

New Year, New Laws

The first year of the 102nd General Assembly officially adjourned on September 13, 2021. It has been one of the most interesting General Assemblies in recent memory for the following reasons:

1. A new House Speaker was elected for the first time in 40 years and the leadership structure was completely revamped;
2. The nation, including Illinois, was reeling from social disruption;
3. The State was easing its way out of a complete COVID-19 shutdown and has recently started to retreat again as Omicron fears manifest.;
4. The State was/is facing unprecedented levels of unemployment as a result of the COVID-19 shutdown;
5. The General Assembly tackled the largest energy bill since deregulation;
6. Lawmakers were tasked with redistricting;
7. 2022's legislative primaries were pushed from mid-March to June 28th.

All of the aforementioned issues impacted the General Assembly and the legislative measures. The following bills have either already become law or are set to become law on January 1, 2022.

ENVIRONMENT

Wipes Labeling Act: SB 294 (Sen. Cristina Castro, D/ Rep. Daniel Didech, D) requires "Do Not Flush" logos on non-flushable wipes, with language to specify the size, placement and contrast of the logo. The legislation comes at a time when utilities are becoming increasingly concerned about the flushing of wipes and other consumer products that do not break apart as quickly as toilet paper. The spread of COVID-19 resulted in more disinfection of surfaces with wipes and substitution of toilet paper with other products due to toilet paper shortages. As such, some utilities are seeing more clogs from wipes and other flushed products.

Similar laws have been passed in Washington and California. The legislation was amended to reflect the Washington law. The legislation passed the Senate by 57-0 vote and the House by 112-0 vote. It was signed into law as **P.A. 102-0286**.

EFFECTIVE DATE: JULY 1, 2022

Energy Tax—A provision in state law prohibits units of local government from imposing a tax on energy. That provision was scheduled to sunset this year. At the urging of IRMA and many other entities, that sunset was pushed to January 1, 2023. Local government and environmental groups are eager to be allowed to impose these taxes. Local governments because they want more tax revenue. Environmental groups want to make the price of fossil fuels prohibitively expensive. This sunset will be debated again next spring.

EFFECTIVE DATE: JANUARY 1, 2022

FOOD AND GROCERY

SNAP-Menstrual Hygiene Products: HB 155 (Rep. Barbara Hernandez, D/ Sen. Karina Villa, D) provides that if the United States Department of Agriculture's Food and Nutrition Service creates and makes available to the states a waiver permitting recipients of benefits provided under the Supplemental Nutrition Assistance Program or the Special Supplemental Nutrition Program (SNAP) for Women, Infants, and Children (WIC) to use their benefits to purchase diapers or menstrual hygiene products such as tampons, sanitary napkins, and feminine wipes, then the Department of Human Services shall apply for the waiver. If the United States Department of Agriculture approves the Department of Human Services' waiver application, then the Department of Human Services shall adopt rules and make other changes as necessary to implement the approved waiver.

HB 155 passed the House by a vote of 116-0 and the Senate by a vote of 57-0 and was signed into law as **P.A. 102-0248**.

EFFECTIVE DATE: JANUARY 1, 2022

Children Meals and Beverages: SB 1846 (Sen. Mattie Hunter, D/ Rep. Elizabeth Hernandez, D) require a restaurant to offer water, juice, or milk with a children's meal. This is only a default standard. A consumer may request a different beverage for their child if they choose to do so. It also states that a beverage that is displayed on a restaurant menu or advertisement for children's meal shall be one of the default beverages. SB 1846 passed the Senate by a vote of 39-16 and the House by a vote of 86-28 and was signed into law as P.A. 102-0529.

During Veto Session, IRMA requested and received changes to the legislation to accommodate IRMA members. Those changes can be found in HB 3490 which passed the Senate by a vote of 58-0 and the House by a vote of 112-01-0. The legislation was signed into law as **P.A. 102-0681**.

EFFECTIVE DATE: December 10, 2021

LABOR

Testing and Vaccination: The Governor's office introduced language in SB 1169 House Floor Amendment #3 (Senate President Don Harmon, D- Oak Park/Rep. Robyn Gabel, D-Evanston) to amend the Illinois Health Care Right of Conscious Act to remove a person's ability express their right of conscious to receiving a COVID-19 test or vaccination. The measure was unable to secure the super-majority support necessary to take effect immediately so it was amended to take effect July 1, 2022. In the meantime, the Governor's office is hoping that courts will take into consideration the General Assembly's changes in current legal cases where employees have sought the protection of the Act. Should they so choose, the General Assembly can also take up the measure again in January when they would only need 60 votes to make it effective immediately.

