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**Illinois Fertilizer & Chemical Association**

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## **2014 State Legislative Roundup**

The Illinois General Assembly adjourned on Saturday, May 31 tackling many last minute issues. The Illinois House and Senate will be home for the rest of the summer and the focus will shift to Governor Quinn. Once the legislature sends approved bills to the Governor he has 60 days to sign or veto the legislation.

IFCA has been heavily engaged in many issues this session as we represent the ag input industry. While IFCA tracked close to 150 bills on a daily basis, the following is a summary of some of the key ag input industry-related legislation this year.

### **General Assembly fails to Extending Illinois Temporary Tax Rate.**

The Illinois General Assembly scaled back their spending aspirations in the last few weeks of session when Speaker Madigan saw that he didn't have the 60 votes need to extend the 2011 temporary tax rate. The 2011 bill called for the tax rates to be rolled back in 2015 to 3.75 and 7.75 and the corporate rates to 5.25 percent from 7 percent, respectively. Illinois still has a deficit and a \$4.17 billion in backlog of bills. IFCA believes that this issue will come back up after the November elections during veto session.

### **Illinois Passes Budget with income Tax Revenue Hole.**

The Illinois Senate and House in the last week of session gave approval to the state's \$35.7 billion fiscal 2015 budget, sending the governor a spending plan that offsets a big tax revenue hole with one-time measures. The budget bills, which were passed by the Democratic-controlled chambers, keep most spending flat despite the projected revenue decline.

Governor Quinn had proposed making the temporary tax rates permanent, but House Democrats could not muster enough votes to pass the extension, which Republicans in both chambers opposed. The House also refused to enact spending cuts to account for the revenue loss. The revenue decline will occur in the second half of fiscal 2015, right after the November elections.

Lawmakers have said the budget is expected to add \$2 billion to Illinois' big backlog of unpaid bills, while it would allow the governor to borrow up to \$650 million from a variety of dedicated state funds to boost general fund cash flow. These kinds of one-time revenue measures have contributed to past downgrades of Illinois' bond ratings, which are at the lowest level among states.

The state has shrunk its backlog and up paid bills to \$4.17 billion as of last month from \$5.3 billion in April 2013.

### **IFCA Helps Stop SB1666 (GMO Food Labeling) this spring session**

Sen. Koehler from Peoria had SB 1666 (GMO Food Labeling Bill). SB 1666 has taken the majority of IFCA time this spring session. IFCA received great news early in the spring that SB 1666 would be placed into the Senate Ag committee after many meetings with Senators. Sen. Koehler has long said that he would like to take SB 1666 straight to the Senate floor for a vote. With everyone's help, we got the Senate leadership to place SB 1666 into the Senate Ag committee and Sen. Koehler didn't have the votes to get it out of the Ag committee. Sen. Koehler had informed IFCA that he wouldn't be calling the bill this spring session and he kept his word. IFCA will keep watching this bill into veto session. We don't know if Sen Koehler will try again this fall or next spring run this bill again. There was also a GMO food labeling bill (HB3085) in the house By Rep. Hernandez from Cicero. HB3085 like SB1666 was placed in the House Ag committee and was not called for a vote.

### **Tier 2 Fees Bill Fails in House Environmental Committee**

IFCA was successful in killing HB5559 in the House Environmental Committee. HB 5559 would create new fees for 8,000 facilities in Illinois submit a Tier 2 chemical inventory report. The fees would have had every ag retail location pay \$450 per site with a company cap of \$2,500. The new money would have went towards emergency response training grants but ag retailers already pay federal hazmat registration fees to fund these programs. Last year only 44 of 102 counties applied to IEMA for emergency management grants but all facilities would have to pay the Tier 2 fee. Ag retailers already support local volunteer fire departments financially and many employees are on the fire departments. IFCA also didn't support this program because of the fact that the fees could have been swept. As our members know all too well, many of the special program funds been swept.

