



## **NWMC LEGISLATIVE UPDATE**

**June 4, 2021**

### ***Conference Applauds State for Protecting Local Revenue***

It took one day longer than the scheduled May 31 adjournment, but the General Assembly passed a budget for the state fiscal year starting July 1, 2021 ([Senate Bill 2800](#) – appropriations, [Senate Bill 2017](#) – budget implementation (BIMP) and [House Bill 900](#) - capital). Of central importance, the budget maintains the current Local Government Distributive Fund (LGDF) allotment with no reductions. We appreciate that Governor J.B. Pritzker and state lawmakers recognized the importance of LGDF and the critical role it plays in supporting essential services for all Illinois municipalities.

As cities and villages continue to grapple with the challenges and economic hardships resulting from the pandemic, further cuts to LGDF would have made local governments even more dependent on property taxes to fund operations and provide basic services.

We applaud this bipartisan effort in protecting current LGDF levels as part of the state’s 2022 budget, and we will continue to seek discussions with the Governor and legislators to ultimately restore LGDF dollars to its promised level moving forward. We especially want to thank State Rep. Anthony DeLuca (D-Chicago Heights) and State Sen. Donald DeWitte (R-St. Charles) for sponsoring legislation this session that called for full 10 percent funding of LGDF.

#### ***Adjournment***

After a flurry of activity to begin this week, both the House and Senate adjourned their spring sessions. However, legislation to create an elected school board for Chicago did pass the Senate after the House had adjourned. It is unknown whether the House will return to Springfield before veto session to take up this legislation.

As has been common in recent budgets, the Personal Property Replacement Tax (PPRT) is hit with a large diversion (approximately \$340.5 million) to fund a variety of items from community college grants to assistance in elections.

On the revenue enhancement side, the Governor’s proposed budget had called for over \$900 million in additional revenue from changes to the current tax structure. The approved budget includes an estimated \$655 million for the state from closing “loopholes” and pulling back tax exemptions. Based on initial estimates, local governments would receive \$42 million from the following corporate tax changes:

1. Capping Corporate Net Operating Loss (NOL) at \$100,000 - \$21 million in local revenues (LGDF)
2. Align Domestic & Foreign-Source Dividend Deduction - \$7 million in local revenues (LGDF)
3. Roll Back Tax Cut & Jobs Act 100% Accelerated Depreciation Deduction - \$14 million local revenues (LGDF)

After a short procedural hold, the budget bills have officially passed both chambers and are expected to be sent to the Governor shortly.

## ***Police Reform Trailer Bill Passes Swiftly Before End of Session***

While it originally appeared that the trailer bill to the policing and criminal justice reforms (SAFE-T Act) passed in January would have to wait until after the spring session, the General Assembly was able to quickly move legislation on Monday. [House Bill 3443](#) was amended in the Senate and earned the support of the [Illinois Association of Chiefs of Police](#) before passing both chambers.

Modifications to the body camera provisions remove the prohibition for an officer to view his or her own video before writing a report. The bill additionally removes or change felony violations related to body camera. Furthermore, the bill clarifies some of the ambiguous and undefined use of force provisions. The bill separates resisting arrest from obstructing arrest relating to the reasons someone can be arrested. Most new training requirements are delayed for a year.

The Conference anticipates discussions to continue on potential changes and implementation of the SAFE-T Act. Body cameras and new training requirements remain largely an unfunded mandate. Additionally, the Task Force on Constitutional Rights and Remedies, which will examine changes to qualified and other immunities, had its report deadline extended to October 31.

The new state budget includes \$3.4 million for grants to local governments related to installing video cameras in vehicles, but does not allocate money specifically for body cameras. Reviewing appropriations for the Illinois Law Enforcement Training Standards Board over the past two years, there is a new line item appropriation for “payment of and/or reimbursement of basic training and basic training services in accordance with statutory provisions” for \$9.8 million. The Conference will continue to advocate for funding assistance as part of the implementation of the SAFE-T Act.

## ***Lead Service Line Replacement Bill Passes General Assembly***

On Monday, the House concurred with the Senate amendments to [House Bill 3739](#), the legislative proposal targeting the removal of lead water service lines in Illinois communities. As has been previously reported, the legislation would: extend timelines for lead service line replacement; provide multiple local funding options; limit municipal liability; and, include good-faith provisions for diversity contracting.

If signed by the Governor, the legislation will require municipalities to inventory service lines by April 2024, with provisions for additional extensions. The bill gives municipalities three years to develop an initial replacement plan (a complete and final replacement plan is due by April 2027). Plans must conform to replacement rates established in the bill. Communities with more lead service lines will have longer to fully replace all service lines. The most aggressive timeline for those with fewer than 1,200 lead service lines requires at least 7 percent of service lines to be replaced annually with up to 15 years for completion, while those with 100,000 or more lead service lines would need to replace at least 2 percent annually with up to 50 years for completion. The legislation includes provisions for further extensions.

