



MEMORANDUM

To: CMAP Board and Committees

From: CMAP Staff

Date: June 6, 2012

Re: State Legislative Update

GENERAL ASSEMBLY UPDATE

The Illinois General Assembly adjourned on May 31, successfully passing a FY13 budget, gambling expansion, enterprise zone legislation and all five bills CMAP supported, but failing to pass pension reforms and a \$2 license plate fee that would have helped fund the Department of Natural Resources.

At the beginning of the session, Governor Quinn called on legislators to reduce costs for Medicaid and public pensions. The governor requested elimination of a \$2.7 billion shortfall in Medicaid costs. Two bills totaling \$2.4 billion were passed, just shy of the Governor's goal. The first bill (SB 2840) includes \$1.6 billion in service cuts. The other bills include a new \$1-per-pack cigarette tax, estimated to bring the state \$700 million when paired with federal matching funds, and an assessment on hospitals expected to raise \$100 million.

Pension reform took many twists and turns, but ultimately lawmakers could not agree on a final package. The governor has stated that he will call legislators back into session to address pensions again. For more information on the details of the reforms, the [Illinois Municipal League](#) provides several summaries on the new laws.

CMAP staff closely watched budget activities this session, particularly the budgets and other funding issues for the Illinois Department of Transportation, Illinois Department of Natural Resources and the transit agencies. Funding for CMAP, through the metropolitan planning line item in IDOT's budget ([SB 2474](#)) was included. In addition to general operating and capital budgets for IDOT, the department also successfully acquired \$1.6 billion in bonding authority under the Illinois Jobs Now! Capital bill for FY13. Another finance authorization was provided to RTA for additional working cash notes, which are essentially short-term (i.e. less than 24-month) loans to cover operating expenses. Working Cash Notes can cover a cash flow deficit in anticipation of tax receipts or other future revenues. CMAP supported this legislation.

Last month we reported that IDNR was proposing legislation to help increase funding for the agency through park entrance fees through HB 5789. The bill stalled and an alternate bill began to advance, [SB 1566](#), IDNR Sustainability Package. This bill failed to pass because it was called after the May 31 deadline. More information about SB 1566 is available online in a recent [Policy Update](#).

In the final few days of session, the lawmakers passed gambling expansion legislation. It includes five new casinos (Chicago, Lake County, Rockford, south suburbs, and Danville), and allows for slot machines at the race tracks. The new monies are not expected to impact fiscal year 2013 revenues, and Governor Quinn has promised to veto the bill.

CMAP actively supported five bills: HBs [3859](#) (Tax Revenue Sharing Agreements), [3875](#) (RTA Working Cash Notes), [4496](#) (Plumbing Code Updates) and SBs [639](#) (School Construction) and [3216](#) (Public-Private Partnerships). Each passed and will be sent to the Governor for approval. The attached document shows the status of many of the bills CMAP tracked.

ACTION REQUESTED: Discussion

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2012 Legislative Summary

| Subject | Bill | Summary | Status | Agency Position |
|--|-------------------------------|---|------------------------------------|-----------------|
| ACHIEVE GREATER LIVABILITY THROUGH LAND USE AND HOUSING | | | | |
| Foreclosed Properties | SB16 | <p>Sen. Collins (D-Chicago); Rep. Yarbrough (D-Broadview)</p> <p>The amended bill allows municipalities to pass vacant property ordinances and sets consistent standards across the state for "securing" and "maintaining" a property. It can also be seen as supporting the recent Cook County and Chicago vacant property ordinances. It addresses a significant issue in the foreclosure process, which is the lack of a party clearly responsible for and allowed to maintain and secure vacant properties in the foreclosure process. In this case, the loan servicer (mortgagee) is designated as responsible. This allows and requires servicers to enter property and perform basic exterior and interior work that addresses safety and aesthetic concerns.</p> <p>The bill also includes a recent addition that can significantly shorten foreclosure timelines for properties that are vacant. It includes a definition of abandoned and outlines a judicial process for declaring a property abandoned, disposing of personal property in an abandoned property, and expediting the foreclosure process for these properties.</p> | (H) Re-referred to Rules Committee | |
| School Construction | SB639 | <p>Sen. Delgado (D-Chicago); Rep. Beiser (D-Alton)</p> <p>The law currently prioritizes funds for the replacement of aging school buildings. This bill as amended would now 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.</p> <p>Effective June 1, 2012.</p> | Passed Both Houses | Support |
| Foreclosed Properties | SB3676 | <p>Sen. Trotter (D-Chicago)</p> <p>From July 1, 2012 through June 30, 2020, county Clerks shall reduce the assessed value of any foreclosed residential property to 10% of its EAV for 5 years if that property is purchased or received for improvement and the purchaser meets several requirements. The parcel must contain a vacant residential building and have been in a foreclosure auction</p> | (H) Re-referred to Rules Committee | |