The legislation was signed into law as **P.A. 102-0667**

EFFECTIVE DATE: July 1, 2022

LGBTQ Corporate Directors Reporting: Two years ago the General Assembly passed legislation that required publicly traded corporations to report on the number of minorities on the board of directors and the self-identified gender each board member. According to the collected data, board members that identify as women make up more than 20% of the average board, and those that identify as racial and ethnic minorities make up roughly 15%.

Following up on this law and report, Sen. Emil Jones/Rep. Daniel Didech introduced SB 1730 that would require publicly traded companies to report the self-identified sexual orientation of each director and the self-identified gender identity of each director. Concerns were expressed that this would require a person to publicize his or her sexual orientation against his or her will. The response from proponents from the legislation was that an individual is not required to respond to questions. It was pointed out that if directors were not required to provide information, the corporation would not be able to provide an accurate accounting of the make-up of the board. Therefore the public report to the Secretary of State would not reflect the LGBTQ representation on publicly traded companies' boards in Illinois. In an age of trial by media clicks, this in turn could create a report that could publicly harm corporations even though the report is not accurate. These concerns were dismissed.

The legislation passed the Senate by a vote 37-18 and the House by a vote of 69-43-1. It was signed into law as **P.A. 102-0223**.

EFFECTIVE DATE: January 1, 2022

Human Rights-Trafficking-Notice: HB 588 (Rep. Stephanie A. Kifowit, D/ Sen. Jacqueline Y. Collins, D) provides that certain bars and taverns may post the notice required by the Act in all restrooms open to the public. The notice is provided by the state.

HB 588 passed the House by a 117-0 vote and the Senate by a vote of 57-0. It was signed into law as **P.A. 102-0131**.

EFFECTIVE DATE: January 1, 2022

Secure Choice Savings Program: In 2016, the General Assembly passed legislation that required businesses to deduct anywhere from 3%-6% from an employees' wages and send the deduction to the state to be invested on behalf of the employee. It was implemented in 2018. The law only applied to companies with 25 or more employees. At the time of passage IRMA had warned lawmakers that both of these would be expanded in the near future.

Three years after implementation, the changes IRMA warned the General Assembly about were introduced. While HB 117 (Rep. Will Guzzardi, D/Sen. Robert Martwick, D) was filed, there was little appetite from the General Assembly to put additional burdens on businesses during the pandemic. This changed when the Illinois Chamber offered compromise language. The language includes: Dropping the employer threshold from 25 to 5; and Include automatic increased deductions on employees up to a maximum of 10% of the employees' pay.

The Sponsors readily accepted the offer and the legislation passed the House by a 106-2-2 vote and the Senate by a 42-15 vote. It was signed into law as **P.A. 102-0179**.

EFFECTIVE DATE: January 1, 2022

Shareholder Meetings: SB 116 (Sen. Julie Morrison, D/Rep. Bob Morgan, D) allows corporations to have remote shareholder meetings as long as the corporation shall implement reasonable measures to provide the shareholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders. It also allows corporation to implement reasonable measures to verify that each person deemed present and entitled to vote at the meeting by means of remote communication is a shareholder.

The legislation passed the Senate by a vote of 56-1 and the House by a 100-15-1 vote.

It was signed into law as **P.A. 102-0282**.
EFFECTIVE DATE: January 1, 2022

Business Data Transparency: HB 115 (Rep. Will Guzzardi, D/ Sen. John Connor, D) requires the Secretary of State to publish data required to be maintained by the Secretary about businesses in a machine-readable form that is freely available to the public. Under existing law, this information is already available by request.

HB 115 passed the House by a vote of 108-0 and the Senate by a vote of 57-0. It was signed into law as **P.A. 102-0049**.
EFFECTIVE DATE: January 1, 2022

Wage Theft-Damages Amount: HB 118 (Rep. Will Guzzardi, D/ Sen. Karina Villa, D) provides that an employee is entitled to recover damages of 5% (rather than 2%) of the amount of any underpayments in wages for each month following the date of payment during which such underpayments remain unpaid.

