

Agenda Item No. 8.0

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MEMORANDUM

To: CMAP Board

From: CMAP Staff

Date: April 2, 2014

Re: State Legislative Update

On March 26, 2014, Governor Quinn delivered his <u>annual budget address</u> to a joint meeting of the Illinois General Assembly. The Governor's <u>proposed budget</u> for fiscal year 2015 (FY15) totals \$64.6 billion for all revenues, of which \$38.6 is for the General Fund. The proposed FY15 operating budget recommended \$2.76 billion for the Illinois Department of Transportation (IDOT), which includes a \$3 million appropriation for Metropolitan Planning and Research Purposes at CMAP to partially fulfill its required federal match.

CMAP staff continues to monitor the progress and analyze bills with particular relevance to the agency. Bills included in the following pages of this memorandum either impact <u>CMAP's 2014</u> <u>State Legislative Framework and Agenda</u> or are of interest to CMAP and its partners.

Staff recommends that the board continue to support five bills that assist in the implementation of GO TO 2040 by promoting coordinated investment, expanding transit options, improving water conservation, and supporting local food production. Staff also recommends that the board continue to oppose five bills that diminish the state and region's ability to invest strategically in transportation, limit efficient governance, and local governments' ability to pursue coordinated investments. Finally, staff recommends the board oppose one additional bill that would limit the region's ability to pursue solutions to local and regional governance challenges (see page 2, position indicated with red text).

The deadlines for advancing substantive bills out of both House and Senate committees passed March 28; next, bills must have their third reading by Friday, April 11, in both chambers. Staff will continue to closely monitor General Assembly actions and analyze legislation.

ACTION REQUESTED: Approval

| Subject | Bill | Summary | Status | Agency Position |
|------------------------------------|---------------|---|---|--------------------|
| PURSUE COOR | DINATED | INVESTMENTS | | |
| Local Government | <u>HB3251</u> | Jack D. Franks (D-Marengo) As amended, the bill prohibits the General Assembly from creating new units of local government, including divisions of existing units of government. The bill does allow for the creation of new units that result from the consolidation of two or more pre-existing units of government. | 03/21/2014 House Placed on Calendar 2nd Reading - Short Debate | Oppose |
| | | GO TO 2040 encourages intergovernmental collaboration to solve a variety of planning problems. While the Plan also recommends the appropriate consolidation of services and some local governments, this legislation is overly restrictive and may prevent innovative approaches to solving local issues. | | |
| Special Service Areas | <u>HB4243</u> | Jeanne M Ives (R-Wheaton) Restricts the use of Special Service Areas (SSA) to funding for municipal infrastructure such as roads, bridges, sidewalks, and water and sewer systems. In addition, an SSA could only be created after a petition signed by 51% of proposed SSA taxpayers is submitted to the appropriate municipal or county clerk. | 2/20/2014 House Property Tax Subcommittee | |
| Local Government Dissolution | <u>HB4418</u> | Jay Hoffman (D-Belleville)As amended, prohibits a municipality from closing any facilities that provide fire protection or advanced life support services without the passage of a referendum.To the extent that the bill would undermine the consolidation of local services, the legislation would not support the implementation of GO TO 2040. | 03/25/2014 House Placed on Calendar 2nd Reading - Short Debate | Oppose |
| Local Government Dissolution | <u>HB5786</u> | Jack D. Franks (D-Marengo) Expands the DuPage County pilot program providing the authority and establishing the process for the County to dissolve local units of government established by <u>SB494</u> signed into law in 2013. Provides all | 3/27/2014 House Remains in Counties & Townships | Support |