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| | | filed after 1/1/2008. The taxpayer must not intend to occupy the property, but must immediately secure the property and complete improvements within 9 months. Provides definitions of secured property and improvement limits. | | |
| MANAGE AND CONSERVE WATER & ENERGY | | | | |
| Plumbing | HB4496 | Rep. Sente (D-Lincolnshire); Sen. Garrett (D-Lake Forest) Updates the plumbing code so minimum standards are consistent with nationally and internationally recognized plumbing codes that reflect advances in technologies and methods which more efficiently utilize natural resources and protect public health. | Passed Both Houses | Support |
| Wastewater | HB 5319 | Rep. Winters (R-Rockford); Sen. Koehler (D-Pekin) 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. | Passed Both Houses | |
| Wastewater Management | SB2525 | Sen. Sandoval (D-Cicero) Holds the Metropolitan Water Reclamation District (MWRD) liable for damages caused by overflowing sewers, drainage ditches and other structures under its jurisdiction. | (S) Re-referred to Assignments | |
| Water Utilities (n) | SB3573 | Sen. Haine (D-Alton; Rep. Phelps (D-Harrisburg) As amended, the bill allows water utility valuations to be based on appraised value, rather than original cost value minus depreciation. This change provides a more accurate approach to determining the value of a system that needs to be sold or bought. It helps municipalities recoup costs when selling a water utility system and helps the investor to determine new water rates. The valuation is done by an ICC appointed assessor. Included in the bill are some consumer rate protections. The bill applies to utilities with 7,500 connections or less. Effective immediately. | (H) Re-referred to Rules | |
| Air Quality | SB3672 | Sen. Rezin (R-Peru); Rep. Tryon (R-McHenry) Limits the authority of the Illinois Pollution Control Board to prescribe ambient air quality standards for criteria air pollutants, such as Nitrogen | Passed Both Houses | |

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| | | 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. Adopted Senate amendment 1 adds, exemptions for rulemakings of the Illinois Pollution Control Board that implement any type of ambient air quality standard from the requirements that ordinarily apply to general rulemakings, emergency rulemakings, and peremptory rulemakings under the Act. Further amends the Environmental Protection Act. Also exempts those rulemakings from the ordinarily applicable rulemaking requirements of Title VII of the Environmental Protection Act. Effective immediately. | | |
| Energy Efficiency | SB3724 | Sen. Harmon (D-Oak Park); Rep. Mussman (D-Schaumburg) Requires the CDB 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. SCA1 removes 3 year requirement. SFA2 provides that CDB adopt code within 1 year of publication | Passed Both Houses | |

EXPAND AND IMPROVE PARKS AND OPEN SPACE

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|-----------------|------------------------|--|---|--|
| DNR Funding | HB5789 | Rep. Osmond (R-Gurnee); Sen. Althoff (R-Crystal Lake) Allows DNR to charge admission fees at state parks and other properties. | (S) Re-referred to Assingments | |
| DNR Funding (n) | SB1566 | Rep. Mautino (D- Spring Valley); Sen. Hutchinson (D-Chicago Heights) DNR sustainability package - Amends the Recreational Trails of Illinois Act to provide that no person shall, on or after July 1, 2013, operate an off-highway vehicle without an Off-Highway Vehicle Usage Stamp. Creates certain funds in the State Finance Act. Amends the Illinois Vehicle Code. Provides that beginning with the 2014 registration year, an additional \$2 surcharge shall be collected for certain vehicles and shall be deposited into the Park and Conservation Fund for the Department of Natural Resources to use for conservation efforts. Amends various Acts to implement or raise various fees to be deposited into specified funds administered by the Department of Natural Resource. | House Floor Amendment No. 2 Motion to Concur Lost 033-021-001 3/5 vote was required to pass. | |

