



## MEMORANDUM

**To:** CMAP Board

**From:** CMAP Staff

**Date:** September 5, 2012

**Re:** State Legislative Update

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Since concluding the 97<sup>th</sup> spring session on May 31, the Illinois General Assembly has been on hiatus as members campaign in their newly-drawn districts in advance of the November general election. Only a handful of new bills have been introduced, including one addressing water usage during droughts ([HB 6216](#)). Governor Quinn called members back on August 17 for a special session to consider changes to the state's underfunded pension systems, but no legislative actions were taken. The legislature is not scheduled to meet again until the fall veto sessions, which are scheduled for November 27-29 and December 4-6.

With one notable exception, the Governor has been busy signing bills into law while legislators have been campaigning. On August 28, he vetoed [SB 1849](#), which would have expanded gaming in the state by creating five new casinos and allowing slot machines at race tracks.

Following is a summary of the actions taken by the Legislature and Governor that are of interest to CMAP and the region since our last report to the CMAP Board in early August. The 19 bills are classified into four core issue areas of GO TO 2040.

### NEW LEGISLATION

**Water Usage ([HB 6216](#))** Bradley (D-Marion) – Amends the Rivers, Lakes, and Streams Act. Defines "secretarial disaster area" as any portion of a county which meets severe drought intensity for 8 consecutive weeks, or any portion of a county which meets extreme drought or higher drought intensity value at any time during the growing season. Provides that whenever the Secretary of the United States Department of Agriculture declares a secretarial disaster area to exist, the Governor shall exercise his or her authority under Section 7 of the Illinois Emergency Management Agency Act to provide the Department of Natural Resources the authority to regulate and permit all water use, including but not limited to riparian rights, of surface and groundwater resources within the secretarial disaster area. Provides that the DNR shall have the authority to prioritize permitted water usage based on the needs of the affected

area. Permitted uses shall include but not be limited to public drinking water supply, in-stream flows, industrial uses, and navigation. Provides that the Department shall have the authority to make available all public and private water within Illinois to alleviate water supply demands within a secretarial disaster area, excluding federal reservoirs and Lake Michigan. Provides that the Department is not required to follow state procurement rules when implementing this Section within secretarial disaster areas and that all compensation shall be set by the Office of Water Resources. Provides procedural requirements concerning water use regulation under the new provisions. Limits the concurrent exercise of home rule powers. Filed with the Clerk 8/17/12.

## LEGISLATION THAT PASSED

### Bills Impacting State Revenues

**Gaming (SB 1849)** – Creates five new casinos in the State and allows slots at race tracks. The bill also provides provisions for a new inspector general regarding casino oversight. Effective January 1, 2013. For more details, a Chicago Tonight [report](#) examined the policy implications for the state. The Governor vetoed this bill on August 28.

### Livable Communities

**Wastewater (HB 5319)** – Authorizes the board of trustees of a sanitary district to enter into an agreement to sell, convey, or disburse treated wastewater with any public or private entity located within or outside of the boundaries of the sanitary district. Effective immediately. Public Act [97-1000](#).

**School Construction (SB 639)** – The law currently prioritizes funds for the replacement of aging school buildings. This bill as amended would allow for the replacement or rehabilitation of aging school buildings using school construction funding, giving school districts discretion to evaluate the option of rehabilitation or replacement of older and/or historic school buildings. This bill is aligned with GOTO 2040's emphasis on infill and using existing building stock to achieve greater livability through land use. Effective June 1, 2012. Public Act [97-0880](#).

**Air Quality (SB 3672)** – Limits the authority of the Illinois Pollution Control Board to prescribe ambient air quality standards for criteria air pollutants, such as Nitrogen Dioxide, if those standards are more exacting than the National Ambient Air Quality Standards set by the Administrator of the United States Environmental Protection Agency. Exempts those rulemakings from the ordinarily applicable rulemaking requirements of Title VII of the Environmental Protection Act. Effective immediately. Public Act [97-0945](#).

**Energy Efficiency (SB 3724)** – Requires the Capital Development Board to adopt the International Energy Conservation Code as minimum requirements for commercial and residential buildings and to make training available to builders to ensure compliance within one year of publication. Effective January 1, 2013. Public Act [97-1033](#).

### Efficient Governance

**DNR Operations (HB 404)** – Eliminates legislative mandates the DNR cannot or no longer fulfills. Provides the DNR flexibility to restructure its operational priorities in order to meet basic agency demands. Effective January 1, 2013. Public Act [97-0916](#).

**Tax Revenue Sharing Agreements/FOIA (HB 3859)** – This is the sales tax rebate disclosure bill. Main proponents included the RTA, the City of Chicago, and Cook County. Requires municipalities and counties to file reports with the Illinois Department of Revenue (IDOR) concerning sales tax rebate agreements. It also amends the Freedom of Information Act (FOIA) to include tax rebates or refunds. IDOR and the county or municipality would be required to redact sales figures, the amount of sales tax collected, and the amount of sales tax rebated. Redacted information would be exempt from the FOIA. IDOR is required to post the reports, excluding the copy of the agreement, to their website and update the information monthly. Effective January 1, 2013. **SUPPORT.** Public Act [97-0976](#).