The bill is largely silent on revenue support, but does create a new Advisory Board to study and report on revenue options. The board will have eighteen months from bill enactment to produce a report on revenue options and recommendations. The legislation establishes a Lead Service Line Replacement Fund to assist local governments.

## ***Recreational Cannabis Legislation Targets Social Equity, Clarifies Relocation***

Last week, [House Bill 1443](#), which expands and changes recreational cannabis licensing, passed both the House and the Senate. The bill is focused on ensuring minority and female applicants are able to secure a dispensary license. The legislation would create two additional lotteries of 110 adult use license dispensaries for people who are social equity applicants as defined by the bill.

In addition, the bill includes language clarifying the requirements surrounding the transition from a medical to recreational cannabis license when a dispensary relocation is included.

## ***Election Legislation Moves State Primary, Makes Voting Easier***

Another bill to emerge for public debate at the eleventh hour was [Senate Bill 825](#), a major piece of election legislation. The bill includes numerous provisions aimed at making it easier to vote while also moving the primary election date for 2022 from March 15 to June 28. This legislation gives the General Assembly additional time to draw the new Congressional district map for Illinois following the release of final census figures later this summer.

## ***Legislation Pending in the General Assembly***

Listed below are the bills on which the NWMC has taken a position and have passed both houses. If you have questions about these bills or any other piece of legislation, please contact Chris Staron at [cstaron@nwmc-cog.org](mailto:cstaron@nwmc-cog.org).

### **BILLS THAT HAVE PASSED BOTH HOUSES**

#### **[HB 381](#): PEN CD-DWNST POLICE-TRANSFER**

*Rep. Dan Ugaste, Sen. Neil Anderson*

**Synopsis:** Amends the Downstate Police and Downstate Firefighter Articles of the Illinois Pension Code. Provides that at any time during the 6 months following the effective date of the amendatory Act, an active member of a downstate firefighters' pension fund may apply for transfer to that fund of up to 8 years of his or her creditable service accumulated in a police pension fund that is administered by another unit of local government if that active member was not subject to disciplinary action when he or she terminated employment with that police department. Makes conforming changes. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective January 1, 2022.

**NWMC Position:** Oppose

**Status:** Passed House 108-6, Passed Senate 53-0

#### **[HB 453](#): PROPERTY TAX-VENDOR REPORT**

*Rep. William Davis, Sen. Napoleon Harris, III*

**Synopsis:** Amends the Property Tax Code. Provides that any taxing district that has an aggregate property tax levy of more than \$5,000,000 for the applicable levy year shall make a good faith effort to collect and electronically publish data from all vendors and subcontractors doing business with the taxing district as to whether the vendor or subcontractor is a minority-owned, women-owned, or veteran-owned business or whether the vendor or subcontractor is a small business. Preempts the concurrent exercise of home rule powers. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

**NWMC Position:** Oppose

**Status:** Passed House 110-5-1, Passed Senate 44-14

### **HB 571: MUNICIPAL CODE-TIF REPORTING**

*Rep. Jonathan Carroll, Sen. Ann Gillespie*

**Synopsis:** Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Provides that the municipality may choose the financial advisor or underwriter who shall prepare an analysis required to be submitted to the Comptroller and taxing districts relating to setting forth the: (i) nature and term of obligation; (ii) projected debt service including required reserves and debt coverage; and (iii) actual debt service (currently, only (i) and (ii) are required). Requires, for Fiscal Year 2022 and each fiscal year thereafter, the following additional items to be included in the report required to be submitted before the annual meeting of the Joint Review Board to the Comptroller and taxing districts: (1) the number of jobs, if any, projected to be created for each redevelopment project area at the time of approval of the redevelopment agreement; (2) the number of jobs, if any, created as a result of the development to date for that reporting period under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement; (3) the amount of increment projected to be created at the time of approval of the redevelopment agreement for each redevelopment project area; (4) the amount of increment created as a result of the development to date for that reporting period using the same assumptions as was used for the projections used at the time of the approval of the redevelopment agreement; and (5) the stated rate of return identified by the developer to the municipality for each redevelopment project area, if any. Stated rates of return required to be reported in item (5) shall be independently verified by a third party chosen by the municipality. Makes other changes. Effective immediately.

**NWMC Position:** Oppose

**Status:** Passed House 114-1-1, Passed Senate 56-0

### **HB 633: VEGETABLE GARDEN PROTECTION**

*Rep. Sonya M. Harper, Sen. David Koehler*

**Synopsis:** Creates the Vegetable Garden Protection Act. Provides for the right to cultivate a vegetable garden and permits state and local regulation. Defines "vegetable garden". Limits home rule powers.

