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LRB097 09282 AMC 59621 a

1 AMENDMENT TO SENATE BILL 1992

2 AMENDMENT NO. _____. Amend Senate Bill 1992 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Findings; purpose; text and revisory changes;
5 validation; additional material.

6 (a) It is the purpose of this Act to reenact the provisions
7 of subsection (c) of Section 5.4 of the Metropolitan Pier and
8 Exposition Authority Act, which a federal district court found
9 to be preempted under federal law on the grounds that it
10 regulates issues protected by Section 8 of the National Labor
11 Relations Act. Following the court's ruling, the parties to the
12 suit resolved their dispute related to the challenged
13 provisions. The reenactment of subsection (c) of Section 5.4
14 implements, in part, settlement agreements made and entered
15 into between the Authority and the plaintiffs that filed suit,
16 the Chicago Regional Council of Carpenters and the
17 International Brotherhood of Teamsters Local 727. The

1 agreements were filed with the Secretary of State Index
2 Department and designated as 97-GA-A01 and 97-GA-A02,
3 respectively.

4 (b) In this Act, the base text of the reenacted Section is
5 set forth as it existed at the time of the federal district
6 court's decision. Striking and underscoring is used only to
7 show the changes being made to that base text. The changes
8 being made to this Act are consistent with the settlement
9 agreement or declarative of existing law.

10 Section 5. The Metropolitan Pier and Exposition Authority
11 Act is amended by reenacting and changing Section 5.4 as
12 follows:

13 (70 ILCS 210/5.4)

14 Sec. 5.4. Exhibitor rights and work rule reforms.

15 (a) Legislative findings.

16 (1) The Authority is a political subdivision of the
17 State of Illinois subject to the plenary authority of the
18 General Assembly and was created for the benefit of the
19 general public to promote business, industry, commerce,
20 and tourism within the City of Chicago and the State of
21 Illinois.

22 (2) The Authority owns and operates McCormick Place and
23 Navy Pier, which have collectively 2.8 million square feet

1 of exhibit hall space, 700,000 square feet of meeting room
2 space.

3 (3) The Authority is a vital economic engine that
4 annually generates 65,000 jobs and \$8 billion of economic
5 activity for the State of Illinois through the trade shows,
6 conventions, and other meetings held and attended at
7 McCormick Place and Navy Pier.

8 (4) The Authority supports the operation of McCormick
9 Place and Navy Pier through not only fees on the rental of
10 exhibit and meeting room space, electrical and utility
11 service, food and beverage services, and parking, but also
12 hotel room rates paid by persons staying at the
13 Authority-owned hotel.

14 (5) The Authority has a compelling and proprietary
15 interest in the success, competitiveness, and continued
16 viability of McCormick Place and Navy Pier as the owner and
17 operator of the convention facilities and its obligation to
18 ensure that these facilities produce sufficient operating
19 revenues.

20 (6) The Authority's convention facilities were
21 constructed and renovated through the issuance of public
22 bonds that are directly repaid by State hotel, auto rental,
23 food and beverage, and airport and departure taxes paid
24 principally by persons who attend, work at, exhibit, and
25 provide goods and services to conventions, shows,
26 exhibitions, and meetings at McCormick Place and Navy Pier.

1 (7) State law also dedicates State occupation and use
2 tax revenues to fulfill debt service obligations on these
3 bonds should State hotel, auto rental, food and beverage,
4 and airport and departure taxes fail to generate sufficient
5 revenue.

6 (8) Through fiscal year 2010, \$55 million in State
7 occupation and use taxes will have been allocated to make
8 debt service payments on the Authority's bonds due to
9 shortfalls in State hotel, auto rental, food and beverage,
10 and airport and departure taxes. These shortfalls are
11 expected to continue in future fiscal years and would
12 require the annual dedication of approximately \$40 million
13 in State occupation and use taxes to fulfill debt service
14 payments.