2012 Legislative Summary

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| PROMOTE SUSTAINABLE LOCAL FOODS | | | | |
| Local food systems | HR734 | Rep. Burke (D-Oak Lawn) Resolution urges Congress to adopt a farm bill that supports and promotes the development of local and regional food systems. An identical resolution, SR530 was adopted by the Senate on 2/9/2012. | (H) Resolution Adopted 3/9/12 | |
| EFFICIENT GOVERNANCE | | | | |
| DNR Operations | HB404 | Rep. Mautino (D-Spring Valley); Sen. Sullivan (D-Quincy) Eliminates legislative mandates the DNR cannot or no longer fulfills. Provides DNR flexibility to restructure in order to meet basic agency demands. Includes a provision that allows management and mitigation of the effects of urbanization on stormwater drainage in metropolitan counties of Chicago. Excludes Cook County. | Passed Both Houses | |
| Spending Limits | HR706 | Rep. Madigan (D-Chicago); As amended, the resolution establishes the amounts and percentages of available general funds revenues allocated to each House appropriation committee. Establishes the amounts of the non-discretionary general funds spending items that shall be deducted from the allocations to the appropriation committees. Resolves that the amounts available to each appropriation committee are contingent upon actions being taken to reduce the accrual of Medicaid obligations incurred during State fiscal year 2013 in the amount of \$2.7 billion. Provides that, if the reduction is not achieved in full, then the amounts available to each appropriation committee must be reduced accordingly. Resolves that if the actual amount of general funds that become available during State fiscal year 2013 exceeds the House's estimates, then that excess shall first be used to reduce the backlog of unpaid State obligations. | (H) Resolution Adopted 3/29/12 | |
| Spending Limits | HJR68 | Rep. Madigan (D-Chicago); Radogno (R-Lemont) As amended the resolution establishes the House of Representatives estimates available funds for State fiscal year 2013 to be 33.719 billion. | (H) Resolution Adopted 3/7/12 | |

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| Road Districts | SB3047 | Sen. Righter (R-Mattoon); Rep. Reis (R-Olney) Amends the Illinois Highway Code. Provides that any municipality that is part of a road district in a county not under a township organization (instead of 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) may compel the county board to organize the municipality into a separate road district. | Passed Both Houses | |
| RTA/ Fuel Risk Management | SB3214 | Sen. Garrett (D-Highwood); Rep. Tryon (R-McHenry) Allows RTA and the service boards to buy fuel on a long-term contract to protect from volatile fuel prices. | (H) Rules Committee 3/28/12 | |
| SUPPORT ECONOMIC INNOVATION | | | | |
| Business Location Incentive | HB5440 | Rep. Currie (D-Chicago); Sen. Cullerton (D-Chicago) Both Chief Sponsors have changed. Senate amendment 2 replaces everything after the enacting clause. Creates the Direct Broadcast Satellite Service Providers Fee Act. Imposes a fee on the act or privilege of providing direct broadcast satellite service to a subscriber or customer in this State at the rate of 5% of the provider's gross revenue. Provides that the proceeds from the fee shall be deposited into the Education Assistance Fund. Provides that the Act is operative on July 1, 2012, and applies to the provision of direct broadcast satellite service on or after that date. Effective immediately | (H) Placed on Calendar Order of Concurrence Senate Amendment(s) 2 | |
| Enterprise Zones | SB3688 | Sen. Frerichs (D-Champaign); Rep. Sullivan (R-Mundelein) Expands maximum size of Enterprise Zones from 12 square miles to 18 square miles. Extends life of Enterprise Zones from 30 years to 55 years. Gives authority to DCEO to create 10 additional Enterprise Zones between January 2013 and December 2022. Requires zone administrator to collect and aggregate the estimated cost of each building project and the actual project cost. Effective immediately. | (H) Rules Committee | |

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| REFORM STATE AND LOCAL TAX POLICY | | | | |
| State Income Tax | SB3619 | Sen. Kotowski (D-Park Ridge); Rep. Biss (D-Evanston) Amends the Illinois Income Tax Act regarding the Angel Investment (AI) tax. The AI tax credit is provided to qualifying 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 innovation in manufacturing, biotechnology, nanotechnology, communications, agricultural sciences, clean energy creation or storage technology. House amendment 2 adds provisions from HB 5440 to the engrossed bill amending the Business Location Efficiency Incentive Act. Provides for the continuation, validation, and re-enactment of the Act, which was inadvertently repealed on December 31, 2011.. | Passed Both Houses | |
| IMPROVE ACCESS TO INFORMATION | | | | |
| FOIA | HB3859 | Rep. Sente (D-Lincolnshire) Sen. Raoul (D-Chicago) Bill amends the Freedom of Information Act (FOIA) to include tax rebates or refunds and require counties and municipalities to post this information online as part of the public record. Defines "tax revenue sharing" and it goes further to include specific language about sales tax rebates and reporting to the Department of Revenue. This bill is aligned with GO TO 2040's emphasis on access to information and intergovernmental cooperation. Taxing bodies do not always make tax incentive deals public, even though it is an expenditure of taxpayer dollars. While the bill does not address intergovernmental competition over economic development in any direct way, it does address transparency over the use of public funds. We believe this bill is still being negotiated at this time. | Passed Both Houses | Support |
| EDGE Tax Credits | HB3934 | Rep. Franks (D-Woodstock); Sen. Garrett (D-Highwood) Creates an Economic Incentive Committee within the Department of Revenue for the purpose of approving agreements entered into under | Passed Both Houses | |

