

# Illinois Construction Industry Committee

## Legislative Update - February 7, 2022

The Illinois General Assembly did not convene last week due to the inclement weather. Despite the cancelled legislative days, Governor Pritzker still delivered his combined State of the State and Budget address on Wednesday, February 2.

The \$45.4 billion spending plan includes strategies to shore up the state's rainy day fund, increased payments to the pension system, and a continued focus on paying down the state's bill backlog. The Governor presented plans to use a portion of the state's remaining American Rescue Plan funds to help pay down the unemployment insurance trust fund debt; which is reported to be nearly \$4.5 billion. The FY 23 budget also includes a \$1 billion tax relief proposal to benefit working families by easing inflation related financial burdens. The proposed tax relief package suspends the 1% sales tax on groceries, places a freeze on the scheduled fuel tax increase of \$.02 per gallon on July 1 as part of the previously approved Rebuild Illinois program, and offers homeowners a property tax rebate.

While the FY 23 budget plan was positively received by some, the proposal also received its fair share of criticism. Illinois Republicans remain skeptical of the rosy financial picture the Governor painted this week. Governor Pritzker's offer of tax relief was characterized as an "election-year gimmick". Other critics went further to say the Governor didn't deliver a budget address, but instead outlined his plea for re-election in November.

The budget proposal was also met with swift opposition from the Transportation for Illinois Coalition, IUOE Local 150 and the Illinois Road and Transportation Builders Association. These groups specifically oppose the Governor's proposal to freeze the scheduled motor fuel tax increase. It is estimated the proposed freeze would decrease transportation revenues earmarked for horizontal construction projects by nearly \$135 million. These groups, and others, stand adamantly opposed to proposals seeking to cut or divert transportation funding.

Before the spending plan can become reality, it must be approved by the Illinois General Assembly. Details of the FY 23 budget will be negotiated throughout the remainder of the spring legislative session. ICIC will be closely monitoring budget negotiations as they move forward this spring.

Despite many of the previously scheduled session days having been canceled so far this year, neither chamber has changed any of the previously established session deadlines. The new bill introduction deadlines have now passed in both chambers. Legislation that was timely filed will begin receiving committee assignments and committee hearing postings. **The next major deadline is the committee deadline for substantive bills which is set for Thursday, February 10<sup>th</sup> in the Senate, and**

**Friday, February 18<sup>th</sup> in the House.** ICIC has identified a number bills that are of importance to the Illinois construction industry; which include:

**HB 2538 Amendment #1 (Rep. Denyse Stoneback)** sets forth requirements for the licensure of Illinois contractors. As currently drafted, this proposal provides that no person may call themselves “general contractor” without a license from the Illinois Department of Financial & Professional Regulation. Although the legislation uses the term “general contractor”, the bill specifically states application to various construction activities. ICIC is opposed to HB 2538. **HB 2538 is assigned to the House Executive Committee.**

**HB 4116 Amendment #1 (Rep. Bob Morgan)** amends the Right to Privacy in the Workplace Act to provide that an employer may not take adverse action against an employee for using lawful products; which includes marijuana. Amendment #1 also includes a definition of “safety sensitive” position. The definition includes “any position designated in writing by the employer as a safety sensitive position in which the person performing the position, or duties of the position, while under the influence of THC, may constitute a threat to or endanger the health or safety of the person or others”. The definition also provides a list of safety sensitive positions; which include... “positions operating, repairing, maintaining, monitoring, or designing equipment, machinery, critical services and infrastructure...”, among others. ICIC is actively seeking to add the terms “*road or commercial construction*” to the definition of safety sensitive position. **HB 4116 Amendment #1 is assigned to the House Labor & Commerce Committee.**

**HB 4432 Amendment #1 (Rep. Dave Vella)** amends the Prevailing Wage Act to expand the definition of “public works” to include construction projects in a designated redevelopment project area as defined in the Tax Increment Allocation Redevelopment Act and construction projects in a River Edge Redevelopment Zone. Amendment #1 provides prevailing wage applies to projects in these zones with an aggregate cost of at least \$25,000.00. ICIC is opposed to HB 4432 Amendment #1. **HB 4432 is assigned to the House Labor & Commerce Committee.**