15 (9) In 2009, managers of the International Plastics
16 Showcase announced that 2009 was the last year they would
17 host their exhibition at McCormick Place, as they had since
18 1971, because union labor work rules and electric and food
19 service costs make it uneconomical for the show managers
20 and exhibitors to use McCormick Place as a convention venue
21 as compared to convention facilities in Orlando, Florida
22 and Las Vegas, Nevada. The exhibition used over 740,000
23 square feet of exhibit space, attracted over 43,000
24 attendees, generated \$4.8 million of revenues to McCormick
25 Place, and raised over \$200,000 in taxes to pay debt
26 service on convention facility bonds.

1 (10) After the International Plastics Showcase
2 exhibition announced its departure, other conventions and
3 exhibitions managers and exhibitors also stated that they
4 would not return to McCormick Place and Navy Pier for the
5 same reasons cited by the International Plastics Showcase
6 exhibition. In addition, still other managers and
7 exhibitors stated that they would not select McCormick
8 Place as a convention venue unless the union labor work
9 rules and electrical and food service costs were made
10 competitive with those in Orlando and Las Vegas.

11 (11) The General Assembly created the Joint Committee
12 on the Metropolitan Pier and Exposition Authority to
13 conduct hearings and obtain facts to determine how union
14 labor work rules and electrical and food service costs make
15 McCormick Place and Navy Pier uneconomical as a convention
16 venue.

17 (12) Witness testimony and fact-gathering revealed
18 that while the skilled labor provided by trade unions at
19 McCormick Place and Navy Pier is second to none and is
20 actually "exported" to work on conventions and exhibitions
21 held in Orlando and Las Vegas, restrictive work rules on
22 the activities show exhibitors may perform present
23 exhibitors and show managers with an uninviting atmosphere
24 and result in significantly higher costs than competing
25 convention facilities.

26 (13) Witness testimony and fact-gathering also

1 revealed that the mark-up on electrical and food service
2 imposed by the Authority to generate operating revenue for
3 McCormick Place and Navy Pier also substantially increased
4 exhibitor and show organizer costs to the point of excess
5 when compared to competing convention facilities.

6 (14) Witness testimony and fact-gathering further
7 revealed that the additional departure of conventions,
8 exhibitions, and trade shows from Authority facilities
9 threatens the continued economic viability of these
10 facilities and the stability of sufficient tax revenues
11 necessary to support debt service.

12 (15) In order to safeguard the Authority's and State of
13 Illinois' shared compelling and proprietary interests in
14 McCormick Place and Navy Pier and in response to local
15 economic needs, the provisions contained in this Section
16 set forth mandated changes and reforms to restore and
17 ensure that (i) the Authority's facilities remain
18 economically competitive with other convention venues and
19 (ii) conventions, exhibitions, trade shows, and other
20 meetings are attracted to and retained at Authority
21 facilities by producing an exhibitor-friendly environment
22 and by reducing costs for exhibitors and show managers.

23 (16) The provisions set forth in this Section are
24 reasonable, necessary, and narrowly tailored to safeguard
25 the Authority's and State of Illinois' shared and
26 compelling proprietary interests and respond to local

1 economic needs as compared to the available alternative set
2 forth in House Bill 4900 of the 96th General Assembly and
3 proposals submitted to the Joint Committee on the
4 Metropolitan Pier and Exposition Authority. Action by the
5 State offers the only comprehensive means to remedy the
6 circumstances set forth in these findings, despite the
7 concerted and laudable voluntary efforts of the Authority,
8 labor unions, show contractors, show managers, and
9 exhibitors.

10 (b) Definitions. As used in this Section:

11 "Booth" means the demarcated exhibit space of an
12 exhibitor on Authority premises.

13 "Contractor" or "show contractor" means any person who
14 contracts with the Authority, an exhibitor, or with the
15 manager of a show to provide any services related to
16 drayage, rigging, carpentry, decorating, electrical,
17 maintenance, mechanical, and food and beverage services or
18 related trades and duties for shows on Authority premises.

19 "Exhibitor" or "show exhibitor" means any person who
20 contracts with the Authority or with a manager or
21 contractor of a show held or to be held on Authority
22 premises.

