



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB5543

Introduced 1/31/2022, by Rep. Edgar Gonzalez, Jr.

#### SYNOPSIS AS INTRODUCED:

20 ILCS 1505/1505-225 new

Amends the Department of Labor Law of the Civil Administrative Code of Illinois. Provides that the Department of Labor shall develop and administer a Day and Temporary Labor Service Agencies Seal of Approval Program to bring day and temporary labor service agencies into compliance with the provisions of the Day and Temporary Labor Services Act. Provides for a voluntary Code of Conduct for day and temporary labor service agencies. Provides that, as part of the Program, a day or temporary labor service agency shall submit itself to audits conducted at the Department's discretion. Provides for benefits and partnerships with other State agencies and community partners. Provides that the Department may adopt rules to implement the Program.

LRB102 23895 SPS 33093 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Department of Labor Law of the Civil  
5 Administrative Code of Illinois is amended by adding Section  
6 1505-225 as follows:

7 (20 ILCS 1505/1505-225 new)

8 Sec. 1505-225. Day and Temporary Labor Service Agencies  
9 Seal of Approval Program.

10 (a) The Department shall develop and administer a Day and  
11 Temporary Labor Service Agencies Seal of Approval Program to  
12 bring day and temporary labor service agencies into compliance  
13 with the provisions of the Day and Temporary Labor Services  
14 Act. To apply for the Program, a day or temporary labor service  
15 agency shall comply with the following:

16 (1) provide their check history and check cashing  
17 reports;

18 (2) submit to a voluntary audit of time and pay  
19 records;

20 (3) participate in required training as determined by  
21 the Department;

22 (4) agree to abide by the Code of Conduct described in  
23 subsection (b); and

1           (5) rectify any underpayment of wages to employees,  
2           judgments, and penalties awarded in private lawsuits  
3           before receiving the certification.

4           (b) As part of the Program, the Department shall establish  
5           a Code of Conduct for day and temporary labor service  
6           agencies. The Code of Conduct shall require day and temporary  
7           labor service agencies to comply with the following:

8           (1) use the Department's standard code-compliant check  
9           stubs, employment notices, and demographic reporting  
10           forms;

11           (2) maintain demographic info of all laborers seeking  
12           work assignments;

13           (3) provide 24-hour notice of work schedules; and

14           (4) provide employment notices that include a  
15           complaint hotline number, sexual harassment policies, and  
16           conversion fees charged to client companies.

17           (c) As part of the Program, a day or temporary labor  
18           service agency shall submit to audits conducted at the  
19           Department's discretion, including, but not limited to,  
20           staggered periodic audits of time and pay records if  
21           determined necessary by the Department.

22           (d) Day and temporary labor service agencies participating  
23           in the Program shall operate a hotline for the purpose of  
24           guiding workers through the Department's complaint and  
25           investigation process.

26           (e) Day or temporary labor service agencies participating

1 in the Program shall receive the following benefits from the  
2 Department:

3 (1) a waiver of penalties for violations found in the  
4 initial voluntary audit during certification process;

5 (2) a reduced maximum penalty for violations found  
6 after the first audit as determined by the Department; and

7 (3) a waiver of liquidated damages for wage  
8 underpayments found by the Department.

9 The benefits provided for in this subsection do not apply  
10 to violations alleged in workers' private lawsuits.

11 (f) A day or temporary labor service agency may lose its  
12 seal of approval if one of the following occur:

13 (1) after a voluntary initial audit is performed, a  
14 day or temporary labor service agency fails to come into  
15 compliance with the Day and Temporary Labor Services Act  
16 after 2 additional audits by the Department, unless a day  
17 or temporary labor service agency can show it was acting  
18 in good faith; or

19 (2) if no voluntary audit is performed, a day or  
20 temporary labor service agency fails to come into  
21 compliance with the Day and Temporary Labor Services Act  
22 after 2 audits by the Department.

23 A day or temporary labor service agency that fails to  
24 comply with the requirements of the Program, including, but  
25 limited to failure to provide records, falsifying records, and  
26 willful violations will be immediately withdrawn from the

1 Program.

2 Upon losing seal, the agency shall be subject to a fee of  
3 \$2,500 per violation as well as any other fines and penalties  
4 for the violations.

5 (g) The Department shall work with other State agencies  
6 and community partners to confer the following benefits to day  
7 or temporary labor service agencies participating in the  
8 Program:

9 (1) priority access in the procurement of State,  
10 county, and municipal contracts;

11 (2) priority access to contracts in union shops;

12 (3) priority placement by workforce development  
13 providers;

14 (4) priority access to contracts from socially  
15 responsible user companies;

16 (5) priority access to contracts in anchor-based  
17 development projects;

18 (6) marketing Program participants to job seekers and  
19 workers;

20 (7) discounted workers' compensation and unemployment  
21 compensation rates; and

22 (8) access to federal Work Opportunity Tax Credit  
23 funding to be awarded for temp worker transitions to  
24 direct-hire positions.

25 (h) The Department shall establish community partnerships  
26 with interested stakeholders to train community organizations

1 to check on the status of investigations prompted by hotline  
2 calls on a quarterly basis, including, but not limited to,  
3 training workers on using the hotline, assisting workers  
4 through the investigation process, and cross-training between  
5 Department investigators and community partners.

6 (i) The Inspector General shall audit the Program and  
7 periodically report to the Department on the effectiveness of  
8 the Program.

9 (j) The Department may adopt rules to implement this  
10 Section.