April 2014 Legislative Summary

| Subject | Bill | Summary | Status | Agency Position |
|------------------------------------|---------------|---|---|--------------------|
| | | counties in the state with the power to dissolve a local government under certain conditions. | Committee | |
| | | GO TO 2040 recommends analyzing the effects of consolidating local governments and sharing services. The bill would provide an avenue for counties to implement local government consolidation. | | |
| Local Government Dissolution | <u>SB1681</u> | Terry Link (D-Waukegan) As amended, establishes a process by which a Regional Fire Protection Agency could be established. Local governments can generally make agreements that have the effect of consolidating services under 5 ILCS 220/3 and 5 ILCS 220/5. | 3/05/2014 Senate Placed on Calendar Order of 3rd Reading March 6, 2014 | Oppose |
| | | The bill would likely create a more complicated process for consolidation of services, which does not support GO TO 2040 recommendations for sharing services and efficient governance. | | |
| | | IN TRANSPORTATION | | |
| Vehicle Registration | <u>HB5326</u> | Rita Mayfield (D-Waukegan) Amends the Illinois Vehicle Code. It provides that permanent vehicle registration plates shall be issued for a one-time fee of \$8 to vehicles owned by counties, townships, or municipal corporations used for the purpose of ridesharing. | 03/24/2014 House Placed on Calendar Order of 3rd Reading - Short Debate | |
| 55/45 Split | <u>HB5373</u> | Luis Arroyo (D-Chicago) Amends the State Finance Act to require that all Road Fund monies be split, with 50 percent going to IDOT District 1 and the other 50 percent to be split among the eight downstate districts. This split would begin in FY 2015. | 03/28/2014 House Rule 19(a) / Re- referred to Rules Committee | Oppose |
| | | While the bill seems designed to increase resources to invest in the regional transportation system, and to address the longstanding 55/45 issue, it simply replaces one arbitrary formula with another. To move away from this paradigm, CMAP supports performance-based funding as a transparent, credible, and defensible approach to programming. | | |

| Subject | Bill | Summary | Status | Agency Position |
|-----------------|---------------|---|----------------------|--------------------|
| TIF Statute | <u>HB5620</u> | Mike Fortner (R-West Chicago) | 03/28/2014 | |
| | | Adds the definition of a transit-oriented development area to the set of | House | |
| | | definitions within the TIF statue. Specifically, it defines transit-oriented | Rule 19(a) / Re- | |
| | | development as a compact development that meets planning and | referred to Rules | |
| | | condition criteria, is no more than 250 acres, and is located within one | Committee | |
| | | half mile of an existing or proposed rail, bus, or multimodal passenger | | |
| | | facility that is part of a public transit system. | | |
| TIF for Transit | <u>HB5687</u> | Elaine Nekritz (D-Northbrook) | 02/14/2014 | |
| Facility | | Expands Tax Increment Finance (TIF) district establishment eligibility | House | |
| Improvement | | criteria to include areas within one half mile of a rail transit or bus rapid | Referred to Rules | |
| - | | transit (BRT) station, creating Transit Facility Improvement Areas (TFA). | Committee | |
| | | Extends the life of TFAs from the standard TIF 35 years to 50 years and | | |
| | | sets aside 20 percent of TFA revenues be shared with underlying | | |
| | | districts. | | |
| Transit | <u>HB5878</u> | Robert Rita (D-Blue Island) | 3/27/2014 | |
| Maintenance | | Increases the minimum threshold for procurements requiring public | House | |
| | | notice and public bidding to \$40,000 (now \$10,000) for the transit | Placed on Calendar | |
| | | agencies. Procurements are still subject to relevant federal regulations | Order of 3rd Reading | |
| | | requiring competitive bidding and negotiations. Boards may update | - Short Debate | |
| | | regulations for procurements below \$40,000, continuing to provide for | | |
| | | the use of competitive negotiations or the prequalification of | | |
| | | responsible bidders. | | |
| Repeal Motor | <u>HB5999</u> | Brad E. Halbrook (R-Shelbyville) | 02/18/2014 | Oppose |
| Fuel Tax | | Repeals the Illinois motor fuel tax (MFT) and amends various | House | |
| | | references to the Illinois MFT located elsewhere in state statute. | Referred to Rules | |
| | | | Committee | |
| | | This legislation is contradictory to the principles and recommendations | | |
| | | of GO TO 2040. It would substantially reduce funding to the state and | | |
| | | local highway systems, diminishing the state or region's ability to | | |
| | | maintain the system to safe standards, and preclude necessary | | |
| | | modernization or expansion of the system. | | |