23 "Exhibitor employee" means any person who has been
24 employed by the exhibitor as a full-time employee for a
25 minimum of 6 months before the show's opening date.

1 "Hand tools" means cordless tools, power tools, and
2 other tools as determined by the Authority.

3 "Licensee" means any entity that uses the Authority's
4 premises.

5 "Manager" or "show manager" means any person that owns
6 or manages a show held or to be held on Authority premises.

7 "Personally owned vehicles" means the vehicles owned
8 by show exhibitors or the show management, excluding
9 commercially registered trucks, vans, and other vehicles
10 as determined by the Authority.

11 "Premises" means grounds, buildings, and facilities of
12 the Authority.

13 "Show" means a convention, exposition, trade show,
14 event, or meeting held on Authority premises by a show
15 manager or show contractor on behalf of a show manager.

16 "2011 Settlement Agreement" means the agreement that
17 the Authority made and entered into with the Chicago
18 Regional Council of Carpenters, not including any
19 revisions or amendments, and filed with the Illinois
20 Secretary of State Index Department and designated as
21 97-GA-A01.

22 "Union employees" means workers represented by a labor
23 organization, as defined in the National Labor Relations
24 Act, providing skilled labor services to exhibitors, a show
25 manager, or a show contractor on Authority premises.

1 (c) Exhibitor rights.

2 In order to control costs, increase the
3 competitiveness, and promote and provide for the economic
4 stability of Authority premises, all Authority contracts
5 with exhibitors, contractors, and managers shall include
6 the following minimum terms and conditions:

7 (1) Consistent with safety and the skills and training
8 necessary to perform the task, as determined by the
9 Authority, an exhibitor and exhibitor employees are
10 permitted in a booth of any size with the use of the
11 exhibitor's ladders and hand tools to:

12 (i) set-up and dismantle exhibits displayed on
13 Authority premises;

14 (ii) assemble and disassemble materials,
15 machinery, or equipment on Authority premises; and

16 (iii) install all signs, graphics, props,
17 balloons, other decorative items, and the exhibitor's
18 own drapery, including the skirting of exhibitor
19 tables, on the Authority's premises.

20 (2) An exhibitor and exhibitor employees are permitted
21 in a booth of any size to deliver, set-up, plug in,
22 interconnect, and operate an exhibitor's electrical
23 equipment, computers, audio-visual devices, and other
24 equipment.

25 (3) An exhibitor and exhibitor employees are permitted
26 in a booth of any size to skid, position, and re-skid all

1 exhibitor material, machinery, and equipment on Authority
2 premises.

3 (4) An exhibitor and exhibitor employees are
4 prohibited at any time from using scooters, forklifts,
5 pallet jacks, condors, scissors lifts, motorized dollies,
6 or similar motorized or hydraulic equipment on Authority
7 premises.

8 (5) The Authority shall designate areas, in its
9 discretion, where exhibitors may unload and load exhibitor
10 materials from privately owned vehicles at Authority
11 premises with the use of non-motorized hand trucks and
12 dollies.

13 (6) On Monday through Friday for any consecutive 8-hour
14 period during the hours of 6:00 a.m. and 10:00 p.m., union
15 employees on Authority premises shall be paid
16 straight-time hourly wages plus fringe benefits. Union
17 employees shall be paid straight-time and a half hourly
18 wages plus fringe benefits for labor services provided
19 after any consecutive 8-hour period; provided, however,
20 that between the hours of midnight and 6:00 a.m. union
21 employees shall be paid double straight-time wages plus
22 fringe benefits for labor services.

23 (7) On Monday through Friday for any consecutive 8-hour
24 period during the hours of 6:00 a.m. and 10:00 p.m., a show
25 manager or contractor shall charge an exhibitor only for
26 labor services provided by union employees on Authority

1 premises based on straight-time hourly wages plus fringe
2 benefits along with a reasonable mark-up. After any
3 consecutive 8-hour period, a show manager or contractor
4 shall charge an exhibitor only for labor services provided
5 by union employees based on straight-time and a half hourly
6 wages plus fringe benefits along with a reasonable mark-up;
7 provided, however, that between the hours of midnight and
8 6:00 a.m. a show manager or contractor shall charge an
9 exhibitor only for labor services provided by union
10 employees based on double straight-time wages plus fringe
11 benefits along with a reasonable mark-up.

