



ICIC Legislative Update – March 18, 2022

This week and as scheduled, only the House convened in Springfield. Both chambers will return to Springfield next week (March 22-25) and will be in session each week through April 8th, when the Illinois General Assembly is scheduled to adjourn. **The next major deadline is the committee deadline for substantive bills to pass out of a committee in the opposite chamber, that deadline being Friday, March 25th in both chambers.** This week the Senate announced its plan for making the legislative process more accessible to members of the public. Starting next week, all Senate committees (except for Executive Appointments) will be conducted in-person only. Any witness planning to provide oral testimony will be required to be physically present in Senate committees. COVID testing will remain in place for legislators, staff, lobbyists and members of the public. **Any person wishing to enter Senate committee hearings, galleries, or offices will be required to show proof of a negative COVID PCR or SHIELD test and obtain a wristband for entry.**

With just three weeks of session remaining before the scheduled April 8th adjournment date, there are several important issues to watch. **Those issues include the FY 23 budget and budget related items such as Governor Pritzker's proposed Motor Fuel Tax freeze and the Unemployment Trust Fund deficit.**

Consumers are facing surging prices on everything from groceries to gasoline. **Legislators on both sides of the aisle claim providing tax relief during this time of economic uncertainty is a top priority.** Between the Russian war in Ukraine and higher consumer demand for travel, the market has responded with higher fuel prices. Illinois' tax structure is also working against us and fueling pain at the pump. Consumers are charged 18.4 cents in federal motor fuel tax plus 39.2 cents in state motor fuel tax, and some local governments can impose additional gas taxes. On top of the motor fuel tax, Illinois also charges a 6.25% sales tax on each gallon of gas. **The Motor Fuel Tax (MFT) revenue is earmarked for roads and infrastructure, which provides ongoing and desperately needed funding to repair and maintain our**

crumbling infrastructure. 1% of the sales tax is earmarked for roads and infrastructure, while 5.25% goes to the state's general revenue fund.

Governor Pritzker recently proposed skipping the scheduled July increase in the MFT; which was tied to inflation in the 2019 Rebuild Illinois plan. The Governor's budget team estimates a freeze in the MFT at the current rate would deprive the road fund of \$135 million over the next fiscal year. **The Governor's proposal immediately drew staunch opposition from labor who argue that the scheduled tax increase will never be repaid, and over the next 10 years, the road fund would more realistically be deprived of \$1.35 billion.** Senate Republicans countered with a plan to cut the sales tax on gasoline, while leaving the MFT alone. However, reducing the sales tax would impact the state's general revenue fund which would result in a diversion of revenue from local government budgets. **Finding the balance between providing relief while avoiding blowing a hole in the FY 23 budget is difficult – and neither side has proposed a workable approach.**

The Unemployment Trust Fund deficit also awaits legislative action. As previously reported, the **UI Trust Fund deficit is nearly \$4.2 billion.** The deficit needs to be fully repaid by November 10, 2022. Otherwise, **Illinois employers will face substantial tax increases, which will have a crippling effect on businesses still struggling to recover from the COVID-19 pandemic.** A multi-industry working group of representatives from the business and employment industries are encouraging the state to use a portion of the remaining ARPA funds to help shore up the deficit. **SB 2803 (Asst. Senate Majority Leader Linda Holmes/House Majority Leader Harris) appropriates \$2 billion to pay off the debt with federal aid.** This bill was approved by the Senate and awaits action in the House. SB 2803 is a placeholder bill while the UI Trust Fund working group continues their agreed-bill negotiations.

ICIC removed our opposition of HB 5412 (Leader Marcus Evans, Jr./Senate President Harmon) with the adoption of Amendment 3. This amendment contains an exemption for signatories of collective bargaining agreements from the requirements of HB 5412. Amendment 3 includes the following language:

(g) Primary contractors who are parties to a collective bargaining agreement on the project where the work is being performed shall be exempt from this Section.

