

Lake County Contractors Association

Legislative Update

January, 2001

By Bob Swaim, ICIC Legislative Consultant (12/1/00)

The Illinois General Assembly concluded the 2000 Legislative Veto Session on November 30. The Session ended with little being done. Legislators acted on all of the Governor's vetoes, passed an early retirement plan for State of Illinois employees and authorized the building of a new stadium for the Chicago Bears. Very little else was considered.

ENTERPRISE ZONES - ICIC is disappointed that the Speaker of the House of Representatives refused to allow our Enterprise Zone legislation to come for a vote during the Veto Session.

During the Spring Session of the General Assembly, ICIC introduced legislation that would allow contractors building in an Enterprise Zone to purchase building materials anywhere in the State of Illinois. The law now provides that, to get the sales tax break, building materials must be purchased in the Enterprise Zone or in the community hosting the Zone. Often certain materials are not available in these areas and for that reason the legislation was introduced.

The Senate passed the bill overwhelmingly in the spring. The House also passed the bill on the last day of the Spring Session, but with amendments. This required the Bill to go back to the Senate and to a Conference Committee.

During the Veto Session, Speaker Mike Madigan would not allow the motions to have the bill assigned to a Conference Committee, thus stalling the Bill. ICIC will work to convince the Speaker to move the legislation when the Legislature returns in January. The 91st General Assembly will meet for two more days Prior to the new General Assembly taking office.

Thanks you to Rep. David Leitch (R - Peoria) and Rep. Jay Hoffman (D - Collinsville) for their efforts regarding this legislation. Thank you also to Sen. Steve Rauschenberger (R - Elgin, the Senate sponsor of the bill

Another bill, extending the life of Enterprise Zones for an additional ten years finally passed during the Veto Session. The extensions are not automatic, but allow the local communities to extend them if they desire. This legislation was supported by ICIC and most of the Illinois Business Community.

SALES TAX ON GAS - During a Special Session of the General Assembly earlier this year, the Legislature repealed the Sales Tax charged on the sale of gasoline for six months. The six months ends on December 31, 2000.

The Illinois Senate, early in the Veto Session, voted to remove the Sales Tax on gasoline permanently. The House refused to consider the bill so the tax will go back onto gasoline sales effective January 1, 2001. Governor George Ryan was also opposed to the permanent repeal of the tax. ICIC supported the removal of the tax.

ILLINOIS FIRST PREVAILING WAGE - During the Veto Session, the Illinois AFL-CIO and the Laborers asked ICIC to assist them in promoting legislation to insure that the Prevailing Wage was applied to all Illinois First projects. This legislation received a great deal of attention and will be pursued during the Spring 2001 Legislative Session.

ROOFING CONTRACTORS - Legislation passed the Senate, on behalf of roofing contractors, that reclassifies the roofing license into two categories: (1) Limited license for contractors who perform residential work exclusively and (2) unlimited license for contractors who perform residential, commercial, and industrial work.

The bill also requires roofing contractors to pass an exam before being issued a license (the limited license exam would only cover residential work). In addition, the measure increases the bonding requirement from \$5,000 to \$10,000 for residential contractors and from \$5,000 to \$25,000 for commercial contractors.

The legislation requires roofing contractors to list a land based phone number and street address on all contracts and requires retailers who subcontract roofing services to subcontract to licensed roofing contractors only.

Like so many other bills during the Veto Session, the House did not take up this legislation, but may do so in January.

UNEMPLOYMENT INSURANCE - A hearing was held during the Veto Session to discuss the idea of paying for emergency family leaves through the Unemployment Insurance System. This proposal was opposed by ICIC and all of the Employer Community and did not receive any consideration by the General Assembly.

CHICAGO STADIUM - Most of the news surrounding the Veto Session had to do with the renovations of Soldier Field in Chicago, the home of the Chicago Bears. Following a great deal of pressure, legislation passed authorizing the Chicago Park District to rebuild the stadium.

The \$587 Million project will receive advanced payments from the State of Illinois. The money is to be paid back through the Chicago Hotel and Motel tax. If the tax is not sufficient to cover the payments to the State, the City of Chicago will become responsible for the repayment. The State is not to have any financial liability.

The reason this legislation was of interest to ICIC is that the bill allows for Design/Build on this project. In addition, the State procurement laws do not apply and contractors may not be selected by competitive bidding. The Park District can develop its own procurement standards. The project is subject to the Prevailing Wage. It is our understanding that the General Contractor has already been selected. (This was confirmed by newspaper reports after this report was written.)