12 (8) (Blank). ~~On Saturdays for any consecutive 8-hour~~
13 ~~period, union employees on Authority premises shall be paid~~
14 ~~straight time and a half hourly wages plus fringe benefits.~~
15 ~~After any consecutive 8-hour period, union employees on~~
16 ~~Authority premises shall be paid double straight time~~
17 ~~hourly wages plus fringe benefits; provided, however, that~~
18 ~~between the hours of midnight and 6:00 a.m. union employees~~
19 ~~shall be paid double straight time wages plus fringe~~
20 ~~benefits for labor services.~~

21 (9) (Blank). ~~On Saturdays for any consecutive 8-hour~~
22 ~~period, a show manager or contractor shall charge an~~
23 ~~exhibitor only for labor services provided by union~~
24 ~~employees on Authority premises based on straight time and~~
25 ~~a half hourly wages plus fringe benefits along with a~~
26 ~~reasonable mark up. After any consecutive 8-hour period, a~~

1 ~~show manager or contractor shall charge an exhibitor only~~
2 ~~for labor services provided by union employees based on~~
3 ~~double straight-time hourly wages plus fringe benefits~~
4 ~~along with a reasonable mark-up; provided, however, that~~
5 ~~between the hours of midnight and 6:00 a.m. a show manager~~
6 ~~or contractor shall charge an exhibitor only for labor~~
7 ~~services provided by union employees based on double~~
8 ~~straight time wages plus fringe benefits along with a~~
9 ~~reasonable mark-up.~~

10 (10) (Blank). ~~On Sundays and on State and federal~~
11 ~~holidays, union employees on Authority premises shall be~~
12 ~~paid double straight-time hourly wages plus fringe~~
13 ~~benefits.~~

14 (11) (Blank). ~~On Sundays and on State and federal~~
15 ~~holidays, a show manager or contractor shall charge an~~
16 ~~exhibitor only for labor services provided by union~~
17 ~~employees on Authority premises based on double~~
18 ~~straight time hourly wages plus fringe benefits along with~~
19 ~~a reasonable mark up.~~

20 (12) The Authority has the power to determine, after
21 consultation with the Advisory Council, the work
22 jurisdiction and scope of work of union employees on
23 Authority premises during the move-in, move-out, and run of
24 a show, provided that any affected labor organization may
25 contest the Authority's determination through a binding
26 decision of an independent, third-party arbitrator. When

1 making the determination, the Authority or arbitrator, as
2 the case may be, shall consider the training and skills
3 required to perform the task, past practices on Authority
4 premises, safety, and the need for efficiency and exhibitor
5 satisfaction. These factors shall be considered in their
6 totality and not in isolation. The Authority's
7 determination must be made in writing, set forth an
8 explanation and statement of the reason or reasons
9 supporting the determination, and be provided to each
10 affected labor organization. The changes in this item (12)
11 by this amendatory Act of the 97th General Assembly are
12 declarative of existing law and shall not be construed as a
13 new enactment. Nothing in this item permits the Authority
14 to eliminate any labor organization representing union
15 employees that provide labor services on the move-in,
16 move-out, and run of the show as of the effective date of
17 this amendatory Act of the 96th General Assembly.

18 (13) (Blank). ~~During the run of a show, all stewards of~~
19 ~~union employees shall be working stewards. Subject to the~~
20 ~~discretion of the Authority, no more than one working~~
21 ~~steward per labor organization representing union~~
22 ~~employees providing labor services on Authority premises~~
23 ~~shall be used per building and per show.~~

24 (14) An exhibitor or show manager may request by name
25 specific union employees to provide labor services on
26 Authority premises consistent with all State and federal

1 laws. Union employees requested by an exhibitor shall take
2 priority over union employees requested by a show manager.

