Social Media

HB 2123, (Gong-Gershowitz/Edly-Allen) changes the definition of "sexual image" to also mean a photograph, film, videotape, digital recording, or other similar medium that falsely appears to show the fully unclothed, partially unclothed, or transparently clothed genitals, pubic area, anus, or female post-pubescent nipple, partially or fully exposed, of a depicted individual or a depicted individual engaging in or being subjected to sexual conduct or activity. This bill gives a depicted individual of an intentionally digitally altered sexual image a cause of action against a person disseminating or threatening to disseminate the sexual image. Removes language providing that nothing in the Act shall be construed to impose liability on an interactive computer service for content provided by another person. This Bill passed both Houses.

Note: The underlined provision clearly has federal Section 230 problems and would very likely not be enforceable as a result. We've been told to look for trailer language in the fall.

HB 2954 (Gong-Gershowitz) – Civil Liability for Doxing. Creates the Civil Liability for Doxing Act. Provides that an individual engages in the act of doxing when that individual intentionally publishes another person's personally identifiable information without the consent of the person whose information is published and: (1) the information is published with the intent that it be used to harm or harass the person whose information is published and with knowledge or reckless disregard that the person whose information is published would be reasonably likely to suffer death, bodily injury, or stalking; and (2) the publishing of the information: (i) causes the person whose information is published to suffer significant economic injury or mental anguish or to fear serious bodily injury or death of the person or a family or household member to the person; or (ii) causes the person whose information is published to suffer a substantial life disruption. Allows a person who is aggrieved by a violation

of the Act to bring a civil action against the individual who committed the offense to recover damages and obtain any other appropriate relief. Provides that an individual who is found liable under the Act shall be jointly and severally liable with each other individual, if any, who is found liable under the Act for damages arising from the same violation of the Act. Allows a court to issue a temporary restraining order, emergency order of protection, or preliminary or permanent injunction to restrain and prevent the disclosure or continued disclosure of a person's personally identifiable information or sensitive personal information. Allows a civil action to be brought in any county in which an element of the offense occurred, or in which a person resides who is the subject of the personally identifiable information or sensitive personal information published in violation of the Act. This Bill passed both Houses.

HB 3194 (Weber) Online Speech. Creates the Freedom from Government and Private Collusion Against Free Speech Act. Provides that if a State agency or employee of the State coordinates with a private company to deny the freedom of speech of a citizen of this State, the citizen shall have a cause of action against that agency or employee and private company. Sets forth limitations. Provides that if a citizen of this State prevails in an action under the Act, the State agency or employee and the private company shall reimburse the Office of the Attorney General in the amount of 3 times the legal fees incurred in the action, plus the amount of damages awarded as the court shall determine. Effective immediately. This Bill did not see a vote and was referred to Rules Committee.

HB 3880 (Moeller) - Creates the Children's Privacy Protection and Parental Empowerment Act. Provides that any business that violates the Act shall be subject to an injunction and liable for a civil penalty of not more than \$2,500 per affected child for each negligent violation or not more than \$7,500 per affected child for each intentional violation. This Bill did not see a vote and was re-referred to Rules Committee.

HB 3943 (Ladisch Douglass) - Creates the Social Media Content Moderation Act. Provides that a social media company shall post terms of service for each social media platform owned or operated by the company in a manner reasonably designed to inform all users of the social media platform of the existence and contents of the terms of service. Provides that on a semiannual basis, a social media company shall submit to the Attorney General a terms of service report including specified information. Provides that a social media company that violates the provisions of the Act shall be liable for a civil penalty not to exceed \$15,000 per violation per day. Effective immediately. This Bill did not see a vote and was re-referred to Rules Committee.

SB 1126 (Rezin) Senate Amendment 1- creates the "Illinois Age-Appropriate Design Code". Heads up, this does not apply to solely to social media companies. Please take a look at this language if you operate a website in Illinois. The provisions of this bill apply to any business that is "likely to be accessed by children". The Illinois Chamber opposed this bill and worked with the sponsor on holding it for further discussions. This Bill saw a committee vote, but was re-referred to Rules Committee.

SB 1782, (Koehler/Chung) Child Vloggers passed the House 98-17-0. This bill, as amended, sets forth certain information a vlogger is required to annually report to the Department of Labor, including, but not limited to: (i) the name and documentary proof of the age of the minor engaged in the work of vlogging; (ii) the number of vlogs that generated compensation during the reporting period; and (iii) the total number of minutes each minor

was featured in vlogs during the reporting period. Provides that the minor may commence a civil action if a vlogger fails to report the required information. Provides that if a vlogger knowingly or recklessly violates certain provisions that require a vlogger to set aside a minor's earnings from video content in an established trust account, the minor may commence an action to enforce those provisions and, if the minor prevails, the court may award the minor actual damages, punitive damages, and the costs of the action. Provides that the definition of "vlogger" does not include any person under the age of 16 who produces his or her own vlogs. Related: Illinois lawmakers mull first-in-nation protections for child social media stars. This Bill passed both Houses.