ICIC understands the language included in HB 5412 as amended isn't exactly what we requested. However, the exemption language is broader than what was included in previous drafts we reviewed. **The broadened exemption will benefit more union contractors and will add a layer of protection to signatories of collective**

bargaining agreements from increased and unknown liability, that will undoubtedly be created due to HB 5412. ICIC members will be in a better position with the inclusion of Amendment 3 than what we would be without it. **HB 5412 as amended is assigned to the Senate Executive Committee and is scheduled for a hearing on March 23rd.**

HB 4116 as amended (Rep. Bob Morgan/Sen. Robert Peters) 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. HB 4116 as amended includes a definition of “safety sensitive” position. ICIC’s concern with the definition of “safety sensitive” is that it doesn’t go far enough to protect construction industry employers. **ICIC is actively seeking our previously requested amendment to include “road or commercial construction” in the definition of safety sensitive position.** HB 4116 awaits a committee assignment in the Senate.

HB 4384 as amended (Rep. Eva Dina Delgado/Sen. Ram Villivalam) is an initiative of the Federation of Women Contractors, Hispanic American Construction Industry Association, and the Black Contractors Owners and Executives. **The goal of this bill is to create more transparency in the change order process for Capital Development Board and Illinois Department of Transportation projects.**

Amendment 2 was filed this week by Sen. Ram Villivalam. Amendment 2 requires the CDB and IDOT to prepare quarterly reports on the status of change order requests that have not been acted upon within 45 days. The reports must be published on the CDB and IDOT websites. The first report is due to be published on or before January 15, 2023. **HB 4384 as amended is assigned to the Senate Executive Committee but has not yet been scheduled for a hearing.**

HB 4393 as amended (Rep. Daniel Didech/Sen. Adriane Johnson) amends various statutes to provide **specified contracts may be let to the lowest responsible bidder, or the *best value bidder*.** ICIC remains opposed to HB 4393 due to the concern this legislation creates an opportunity for public bodies to circumvent the competitive bid process and opens the door to favoritism. Public bodies could cite “best value” and award the bid to whoever they prefer to work with on a project. **HB 4393 awaits a committee assignment in the Senate.**

HB 5564 (Rep. Larry Walsh, Jr./Sen. Patrick Joyce) amends the Illinois Procurement Code to provide that when a state contract is awarded to the lowest responsible bidder, an otherwise qualified bidder who will fulfill the contract through the use of low embodied carbon concrete may be given preference over other bidders unable to do so. ICIC remains opposed to HB 5564. **HB 5564 awaits a committee assignment in the Senate.**

SB 3795 as amended (Sen. Julie Morrison/Rep. Joyce Mason) and HB 4772 as amended (Rep. McLaughlin) are companion bills that allow county governments to utilize the design-build delivery method. These proposals include 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. **SB 3795 is assigned to the House Counties and Townships Committee and is scheduled for a hearing on March 23rd. HB 4772 awaits committee assignment in the Senate.**

SB 3625 (Sen. Melinda Bush/Rep. Kathleen Willis) and HB 4750 (Rep. Joyce Mason/Sen. Melinda Bush) 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. **SB 3625 is assigned to the House State Government Administration Committee and is scheduled for a hearing on March 23rd. HB 4750 awaits committee assignment in the Senate.**

SB 2981 (Sen. Ram Villivalam/Asst. Majority Leader Marcus Evans, Jr.) allows the Illinois Department of Transportation (IDOT) and the Tollway to utilize "Progressive Design Build" (PDB). Proponents of SB 2981 report that PDB facilitates involvement of the design-build team during the earliest stages of the owner's project development, and PDB is becoming the preferred model for many states. This legislation is drafted similarly to existing design build statutes. **SB 2981 is assigned to the House State Government Administration Committee and is scheduled to be heard on March 23rd.**

ICIC is also on alert due to rumors of a possible procurement reform package that may be unveiled in the coming weeks. As more information on procurement issues becomes available, ICIC members will be updated accordingly. Your ICIC lobbying team is keeping a watchful eye on these issues and more as the legislative session inches closer to adjournment.

If you have any questions regarding this information, please do not hesitate to contact Jessica Newbold Hoselton by calling 217.523.8044 or by email at jnewbold@boldnewstrat.com.