



Community Bankers Association of Illinois
Department of Governmental Relations

NEWS FROM THE FRONT- 11/16/17

Last week, the Illinois General Assembly wrapped up its 2017 Fall Veto Session and for all intents and purposes, the legislature has concluded business for 2017. The House adjourned until January 23 and the Senate adjourned until January 30. During the two-week veto session, the legislature overrode 11 of the Governor's vetoes. In total in 2017, the legislature successfully overrode 15 of 39 total vetoes and 3 of 10 amendatory vetoes. Two notable overrides were HB 302 and HB 3649.

[HB 302 \(Public Act 100-0543\)](#) will require life insurance companies to compare electronic records for policies in force since 2000 with the Social Security Administration's Death Master File to determine if policies should have been paid. This bill was a top priority of Illinois State Treasurer Michael Frerichs and received the minimum 71 votes in the House to override the Governor's veto. [HB 3649 \(Public Act 100-0552\)](#) requires all state agencies to provide a monthly report to the State Comptroller identifying current state liabilities, whether the liabilities have been appropriated, and the amount of interest penalties accrued under the State Prompt Payment Act. This bill was an initiative of the State Comptroller and the override motion received unanimous approval in the House and passed the Senate with only three no votes. These laws will become effective January 1, 2018.

Failed Overrides

A motion to override the Governor's total veto of [SB 1905 \(Moylan/Silverstein\)](#) failed in the House by one vote. During the first week of veto session, a motion to override the Governor's veto on the same bill also failed by one vote. SB 1905 would prohibit any unit of local government from enacting local right to work zone. Both chambers overwhelmingly approved a trailer bill, [SB 770 \(Holmes/Moylan\)](#) which would remove the criminal penalties from SB 1905 if it had become law.

The Illinois Senate failed by six votes to override the Governor's veto of [HB 2462 \(Moeller/Biss\)](#) which would have prohibited employers from asking for prior wage information during the hiring process. The override failed in the Senate largely due to opposition by business groups.

Unclaimed Property Trailer Bill Passes

Earlier this year, [SB 9 \(P.A. 100-22\)](#) was enacted, rewriting the state's unclaimed property statutes. Originally, SB 9 was focused on funding the state's 2017-2018 Fiscal Year Budget. However, it was amended to expand the bill by adding Illinois' Revised Uniform Unclaimed Property Act (RUPPA) and repealing Illinois' existing Uniform Disposition of Unclaimed Property Act. Many provisions in SB 9, including the addition of RUPPA, were attempts to address the state's budget deficit. Given its budget shortfalls and mounting debts, the state began to look to any area it could to increase revenue, including unclaimed property.

CBAI has been working in conjunction with the Illinois Bankers Association, the Illinois Credit Union League, the Illinois League of Financial Institutions and the Illinois Treasurer's office on the issue of unclaimed property throughout the spring legislative and veto sessions and was against the inclusion of the RUPPA provisions to SB 9, since it had not been thoroughly vetted. CBAI and the financial services coalition had several concerns with RUPPA as adopted under SB 9.

The major concern was the January 1, 2018 effective date of the new uniform act. It is unreasonable to expect such a short implementation timeline for such a complex legislative change. This new law would also permit the state to conduct unclaimed property examinations without a visitation standard, and would allow third parties to conduct unclaimed property exams of financial institutions on a contingency basis. Other concerns include: the elimination of the statutes of limitations for unreported property, shortening the abandonment period for most bank deposits, requiring retroactive reporting of previously exempt property and confiscating consumers' and businesses' interest earnings.

This veto session, CBAI along with the financial services coalition negotiated changes to the new Act with the Treasurer's office and Rep. Zaleski in [SB 868](#). The coalition presented 16 changes to the bill, and 7 of those were included in this trailer bill. Some notable changes include: clarifying that the financial institutions reporting period will remain Nov 1 of each year; providing consistency in "gift card" and "stored value" card definitions; retaining the authority to charge escheatment fees; clarifying of recovery of safety deposit box opening fees; restoring of prior law reference to cashier's checks; and providing an explicit reference for owner recovery of interest from administrator.

Despite these changes, CBAI and the coalition still have several concerns with the provisions that were not addressed. The extension of the effective date, issues related to examinations and contingency fees for auditors and the shortened period from 5 to 3 years for deposit accounts were unfortunately not included in this trailer legislation.

CBAI will continue to push for modifications to this new law next year in the 2018 spring session.

Looking Ahead

The 2018 Spring legislative session will be overshadowed by continued fiscal challenges and the upcoming 2018 General Election. All constitutional officers, including first-term Republican Governor Bruce Rauner, will be up for election in November. Attorney General Lisa Madigan is the only current Constitutional Officers not seeking reelection in 2018. In the legislature, all 118 House seats will be up for election as well as 39 of the 59 state Senate seats. The candidate filing deadline is December 4, 2017. The primary election is March 20, 2018 and the General Election is November 6, 2018.

Legislative Outreach- Looking for ideas!

CBAI's Committee on Legislation and Regulation will meet in December to discuss and propose a legislative agenda to pursue during the Spring 2018 session of the Illinois General Assembly. Please send us your ideas! Specificity is appreciated but general ideas for legal changes are welcomed. Each suggestion for legislation will be considered by the committee this year. Your participation is what makes CBAI a great organization. Please contact [Kraig Lounsberry](#) or [Megan Peck](#) if you have anything you would like addressed.

SAVE THE DATE! CBAI's 33rd Annual Capital Conference will be **Wednesday, April 18, 2018** at the Wyndham Springfield City Centre. More details with online registration to follow.

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