



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB3728

by Rep. Robert Rita

#### SYNOPSIS AS INTRODUCED:

70 ILCS 210/5.4

Amends the Metropolitan Pier and Exposition Authority Act. Provides that an exhibitor shall not be required to utilize the services of the contractor selected by the show manager or show contractor on behalf of a show manager. Provides that an exhibitor may retain any contractor approved by the Authority to provide electrical, plumbing, or pipefitting services on the premises. Provides that house electricians are responsible for energizing the floor ports and bus ducts for energy requirements of 60 amps and above. Provides that the use of the house sound system and audio-visual equipment in meeting rooms shall be provided free of charge. Effective immediately.

LRB098 14614 JLK 49413 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Metropolitan Pier and Exposition Authority  
5 Act is amended by changing Section 5.4 as follows:

6 (70 ILCS 210/5.4)

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

8 (a) Legislative findings.

9 (1) The Authority is a political subdivision of the  
10 State of Illinois subject to the plenary authority of the  
11 General Assembly and was created for the benefit of the  
12 general public to promote business, industry, commerce,  
13 and tourism within the City of Chicago and the State of  
14 Illinois.

15 (2) The Authority owns and operates McCormick Place and  
16 Navy Pier, which have collectively 2.8 million square feet  
17 of exhibit hall space, 700,000 square feet of meeting room  
18 space.

19 (3) The Authority is a vital economic engine that  
20 annually generates 65,000 jobs and \$8 billion of economic  
21 activity for the State of Illinois through the trade shows,  
22 conventions, and other meetings held and attended at

1 McCormick Place and Navy Pier.

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

8 (5) The Authority has a compelling and proprietary  
9 interest in the success, competitiveness, and continued  
10 viability of McCormick Place and Navy Pier as the owner and  
11 operator of the convention facilities and its obligation to  
12 ensure that these facilities produce sufficient operating  
13 revenues.

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

21 (7) State law also dedicates State occupation and use  
22 tax revenues to fulfill debt service obligations on these  
23 bonds should State hotel, auto rental, food and beverage,  
24 and airport and departure taxes fail to generate sufficient  
25 revenue.

26 (8) Through fiscal year 2010, \$55 million in State

1 occupation and use taxes will have been allocated to make  
2 debt service payments on the Authority's bonds due to  
3 shortfalls in State hotel, auto rental, food and beverage,  
4 and airport and departure taxes. These shortfalls are  
5 expected to continue in future fiscal years and would  
6 require the annual dedication of approximately \$40 million  
7 in State occupation and use taxes to fulfill debt service  
8 payments.

9 (9) In 2009, managers of the International Plastics  
10 Showcase announced that 2009 was the last year they would  
11 host their exhibition at McCormick Place, as they had since  
12 1971, because union labor work rules and electric and food  
13 service costs make it uneconomical for the show managers  
14 and exhibitors to use McCormick Place as a convention venue  
15 as compared to convention facilities in Orlando, Florida  
16 and Las Vegas, Nevada. The exhibition used over 740,000  
17 square feet of exhibit space, attracted over 43,000  
18 attendees, generated \$4.8 million of revenues to McCormick  
19 Place, and raised over \$200,000 in taxes to pay debt  
20 service on convention facility bonds.

21 (10) After the International Plastics Showcase  
22 exhibition announced its departure, other conventions and  
23 exhibitions managers and exhibitors also stated that they  
24 would not return to McCormick Place and Navy Pier for the  
25 same reasons cited by the International Plastics Showcase  
26 exhibition. In addition, still other managers and

1 exhibitors stated that they would not select McCormick  
2 Place as a convention venue unless the union labor work  
3 rules and electrical and food service costs were made  
4 competitive with those in Orlando and Las Vegas.

5 (11) The General Assembly created the Joint Committee  
6 on the Metropolitan Pier and Exposition Authority to  
7 conduct hearings and obtain facts to determine how union  
8 labor work rules and electrical and food service costs make  
9 McCormick Place and Navy Pier uneconomical as a convention  
10 venue.

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

20 (13) Witness testimony and fact-gathering also  
21 revealed that the mark-up on electrical and food service  
22 imposed by the Authority to generate operating revenue for  
23 McCormick Place and Navy Pier also substantially increased  
24 exhibitor and show organizer costs to the point of excess  
25 when compared to competing convention facilities.

26 (14) Witness testimony and fact-gathering further

1 revealed that the additional departure of conventions,  
2 exhibitions, and trade shows from Authority facilities  
3 threatens the continued economic viability of these  
4 facilities and the stability of sufficient tax revenues  
5 necessary to support debt service.