**NWMC Position:** Oppose

**Status:** Passed House 92-24, Passed Senate 46-9

### **HB 1926: MUNI TUBERCULOSIS SANITARIUMS**

*Rep. Mark Luft, Sen. Julie A. Morrison*

**Synopsis:** Repeals the City and Village Tuberculosis Sanitariums Division of the Illinois Municipal Code. Amends the Counties Code, Illinois Municipal Code, and the Tuberculosis Sanitarium District Act making conforming changes.

**NWMC Position:** Support

**Status:** Passed Senate as amended 59-0, House concurred 118-0

### **HB 1931: MUNI-INDUSTRIAL PROJECT REVENUE**

*Rep. Tony McCombie, Sen. Neil Anderson*

**Synopsis:** Amends the Industrial Project Revenue Bond Act in the Illinois Municipal Code. In the definition of "industrial project", includes use or disposal of surplus real estate owned by the municipality. Effective immediately.

**NWMC Position:** Monitor

**Status:** Passed House 117-0, Passed Senate 56-0

### **HB 1932: BUILDING FEES AFTER DISASTER**

*Rep. Tony McCombie, Sen. Neil Anderson*

**Synopsis:** Amends the Counties Code, Township Code, and Illinois Municipal Code. Provides that the governing body of a county, township, or municipality may waive any fees or costs associated with a permit, inspection, or certification of occupancy required by law for construction, reconstruction, alteration, repair, movement to

another site, removal, or demolition of a manufactured home, building, dwelling, or structure, either commercial or residential, damaged as a result of a disaster, emergency, weather event, or for any reason deemed warranted in the interests of public safety, welfare, and recovery of the community by the governing body of the county, township, or municipality. Defines "disaster". Effective immediately.

**NWMC Position:** Support

**Status:** Passed House 117-0, Passed Senate 57-0

#### **HB 2454: COUNTY/MUNI-PERMIT FEE RELIEF**

*Rep. Norine K. Hammond, Sen. Suzy Glowiak Hilton*

**Synopsis:** Amends the Counties Code and Illinois Municipal Code. Provides that a county board, board of county commissioners, or corporate authorities of a municipality may, by resolution, waive or provide credit for any application or permit costs, fees or other licensing or registration costs for businesses, including, but not limited to, professional or business licensing, liquor licenses, construction, insurance, sales, builders, contractors, food service, delivery, repair, consultation, legal services, accounting, transportation, manufacturing, technology, assembly, tourism, entertainment, or any business, industry, or service the county or municipality is permitted by law to regulate or license. Provides that a waiver of business fees or costs shall be subject to an application or review process and a demonstration of need based upon any financial or logistical hardship as a result of the COVID-19 pandemic. Provides that any such waiver or credit shall not be construed to apply to any of the business and licensing costs of the State or any of its agencies or departments and is not an exemption from safety, health, or regulatory requirements or inspections of a county, municipality, or the State. Effective immediately.

**NWMC Position:** Support

**Status:** Passed House 113-0, Passed Senate 57-0

#### **HB 2568: PSEBA HEALTH PLAN BARGAINED**

*Rep. Rita Mayfield, Sen. Thomas Cullerton*

**Synopsis:** Amends the Public Safety Employee Benefits Act. Provides that a health insurance plan, as defined, is limited to the insurance plan options codified in the employee collective bargaining agreement or bargained upon with an authorized agent and subject to the grievance process.

**NWMC Position:** Oppose

**Status:** Passed House 114-0, Passed Senate 54-1-1

#### **HB 2806: LOCAL VOLUNTEER BOARD MEMBERS**

*Rep. Brad Halbrook, Sen. Suzy Glowiak Hilton*

**Synopsis:** Creates the Local Volunteer Board Member Removal Act. Provides that the person or entity that appointed a member of a volunteer board or commission may remove that member for misconduct, official misconduct, or neglect of office. Provides that removal under the Act is in addition to any other method of removal provided by law. Defines terms. Effective immediately.

**NWMC Position:** Support

**Status:** Passed House 113-0, Passed Senate 59-0

#### **HB 3289: PROP TX-HOMESTEAD EXEMPTION**

*Rep. Lawrence Walsh, Jr., Sen. John Connor*

**Synopsis:** Amends the Property Tax Code. Provides that each chief county assessment officer may approve a +homestead exemption for the 2021 taxable year, without application, for any property that was approved for the exemption for the 2020 taxable year, if: (1) the county board has declared a local disaster as provided in the Illinois Emergency Management Agency Act related to the COVID-19 public health emergency; (2) the owner of record of the property as of January 1, 2021 is the same as the owner of record of the property as of January 1, 2020; (3) the exemption for the 2020 taxable year has not been determined to be an erroneous exemption as

defined by the Code; and (4) the taxpayer for the 2020 taxable year has not asked for the exemption to be removed for the 2020 or 2021 taxable years. Effective immediately.