3 (15) A show manager or show contractor on behalf of a
4 show manager may retain an electrical contractor approved
5 by the Authority or Authority-provisioned electrical
6 services to provide electrical services on the premises. If
7 a show manager or show contractor on behalf of a show
8 manager retains Authority-provisioned electrical services,
9 then the Authority shall offer these services at a rate not
10 to exceed the cost of providing those services.

11 (16) Crew sizes for any task or operation shall not
12 exceed 2 persons unless, after consultation with the
13 Advisory Council, the Authority determines otherwise based
14 on the task, skills, and training required to perform the
15 task and on safety.

16 (17) An exhibitor may bring food and beverages on the
17 premises of the Authority for personal consumption.

18 (18) Show managers and contractors shall comply with
19 any audit performed under subsection (e) of this Section.

20 (19) A show manager or contractor shall charge an
21 exhibitor only for labor services provided by union
22 employees on Authority premises on a minimum half-hour
23 basis.

24 The Authority has the power to implement, enforce, and
25 administer the exhibitor rights set forth in this subsection,
26 including the promulgation of rules. The Authority also has the

1 power to determine violations of this subsection and implement
2 appropriate remedies, including, but not limited to, barring
3 violators from Authority premises. The provisions set forth in
4 this Section are binding and equally applicable to any show
5 conducted at Navy Pier, and this statement of the law is
6 declarative of existing law and shall not be construed as a new
7 enactment. The Authority may waive the applicability of only
8 item (6) of this subsection (c) to the extent necessary and
9 required to comply with paragraph 1 of Section F of the 2011
10 Settlement Agreement, as set forth on Page 12 of that
11 Agreement.

12 (d) Advisory Council.

13 (1) An Advisory Council is hereby established to ensure
14 an active and productive dialogue between all affected
15 stakeholders to ensure exhibitor satisfaction for
16 conventions, exhibitions, trade shows, and meetings held
17 on Authority premises.

18 (2) The composition of the Council shall be determined
19 by the Authority consistent with its existing practice for
20 labor-management relations.

21 (3) The Council shall hold meetings no less than once
22 every 90 days.

23 (e) Audit of exhibitor rights.

24 The Authority shall retain the services of a person to

1 complete, at least twice per calendar year, a financial
2 statement audit and compliance attestation examination to
3 determine and verify that the exhibitor rights set forth in
4 this Section have produced cost reductions for exhibitors and
5 those cost reductions have been fairly passed along to
6 exhibitors. The financial statement audit shall be performed in
7 accordance with generally accepted auditing standards. The
8 compliance attestation examination shall be (i) performed in
9 accordance with attestation standards established by the
10 American Institute of Certified Public Accountants and shall
11 examine the compliance with the requirements set forth in this
12 Section and (ii) conducted by a licensed public accounting
13 firm, selected by the Authority from a list of firms
14 prequalified to do business with the Illinois Auditor General.
15 Upon request, a show contractor or manager shall provide the
16 Authority or person retained to provide auditing services with
17 any information and other documentation reasonably necessary
18 to perform the obligations set forth in this subsection. Upon
19 completion, the report shall be submitted to the Authority and
20 made publicly available on the Authority's website.

21 (f) Exhibitor service reforms. The Authority shall make every
22 effort to substantially reduce exhibitor's costs for
23 participating in shows.

24 (1) Any contract to provide food or beverage services
25 in the buildings and facilities of the Authority, except

1 Navy Pier, shall be provided at a rate not to exceed the
2 cost established in the contract. The Board shall
3 periodically review all food and beverage contracts.

4 (2) A department or unit of the Authority shall not
5 serve as the exclusive provider of electrical services.

6 (3) Exhibitors shall receive a detailed statement of
7 all costs associated with utility services, including the
8 cost of labor, equipment, and materials.

9 (g) Severability. If any provision of this Section or its
10 application to any person or circumstance is held invalid, the
11 invalidity of that provision or application does not affect
12 other provisions or applications of this Section that can be
13 given effect without the invalid provision or application.

14 (Source: P.A. 96-898, eff. 5-27-10; 96-899, eff. 5-28-10.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law."