### **Pesticide Preemption Bill in Senate Tabled.**

IFCA worded with Sen. Harmon's on his preemption pesticide bill (SB3565) all spring long. This bill would have amended the Pesticide Act regarding pesticide preemption. Right now only a city of 2 million or more can issue their own pesticide use regulations. Senator Harmon's bill would lower the population from 2 million to any town of 50,000 or more inside of Cook County. IFCA worked with

Chemical Industry Council of Illinois, Lawn Care Association and the Golf Course Superintendents to prevent this bill from moving. IFCA also received word that Sen. Harmon didn't plan to call his bill after many sit down conversations. I want to thank the coalition for the help on stopping this bill

### **Both Chambers approves \$1.1 Billion Road and Bridge Plan.**

In the last week of session Speaker Madigan brought forward a capitol project (HB3794) for roads and bridges construction of \$1.1 billion dollars. Members from both sides of the aisle agreed that the work would create jobs and improve driving conditions throughout Illinois after this hard winter.

Other members spoke out against spending \$1 billion on the host of projects as the state continues to struggle with sources of revenue to fund programs and services with Illinois' temporary income tax set to expire in the beginning of the new year.

### **Greenhouse Gas Bill Fails to get out Committee.**

Rep. Thapedi of Chicago introduced a new Greenhouse Gas bill this spring session that would impact dozens of business that emit more than 1 million metric tons of greenhouse gas annually. The legislation is contained in HB 4465 that creates the Climate Change and Emissions Management Act.

The legislation uses calendar year 2016 as a baseline and then provides that an existing company's net emission intensity cannot exceed 88 percent of the baseline emission intensity. New facilities are required to reduce their baseline emission intensity by 2 percent annually until it reaches 90 percent in the eighth year of commercial operation. Companies with reduced emissions will receive credits that can be used in subsequent years but cannot be sold.

IFCA was strongly opposed to this ill-conceived legislation that will penalize Illinois businesses and add hundreds of millions of dollars to the cost of electricity, gas and other products.

After a lively debate in the House Environmental committee the bill was placed into a subcommittee in the House Environmental which affectedly killed the bill. IFCA believes that this issue will come back up next spring.

### **Bill heads to Governor Quinn on Pesticide Dealer Application License.**

Rep. Rosenthal of Morrisonville sponsored HB5464. Under the bill, licenses and pesticide dealer registrations will be valid for one year, except that private applicator licenses will be valid for 3 years. All licenses and pesticide dealer registrations will expire on December 31 of the year in which it is to expire. Right now licenses expire on October 31 of the year. HB5464 unanimously passed out of both the Senate and House. It now moves to Governor Quinn's desk.

### **Bill Moves out of Both Chambers that puts more Liability on Employers**

Sen. Rauol from Chicago offered SB3287 this spring session on who an employee can file litigation against when they are hurt on a job. Right now when an employee is injured due to an unsafe work environment, the Illinois Workers' Compensation Act requires the employer to provide compensation for medical expenses, lost wages and disability. Sen Raoul would like to see employee be able to sue a safety consultant in civil court. The employer will be at risk of additional civil liability as a result of lawsuits involving alleged unsafe work environments.

SB 3287 effectively overturns the 2012 Appellate Court decision, Mockbee v. Humphrey Manlift Co. This legislation eliminates the workers' compensation exclusive remedy/immunity enjoyed by service companies that provide safety consulting unless those companies are wholly-owned by the employer, insurance broker or the insurer

Illinois' injury rate is 16% lower than the national median. SB3287 no doubt will have be a negative effect on workplace safety, exposing more workers to injury.

SB3287 directly affects many IFCA members because typically our members cannot afford or need a full-time safety professional on their staff to address safety issues. They use consulting firms which provide expertise to help keep their business in compliance with OSHA standards and limit their workers' compensation exposure to employee injury.

IFCA and many other organizations like the Illinois Chamber of Commerce, Illinois Manufacturers Asso. and the Illinois Retail Merchants Asso., tried to stop this legislation but were unsuccessful. At the end of May the legislation narrowly made it out of both chambers. IFCA and all the business community will have to watch in the coming year how this will affect our businesses.

### **Veto Session Starts November 19.**

On the last day of session it was announced that the General Assembly will come back to Springfield for veto session on November 19. IFCA foresees a lively debate after the November election in veto session, especially on the temporary tax rate.