HB 118 passed the House by a vote of 68-44 and the Senate by a vote of 40-15. It was signed into law as **P.A. 102-0050**.
EFFECTIVE DATE: July 1, 2021

Human Rights-Disability Definition: HB 1838 (Rep. Theresa Mah, D/ Sen. Ram Villivalam, D) provides that discrimination based on disability includes unlawful discrimination against an individual because of the individual's association with a person with a disability.

HB 1838 passed the House by a vote of 112-0 and the Senate by a vote of 59-0. It was signed into law as **P.A. 102-0419**.
EFFECTIVE DATE: January 1, 2022

LIQUOR

IRMA introduced and passed five different liquor measures that will provide some relief to retailers in the wine and spirits categories. While these measures will not provide complete equality or relief for retailers within in the system, it is a step in that direction. These measures are included in Senate Amendment 2 to HB 2620 (Sen. Bill Cunningham, D-Chicago/Rep. Michael Zalewski, D- Riverside) which passed the Senate by a vote of 50 – 6 and the House by a vote of 108-6-1.

Delinquency List: Section 235 ILCS 5/6-5 of the Liquor Control Act and Title 11, Section 100.190 of the Administrative Code outline the requirements of the delinquency list. The delinquency list is a written list of names and addresses of retail licensees who have delinquent payments. The delinquency list applies to retailers who purchase and sell wine and spirits for both on and off premise consumption. Before the close of business on every Thursday, the Illinois Liquor Control Commission ("State Commission") is required to post a list of delinquent retailers. If a retailer is reported delinquent, no distributor (not just the

creditor distributor) may sell wine and spirits to the delinquent retailer while it remains on the delinquency list. Through the rule cited above, the State Commission abdicated its' state function to maintain and administer the delinquency list to the Wine and Spirits Distributors of Illinois (WSDI). Currently, the distributors decide which retailers are on the delinquency list.

HB 2620 transfers the responsibility back to the ILCC. This will become effective January 1, 2022 to give the Illinois Department of Revenue (IDOR), who maintains administrative support function of the ILCC, time to update their computer infrastructure to support the change.

EFFECTIVE DATE: January 1, 2022

Volume Discounts: For over 40 years, Cooperative Purchasing Agreements (CPAs) were recognized by the Illinois Liquor Control Commission (ILCC) and allowed individual small restaurants, bars, grocery stores, and liquor stores to form cooperatives in order to try and leverage the power of the group to qualify for bulk purchase discounts offered by the distributors. In 2019, the ILCC repealed certain trade practices and the Wine and Spirits Distributors of Illinois (WSDI) refused to recognize CPAs for small restaurants, bars, and liquor stores while still providing CPAs for large retailers. HB 2620 codifies the ability of independent retailers to form cooperatives to purchase wine and spirits. This provision includes an immediate effective date.

"Out-of-Stock" Purchasing: Section 235 ILCS 5/6-9.1 of the Liquor Control Act only requires distributors to deliver once every two weeks to retailers. Additionally, retailers are required to purchase a minimum quantity of liquor before a distributor will deliver alcohol to the retailer. The issue arises when a restaurant or bar runs out of wine or spirits before the next scheduled delivery or cannot buy enough to cover the minimum purchase for a delivery. The restaurant or bar may only need a few bottles and does not meet the minimum purchasing requirement for delivery. So the retailer will have to: (1) go without the alcohol until the next delivery; or, (2) purchase more alcohol than is necessary to meet the needs of the retailer and wait for the next scheduled delivery. In either scenario, the retailer is losing money and customers. Due to the scenario outlined above, out-of-stock purchasing is already occurring. Even before the pandemic, bars and restaurants were not waiting two weeks or waiting until they can buy enough alcohol for delivery. They are buying it from a local licensed retailer and risking their license in the process all in an effort to serve customers.

HB 2620 introduces a tiered warning system before a retailer is subject to any penalties for purchasing wine or spirits from other licensed retailers. A retailer will receive a warning for the first two violations and may only receive a penalty for a third violation made within a 12 month period of the preceding two warnings.

Monthly Transfers: Outside of limited onetime transfers, current law prohibits retailers that have multiple locations from transferring alcohol that is already purchased from distributors from one location to another. This is done because distributors want to require retailers to buy more alcohol. While IRMA understands why the distributors want to cling to this requirement, in a three tier system where the retailer is required to buy from Illinois distributors, this is an unnecessary and unfair cost burden for commonly owned retailers.

