



Laborers' International Union of North America

Midwest Regional Office

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ILLINOIS LEGISLATIVE UPDATE

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The Illinois General Assembly wrapped up its spring session early on the morning of June 1st, but not until they sent the third of three pro-Labor prevailing wage bills to the Governor. The legislature is not scheduled to return to Springfield until October, but there is a possibility that it may return for a special session to consider funding assistance for the Chicago area mass transit system.

Lawmakers Send 3 Prevailing Wage Bills to Governor

The Illinois House and Senate approved several changes to the state's Prevailing Wage Act (PWA) this spring. If approved by Governor Pritzker, they will make sure contractors bid and pay current wage rates, create a penalty for failing to file certified payroll records and allow the Illinois Department of Labor (IDOL) to retain the fines that they assess for prevailing wage violations.

HB 1189 – Require Higher of State or Federal Wage Rates

The PWA does not currently apply to federally-funded construction projects – even when a state agency or a local government administers the contract. Instead, the wage rates required on projects funded with federal monies are currently determined by the Davis-Bacon Act and enforcement is conducted by the United States Department of Labor (USDOL).

HB 1189, sponsored by **Rep. Jay Hoffman (D-Belleville)** and **Sen. Chris Belt (D-E. St. Louis)**, requires workers to be paid the higher of the state or federal prevailing wage rates on federally-funded projects. And, if Illinois' rates are equal to or greater than the federal rates, the bill gives the IDOL the authority to enforce Illinois' rates and issue Illinois' penalties on such projects. This would eliminate several advantages that non-union contractors currently have on federally-funded projects:

- **Illinois' prevailing wage rates are based on union contracts and are updated every month, but Davis-Bacon rates are frequently several years out of date**, even during worker-friendly administrations. In October 2024, 39% of Davis-Bacon wage rates for Illinois' largest construction trades were at least two years old; 19% were four or more years old. That meant that non-union contractors in 17 of Illinois' largest counties could legally pay a total wage and benefit package that was, on average, about \$4.45 per hour (5.5%) lower than union rates. HB 1189 would make sure all contractors bid on a level playing field.
- **Overtime pay will always be required after eight hours of work in a day and on weekends** on federally-funded projects. Federal law only requires overtime pay after 40 hours of work in a week, but the Illinois PWA requires it after eight hours are worked in a day. HB 1189 standardizes when overtime must be paid and also prevents contractors from starting the workweek on a weekend and not paying overtime rates.
- **Wage rates will increase when Illinois' prevailing wage rates increase.** Davis-Bacon wage rates are frozen for each project at the time of bid, so union contractors are often paying more than Davis-Bacon requires on federal projects. HB 1189 would level the playing field for union contractors because non-union contractors would have to attempt to incorporate future prevailing wage increases into their bids.
- **Illinois workers would be protected from potential cuts to Davis-Bacon wage calculations.** If a future President changed the way Davis-Bacon rates were calculated (to use industry averages, for example), required wage rates on federal projects would plummet virtually overnight. HB 1189 would guarantee that Illinois' prevailing wage rates would be paid on federally-funded projects, thus protecting union market share.
- **Enforcement of prevailing wage requirements will improve.** If USDOL funding is cut, enforcement of Davis-Bacon wage requirements will be even worse than it currently is, making the law completely toothless. HB 1189 will allow IDOL to enforce the state's law on federally-funded projects.

Many states have requirements similar to HB 1189 in their prevailing wage laws. Illinois would be joining states like

Minnesota, California, Nevada, Oregon and Washington. Even the Missouri Department of Transportation requires payment of the higher of their state and federal rates on its federally-funded projects.

HB 1189 passed with bi-partisan majorities in both the House (82-28-1) and Senate (40-18). If the Governor signs it into law, it will go into effect on July 1, 2025.

SB 1344 & HB 2488 – Enforcement Improvements

A law is only as effective as its enforcement and the PWA currently makes some aspects of enforcement difficult. A prime example of this difficulty is that contractors that don't file certified payroll records are not currently subject to any penalties unless it can be proven that they intentionally refused to file them – a nearly impossible burden of proof to meet (assuming a prosecutor will even take the case).

Rep. Dave Vella (D-Rockford) and Sen. Mike Halpin (D-Rock Island) sponsored **SB 1344** to eliminate this loophole. SB 1344 creates a penalty of up to \$1,000 for contractors who fail to file certified payroll records for any reason. Each month a certified payroll is late would create an additional fine and repeat offenses within five years would double the maximum fine to \$2,000 per month.

SB 1344 should also give the IDOL more money to enforce the Act by allowing the Department to retain all of the fines that it issues under the PWA to fund enforcement of the Act. Those monies currently go to the state's general fund. Lastly, SB 1344 clarifies that televisory (i.e. camera) inspections of sewer pipes are covered by the PWA. The bill passed with support from all Democrats and numerous Republicans in both chambers; 87-30 in the House and 45-11 in the Senate. Should the Governor sign the bill, these changes would go into effect immediately.

Lastly, **HB 2488**, sponsored by **Rep. Gregg Johnson (D-E. Moline) and Sen. Robert Peters (D-Chicago)**, closes another loophole that some contractors recently attempted to exploit.

The PWA does not require contractors to pay apprentices full journeyman scale. Instead, they are required to pay only the graduated wage scale mandated by the trade's apprentice program. Apprentices have always been required, however, to receive full benefits.

Some contractors have recently attempted to prorate apprentice benefits, as well, and were fined by the IDOL. One contractor took the case to court, so HB 2488 was introduced to clarify that contractors cannot prorate apprentice benefits.

HB 2488 passed the Senate unanimously and cleared the House with another bi-partisan vote, 82-33.

Energy Bill Put on Hold

Under existing Illinois law, any renewable energy project that receives Renewable Energy Credits (RECs) from the state and can generate more than five megawatts of electricity is required to be built under a project labor agreement. Organized Labor sought to build upon this nation-leading labor protection by inserting a PLA requirement on more solar projects into an energy bill that was being negotiated by General Assembly members this spring. Labor's effort was met with significant pushback from the solar industry which typically uses out-of-state, non-union contractors that employ out-of-state workers on these so-called "community scale" solar projects.

The wide-ranging energy bill was, ultimately, shelved, but the Labor coalition will continue to fight for more union jobs on these projects in future bill negotiations.