**Road Closure Notification (HB 5180)** – Requires IDOT to develop and publish a policy for procedures for notification to local authorities and elected officials about road or lane closures that will last 5 days or longer. Effective January 1, 2013. Public Act [97-0992](#).

**Tax Tribunal (HB 5192)** – Creates an independent administrative tribunal with tax expertise to resolve tax disputes between the Department of Revenue and taxpayers prior to requiring the taxpayer to pay the amounts at issue. It does not cover property tax issues and is limited to matters where the tax liability exceeds \$15,000. Effective immediately. Public Act [97-1129](#).

**State Actuary (SB 179)** – Creates a state actuary to oversee the five state-funded pension systems. The purpose of the law is to increase transparency of the systems. This bill originally was a River Edge Redevelopment Zone Act bill that was amended in the last days of session. Effective immediately. Public Act [97-0694](#).

**Road Districts (SB 3047)** – Provides that any municipality that is part of a road district in a county not under a township organization may compel the county board to organize the municipality into a separate road district. Currently, this provision is only applicable for any municipality with a population of more than 15,000 and part of two or more road districts in a county not under a township organization. Effective immediately. Public Act [97-0908](#).

## **Human Capital**

**Enterprise Zones (SB 3616)** – Over the past three years, municipalities and chambers of commerce have been trying to pass Enterprise Zone extension legislation. Over the course of the session several bills with a similar intent, to extend enterprise zones, were introduced. The legislature finally passed SB 3616. It adds new qualifications to the eligibility of enterprise zones, creating open enterprise zone designations for areas set to expire. New zones will have a 15-year lifespan with the possibility for renewal for an additional 10 years. An Enterprise Zone Board within the DCEO will be formed and charged with determining which designated areas are approved and certified as enterprise zones. Effective immediately. Public Act [97-0905](#).

**Tax Incentives (SB 3619)** – Amends the Illinois Income Tax Act regarding the Angel Investment (AI) tax. The AI tax credit is provided to businesses that meet the following criteria: must be headquartered in the state; at least 51% of employees are in the state; has potential for increasing employment and/or capital investment; and is engaged in innovations in manufacturing, biotechnology, nanotechnology, communications, agricultural sciences, clean energy creation, or storage technology. The bill also provides for the continuation, validation,

and re-enactment of the Business Location Efficiency Incentive Act, which was inadvertently repealed on December 31, 2011. Effective immediately. Public Act [97-1097](#).

## **Regional Mobility**

**Transportation Public-Private Partnerships (SB 3216)** – Makes technical changes to the legislation passed last year regarding public-private partnerships. Makes the following changes: hearing requirements for candidate public-private partnership (PPP) projects; eliminates restrictions on the length of PPP agreements; directs net proceeds from PPP agreements to a new PPPs for Transportation fund; excludes the Illiana Expressway project from the provisions of the Act; and makes various changes to the procurement process for PPPs. These modifications would replace the prequalification process with new “shortlisting” provisions, provide that public and private entities have equal opportunities to contract for a PPP candidate project, permit successful public applicants to follow the Illinois Procurement Code rather than the provisions of the Act, require qualifications-based selection of design work, and remove language requiring a transportation agency to be subject to liens granted to a contractor on a PPP project’s revenues. The bills are aligned with GO TO 2040’s recommendations around innovative financing, specifically targeted use of public-private partnerships. Effective immediately. **SUPPORT.** Public Act [97-0858](#).

**Tollway (HB 4078)** – Amends the Toll Highway Act to provide that upon written approval of the Governor, ISTHA may exercise its authorities under the Act to design and construct new railroad tracks. The Tollway may charge fees to passenger and freight rail operators using its tracks. No monies from the Road Fund may be used to implement these new provisions. Effective immediately. Public Act [97-0977](#).

**IDOT Rail Services (SB 2861)** – Creates an escrow account for IDOT to draw on to pay for grade crossing and other railroad repair projects. This bill ensures that railroads would get paid for grade crossings and other railroad repairs through the new escrow account and potentially lowering costs to the State for these projects. Effective immediately. Public Act [97-1080](#).

**Metra (SB 2937)** – Creates the Northwest Metra Commuter Rail District to include all municipalities within McHenry County. As a municipal corporation, the District would have eminent domain powers and the ability to levy property taxes. A property tax would have to be approved by a majority of voters, and the property tax rate would not exceed 0.25 percent of assessed value. If signed by the Governor, SB 2937 would join the Southeast Commuter Rail Transit District as the region’s second new transit district created in the past year. Effective January 1, 2013. Public Act [97-1116](#).

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