HB 2620 allows a retailer to transfer a limited amount of excess inventory to a commonly owned location each month. For an off-premise retailer, the legislation allows a retailer to transfer up to 3% of its average monthly purchases by volume from one or more of its locations to another location each month. For an on-premise retailer, the legislation allows a retailer to transfer up to 5% of its average monthly purchases by volume from one or more of its locations to another location each month.

One-Time Inventory Transfers: Current law allows one-time inventory transfers between retail licensees for specific reasons enumerated under rules. These include store closings, disasters, bankruptcy, etc. Before the transfers are made the retailer is required to receive prior approval from the ILCC. HB 2620 allows commonly owned retailers to make a one-time inventory transfer from one or more of its locations to another location without prior approval from the ILCC for the same enumerated reasons as described under the aforementioned rules.

Cocktails-to-Go: During the pandemic shortened 2020 session, the General Assembly passed legislation that allowed restaurants to sell cock-to-tails or mixed drinks to consumers. This provision included a sunset. SB 104 (Sen. Feigenholtz, D/ Rep. Michael Zalewski, D) extends the sunset. It also allows bars and restaurants to provide free shots to consumers that show that they have been vaccinated.

HB 2620 was signed into law as **P.A. 102-0442**.
EFFECTIVE DATE: August 20, 2021

PETS

Sales Finance Agency Act-Pets: HB572 and HB743 (Rep. Jonathan Carroll, D) provides a sales finance agency shall not finance, enter into a retail installment contract, or make a loan for the purchase of a companion animal as defined by the Humane Care for Animals Act. If a sales finance agency violates the provisions of the Section, the financing, retail installment contract, or loan shall be null and void and the sales finance agency shall have no right to collect, receive, or retain any principal, interest, or charges related to the loan, retail installment contract, or financing.

HB 572 passed the House by a vote of 108-0 and the Senate by a vote of 57-0. It was signed into law as **P.A. 102-0128**.
EFFECTIVE DATE: January 1, 2022

Animal Welfare-Pet Shops: HB 1711 (Rep. Andrew S. Chesney, R/ Sen. Cristina Castro, D) provides that a pet shop operator may offer for sale a dog or cat only if the dog or cat is obtained from an animal control facility or animal shelter. It provides that an animal control facility or animal shelter that supplies dogs or cats to pet shop operators to be offered for sale shall not be a dog breeder or a cat breeder or obtain dogs or cats from a dog breeder, a cat breeder, a person who resells dogs or cats from a breeder, or a person who sells dogs or cats at auction in exchange for payment or compensation.

In the House sponsorship of this bill switched from a Democratic to a very motivated Republican who had a bad experience with a pet shop and had a very big axe to grind. The Senate sponsor has carried this bill for the past three years and had a personal issue with the representations of the pet lobby. IRMA was able to provide language that protected retailers that provided adoption services. That being said, this bill was weighed down by personal and professional grievances. This is always a recipe for disaster.

The legislation passed the Senate by a 38-12-4 vote and the House by a 76-24-2 vote. It was signed into law as **P.A. 102-0586**.
EFFECTIVE DATE: January 1, 2022

PHARMACY

Vaccinations: Illinois took a small step toward increasing healthcare access and better utilizing pharmacists. Under current law, Illinois pharmacists or pharmacy technicians can only administer flu and Tdap (tetanus, diphtheria, and pertusis) vaccinations for Illinoisans 10 years of age or older. As a result of the pandemic and the urgent need to increase access to vaccinations, the Centers for Disease Control and Prevention (CDC) allowed pharmacists throughout the nation to administer all vaccines approved by the Advisory Committee on Immunization Practices (ACIP) to anyone three years of age or older. IRMA looked to build upon that positive experience. Illinoisans ages 7 and up will now be able to obtain all CDC ACIP vaccines at their local pharmacy. Pharmacists will report the administration of the vaccine to the physician contact information provided by the patient.

EFFECTIVE DATE: June 17, 2021

Technician Training: SB 2172 (Sen. Neil Anderson, R/Rep. Amy Elik, R) makes it the joint responsibility of the pharmacy and the pharmacist to ensure that all new pharmacy technicians are educated and trained using a standard nationally accredited education and training program. It makes a corresponding change in provisions concerning the qualifications for licensure of a registered certified pharmacy technician.

