

GOVERNMENT RELATIONS AND PUBLIC POLICY REPORT November 22, 2024

FALL 2024 VETO SESSION UPDATE

Members of the Illinois General Assembly returned to Springfield on Tuesday for the final week of the Fall 2024 Veto Session. Not much was accomplished, however, as lawmakers primarily met internally to work out what actions they may wish to take as they face a second **Donald Trump** presidency and a potential multi-billion-dollar budget deficit. The budget outlook prompted Deputy Governor **Andy Manar** to send a memo to all state agency directors with instructions to identify spending that can be reduced, highlighting that Fiscal Year 2026 will be a challenging time.

A key development during Veto Session was the introduction of legislation aimed at enhancing **pension benefits for Tier 2 state employees**: <u>House Bill 5909</u> (Kifowit) and <u>Senate Bill 3988</u> (Martwick). Any across-the-board benefit enhancement will have a significant year-to-year budgetary impact. These bills are backed by the We Are One coalition, a group of unions focused on securing retirement benefits for public sector workers and would effectively match Tier 2 pension benefit structures to Tier 1 benefits. While Gov. **JB Pritzker** has expressed support for improving Tier 2 pensions, he emphasized that he is not in a rush to act, believing a comprehensive assessment is needed to ensure that the state meets the Social Security safe harbor threshold, which has not been fully calculated. Pritzker stated that addressing this issue will take time, and is not something that needs to be addressed in the next legislative session. While unions are pushing for faster action, Illinois lawmakers are also grappling with other budget challenges as they head into a tight fiscal year.

Other notable Veto Session action included a subject matter hearing in the Senate Executive Committee on <u>SB</u> <u>3968</u> (Faraci), which would **ban carbon sequestration injections near aquifers**. No vote was taken as lawmakers wish to learn more about the carbon injection process and its environmental risks. The General Assembly also sent a bill to Gov. Pritzker's desk that would **end the subminimum wage for workers with disabilities**.

Several time-sensitive bills passed (such as some sunset extensions and a revenue clean-up), and several things were left undone, such as a bill that would allow certain people to legally change their names without making it public information, and Karina's Bill, which would mandate police remove firearms from any person who has been served with a domestic violence order of protection within a certain timeframe.

House and Senate leaders have advised their members to be prepared to return to Springfield as early as January 2. It is during this time — **the lame duck session** — that more legislative activity could occur if the Governor and legislative leaders determine it is appropriate to address significant regulatory and fiscal issues. Gov. Pritzker and the two Democratic legislative leaders have talked about "Trump-proofing" the state during the lame duck session.

The 104th General Assembly will be inaugurated on January 8, 2025, and both chambers released calendars for the spring 2025 session. With all ballots counted, there will be no changes to the makeup of the House and Senate in 2025. Democrats will retain their 78-40 advantage in the House and 40-19 supermajority in the Senate. In addition, Senate President Don Harmon, House Speaker Emanuel "Chris" Welch, Senate Minority Leader John

Curran, and House Minority Leader **Tony McCombie** have all been selected by their respective caucuses to continue in their leadership roles.

LEGISLATOR UPDATES

- ❖ Incumbent Rep. Martin McLaughlin (R-Barrington Hills) won the closest House race since 2018, defeating Democrat Maria Peterson by 47 votes in the northwest suburban 52nd House District. Peterson continually cut into McLaughlin's 300-vote lead with late arriving mail-in ballots for the past two weeks.
- Rep. Amy Grant (R-Wheaton) secured a fourth term, as final results showed a 292-vote win for the chronically endangered legislator.
- ❖ Incumbent Rep. **Brandun Schweizer** (R-Danville) secured victory with a lead over Democrat Jarrett Clem by 285 votes.
- Democrat Amy "Murri" Briel won this open seat over Republican Liz Bishop in the 76th District, increasing her lead from 505 votes on election night to 593.
- Sen. Willie Preston (D-Chicago) has been named Senate chair of the Illinois Legislative Black Caucus.