Telecommunications

HB 1503 (Ford)- Small Cell Wireless Fees. Provides that an authority may charge an application fee in an amount up to the authority's full and reasonable approximation of costs to review and process an application to collocate one or more wireless facilities on existing utility poles or wireless support structures. Currently, an authority may charge \$650 for an application to collocate a single small wireless facility on an existing utility pole or wireless support structure and up to \$350 for each small wireless facility addressed in an application to collocate more than one small wireless facility on existing utility poles or wireless support structures. This Bill did not see a vote and was referred to Rules Committee.

HB 1506 (Ford)- Small Cell Wireless Fee Increase- An authority may charge an application fee of up to \$750 (rather than \$650) for an application to collocate a single small wireless facility on an existing utility pole or wireless support structure and up to \$400 (rather than \$350) for each small wireless facility addressed in an application to collocate more than one small wireless facility on existing utility poles or wireless support structures. This Bill did not see a vote and was referred to Rules Committee.

(Rashid) – **Cell Tower Property Tax.** Provides that wireless telecommunication towers that are not otherwise exempt under a specific provision of the Code are subject to local property taxes and shall be valued according to policies adopted by the chief county assessment officer. Effective immediately. **(Rashid)** – **Cell Tower Property Tax.** Provides that wireless telecommunication towers that are not otherwise exempt under a specific provision of the Code are subject to local property taxes and shall be valued according to policies adopted by the chief county assessment officer. Effective immediately. This Bill did not see a vote and was re-referred to Rules Committee.

SB 160, (Hilton/Ladisch Douglass) Spoofing a person, business, or organization may not spoof a caller's information or otherwise misrepresent the origin of a telemarketing call unless the person, business, or organization has the right to use the name and phone number displayed. Requires telephone solicitations placed in a manner other than by a live operator to immediately disclose their identity and the purpose of the call and prompt the recipient of the call to consent to the solicitation. This Bill passed out of the Senate, and was ultimately rereferred to Rule committee.

SB 2007 (Johnson) – Obscene Electronic Unsolicited Message Act. Creates the Obscene Electronic Unsolicited Message Act. Provides that a person may file a private cause of action against another person 18 years of age or older who knowingly sends an image, that the person knows or reasonably should know is unsolicited, by electronic means, depicting obscene material. Provides that a prevailing plaintiff who suffers harm as a result of receiving an image, the receipt of which had been expressly forbidden by the plaintiff, in violation of these provisions, may recover the following: (1) actual damages proximately caused by the receipt of

the image, including damages for emotional distress not exceeding \$25,000; (2) attorney's fees; and (3) injunctive relief. Provides that the remedies under these provisions are cumulative and shall not be construed as restricting a remedy that is available under any other law. This Bill did not see a vote and was referred to Assignments.

Vehicles- Electric or Autonomous

HB 2206 (Moylan)- EV Charging. Provides that the Capital Development Board shall adopt rules requiring each newly constructed residential building in the State that includes a garage to have enough electric generating capacity in the garage to charge an electric vehicle. This Bill did not see a vote and was referred to Rules Committee.

HB 2913 (Tarver)- Safe Autonomous Vehicles Act. This is the industry bill for autonomous vehicles. Creates the Safe Autonomous Vehicle Act. Provides that upon notification to the Secretary of State, a Motor Vehicle Manufacturer may commence a safe autonomous vehicle project with a vehicle installed with an Automated Driving System after providing notification to the Secretary of State and after self-certification under certain conditions. The Manufacturer shall determine the geographical boundaries of the project and shall maintain incident records and provide periodic summaries to the Secretary of State and the National Highway Traffic Safety Administration. The Participating Fleet in the program shall be insured by the Manufacturer who shall assume liability for incidents where the automated driving system technology is at fault for that incident. Any person operates a vehicle with automated driving system technology without first satisfying the eligibility requirements in the Act shall be fined \$10,000 for a first violation and a second or subsequent violation is a Class A misdemeanor. Preempts home rule powers. Effective immediately. This Bill did not see a vote and was re-referred to Rules Committee.

SB 40, (Feigenholtz/Gabel) EV Charging creates the Electric Vehicle Charging Act. Provides that the Act applies to newly constructed single-family homes and multi-unit residential buildings (rather than new single-family homes and newly constructed or renovated multi-unit residential buildings). Provides that the residential requirements for electric vehicle parking spaces apply to all building permits issued 90 days after the effective date of the Act. This Bill passed both Houses.

Any further questions please contact Clark Kaericher at ckaericher@ilchamber.org.