This bill passed out of Senate by a 57-0 vote and the House by 117-0 vote. It was signed into law as **P.A. 102-0643**.

EFFECTIVE DATE: August 1, 2021

Birth Control: The General Assembly passed a measure that allows pharmacies to provide birth control to patients. HB 135 (Rep. Michelle Mussman, D- Schaumburg/ Sen. Melinda Bush, D- Grayslake) allows a pharmacist to dispense hormonal contraceptives as a result of a standing order by the Director of the Illinois Public Health Department. This legislation provides for a pharmacy fee-for-service procedure. The fee schedule is established by the Department.

The legislation passed the House by a 70-44 vote and the Senate by a 44-13 vote. It was signed into law as **P.A. 102-0103**.

EFFECTIVE DATE: January 1, 2022

Pharmacy Price Disclosure: SB 1682 (Sen. Scott Bennett, D/Rep. Dagmara Avelar, D) requires a pharmacist to disclose to the consumer at the point of sale the current pharmacy retail price for each prescription medication the consumer intends to purchase. This is already current law and occurring and rarely if ever used or requested.

It should be noted that the retail price of an item bears no relationship to the actual market price because the final price is controlled by outside factors including but not limited to (1) manufacture price controls, (3) Pharmacy Benefit Managers (PBMs), (4) private insurance, and (5) state and federal programs such as Medicaid or Medicare, etc.

While these front end costs are increasing, pharmacies are consistently being squeezed with diminishing dispensing fees and state and federal reimbursement rates, and prohibition on fees for services. So yes, the final price does not bear relationship to the market price, but that is not because it is going into the pharmacies pocket.

This bill passed out of Senate by a 56-0 vote and the House by 111-0 vote. It was signed into law as **P.A. 102-0400**.

EFFECTIVE DATE: January 1, 2022

Prescription Drug Repository: HB 119 Rep. Will Guzzardi, D/ Sen. Sen. Karina Villa, D) requires the Department of Public Health to, by rule, establish a prescription drug repository program, under which a donor may donate a prescription drug or supplies needed to administer a prescription drug for use by an individual who meets eligibility criteria specified by the Department. Uninsured and underinsured individuals shall be given priority over other eligible persons for drugs and supplies donated under the Act. No drugs or supplies donated under the prescription drug repository program may be resold. Additionally nothing requires that a pharmacy or pharmacist participate in the prescription drug repository program.

HB 119 passed the House by a vote of 112-0 and the Senate by a vote of 57-0. It was signed into law as **P.A. 102-0389**.

EFFECTIVE DATE: January 1, 2022

Drug Labeling Gluten: HB 279 (Rep. Jonathan Carroll, D/ Sen. Julie A. Morrison, D) requires gluten to be included on a label for any drug that contains gluten. The provision does not apply to pharmacies or pharmacists.

HB 279 passed the House by a vote of 114-0 and the Senate by a vote of 57-0. It was signed into law as **P.A. 102-0121**.

EFFECTIVE DATE: January 1, 2022

Prescription Drug Benefits: HB 1745 (Rep. Greg Harris, D/ Sen. Napoleon Harris, III, D) provides that beginning January 1, 2023, health insurance carriers shall ensure that at least 10% of individual health care plans offered in each applicable service area apply a flat-dollar copayment structure to the entire drug benefit; and beginning January 1, 2024, health insurance carriers shall ensure that at least 25% of individual health care plans offered in each applicable service area apply a flat-dollar copayment structure to the entire drug benefit. In provisions concerning group health plans that provide coverage for prescription drugs, it provides that beginning January 1, 2023, health insurance carriers shall offer at least one group health plan in each applicable service area that applies a flat-dollar copayment structure to the entire drug benefit; and beginning January 1, 2024, health insurance carriers shall offer at least 2 group health plans in each applicable service area that apply a flat-dollar copayment structure to the entire drug benefit. The flat-dollar copayment structure for prescription drugs must be applied pre-deductible and be reasonably graduated and proportionately related in all tier levels such that the copayment structure as a whole does not discriminate against or discourage the enrollment of individuals with significant health care needs. It requires the health insurance carriers to clearly and appropriately name the plans to aid in individual or group plan selection and it also requires the health insurance carriers to market the plans in the same manner as their other plans.

HB 1745 passed the House by a vote of 117-0 and the Senate by a vote of 57-0. It was signed into law as **P.A. 102-0391**.

