



Legislative Update #2

March 30, 2007

The Gross Receipts Tax has taken center stage in Springfield but there are other issues equally as important. Here are updates for legislation mentioned last month and a few new bills. **(Our comments are in bold.)**

NEW - SB 429 – Gross Receipts Tax – The Governor’s Gross Receipts Tax bill has been prepared and will be amended onto SB 429 – maybe! Apparently another version is being “prepared” by the Governor’s Staff and now we are not sure just what will show up in the legislature. **(OPPOSED – whatever the version!)**

NEW - HB 1309 – Expands Liability for Damaged Utilities – Sponsor Rep. Kevin McCarthy (D-Orland Park) – This bill would make contractors who damage a utility liable for all public emergency providers who respond to the accident – whether the contractor is at fault or not! **(This is a real potential problem for underground contractors. The Underground Contractors Association have developed language to fix the cost on the guilty party and are working to amend the bill. The bill is currently in the House on 2nd Reading. OPPOSED).**

NEW - SB 1296 – Liability of Remaining Parties – Sponsor Sen. John Cullerton (D-Chicago) – This bill would permit plaintiff attorneys to settle with one or more parties in a lawsuit and no matter how much at fault they may be, the remaining parties will be liable for 100% of the fault with no credit for the settlements. (This bill will put most of the financial burden for a lawsuit on the “deep pocket” no matter how much or little they are contributing to the injury. **(Contractors will come out the losers if this passes. Currently the bill has passed the Senate and is in the House. OPPOSED)**

NEW - HB 1795 – Employee Classification Act – Sponsor Rep. Harry Osterman (D-Chicago) – This is the bill ICIC negotiated with the AFL-CIO to make acceptable to contractors. It would set conditions on who can be considered an “independent contractor” and who is classified as an employee. The bill was recently amended to also include transportation of materials to and from the jobsite. **(During the negotiations, we tried to get the language as close to the IRS definition as possible. We had no intent to cover material delivery so position may change. Currently in the House on 3rd Reading.)**

HB 1855 – Substance Abuse Prevention on Public Worksites – Sponsor Dave Winters (R-Shirland) – This bill would require a drug testing program on all public jobs that includes random testing. **(The bill was amended to eliminate coverage for any employee covered by a collective bargaining agreement that would have made it worthless for union contractors. Since then LCCA has written language to take care of objections and it should be amended and back on track soon. Currently the bill is on 3rd Reading in the House. SUPPORT WITH AMENDMENT)**

HB 224 – County Gas Tax Act – Sponsor Rep. Patricia Linder (R-Aurora) – Would permit Lake, Kendall, Boone, DeKalb and Grundy to impose a county gas tax with a Referendum. **(The bill is on 2nd Reading but moving slowly. An additional amendment has been added to the bill requiring all revenue generated to only be used for transportation purposes. SUPPORT)**

SB 330 – Rental Mechanics Lien Act – Sponsor Sen. Carole Pankau (R-Roselle) - This bill would provide companies who rent equipment or materials used in a construction project with the right to lien the project for non-payment. **(This bill was on the verge of passage when yet another amendment was added sending the bill back to Rules. The latest amendment deleted the prior amendment that would cover material hauling equipment.)**

HB 830 – Mechanics Lien for ~~Breach of Contract~~ Rental et.al. – Sponsor Rep. Sid Mathias (R-Buffalo Grove) – This bill was amended to include the provisions in SB 330. **(The bill is on 3rd Reading in the House.)**

SB 232 - Local Impact Fees – Sponsor Sen. Chris Lauzen (R-Aurora) – This would permit municipalities to impose impact fees on new developments. **(This bill did not get anywhere and is now in Rules. OPPOSED)**

HB 3490 – Public Building Commission Design-Build – Sponsor Rep. Greg Harris (D-Oak Park) – This bill would authorize the use of Design-Build as a method of delivery of construction project services. **(The Senate version of this bill died. The bill is currently on 2nd Reading after an amendment that clarified the 5 subcontractor bids required with the general contractors bid. SUPPORT)**

SB 1176 – CDB Construction Subcontracts - Sponsor Sen. Terry Link (D-Vernon Hills) – This bill would permit the Capital Development Board to not bid the five subdivisions now required by law if: 1) the Board Requests and receives written approval from the Procurement Policy Board, 2) the successful bid identifies the subcontractors and the proposed cost for each subdivision, and 3) the resulting contract provides that no identified subcontractor may be terminated without the written consent of the CDB. **(This appears to be dead at the moment. NO POSITION)**

SB 1291 – Gas Tax Increase – Sponsor John Cullerton (D-Chicago) – This would raise the gas tax \$.06 per gal – and allocate all the money to local and county road districts. **(This bill died and has been stripped of its content.)**

HB 474 – Contractor Licensing Act – Sponsor Rep. Jack Franks (D-Woodstock) – This bill would require all residential contractors to be licensed by the State of Illinois. **(The original bill applied to all contractors. ICIC ask Rep. Franks to exclude all but residential contractors and he agreed. The bill was amended and is currently on 2nd Reading.)**

HB 555 – Contract Indemnification Act – Sponsor Rep. Thomas Holbrook (D-Belleville) – Currently it is illegal to have a contract clause to indemnify or hold harmless another person from that person’s own negligence. This bill would also prohibit requiring the purchase of an insurance policy to indemnify or hold harmless another person from that person’s own negligence. **(We OPPOSE this bill and currently it is sitting in Rules.)**

HB 743 – Contractor Prompt Payment Act – Sponsor Rep. John Fritchey (D-Chicago) – This would require owners to pay within 10 days after approval or 25 days after submission of payment request unless reasons for withholding are documented in writing. Payment will be required for any portion not in dispute. Subcontractors, whose work has been accepted by the owner or contractor, shall be paid within 10 days or the contractors receipt from the owner of the subcontractors payment. **(The bill has passed the House and John Cullerton (D-Chicago) is the chief Senate Sponsor. SUPPORT)**

HB 801 – Capital Investment Accountability Act – Rep. David Miller (D-Dolton) – This bill would divide the state into districts and create a “District Prioritization Committee” to prepare lists of transportation projects, rank them and send them to another body called the “Statewide Prioritization Committee” that will then be sent to IDOT to serve as the annual project program. **(This has been amended but it still seems to add several levels to the decision making for project selection with no input from the experts. OPPOSED)**

SB 126 – Landscape Transfer Stations Exclusions – Sponsor Sen. Susan Garrett (D-Lake Forest) - This bill would exclude Landscape Transfer Stations from coverage by the Environmental Protection Act. **(This bill has now passed the Senate and been introduced into the House. SUPPORT)**

SB 155 – Painting-Drywall-Glazing Licensing Act – Sponsor Sen. Terry Link (D-Vernon Hills) This bill would require painting, drywall and glazing contractors to be licensed. **(This is on 3rd Reading – the last step in either chamber, but was re-referred to Rules when legislation goes to be buried! NO POSITION)**

HB 1252 – County No-Bid Contracts - Sponsor Rep. Patricia Linder (R-Aurora) – This bill would permit all counties (except Cook) to award contracts without advertising or regard to the low bidder if authorized by a two-thirds vote of the County Board. Currently this is only legal “in case of emergency.” **(The bill is moving but only passed the House Local Government Committee by 6-5! Now on 2nd Reading. We are OPPOSED.)**