



Community Bankers Association of Illinois
Department of Governmental Relations

NEWS FROM THE FRONT- 3/5/18

The Spring legislative session continues with legislators scheduled to meet over the next two weeks before taking an extended break for the March 20 primary elections that continues through the Spring/Easter Break. The House spent much of last week focused on a package of gun control measures that now head to the Senate for consideration.

The General Assembly's Commission on Government Forecasting and Accountability (CGFA) and the Governor's Office for Management and Budget (GOMB) released revenue forecasts for the 2018-2019 state fiscal year that will start on June 1. These numbers are intended to give the General Assembly a picture of the state's anticipated revenue to inform their budget making decisions. Both groups anticipate the state bringing in slightly over \$20 billion in income tax revenue and over \$8 billion in sales taxes. CGFA predicts the state will bring in a total of \$37.865 billion while GOMB's estimate is slightly lower at \$37.364 billion, a difference of \$99 million. These estimates do not include federal funds that will be included in the overall state spending plan.

COGFA is also anticipating a decrease in unemployment from 5% to 4.4%. The trend of slight decreases to state population is expected continue. They are also predicting a 2.9% growth in the state's GDP in 2018.

Campaign News

Conflicting polls have been released on the Attorney General's race, one showing Senator Kwame Raoul ahead, and the other putting former Governor Pat Quinn in the lead. Raoul and Quinn appear to be leading the 8-candidate race at this point.

JB Pritzker, self-funding his campaign for Governor, is spending an average of \$171,000 each day. The job of Governor pays \$177,412 annually. Governor Bruce Rauner currently enjoys a 20 point lead over republican challenger State Representative Jeannie Ives with less than a month left in the campaign, according to a statewide poll. Pritzker stays on top, ahead of Senator Daniel Biss by 10 points and Chris Kennedy by 14. Both Pritzker and Biss have leads over Governor Rauner in Chicago and the suburbs, but Rauner has a slight advantage downstate.

Unclaimed Property

CBAI and a coalition of associations representing the banking profession met with the Treasurer's Office to discuss needed changes to the recently enacted Revised Uniformed Unclaimed Property Act (RUUPA). The discussion centered around a proposal introduced by the coalition ([SB 3229](#)) addressing deficiencies in the new law. The current Act reflects language from the Treasurer's Office that was slipped into the budget bill at the last minute last June and passed by the General Assembly without being properly vetted. Among concerns discussed were protections for automatically renewing CDs and time deposits, ACH transfers triggering indication of interest, the visitation standard, confidentiality standards and use of third party contingency fee auditors.

After two hours of negotiations small progress was reached but there is still a long way to go. CBAI is working with our industry partners to update our proposal based on the discussions so that negotiations can continue.

We ask that CBAI members leverage their relationships with local legislators to educate them about the impacts of RUUPA and ask them to put pressure on the Treasurer's Office to accept the legislative changes being proposed by our association. Conveying this message will be a top priority of this year's Capitol Conference and we strongly encourage you to join with your fellow Community Bankers to take this message directly to lawmakers.

Wage Lien Legislation Passes House Labor & Commerce Committee

In an attempt to address fly-by-night businesses that do not pay their employees, [HB 4324 \(Welch, D- Westchester\)](#), creates the Wage Lien Act to provide that a lien exists on an employer's property for unpaid wages owed to an employee. This lien would be prejudgment without adjudication and would take precedence over all other debts. CBAI, along with several other business groups strongly oppose the bill and worked on alternative language to address the issue. The proponents rejected that proposal and moved forward with calling HB 4324 in the House Labor & Commerce Committee. Several members of the committee (Republican and Democrat) voiced strong concerns with the bill and urged the sponsor and proponents to work with the business groups. After the sponsor agreed to hold the bill on 2nd reading to continue discussions, the bill passed out of committee on a partisan roll call, 15-11. The proponents have filed an amendment that unfortunately does not address our underlying concerns. CBAI and the other business groups remain opposed.

Illinois Department of Revenue Unveils Lien Registry

Individuals looking for tax liens filed by the Illinois Department of Revenue now have a searchable database at their disposal. A new online Statewide Tax Lien Registry provides a single-source to locate all active liens and releases filed by IDOR. The Lien Registry is designed to improve efficiencies and incorporate technology into current work systems. The Lien Registry now serves as the only source for obtaining tax lien information. There is no cost and no sign-up required to search the registry, which can be accessed through the "Quick Links" tab on the IDOR webpage at tax.illinois.gov.

Employer Mandates

The House approved [HB 4163](#) (Moeller, D-Elgin) on a vote of 87-24. The legislation prohibits an employer from using wage or salary history in hiring or promoting considerations. A similar bill passed the General Assembly last year but was vetoed by Governor Rauner. Alternative language offered by business groups prevents use of wage and salary history but offers employers an affirmative defense in a potential lawsuit and prohibits employees from suing in both federal and state courts. CBAI is fully supportive of equal pay for equal work and does not condone discrimination in any form but remains opposed to this legislation because of the lack of employer protection and unjustified penalties included in the proposal. ***CBAI opposes.***

Rep. Christian Mitchell (D) of Chicago is again pushing for a **paid family leave mandate** on employers in [HB 2771](#). The bill requires all employers, regardless of size, to provide each employee up to 5 days of leave every 12 months, earning 1 hour of leave for every 40 hours worked. CBAI believes that decisions about employee leave programs should be left to the individual employer and not mandated by the state. ***CBAI opposes.***