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

17 (16) The provisions set forth in this Section are  
18 reasonable, necessary, and narrowly tailored to safeguard  
19 the Authority's and State of Illinois' shared and  
20 compelling proprietary interests and respond to local  
21 economic needs as compared to the available alternative set  
22 forth in House Bill 4900 of the 96th General Assembly and  
23 proposals submitted to the Joint Committee on the  
24 Metropolitan Pier and Exposition Authority. Action by the  
25 State offers the only comprehensive means to remedy the  
26 circumstances set forth in these findings, despite the

1 concerted and laudable voluntary efforts of the Authority,  
2 labor unions, show contractors, show managers, and  
3 exhibitors.

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

5 "Booth" means the demarcated exhibit space of an  
6 exhibitor on Authority premises.

7 "Contractor" or "show contractor" means any person who  
8 contracts with the Authority, an exhibitor, or with the  
9 manager of a show to provide any services related to  
10 drayage, rigging, carpentry, decorating, electrical,  
11 plumbing, pipefitting, maintenance, mechanical, and food  
12 and beverage services or related trades and duties for  
13 shows on Authority premises.

14 "Exhibitor" or "show exhibitor" means any person who  
15 contracts with the Authority or with a manager or  
16 contractor of a show held or to be held on Authority  
17 premises.

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

21 "Hand tools" means cordless tools, power tools, and  
22 other tools as determined by the Authority.

23 "Licensee" means any entity that uses the Authority's  
24 premises.

25 "Manager" or "show manager" means any person that owns

1 or manages a show held or to be held on Authority premises.

2 "Personally owned vehicles" means the vehicles owned  
3 by show exhibitors or the show management, excluding  
4 commercially registered trucks, vans, and other vehicles  
5 as determined by the Authority.

6 "Premises" means grounds, buildings, and facilities of  
7 the Authority.

8 "Show" means a convention, exposition, trade show,  
9 event, or meeting held on Authority premises by a show  
10 manager or show contractor on behalf of a show manager.

11 "2011 Settlement Agreement" means the agreement that  
12 the Authority made and entered into with the Chicago  
13 Regional Council of Carpenters, not including any  
14 revisions or amendments, and filed with the Illinois  
15 Secretary of State Index Department and designated as  
16 97-GA-A01.

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

21 (c) Exhibitor rights.

22 In order to control costs, increase the  
23 competitiveness, and promote and provide for the economic  
24 stability of Authority premises, all Authority contracts  
25 with exhibitors, contractors, and managers shall include



1 the following minimum terms and conditions:

2 (1) Consistent with safety and the skills and training  
3 necessary to perform the task, as determined by the  
4 Authority, an exhibitor and exhibitor employees are  
5 permitted in a booth of any size with the use of the  
6 exhibitor's ladders and hand tools to:

7 (i) set-up and dismantle exhibits displayed on  
8 Authority premises;

9 (ii) assemble and disassemble materials,  
10 machinery, or equipment on Authority premises; and

11 (iii) install all signs, graphics, props,  
12 balloons, other decorative items, and the exhibitor's  
13 own drapery, including the skirting of exhibitor  
14 tables, on the Authority's premises.

15 (2) An exhibitor and exhibitor employees are permitted  
16 in a booth of any size to deliver, set-up, plug in,  
17 interconnect, and operate an exhibitor's electrical  
18 equipment, computers, audio-visual devices, and other  
19 equipment.

20 (3) An exhibitor and exhibitor employees are permitted  
21 in a booth of any size to skid, position, and re-skid all  
22 exhibitor material, machinery, and equipment on Authority  
23 premises.

24 (4) An exhibitor and exhibitor employees are  
25 prohibited at any time from using scooters, forklifts,  
26 pallet jacks, condors, scissors lifts, motorized dollies,

1 or similar motorized or hydraulic equipment on Authority  
2 premises.

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

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

18 (7) On Monday through Friday for any consecutive 8-hour  
19 period during the hours of 6:00 a.m. and 10:00 p.m., a show  
20 manager or contractor shall charge an exhibitor only for  
21 labor services provided by union employees on Authority  
22 premises based on straight-time hourly wages plus fringe  
23 benefits along with a reasonable mark-up. After any  
24 consecutive 8-hour period, a show manager or contractor  
25 shall charge an exhibitor only for labor services provided  
26 by union employees based on straight-time and a half hourly

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

7 (8) (Blank).

8 (9) (Blank).

9 (10) (Blank).

10 (11) (Blank).