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| | | the Economic Development for a Growing Economy (EDGE) Tax Credit Act. HCA 2 replaces this and requires DCEO to publish online its agreements developed under the Growing Economy Tax Credit Act. | | |
| Public Information | HB4514 | Rep. Yarbrough (D-Broadview); Sen. Althoff (R-Crystal Lake) Allows counties to microphotograph or otherwise reproduce electronically any records received in writing by the recorder. Applicable for all counties regardless of inhabitants. | Passed Both Houses | |
| Public Information | HB5180 | Rep. Mathias (R-Arlington Heights); Sen. Schoenberg (D-Evanston) As amended, the bill requires IDOT to develop and publish a policy for procedures for notification of local authorities and elected officials about road or lane closures that are for 5 days or longer. | Passed Both Houses | |

INVEST STRATEGICALLY IN TRANSPORTATION

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|-----------------------------|------------------------|--|--------------------|----------------|
| Public-Private Partnerships | SB3216 | Rep. Nekritz (D-DesPlaines) and Sen. Steans (D-Chicago) This bill amends the Public-Private Partnerships for Transportation Act. In addition to making technical changes, the bill as amended would impose new hearing requirements for candidate public-private partnership (PPP) projects, eliminate restrictions on the length of PPP agreements, direct net proceeds from PPP agreements to a new PPPs for Transportation fund, exclude the Illiana Expressway project from the provisions of the Act, and make 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. | Passed Both Houses | Support |
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|--------------------|------------------------|---|---|------------------------|
| IDOT (n) | HB2474 | Rep. Madigan (D-Chicago); Sen. Kotowski (D- Park Ridge) IDOT budget bill. Includes \$6Mil for statewide comprehensive planning. | Passed Both Houses | |
| IDOT (n) | HB4568 | Rep. Bradley (D-Marion); Sen. Cullerton (D-Chicago) Includes \$1.6 billion additional bonding authority to help fund Illinois Jobs Now! capital program. | Passed Both Houses | Support |
| Tollway | HB4078 | Rep. Winters (R-Rockford); Sen. Sandoval (D-Cicero) Amends the Toll Highway Act to provide that upon written approval of the Governor, the Tollway may exercise its authorities under the Toll Highway 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. We believe this is a Midwest High Speed Rail initiative. | Passed Both Houses | |
| Parking Taxes | HB5547 | Rep. Zalewski (D-Summit); Sen. Hutchison (D-Chicago Heights) The bill allows the option for city and county to levy existing sales taxes on parking through gross receipts rather than individual transactions. | Senate Floor Amendment No. 1 Motion to Concur Referred to Rules Committee | |
| Toll Increases | SB2530 | Sen. Murphy (R-Palatine); Rep. Connelly (R-Naperville) As amended requires that eight directors of the Toll Authority must vote in favor of adopting a proposed toll rate increase. Also provides that no modification of the rates for toll shall be effective unless notice is given at least 90 (instead of 30) days prior to the effective date of the modification. | (H) Re-referred to Rules Committee | |
| IDOT Rail Services | SB2861 | Sen. Sandoval (D-Cicero); Rep. Burke (D-Chicago) 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 lowers cost to the State for these projects. | Passed Both Houses | |
| Illiana | SB3318 | Sen. Hutchinson (D-Chicago Heights); Rep. DeLuca (D-Crete) Amends the Public-Private Partnerships for Illiana Expressway Act. The bill modifies language regarding procurement to be more aligned with the provisions outlined in the Build-Design Procurement act. Second, the bill would allow IDOT to acquire property for the Illiana Expressway using eminent domain authority and removes restrictions regarding quick-take | Passed Both Houses | |