NEW STATEHOUSE SECURITY MEASURES

The Secretary of State's Office has added more police officers to statehouse grounds, and all visitors who are not government employees will need to go through a metal-detection screening. The SOS office said it just wants to make sure visitors know that "safety and security are a priority."

MADIGAN TRIAL CONTINUES

The federal corruption trial of former Illinois House Speaker **Michael Madigan** continues. Last week, current and former ComEd and Exelon employees took the witness stand to speak on the alleged no-work jobs prosecutors say were traded for passing legislation. This week, the government's primary witness, former Chicago alderman and FBI mole **Danny Solis**, took the stand for a short time before adjourning for the week. As prosecutors near the end of the ComEd portion of the indictment against Madigan, the judge recently informed the jury that the trial is running at least two weeks longer than expected, with an end date likely not coming before the middle of January.

CHICAGO BUDGET UPDATE

By a 0-50 vote, the Chicago City Council unanimously defeated Mayor **Brandon Johnson**'s proposed \$300 million property tax increase — meaning that the city will have to find other ways to close a \$982.4 million budget gap. The mayor is back to the drawing board: Potential revenues include reducing the property tax increase down to around \$135 million; increasing the \$9.50-a-month garbage collection fee by varying levels; raising taxes on items including cigarettes, parking, bottled water, gasoline and liquor; and raising the amusement tax from 9% to 14% — but only on streaming services. One of the biggest-ticket items, which would bring in nearly \$100 million, involves raising the personal property lease tax on cloud computing from 9% to 10.25%.

CHICAGO ON "CREDIT WATCH"

Standard & Poor's has placed Chicago's credit rating on a "credit watch," signaling potential risks to the city's financial stability. Mayor Johnson's administration also faces heightened scrutiny as it balances the city's fiscal

needs with broader economic challenges. The decision by S&P could impact Chicago's ability to secure favorable terms on future borrowing – and could raise the interest rate by roughly one-quarter of a point. That means that the increased borrowing cost on the city's upcoming plan to refinance \$1.5 billion in bonds could be substantial. That small percentage increase could cost Chicago taxpayers \$160 million in the long run, approximately \$4 million a year over 40 years.

PAID LEAVE FOR ALL WORKERS ACT WEBINAR

The Illinois Department of Labor hosted a webinar about the Paid Leave for All Workers Act on November 21. More information, including a fact sheets, and a list of resources, is <u>available via this link</u>. Individuals with questions or comments may contact IDOL by email at <u>DOL.PaidLeave@illinois.gov</u>.

JUDGE DISMISSES BIPA LAWSUIT CITING REVISED STATE LAW

Northern District of Illinois Judge **Elaine Bucklo** threw out a lawsuit on November 13 filed by John Gregg, a former employee of Michigan-based trucking company Central Transport LLC, alleging that the company violated Illinois' Biometric Information Privacy Act statute. Gregg's lawsuit sought at least \$75,000 in damages for the company's alleged misuse of biometric data. Bucklo wrote that under the newly amended version of BIPA, damages would only amount to about \$15,000. That would make federal court the improper venue due to the lower dollar amount.

ILLINOIS FORGIVES \$72 MILLION IN MEDICAL DEBT

Illinois' Medical Debt Relief Pilot Program has forgiven over \$72 million in medical debt for more than 52,000 residents. The program, which targets those with low incomes or high medical debt relative to their earnings, aims to eliminate \$1 billion in debt statewide. Funded by a \$10 million state investment, the initiative works by purchasing and forgiving qualifying medical debt, with the potential for a significant return on investment. Additionally, Illinois has passed legislation to prevent medical debt from impacting credit scores. The program is part of the state's broader efforts to reduce financial burdens and promote health equity.

FUNDING FOR GHG REDUCTION AT WATER PORTS

Gov. Pritzker, along with environmental advocates, has announced grants totaling \$430 million through the federal Climate Pollution Reduction Grant. Illinois was also selected to receive a total of \$95 million from two grants through the U.S. Environmental Protection Agency's Clean Ports Program -- the third-largest amount awarded by the EPA. All funding from this award will implement projects aimed at reducing greenhouse gas emissions.

For more information on state legislative and public policy issues, please contact:

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