

## Illinois General Assembly Completes 2021 Veto Session

The Illinois General Assembly completed its 2021 veto session and is adjourned until January 2022. The General Assembly did not adjourn without passing a few contentious issues that included (1) passing congressional maps; (2) amending the Right of Conscience Act; (3) extending the unemployment insurance 'speed bumps'; (4) passing a gaming bill; and (5) releasing the spring legislative schedule.

### **VACCINE AND TESTING MANDATES**

Earlier this fall the Biden Administration requested the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) to develop a rule that will require all employers with 100 or more employees to ensure their workforce is fully vaccinated or require any workers who remain unvaccinated to produce a negative test result on at least a weekly basis before coming to work. OSHA completed and released the rules two weeks ago. The rules were immediately challenged by 27 different states. In the meantime, in Illinois, Governor Pritzker has used Executive Orders to require state workers and contractors and healthcare workers, including but not limited to pharmacists, teachers, nurses, fire, and police to receive a vaccination or testing or be fired.

As a result of the aforementioned mandates, some employees in Illinois have been using the Illinois Right of Conscience Act in an attempt to avoid the current state mandate. Section 5 of the law prohibits any sort of "discrimination" against anyone who exercises their conscience when refusing health care services including but not limited to testing or vaccination. Illinois Courts have sided with employees in determining their rights under the Act regarding receiving COVID-19 tests and vaccinations.

The Governor's office introduced language in SB 1169 House Floor Amendment #3 (Senate President Don Harmon, D- Oak Park/Rep. Robyn Gabel, D- Evanston) to amend the Act to remove a person's ability express their right of conscience to receiving a COVID-19 test or vaccination. The measure was unable to secure the super-majority support necessary to take effect immediately so it was amended to take effect July 1, 2022. In the meantime, the Governor's office is hoping that courts will take into consideration the General Assembly's changes in current legal cases where employees have sought the protection of the Act. Should they so choose, the General Assembly can also take up the measure again in January when they would only need 60 votes to make it effective immediately.

### **UNEMPLOYMENT INSURANCE**

Within the Illinois Unemployment Insurance Act are provisions called 'speed bumps'. They are designed to force representatives of labor and employers to the negotiating table. If the speed bumps take effect, employers are hit with \$500 million in tax increases and laid off employees with \$500 million in benefit cuts. The current round of 'speed bumps' were supposed to take effect January 1, 2022. By agreement of representatives of labor and business, the date the speed bumps could take effect are being moved to July 3, 2022. That gives everyone the coming spring session to determine how best to address what is expected to be a \$5 billion deficit in the Unemployment Insurance Trust Fund. What should happen, and what employers, led by IRMA and MHA, have consistently called on Governor Pritzker to do, is use the \$3.6 billion in remaining federal ARPA funds to reduce the deficit and then assign even responsibility between labor and business to address the remaining \$1.4 billion problem. That would mean each side would be responsible for \$700 million. Failing to use the ARPA funds in this manner would mean that even if the responsibility was evenly divided between business and labor, each sides share would be more than the previous deepest Trust Fund deficit.

### **NET OPERATING LOSS**

As part of an economic incentive package designed to help the state try and attract electric vehicle battery manufacturers to Illinois, Illinois' net operating loss deduction was amended. For tax periods ending on or after December 31, 2021 and for any net loss incurred in a tax year ending on or after December 31, 2021 for which the statute of limitations has not run, entities claim the NOL credit over a 20-year period vs. a 12-year period. However, the amount that can be claimed in a given year is still capped at \$100,000. The \$100,000 cap is set to expire December 31, 2024. The Assembly has previously extended that cap and it remains to be seen if it will be extended again. The provision is found in Senate Amendment #4 to HB 1769 (Rep. Dave Vella, D- Loves Park/Sen. Steve Stadelman, D- Rockford).

## **ENERGY TAX**

A provision in state law prohibits units of local government from imposing a tax on energy. That provision was scheduled to sunset this year. At the urging of IRMA and many other entities, that sunset was pushed to January 1, 2023. Local government and environmental groups are eager to be allowed to impose these taxes. Local governments because they want more tax revenue. Environmental groups want to make the price of fossil fuels prohibitively expensive. This sunset will be debated again next spring.

## **"PUSH TAX" ABOLISHED**

The Generally Assembly passed gaming legislation within HB 3136 (Rep. Bob Rita, D Blue Island/Sen. Bill Cunningham, D-Chicago) that allows betting for in-state collegiate athletics, and more importantly for retail, prohibits additional municipalities from imposing a "push tax" on gaming terminals in the state. A push tax occurs each time a bet is placed (a button is "pushed") on a video gaming terminal. The legislation prohibits new municipalities from enacting a "push tax" but allows those municipalities that have enacted a push tax prior to November to continue to apply the tax. Additionally, those "grandfathered" municipalities would be prohibited from increasing or expanding the push tax. Finally, the legislation increases the annual fees that non-home rule municipalities are able to charge on video gaming terminal to \$250 from \$25.

## **CONGRESSIONAL MAPS**

After much consternation and many different drafts, the General Assembly passed the new Congressional maps. As passed, the maps place Illinois' newest Democratic Representative Marie Newman (D) in the 4th Congressional District with Representative Chuy Garcia (D). Representative Mary Miller (R) and Representative Mike Bost (R) were placed in the 12th Congressional District. Representative Adam Kinzinger (R) and Representative Darin LaHood (R) were placed in the 12th Congressional District. The map also includes an additional Latino district as a result of Latino population increase in Illinois.

The maps reflect a total of 17 representatives due to the fact that Illinois lost a congressional seat after the census numbers were tabulated.

After the maps were passed, Representative Adam Kinzinger announced that he would not run for reelection. Representative Marie Newman who was mapped into Representative Chuy Garcia's district is expected to challenge Representative Sean Casten in the Democratic primary in the neighboring 6th Congressional District.

## **SPRING LEGISLATIVE SESSION SCHEDULE**

The Senate President and the House Speaker released their respective caucus' schedule for next spring. Both the House and the Senate are scheduled to adjourn on April 8th. This is the earliest scheduled adjournment in 20 years. The early adjournment is a response to moving the legislative

primaries to June from March due to redistricting. Both leaders want their respective caucus members in their new districts engaging their constituents well before the scheduled primary.

Although they are scheduled to adjourn April 8th, it is an arbitrary date that can be extended at the General Assembly's will.