| Subject | Bill | Summary | Status | Agency Position |
|-----------------|---------------|---|----------------------|--------------------|
| Motor Fuel Tax | <u>SB2658</u> | Michael Connelly (R-Wheaton) | 3/6/2014 | |
| Usage | | As amended, provides that motor fuel tax (MFT) funds allotted to | Senate | |
| C . | | municipalities may be used for the treatment or removal of trees | Placed on Calendar | |
| | | infected with Dutch elm disease or the emerald ash borer. Trees may | Order of 3rd Reading | |
| | | be located on any parcel of public or private property within the municipalities. | March 19, 2014 | |
| State Sales Tax | <u>SB2790</u> | Kirk W. Dillard (R-Hinsdale) | 3/28/2014 | Oppose |
| on Motor Fuels | | Reduces the state sales tax on motor fuels and authorizes \$1 billion in | Senate | 11 |
| | | new transportation bonds. The bill directs a portion of the proceeds | Rule 3-9(a) / Re- | |
| | | from the sales tax on fuels to repay the transportation bonds. | referred to | |
| | | | Assignments | |
| | | GO TO 2040 supports additional investment in transportation, but calls | 0 | |
| | | for those investments to be made in a sustainable way. A one-time | | |
| | | infusion of \$1 billion in transportation spending will not address the | | |
| | | structural funding issues facing Illinois; rather, it is effectively an | | |
| | | extension of the State's once-a-decade capital programs. | | |
| INCREASE CON | MMITMEN | T TO PUBLIC TRANSIT | | |
| Bus on | <u>HB5664</u> | Robert Rita (D-Blue Island) | 3/27/2014 | Support |
| Shoulder | | Transitions the bus-on-shoulder pilot program into a permanent | House | |
| | | program. It allows bus-on-shoulder projects on both the IDOT and | Placed on Calendar | |
| | | Tollway systems, and requires IDOT to develop rules governing the | Order of 3rd Reading | |
| | | times and locations of bus-on-shoulder service. | - Short Debate | |
| | | GO TO 2040 calls for increased commitment to public transit, as well as | | |
| | | modernization projects that enhance transit service. Bus-on-shoulder | | |
| | | allows for relatively cost-effective new transit service in congested | | |
| | | corridors. | | |
| RTA Oversight | <u>HB5751</u> | Michael W. Tryon (R-Crystal Lake) | 03/28/2014 | |
| of Transit | | Requires that the Service Boards include detailed revenue and | House | |
| Budgets | | expenditure line items as part of their 2-year financial plans submitted | Rule 19(a) / Re- | |
| | | to the RTA. The bill would also empower the RTA to reduce or veto | referred to Rules | |
| | | any of the Service Boards' line items. | Committee | |

| Subject | Bill | Summary | Status | Agency Position |
|-------------------------------|---------------|--|--|--------------------|
| CMAP and RTA Planning | <u>HB5754</u> | Michael W. Tryon (R-Crystal Lake) Provides that the CMAP Board and RTA Board may agree to consolidate mass-transit planning activities within a single department at the RTA. The language also appears to cover, through the RTA, the mass-transit planning functions of the three Service Boards. | 03/28/2014 House Rule 19(a) / Re- referred to Rules Committee | |
| Red Line Extension | HR675 | Al Riley (D-Olympia Fields) Calls on the CTA to "prioritize and expedite the planning and construction" of the Red Line South project. The resolution notes the many benefits of the expansion, and notes lack of progress on the project over the past 40 years. | 02/26/2014 House Resolution Adopted | |
| CREATE A MO | RE EFFICIE | NT FREIGHT NETWORK | | |
| Crossrail Chicago | <u>SR639</u> | Martin A. Sandoval (D-Cicero) Urges that Crossrail Chicago be included on the list of fiscally constrained projects in GO TO 2040. | 03/26/2014 Senate Postponed - Transportation | |
| ACHIEVE GRE | ATER LIVA | BILITY THROUGH LAND USE AND HOUSING | | |
| Green Special Service Area | <u>HB67</u> | Lou Lang (D-Skokie) Creates a "green" SSA, which would allow property owners to use the SSA to fund energy efficiency improvements. The bill also grants the Illinois Finance Authority power to purchase these bonds and to accept assignments or pledges, or both, of special service area bonds or agreements relating to public and private green special service area projects. | 03/28/2014 House Rule 19(a) / Re- referred to Rules Committee | |
| Affordable Housing | <u>HB5538</u> | Camille Y. Lilly (D-Chicago) Extends and expands the current housing opportunity area program, which provides property tax abatement to landlords that are located in low-poverty areas and rent to housing choice voucher holders. Landlords renting to Section 8 voucher holders would also now be eligible, and the definition of poverty has been expanded. | 03/28/2014 House Rule 19(a) / Re- referred to Rules Committee | |