EFFECTIVE DATE: January 1, 2023

PRIVACY

Video Interview Demographic: HB 53 (Rep. Jaime M. Andrade, Jr., D/ Sen. John Connor, D) provides that employers that rely solely upon artificial intelligence to determine whether an applicant will qualify for an in-person interview must gather and report certain demographic information to the Department of Commerce and Economic Opportunity. It requires the Department to analyze the data and report to the Governor and General Assembly whether the data discloses a racial bias in the use of artificial intelligence.

HB 53 passed the House by a vote of 112-5 and the Senate by a vote of 43-0. It was signed into law as **P.A. 102-0047**.

EFFECTIVE DATE: January 1, 2022

TAXES

Marketplace Fixes: IRMA led the effort to enact marketplace legislation in 2019 that leveled the playing field for sales tax purposes between remote sellers and brick-and-mortar retailers. It was the largest change to Illinois sales tax law since the rewrite in 1992 and literally saved the budget of the state and units of local government last year.

In 2020, marketplace facilitators were required to collect and remit the Use Tax (6.25%) on any transaction through their marketplace. However, the Illinois Department of Revenue (IDOR) interpreted the law to also require Illinois sellers selling through a marketplace to remit the full sales tax (6.25% + any locally imposed tax) even though someone selling thru a marketplace is not handling the transaction. While the consumer was not double-charged, the seller wound up paying 6.25% that they had not collected from the consumer. IDOR further decided that they could not implement a credit mechanism via administrative rule to resolve the error. SB 2066 contains language to create a retroactive credit mechanism. Without this change, the law would be subject to legal challenge as double-taxation is illegal.

The second correction impacts Illinois auctioneers. IDOR interpreted the law such that they considered auctioneers to be marketplaces. This interpretation threatened to upend the entire auction industry and was not what was intended. IRMA was asked by legislative leadership to work with IDOR to resolve the issue. SB 2066 clarifies that auctioneers licensed under the Illinois Auction License Act are not marketplaces. This change is also retroactive and will ensure the manner in which they have collected and remitted sales tax remains unchanged.

SB 2066 (Sen. Cristina Castro, D/ Rep. Michael J. Zalewski, D) passed the Senate by a 56-0 vote and the House by a 113-0 vote. It was signed into law as P.A. 102-0634.

EFFECTIVE DATE: August 27, 2021

Net Operating Loss—As part of an economic incentive package designed to help the state try and attract electric vehicle battery manufacturers to Illinois, Illinois' net operating loss deduction was amended. For tax periods ending on or after December 31, 2021 and for any net loss incurred in a tax year ending on or after December 31, 2021 for which the statute of limitations has not run, entities claim the NOL credit over a 20-year period vs. a 12-year period. However, the amount that can be claimed in a given year is still capped at \$100,000. The \$100,000 cap is set to expire December 31, 2024. The Assembly has previously extended that cap and it remains to be seen if it will be extended again. The provision is found in Senate Amendment #4 to HB 1769 (Rep. Dave Vella, D- Loves Park/Sen. Steve Stadelman, D- Rockford).

HB 1769 was signed into law as **P.A. 102-0669**. **EFFECTIVE DATE: November 16, 2021**

TELECOMMUNICATIONS

Small Cell: HB 3743 (Rep. Larry Walsh, Jr., D- Joliet/Sen. Michael Hastings, D- Frankfort) extends the Small Wireless Facilities Deployment Act for five years. IRMA testified in support of this important legislation earlier in the session. The last year of the pandemic proved how these networks provide essential connectivity that we need to work and live our lives – and these networks are helping Illinois retailers of all types and sizes deliver for their customers:

1. Retailers are using wireless internet networks to receive and fill remote orders for grocery items, health care needs and prescription medicine. That has been especially important for seniors and our most vulnerable citizens;
2. Retailers are using wireless internet networks for video meetings to train employees and schedule shipments with suppliers;
3. Retailers are also using wireless internet networks to help people schedule an appointment for a vaccination; and
4. Retailers are relying on these networks to serve customers now – and after we move through the pandemic, our members still will rely on wireless internet networks to compete with retailers globally and meet customer expectations.

