

Rep. Jil Tracy Newsletter

April 29, 2009

Republican Legislators & Local Officials Urge Opposition to Job-Crushing Legislation in the House

Springfield... House Republican legislators, along with local elected officials and business leaders, are urging opposition to job-crushing legislation that would have a chilling effect on economic development throughout the state.

Democrat leaders are advancing legislation that will have a profound negative impact on jobs. Senate Bill 43 would require all projects in Enterprise Zones or Tax Increment Financing (TIF) Districts to pay prevailing wages on their construction projects, even if those projects are 100% privately funded.

The legislation drastically alters the original intent of the Prevailing Wage Law, which was to ensure that public works projects, including the construction and maintenance of publicly-funded property (i.e. schools, municipal buildings, roads and bridges) followed prevailing wage guidelines.

"These prevailing wage costs will far exceed the savings and benefits that come along with an enterprise zone and will cripple economic development. This bill will be the end of Enterprise Zone incentives as we know them," Rep. David Reis (R-Ste. Marie) said.

Representative Jil Tracy (R-Mt. Sterling) added, "Illinois is suffering the highest unemployment rate in 25 years at 9.1%, or 596,000 residents without jobs. This bill negates the purpose and incentives that enterprise zones and TIF districts were designed to foster. It cripples business location, development and expansion in Illinois and that crushes jobs. It's estimated the extra costs added to any private, residential or commercial project located within an enterprise zone or TIF district by 20-30%. That's enough discouragement to halt any project. If this bill becomes law, the small independent shops will incur additional costs by virtue of being located in an enterprise zone even when they have not availed themselves of any of the incentives. This bill only puts more pressure on our weak economy."

Economic development professionals estimate labor costs could rise as much as 20% if SB 43 were to become law, according to Todd Maisch, Vice President of Governmental Affairs at the Illinois Chamber of Commerce.

"This legislation would take two very important economic development tools and make them into zones of economic avoidance," said Kim Maisch, State Director of NFIB-Illinois. Maisch also mentioned the steep fines and penalties for any violation of the proposed law were also a detrimental factor.



Our District Office address is:

3701 East Lake Center
Suite 3
PO Box 3563
Quincy, Illinois 62305
Phone-217-223-0833
Fax-217-223-1565
Email: jiltracy@jiltracy.com
Capitol Office:
209N Stratton Building
Springfield, Illinois 62706
217-782-8096
Illinois General Assembly

Representative John Cavaletto (R-Salem) is concerned about the immediate negative impact SB 43 will have on economic development in his district. Mt. Vernon Mayor Mary Jane Chesley joined Cavaletto in opposition to the prevailing wage legislation.

“My district has lost more than 5,000 jobs during this decade,” said Cavaletto. “Negotiations with companies that are looking to possibly locate in Mt. Vernon will be severely strained if construction costs skyrocket. I can’t understand a state that is ranked near the bottom for economic performance taking steps that will prevent our towns from attracting new businesses.”

“Small business people and entrepreneurs are the ones who drive the engine of our economy,” Rep. JoAnn Osmond (R-Antioch) said. “Instead of threatening to stifle job growth and local business expansion during a time of economic challenge, we should be focusing on pro-growth policies to encourage new business to invest in Illinois.”

The press asked for an example of increased costs and how prevailing wage is determined. The panel explained the prevailing wage is set by the Illinois Department of Labor and may vary county by county. The prevailing wage figures are posted on the Department of Labor’s web site.

Representatives Reis, Cavaletto, Tracy, Osmond and Roger Eddy (R-Hutsonville) were joined at the press conference by the Illinois Chamber of Commerce, Illinois Manufacturers’ Association, Illinois Retail Merchants Association, NFIB-Illinois and the Illinois Municipal League. The legislators are urging citizens to contact Speaker Michael Madigan’s Springfield office at 217-782-5350 and voice their concerns on Senate Bill 43.

Sincerely,

Rep. Jil Tracy