Rep. Chris Welch introduced legislation creating new requirements for employers to post **employee schedules** a minimum of 72 hours in advance or the first scheduled day of the work week. Under [HB 5046](#) if the schedule is cancelled or reduced the employee would be entitled to one-half times the employee's pay in the form of reporting pay. The bill also lays out numerous additional scheduling requirements and penalties for employers who do not comply. It also allows municipalities to layer additional scheduling regulations on top of the state law creating confusing patchworks of regulations for employers. ***CBAI opposes.***

Bills of Interest

[SB 2275 \(Cunningham\)](#) creates the Marijuana Legalization Referendum Act. Under the bill, a statewide, non-binding referendum would be submitted to voters in the 2018 general election asking whether individuals support the legalization of possession and use of marijuana by those 21 and older. The bill was approved on a vote of 37-13-1 in the Senate and now heads to the House for consideration. ***CBAI is monitoring.***

[SB 3005 \(Raoul\)](#) would allow any "persons" to appeal or intervene in lawsuits challenging decisions of state agencies without having to show that they are adversely affected or otherwise impacted. This means that any person can be listed as an interested party in a proceeding, a power currently afforded to the agencies and plaintiff party requesting the proceeding. CBAI, along with the Illinois Chamber and other business groups oppose this bill, as it would open the floodgates for interest groups to interject in any administrative decisions before the state of Illinois or county or municipal governments throughout the state. *SB 3005 passed out of the Senate Judiciary Committee with a vote of 10-2. CBAI opposes.*

[SB 3007 \(Raoul\)](#) amends the Personal Information Protection Act to require data collectors who report breaches to more than 100 Illinois residents as a result of a single breach must also report to the Attorney General. The bill would also require the Attorney General to report

annually to the General Assembly specified information concerning breaches of data security by February 1 of each year. *SB 3007 is currently in Senate Judiciary Committee. CBAI opposes.*

[HB 4293 \(Welch\)](#) amends the Illinois Income Tax Act to impose a privilege tax on partnerships and S corporations engaged in the business of conducting investment management services. The bill states that the tax shall be imposed at the rate of 20% of the fees calculated by reference to the performance of the investment portfolio funds and not from the investment itself. *This legislation has been posted to the House Revenue and Finance Committee. CBAI opposes.*

[HB 4541 \(Walsh\)](#) amends the Illinois Municipal Code to include any savings bank, savings and loan association, or credit union (rather than savings and loan associations and federally chartered commercial bank or savings and loan association) and regional planning commissions or joint regional planning commissions in the definition of "financial institution" in a section dealing with borrowing from financial institutions. *This bill passed out of the House Financial Institutions Committee.*

[HB 4330 \(Yingling\)](#) amends the Biometric Information Privacy Act to provide that except to the extent necessary for an employer to conduct background checks or implement employee security protocols, a private entity may not require a person or customer to provide his or her biometric identifier or biometric information as a condition for the provision of goods or services. Provides that the new provisions do not apply to: (i) companies that provide medical services; (ii) law enforcement agencies; or (iii) governmental entities. *CBAI monitoring.*

[HB 4397 \(Lang\)](#) amends the Student Loan Servicing Rights Act to provide that, as used in the Act, "student loan servicer" does not include a law firm or licensed attorney that is collecting post-default debt. *CBAI supports.*

[HB 4570 \(Welch\)](#) amends the Deposit of State Moneys Act to disqualify banks and savings and loan associations as approved depositories by the State Treasurer who fail to establish, within 365 days after the effective date of this Act and each year thereafter, at least one more automated teller machine (ATM) or branch than it operated in each low-income and moderate-income geography on the first day of the preceding calendar year and to maintain those facilities, until achieving a federal Community Reinvestment Act (CRA) rating of "outstanding record of meeting community credit needs." *CBAI opposes.*

[SB 2309 \(Mulroe\)](#) amends the Trust and Trustees Act by deleting a requirement that a conveyance of real property to a trust include evidence of acceptance by the trustee, and also deletes a provision that states if the transferor is a trustee of the trust, an interest in real property does not become trust property unless the instrument of conveyance is recorded in the office of the recorder of the county in which the property is located. *This bill passed the Senate Judiciary Committee. CBAI supports.*

[SB 2487 \(Collins\)](#) amends the Public Funds Investment Act, the Illinois Banking Act, the Savings Bank Act, and the Illinois Credit Union Act to require any financial institution or other entity receiving public funds, State bank, savings bank, and credit union with assets of at least \$100,000,000 to submit an annual report on its voluntary supplier diversity program to the Department of Financial and Professional Regulation. ***CBAI opposes.***

[SB 2894 \(Collins\)](#) amends the Mortgage Foreclosure Article of the Code of Civil Procedure in relation to short sales of property. The bill provides that, if an offer to purchase either a mortgage or residential property is made by an entity with a tax-exempt filing status under Section 501(c)(3) of the Internal Revenue Code or an entity that controls, is controlled by, or is under common control with an entity with such tax-exempt filing status, no mortgagee may require, as a condition of sale or transfer to any such entity, any affidavit, statement, agreement, or addendum limiting ownership or occupancy of the residential property by the mortgagor and, if obtained, the affidavit, statement, agreement, or addendum does not provide a basis to avoid a sale or transfer nor is it enforceable against the acquiring entity or any real estate broker, mortgagor, or settlement agent named in the affidavit, statement, or addendum. ***CBAI opposes.***

[HB 4905 \(McAuliffe\)](#) prohibits a consumer reporting agency from imposing a charge on a consumer for placing a freeze or removing a freeze on his or her credit reports. The legislation is in response to the Equifax data breach. HB 4905 unanimously passed the House last October. The Senate Financial Institutions Committee unanimously approved the bill that is now pending consideration by the full Senate. ***CBAI monitoring.***

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For more information, or if you have any questions or comments, please contact [Jerry Peck](#) or [Megan Peck](#) at 800/736-2224.