11 (12) The Authority has the power to determine, after  
12 consultation with the Advisory Council, the work  
13 jurisdiction and scope of work of union employees on  
14 Authority premises during the move-in, move-out, and run of  
15 a show, provided that any affected labor organization may  
16 contest the Authority's determination through a binding  
17 decision of an independent, third-party arbitrator. When  
18 making the determination, the Authority or arbitrator, as  
19 the case may be, shall consider the training and skills  
20 required to perform the task, past practices on Authority  
21 premises, safety, and the need for efficiency and exhibitor  
22 satisfaction. These factors shall be considered in their  
23 totality and not in isolation. The Authority's  
24 determination must be made in writing, set forth an  
25 explanation and statement of the reason or reasons  
26 supporting the determination, and be provided to each

1 affected labor organization. The changes in this item (12)  
2 by this amendatory Act of the 97th General Assembly are  
3 declarative of existing law and shall not be construed as a  
4 new enactment. Nothing in this item permits the Authority  
5 to eliminate any labor organization representing union  
6 employees that provide labor services on the move-in,  
7 move-out, and run of the show as of the effective date of  
8 this amendatory Act of the 96th General Assembly.

9 (13) (Blank).

10 (14) An exhibitor or show manager may request by name  
11 specific union employees to provide labor services on  
12 Authority premises consistent with all State and federal  
13 laws. Union employees requested by an exhibitor shall take  
14 priority over union employees requested by a show manager.

15 (15) A show manager or show contractor on behalf of a  
16 show manager may retain an electrical contractor approved  
17 by the Authority or Authority-provisioned electrical  
18 services to provide electrical services on the premises. If  
19 a show manager or show contractor on behalf of a show  
20 manager retains Authority-provisioned electrical services,  
21 then the Authority shall offer these services at a rate not  
22 to exceed the cost of providing those services. An  
23 exhibitor shall not be required to utilize the services of  
24 the contractor selected by the show manager or show  
25 contractor on behalf of a show manager under this item. An  
26 exhibitor may retain any contractor approved by the

1 Authority to provide electrical, plumbing, or pipefitting  
2 services on the premises. Notwithstanding any other  
3 provision of law, the house electricians employed by the  
4 Authority are responsible for energizing the floor ports  
5 and bus ducts for energy requirements of 60 amps and above.  
6 It is the responsibility of the exhibitor-appointed  
7 electrical contractors to contact the house electricians  
8 to energize those floor ports and bus ducts.

9 (15-5) The use of the house sound system and  
10 audio-visual equipment in the meeting rooms shall be  
11 provided free of charge.

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

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

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

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

25 The Authority has the power to implement, enforce, and  
26 administer the exhibitor rights set forth in this subsection,

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

13 (d) Advisory Council.

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

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

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

24 (e) Audit of exhibitor rights.

1           The Authority shall retain the services of a person to  
2 complete, at least once per calendar year, a financial  
3 statement audit and compliance attestation engagement that may  
4 consist of an examination or an agreed-upon procedures  
5 engagement that, in the opinion of the licensed public  
6 accounting firm selected by the Authority in accordance with  
7 the provisions of this Act and with the concurrence of the  
8 Authority, is better suited to determine and verify compliance  
9 with the exhibitor rights set forth in this Section, and that  
10 cost reductions or other efficiencies resulting from the  
11 exhibitor rights have been fairly passed along to exhibitors.  
12 In the event an agreed-upon procedures engagement is performed,  
13 the Authority shall first consult with the Advisory Committee  
14 and solicit its suggestions and advice with respect to the  
15 specific procedures to be agreed upon in the engagement.  
16 Thereafter, the public accounting firm and the Authority shall  
17 agree upon the specific procedures to be followed in the  
18 engagement. It is intended that the design of the engagement  
19 and the procedures to be followed shall allow for flexibility  
20 in targeting specific areas for examination and to revise the  
21 procedures where appropriate for achieving the purpose of the  
22 engagement. The financial statement audit shall be performed in  
23 accordance with generally accepted auditing standards. The  
24 compliance attestation engagement shall be (i) performed in  
25 accordance with attestation standards established by the  
26 American Institute of Certified Public Accountants and shall

1 examine the compliance with the requirements set forth in this  
2 Section and (ii) conducted by a licensed public accounting  
3 firm, selected by the Authority from a list of firms  
4 prequalified to do business with the Illinois Auditor General.  
5 Upon request, a show contractor or manager shall provide the  
6 Authority or person retained to provide attestation services  
7 with any information and other documentation reasonably  
8 necessary to perform the obligations set forth in this  
9 subsection. Upon completion, the report shall be submitted to  
10 the Authority and made publicly available on the Authority's  
11 website.

12 Within 30 days of the next regularly scheduled meeting of  
13 the Advisory Committee following the effective date of this  
14 amendatory Act of the 98th General Assembly, the Authority, in  
15 conjunction with the Advisory Committee, shall adopt a uniform  
16 set of procedures to expeditiously investigate and address  
17 exhibitor complaints and concerns. The procedures shall  
18 require full disclosure and cooperation among the Authority,  
19 show managers, show contractors, exhibitor-appointed  
20 contractors, professional service providers, and labor unions.

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. 97-629, eff. 11-30-11; 98-109, eff. 7-25-13.)

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