**NWMC Position:** Monitor

**Status:** Passed House 112-0, Passed Senate 55-0

### **HB 3739: LEAD SERVICE LINE REPLACEMENT**

*Rep. Lamont J. Robinson, Jr., Sen. Melinda Bush*

**Synopsis:** Senate Committee Amendment No. 1 replaces everything after the enacting clause. Provides that the amendatory Act may be referred to as the Lead Service Line Replacement and Notification Act. Amends the Environmental Protection Act. Requires the Environmental Protection Agency to establish procedures for the collection of a specified lead in drinking water protection fee to be collected by all community water supplies. Requires the owner or operator of each community water supply to perform specified activities. Creates the Lead Service Line Replacement Advisory Board within the Agency to perform specified duties. Creates the Lead Service Line Replacement Fund to be used to finance and administer programs and activities specified under the amendatory provisions. Makes a conforming change in the State Finance Act. Provides that, within one year after the amendatory Act's effective date, the Agency shall design rules for a program with specified requirements for the purpose of administering lead service line replacement funds. Contains other provisions. Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Requires the Department of Commerce and Economic Opportunity to establish a comprehensive low-income water assistance policy and program with specified requirements. Repeals a Section of the Environmental Protection Act regarding lead in drinking water notifications and inventories.

**NWMC Position:** Monitor

**Status:** Passed Senate as amended 46-10, House concurred 85-28-2

### **SB 167: PEN CD-DNST FIRE-SERVICE**

*Sen. Laura Ellman, Rep. Michael Halpin*

**Synopsis:** Amends the Downstate Firefighter Article of the Illinois Pension Code. In a provision concerning the calculation of retirement pensions and automatic annual increases for eligible firefighters who participated in more than one pension fund, removes language limiting application of the provision to Tier 1 retirement pension amounts and Tier 1 automatic annual increases. Provides that as a condition of being eligible for the benefits in a provision concerning firefighters who participated in more than one pension fund, a person who is hired to a position as a firefighter after December 31, 2010 must within 21 months after being hired or within 21 months after the effective date of the amendatory Act, whichever is later, notify the new employer, all of his or her previous employers under the Article, and the Public Pension Division of the Department of Insurance of his or her intent to receive those benefits; and make the required contributions with applicable interest. Provides that a person who was hired to a position as a firefighter after December 31, 2010 and who, before the effective date of the amendatory Act, notified the new employer, all of his or her previous employers, and the Public Pension Division of the Department of Insurance of his or her intent to receive the benefits under a provision concerning firefighters who participated in more than one pension fund shall be deemed to have met the notice requirement. Provides that the changes made by the amendatory Act to the provision concerning firefighters who participated in more than one pension fund apply retroactively. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately. **Senate Committee Amendment No. 1** replaces everything after the enacting clause. Reinserts the provisions of the introduced bill with the following changes. Provides that as a condition of being eligible for the benefits in a provision concerning firefighters who participated in more than one pension fund, a person who first becomes a firefighter under the Article (instead of a person who is hired to a position as a firefighter) after December 31, 2010 must notify specified entities and make certain contributions. Makes a conforming change. Effective immediately.

**NWMC Position:** Oppose

**Status:** Passed Senate 59-0, Passed House 108-3

**SB 1575: FIRST RESPONDER MENTAL HEALTH DATA**

*Sen. Robert F. Martwick, Rep. Lindsey LaPointe*

**Synopsis:** Amends the Mental Health and Developmental Disabilities Administrative Act. Provides that the Department of Human Services shall create and maintain an online database and resource page on its website. Provides that the database and resource page shall contain mental health resources specifically geared toward first responders with the goal of connecting those persons with mental health resources related to crisis services, wellness, trauma information, nutrition, stress reduction, anxiety, depression, violence prevention, suicide prevention, and substance use and of encouraging information sharing among families of first responders, first responder organizations, first responder professional organizations, and first responders. Effective immediately.

**NWMC Position:** Support

**Status:** Passed Senate 59-0, Passed House 112-0

**SB 2150: FIREFIGHTER EXAMINATION AGE**

*Sen. Darren Bailey, Rep. Adam Niemerg*

**Synopsis:** Amends the Illinois Municipal Code and the Fire Protection District Act. Provides that a person 35 years of age or older who has served a municipality as a regularly enrolled volunteer, paid-on-call, or part-time firefighter is eligible to take an examination for a position as a firefighter (removing a requirement the volunteer, paid-on-call, or part-time work was 5 years immediately preceding the time that the municipality begins to use full-time firefighters to provide all or part of its fire protection service). Effective immediately.

**NWMC Position:** Oppose

**Status:** Passed Senate 58-0, Passed House 117-0