



June 1, 2011

Key Bills

The Week in Review

Taxes

[SB 21](#) Cigarette Tax Increase

Position: Oppose

Status: 3rd Reading

[SB 43](#) Tax Disclosure Act

Position: Support

Status: Passed both Houses

Labor

[SB1349](#) Workers' Compensation Reform

Position: Support, Chamber initiative

Status: Failed on 3rd Reading

[HB1552](#) EEOC's Determination Adoption by
Dept. of Human Rights

Position: Support, Chamber initiative

Status: Passed both Houses

[SB1122](#) Improves Employment Discrimination
Process

Position: Support

Status: Passed both Houses

It has been a busy few days in Springfield as the legislature wrapped up their spring legislative session on Tuesday evening. Below you will find an update on the issues that had yet to be resolved before adjournment.

Workers' Compensation: Changes to the workers' compensation system contained in HB1698 are headed to the Governor for his likely signature. The Chamber did not support the proposal as it failed to meet the standard of real reform. However, the bill did not contain any provisions that hurt employers and did contain provisions that will produce some savings.

After passing the Senate 46-10-3, the bill saw some problems in the House when it failed by five votes on Sunday as House Republicans withheld their votes in an attempt to improve the bill. However, the motion was again called for a vote Tuesday evening and this time supporters managed to pass it 62-43-10.

On the opposite end of reform is [SB1933](#) which would repeal the Workers' Compensation Act entirely. House Sponsor John Bradley managed to pass this nuclear option on Friday afternoon and would send nearly 50,000 cases into the courts to be decided on. The vote to concur in the Senate was passed out of committee but not voted on by the full Senate since HB1698 was passed in the House.

Budget: As we've mentioned before, the House and Senate passed their own budgets earlier this month with roughly \$1 billion difference between the two. House Democrat and Republican leaders worked together on their budget and vowed not to back down on their lower number. The Senate eventually passed the House's budget despite

Healthcare

[HB224](#) Health Carrier External Review

Position: Oppose

Status: House Calendar Order of Concurrence

[HB1530](#) Mental Health Parity

Position: Oppose

Status: Passed both Houses

[SB1555](#) Health Benefits Exchange Act

Position: Support

Status: Passed both Houses

Environment

[HB1703](#)/ Regulatory Modernization-Pipelines,
Chamber initiative

Position: Support

Status: Passed both Houses

To view the Chamber's entire Key Legislation list, use the button below.

[more >>>](#)

Senate Republican opposition who stated that it did not cut enough. However, on Monday the Senate added \$431 million to the House's proposed budget by restoring some of the cuts the House made. The largest restorations go to fund elementary and high schools as well as mental health grants and programs in [HB2189](#). The bill now moved back to the House for a concurrence vote. The Senate put the additional spending in with funds appropriated for the capital plan. Late Tuesday night, the House refused the vote to concur on the new spending and adjourned without further action.

Gaming: The latest gaming proposal came back to life yet again in the past few days. [SB744](#) adds five new casinos, allows nine riverboat casinos to expand and installs slot machines at seven horse racing tracks. The new casinos will reside in Chicago, Danville, Rockford, Park City and another location in Chicago's south suburbs. House sponsor Lang states that the gaming expansion will bring in billions in revenue from licensing fees for expanding and obtaining gaming machines at the horse racing venues that will go towards paying the state's unpaid bills. The measure passed both the House and the Senate but President Cullerton filed a motion to reconsider the vote. He may hold on to the bill for a while until he gets assurance that Governor Quinn will not veto the bill. The Governor has stated his concerns with an overly large expansion proposal but has not directly said he would veto the bill.

Pensions: The latest pension reform proposal has been put off until the fall veto session. In a released joint statement, House Speaker Madigan and Republican Leader Cross acknowledge the need for reform and will hold meetings over the summer to address the problems and from there work towards a long term solution.

[SB512 House Amendment 1](#) attempted to align four of the five state pension systems, as well as the Cook County and Chicago Funds, with the fiscal realities of the state. The proposed changes will give members the option of keeping their current benefits, but at a higher contribution level; selecting a reduced benefit plan that mirrors the benefit plan offered to new state hires as of January 1, 2011; or select a self-managed 401(k) plan. The proposed legislation also revises the state's pension contribution schedule that was originally set in 1995 to ensure the state reaches a 90% funding level by FY 2045. The revised contribution schedule ramps up state funding between FY 2013 and FY 2015 before it ties annual contributions to a level percentage of revenue growth through FY 2045. The amendment passed House Personnel & Pension committee and faced the full House for a vote. The Chamber will continue to support pension reform in the fall veto session.

Smart Grid: House members approved the Smart Grid proposal over the holiday weekend in [SB1652](#). Previously in HB14, the language allows Ameren and ComEd to charge customers extra to help fund infrastructure improvements and invest in the Illinois electric grid; an investment in the future. The Chamber remained neutral on the legislation. After several revisions to the bill, the Smart Grid proposal moved back to the Senate for a concurrence vote; which passed. What Governor Quinn will do with his veto pen when he receives the bill remains unclear. Previously the Governor spoke out against the bill along with the Attorney General and said he would veto the bill. However, the Governor made that statement before the final revisions were made.

Illinois Health Insurance Exchange: A major win for the Illinois Chamber and a coalition of business, insurance, and agent/broker groups passed in the last few days of session in [SB1555](#). The legislation creates the Illinois Health Benefits Exchange Act to authorize the state to establish a health insurance exchange while creating a legislative study committee to examine issues critical to the design of an exchange, including governance, operations, and financing. SB1555 now moves to the Governor for signature.

Employment Discrimination: The legislature passed the Chamber's Employment Law Council initiative in [House Amendment 1](#) to SB1122. The bill will improve the processes at the Department of Human Rights by streamlining the employment discrimination process for individuals bringing charges of employment discrimination and employers defending against charges of employment discrimination. The bill also saves taxpayer dollars by removing duplicative investigations that had already been investigated by the federal Employment Equal Opportunity Commission. This bill has been agreed to by the Chamber's Employment Law Council, the Illinois State Bar Association and the National Employment Lawyers Association.

[HB1297](#) EPA Permit Streamlining: For the past several months, the Illinois Environmental Protection Agency (IEPA) and the regulated community have been negotiating ways to improve the air permitting process. This effort resulted in the passage of HB1297. The goal is more efficient and predictable processes while maintaining environmental protections. In addition, the bill addresses the legitimate funding issues at IEPA without impacting the existing GRF tax base. The negotiations resulted in streamlined air permitting in exchange for slightly higher fees spread out over 6,000 permit holders.

Local Sourcing: [SB397](#) contains the RTA and Department of Revenue's language on local sourcing which contains a series of tests to determine where to source local sales

taxes presents a better approach than the Department's longstanding policy of order-acceptance which the Chamber and other business groups opposed. SB397 was assigned to House Revenue & Finance Committee on May 27 and after the debate it was clear that the sponsor did not have the votes to pass the bill out of committee. We anticipate negotiations moving forward.

Redistricting: The new districts are in SB1178 and the bill passed both houses along party lines. Since the Democrats control the House, Senate and Governor's office; they control how the maps are made. The only option for Republicans to attempt to change the map is to take the case to court. View the map [here](#).

Procurement: The Chamber and vendor representatives were unsuccessful in getting the legislature to make needed changes to the procurement code this session. The Chamber does expect the effort to continue, however. The Senate signaled its desire to renew the effort by passing SR261 sponsored by Senator Hutchison which adds members to the special committee on procurement.