The current law is working for retailers, and it is working for our customers. The investments made prior to the pandemic have proven to be extraordinarily timely. Many retailers were required to quickly ramp up expanded delivery, curbside and in-store pick-up options. Without a robust 5G network in place, these same retailers, their employees, and the customers they serve would have been even more negatively impacted than they already have been.

HB 3743 was passed by overwhelmingly by both chambers and was signed into law as P.A. 102-0009.

EFFECTIVE DATE: June 3, 2021

TOBACCO AND VAPING

Vaping: The Illinois Attorney General's Office introduced the Preventing Youth Vaping Act in SB 512 (Sen. Julie Morrison, D-Highwood/Rep. Bob Morgan, D-Highwood). As introduced, the proposal prohibited discounting the sale price of vapor products, limited marketing and advertising, required ingredient reporting, and implemented a purchase limit. It also allowed equal and joint enforcement authority between four different state agencies. The stated goal of the regulations are to help prevent minors from obtaining vapor products.

Industry, including IRMA, met with the Attorney General's office to express some concerns regarding the legislation. Due to those discussions, SA#1 addressed industry concerns. As initially drafted, the legislation included a state review for products into the market. Subsequent amendments removed that provision and allows the products that were submitted via the FDA's premarket tobacco product applications process. Additionally, the legislation included a prohibition on specific additives. In November 2018, The FDA provided guidance regarding the listing of ingredients in tobacco products. As a result, an amendment removed the provision and included FDA language in order to be consistent. As drafted, the legislation completely prohibited discounts for vapor products. Federal law allows for coupons and discounts for vapor products and tobacco products. The FDA has addressed vaping and tobacco discounts in its 2017 rules and guidance where coupons and discounting are specifically allowed as long as items were not given away for free. As a result, an

amendment made discounting consistent with the 2017 rules and guidance. Finally, industry requested the immediate effective date to be removed from the legislation to give industry time to comply with the regulations.

With an agreement reached SB 512 passed the House by a 107-7 vote and the Senate by 57-0 vote. It was signed into law as **P.A. 102-0575**.

EFFECTIVE DATE: January 1, 2022

UNEMPLOYMENT INSURANCE

Employer groups and employee groups reached an agreement on unemployment insurance language. HB 2643 (Rep. Jay Hoffman, D- Belleville/Sen. Linda Holmes, D- Aurora) contains the agreement. HB 2643 passed the Senate by a vote of 59-0 during the last day of regular session but was not called for concurrence in the House due to an oversight. The General Assembly reconvened in early June in an attempt to pass energy legislation. During this time the House passed the unemployment insurance agreed bill.

As a recap, in addition to administrative changes requested by the Illinois Department of Employment Security (IDES), the following provisions were agreed to:

1. Non-educational employees will be temporarily entitled to benefits until September 4th. These are employees of educational institutions who do not receive 12-months of pay; and
2. Individuals who received UI benefits would not be required to pay the monies back so long as they received the monies through no fault of their own and repayment would be against equity and good conscience. They will have 45-days from the date of a letter issued by IDES to apply for a waiver.

These combined provisions are estimated to cost between \$65 and \$100 million. In order to avoid adding further strain to the trust fund, the Assembly utilized \$100 million of the \$8.1 billion in federal monies the state received under the American Rescue Plan Act (ARPA). This is what made the agreement possible.

While this agreement puts no further strain on the UI Trust Fund, the Fund is \$3.1 billion in debt from last year and is expected to experience another \$5 billion for a total of \$8 billion by the end of this year. To date, pleas to utilize a significant portion of the ARPA monies to relieve this deficit, as many other states have done, have gone unanswered. Without such assistance, the state faces \$50-\$60 million in annual interest payments, employers face a significant increase in their UI taxes, and employees face significant benefit cuts. While the Governor's office holds out hope for additional relief from the federal government, that appears unlikely given the fact that so few states remain in as severe a deficit situation as Illinois. Nevertheless, Illinois only utilized \$2.5 billion of the \$8.1 billion it received from the federal government under ARPA. This means there is approximately \$5.6 billion that could be utilized to restore the UI Trust Fund to solvency and avoid severe benefit cuts for laid off workers and taxes for employers. As part of this year's agreement, labor agreed to communicate jointly with the Governor and the four legislative leaders of the imperative to utilize a substantial portion of the remaining ARPA funds to restore solvency to the Trust Fund.

HB 2643 was signed into law as **P.A. 102-0026**.

EFFECTIVE DATE: June 25, 2021