**SB 3795 (Sen. Julie Morrison) / HB 4772 (Rep. Martin McLaughlin)** are companion bills that allow county governments to enter into design-build contracts. This legislation 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. Existing design-build laws in statute include the Capital Development Board, Public Building Commission, Chicago Park District, Park Districts, and most recently, the Forest Preserve District and Conservation District Design-Build Authorization Act. SB 3795/HB 4772 as currently drafted, largely mirrors the existing statutes. ICIC plans to work with our design industry partners to ensure these proposals contain language that is the same as the existing statutes. **SB 3795 is assigned to the Senate Local Government Committee.**

Additional design-build related legislation introduced this session includes **SB 3625**

**(Sen. Melinda Bush)** and **HB 4750 (Rep. Joyce Mason)**. These are companion bills that extend the sunset for the Capital Development Board's statutory authority to use the design-build delivery method through 2027. These proposals do not make any other changes to the statute, and ICIC supports these proposals. **SB 3625 is assigned to the Senate State Government Committee.**

**HB 5412 (Rep. Marcus Evans, Jr.)** is the newly introduced version of HB 3293 (Sen. Castro/Rep. Gong-Gershowitz) that ICIC opposed during the fall 2021 veto session. HB 5412 is nearly identical to the language included in HB 3293. **ICIC remains vehemently opposed to this proposal.** This legislation seeks to hold general contractors liable for wage claims at any tier on a private construction project. HB 5412 is an initiative of the Mid-America Carpenters Regional Council. ICIC maintains the position that there is no data to support that these wage claims stem in any significant way from union contractors. In addition, existing remedies are currently in place to protect workers from wage theft. Labor and management have long-standing remedies and processes in place to address non-payment of wages by union contractors. Like previous proposals, HB 5412 casts too wide of a net and will be harmful to responsible contractors. **ICIC maintains our position that contractors who are signatories to collective bargaining agreements should be exempt from HB 5412, should it become law.** ICIC plans to meet with the proponents of this legislation as soon as next week.

**HB 5088 (Rep. Will Davis)** also seeks to prevent wage theft by creating the Wage Theft Act. This proposal amends existing statutes including the Wage Payment & Collection Act, the Counties Code and the Municipal Code. This language was promoted by the Chicago Roofing Contractors Association, the Associated Builders and Contractors, among others. ICIC is currently monitoring HB 5088 as negotiations on proposals seeking to prevent wage theft continue.

**HB 5550 (Rep. Justin Slaughter)** would bring anyone who transports construction materials and other aggregates to or from a public works project under the requirements of the Prevailing Wage Act. This proposal is similar to an initiative supported by the Teamsters union in 2019 that ICIC opposed. HB 5550 conflicts with the federal prevailing wage statute (Davis-Bacon Act) and would circumvent the collective bargaining process currently used in negotiations. In addition, this proposal will likely lead to increased construction costs in Illinois. **For these reasons, ICIC opposes HB 5550.** This legislation remains in House Rules Committee awaiting a committee assignment.

ICIC is also closely monitoring **SB 1900 (Sen. John Curran)**. This proposal seeks to broadly expand the use of Public Private Partnerships (P3) for Illinois infrastructure projects. The bill sponsor, Sen. Curran, previously stated that SB 1900 is his top legislative priority for 2022. P3's can be helpful as an additional funding mechanism for necessary infrastructure projects, but safeguards must be included in enabling legislation to ensure protections are provided to all parties who engage in a P3 project. ICIC anticipates an amendment to SB 1900 may emerge sometime this spring, and

ICIC stands ready to engage on this issue when necessary. **SB 1900 is assigned to the Senate Executive Committee.**

ICIC expects to be engaged in these issues and others that may be introduced via amendments throughout the legislative session. Please pay close attention to Calls to Action and ways you can help communicate ICIC's message on important issues to members of the Illinois General Assembly. Your ICIC staff and lobbying team looks forward to representing the Illinois construction industry in Springfield this session. We are confident that by working alongside our members, ICIC will have another legislatively successful year.