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|--|------------------------|---|--------------------|------------------------|
| | | powers. Construction of the Illiana Expressway is not included as a fiscally constrained major capital project in GO TO 2040. Senate Amendment 1, adopted, restores language providing that a public private agreement includes a provision stating that, in the event the contractor finds it necessary, proper, or desirable to enter into subcontracts with one or more design build entities, then it must follow a selection process that is, to the greatest extent possible, identical to the selection process contained in the Design Build Procurement Act. | | |
| INCREASE COMMITMENT TO PUBLIC TRANSIT | | | | |
| RTA | HB3875 | Rep. Colvin (D-Chicago); Sen. Muñoz (D-Chicago) Extends the Regional Transit Authority's ability to issue, sell, and deliver additional Working Cash Notes until July 1, 2014 (now 2012). The bill also caps the amount of Working Cash Notes the RTA could issue to \$300 million. Working Cash Notes are essentially short-term (i.e. less than 24-month) loans to cover operating expenses. Working Cash Notes can cover a cash flow deficit in anticipation of tax receipts or other future revenues. Extending the RTA's authority to issue Working Cash Notes can support GO TO 2040's recommendation to increase commitment to public transit, and to support transit operations. | Passed Both Houses | Support |
| Suburban Bus Facilities | HB4036 | Rep. Nekritz (D-DesPlaines); Sen. Kotowski (D-Park Ridge) Authorizes the Suburban Bus Board to issue bonds to construct and expand facilities including a CNG facility and two garages. While the bill expands Pace's authority to issue bonds, the provisions could limit Pace's ability to meet current and future capital needs as well as restrict its ability to repay the bonds because the bill does not permit that revenues received under the RTA Act be used to repay the bonds. Senate amendment 1 tabled. | Passed Both Houses | |
| Metra | SB2937 | Sen. Althoff (R-Crystal Lake); Rep. Tryon (R-McHenry) Creates the Northwest Metra Commuter Rail District to include all municipalities within McHenry County. | Passed Both Houses | |

2012 Legislative Summary

| Subject | Bill | Summary | Status | Agency Position |
|------------------|------------------------|---|--------------------------|-----------------|
| Bus on Shoulders | SB3384 | Sen. Noland (D-Elgin); Rep. Rita (D-Blue Island) Establishes a pilot project for buses to travel on the shoulders of Randall Road. HA1 includes coordination with local highway departments. | (H) Re-referred to Rules | |

CREATE A MORE EFFICIENT FREIGHT NETWORK

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|--------------------|------------------------|---|------|--|
| Airport Intermodal | SB2527 | Sen. Sandoval (D-Cicero) This bill provides that an airport authority has the power to invest in, plan, market, and otherwise support intermodal transportation. Sets forth powers concerning construction, shuttle services, financial support, and marketing. Further provides that no airport authority may apply for federal funding for intercity bus or train projects without approval of IDOT. SFA 2 adds provisions requiring the airport authority to submit the grant application to IDOT for approval and compliance with published state plans. | Dead | |
|--------------------|------------------------|---|------|--|

PREVIOUSLY REPORTED BILLS THAT MISSED ORIGINATING CHAMBER DEADLINES (DEAD BILLS)

[HB 0028](#) Green Special Service Area
[HB 1109](#) Vacant Properties
[HB 3280](#) Fracking
[HB 3803](#) LGDF
[HB 3836](#) Gas Tax
[HB 3850](#) Tax Rebate Transparency
[HB 3859](#) Tax Rebate Transparency
[HB 3864](#) Road Fund
[HB 3917](#) Corporate Income Tax
[HB 3918](#) Corporate Income Tax
[HB 3919](#) Job Renewal & Enterprise Zones
[HB 3922](#) Enterprise Zones
[HB 3924](#) Toll Increases
[HB 3974](#) Utilities
[HB 4000](#) Local Parks

[HB 4011](#) LGDF
[HB 4018](#) Business Registry
[HB 4140](#) Aeronautics Funding
[HB 4153](#) IDOT Funding
[HB 4502](#) PPP
[HB 4505](#) Affordable Housing
[HB 4509](#) RTA Public Bidding
[HB 5168](#) MPS
[HB 5226](#) Illiana Funding
[HB 5227](#) School Rehabilitation
[HB 5453](#) Foreclosed Properties
[HB 5454](#) Foreclosed Properties
[HB 5456](#) Foreclosed Properties
[HB 5834](#) Enterprise Zones
[HB 5841](#) Water Pricing

[HB 5853](#) Fracking
[HB 5900](#) Stormwater Management
[HB 6037](#) DNR Funding
[SB 2514](#) Road Fund
[SB 2516](#) Capital Projects Fund
[SB 2523](#) R&D Tax Credit
[SB 2549](#) Road Fund
[SB 2552](#) MFT Uses
[SB 2572](#) RTA Capital Planning
[SB 3236](#) MFT Uses
[SB 3251](#) EPA Rules
[SB 3283](#) MPS
[SB 3667](#) Local Govt. Consolidation
[SB 3901](#) DNR Funding