| Subject | Bill | Summary | Status | Agency Position |
|---|--------------------------------|---|---|---------------------------------|
| MANAGE AND | CONSERV | E WATER AND ENERGY | | |
| Water-Loss Accounting | <u>HB5629</u> <u>SB3047</u> | Robyn Gabel(D-Evanston)Dan Kotowski(D-Park Ridge)Directs the IEPA, in collaboration with other state agencies, to commission a study on water-loss issues, costs, and practices throughout Illinois. The study is designed to raise awareness of the issue, including costs to society, and lead to "higher-profile" support for a suite of corrections to solve the problem. HB5629 and SB3047 are companion bills.This legislation supports GO TO 2040's recommendations to encourage management and conservation of water resources. | 02/14/2014 House Referred to Rules Committee 3/28/2014 Senate Rule 3-9(a) / Re- referred to Assignments | Support |
| EXPAND AND | IMPROVE I | PARKS AND OPEN SPACE | | |
| Fox Waterway Dissolution | <u>SB2696</u> | Terry Link (D-Waukegan) At its March meeting, the board opposed this initiative to dissolve the Fox Waterway Management Agency and transfer its powers and duties to the DNR. On March 26, the bill was amended to remove bill's original language and became a tech bill. | 3/27/2014 Senate Placed on Calendar Order of 3rd Reading April 1, 2014 | Recommend move to Neutral |
| Environmental Restoration | <u>SB3000</u> | Daniel Biss (D-Evanston) As amended, establishes the Illinois Natural Resource Restoration Trust Fund to receive funds resulting from litigation or settlement for DNR to investigate, assess, restore, or replace injured or damaged natural resources. | 03/05/2014 Senate Placed on Calendar Order of 3rd Reading March 6, 2014 | |
| PROMOTE SUS | TAINABLE | LOCAL FOODS | | |
| Sustainable Local Food Production | <u>HB5907</u> | John D. Anthony (R-Morris) Authorizes the Illinois Finance Authority to guarantee loans of up to \$35,000 for up to 7 year payment periods to small family farm operations, operators of community-supported agriculture, and beginning farmers. | 02/14/2014 House Referred to Rules Committee | Support |

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|--|--------------------------------|--|--|--------------------|
| | | This legislation would support the implementation of GO TO 2040, which promotes sustainable local food. It furthers the plan's recommendation to facilitate sustainable food production, supporting local food production through institutional supports and implementing food financing incentives. | | |
| SUPPORT ECO | NOMIC IN | NOVATION | | |
| Collar County Economic Development | <u>HB5819</u> | Darlene J. Senger (R-Naperville) Creates the Illinois Collar Country Economic Development Task Force comprised of DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will Counties. The task force is charged with identifying and making recommendations on issues in the collar counties ranging from transportation, workforce, regulation, and tax policy to the Governor and General Assembly. | 3/21/2014 House Placed on Calendar 2nd Reading - Short Debate | |
| REFORM STAT | E TAX POL | ICY | | |
| Corporate Income Tax | <u>HB4479</u> | Michael J. Madigan (D-Chicago) Lowers the state corporate income tax to 3.5% on January 1, 2014. The rate is currently 7%, but was scheduled to drop to 5.25% on January 1, 2015. | 02/03/2014 House Referred to Rules Committee | |
| IMPROVE ACC | ESS TO INI | FORMATION | | |
| Transit Agency Financial Records | <u>HB5752</u> | Michael W. Tryon (R-Crystal Lake) Requires the CTA, Metra, Pace, and Pace ADA to provide the RTA access to their financial information systems as well as financial reports. Under current law, the RTA has a right to access and examine all books, documents, papers, or records of the transit service boards. This legislation requires the service boards to provide the RTA access to their financial information systems. | 3/25/2014 House Placed on Calendar 2nd Reading - Short Debate | |
| OTHER BILLS C | DF INTERES | ST | | 1 |
| Non-Home Rule Pilot | <u>HB5329</u> <u>SB3111</u> | Robert W. Pritchard (R-Sycamore) Linda Holmes (D-Aurora) | 3/28/2014 House | |

| Subject | Bill | Summary | Status | Agency Position |
|---|---------------|--|---|--------------------|
| Program | | Establishes a pilot program to allow non-home rule municipalities the same powers as home rule municipalities except powers to tax and impose fees. The program would include municipalities of more than 5,000 in DeKalb, Kane and Kendall counties. HB5329 and SB3111 are companion bills. | Rule 19(a) / Re- referred to Rules Committee 02/25/2014 Senate Assigned to Local Government | |
| Ethics Policies for County Appointees | <u>SB3552</u> | <u>Julie A. Morrison</u> (D-Deerfield) As amended, provides that a county board may by ordinance adopt a code of conduct regarding the accountability, fiscal responsibility, procurement authority, transparency, and ethical conduct of county appointees in addition to those mandated by law. Code is applicable to the appointees of any unit of local government. The county may establish a process to remove appointees found to have violated the code. Affects DuPage, Kane, McHenry, Will, and Lake Counties in northeastern Illinois. <u>SB2618</u> , also filed by Sen. Morrison, is similar. | 3/27/2014 Senate Placed on Calendar Order of 3rd Reading April 1, 2014 | |

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