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Hasselberg Grebe Snodgrass Urban & Wentworth Attorneys and Counselors

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KYLE TOMPKINS RECOGNIZED FOR COMMUNITY LEADERSHIP

The law firm of Hasselberg Grebe Snodgrass Urban & Wentworth would like to congratulate its associate, Kyle M. Tompkins, on graduating from the Peoria Area Chamber of Commerce Community Leadership School as part of the Class of 2018. As a Community Leadership School graduate, Mr. Tompkins dedicated countless hours to refining his leadership skills by expanding his awareness of the issues our community faces and exploring the vast opportunities to address those challenges.

As part of the Community Leadership School experience, each graduate worked closely with a not-for-profit organization in the community on a group project to address a specific challenge it faced. Mr. Tompkins was paired with a local 501(c)(3) organization and given the task of assisting in the distribution of information about a potentially life-saving technology that is designed to increase early CPR response times through a mobile device application (the "App"). Ultimately, Mr. Tompkins and his group

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THE UNITED STATES SUPREME COURT'S RULING IN AN ILLINOIS CASE HAS MAJOR IMPLICATIONS ON LABOR LAW

The United States Supreme Court has recently issued a highly anticipated ruling in an Illinois public employee's case which many anticipate will have a major impact on public sector unions. In Janus v. AFSCME, the governmental employee claimed that since he did not choose to join the union, the mandatory union dues deducted from his pay violated his Constitutional rights. Previously, the Supreme Court had held that public unions could not force an employee to join a union or pay dues that supported a union's political activities, but could deduct "fair share" dues from non-member employees to cover non-political expenses such as the cost of collective bargaining. The "fair share" dues would normally be determined based upon a percentage of the full membership dues, often around 85%. Those in favor of this system argued that non-union members still benefited from the union's collective

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Inside this issue

CERTIFICATE OF TITLE NO LONGER REQUIRED FOR WATERCRAFT UNDER 22 FEET - REGISTRATION STILL REQUIRED

As temperatures remain high throughout Central Illinois, many residents and visitors take to local waterways to beat the heat with family and friends. Beginning June 1, 2018, these water enthusiasts experienced a few significant changes to life on Illinois waterways. House Bill 434 amended the Illinois Boat Registration and Safety Act to minimize registration and titling burdens on watercraft owners. Owners of watercraft under twenty-two feet in length are no longer required to possess a certificate of title, but still have to register said watercraft. The "Water Usage Stamp" requirement for all non-motorized watercraft, such as canoes and kayaks, was also repealed. Additionally, expiration dates for Illinois watercraft registrations were pushed back from June 30th to September 30th for all watercraft owners renewing their three-year registrations. Supporters of the legislation, including the Bill's sponsor, Representative Tim Butler, believe the amendments are a win-win for watercraft users and the Illinois Department of Natural Resources, as they ease the burden on the IDNR while allowing easier, low-cost access to Illinois waterways.

If you have any questions regarding any licensing issues, please contact John G. Dundas at (309) 637-1400.

INCREASING SAFETY ON ILLINOIS ROADS - AUTO DEALERSHIPS' WINDOW SIGNAGE RESTRICTED

Earlier this year, Illinois lawmakers implemented several amendments to the Illinois Vehicle Code with a focus on making Illinois roads safer. One such law, House Bill 733, prohibits auto dealerships from allowing prospective car buyers to leave their lot in a vehicle with a sign, decal, paperwork, or other material on the front windshield or windows immediately adjacent to each side of the driver that would obstruct the driver's view. The legislation, which applies to both new and used vehicle dealerships, imposes a fine between $50.00 and $500.00 for a first-time offense and a Class C misdemeanor for a second or subsequent violation. The new law, referred to as Brendan's Law, was implemented in response to the tragic death of Brendan Burke, who was killed by a motorist test-driving a vehicle that had decals and paperwork blocking his view. According to Secretary of State Jesse White, "This traffic safety measure is a common-sense solution that removes potential obstructions from the front and side windows of a vehicle prior to being driven off the lot of an automobile dealer."

If you have any questions regarding any traffic issues, please contact Boyd O. Roberts III or Kevin D. Day at (309) 637-1400.

WILL ILLINOIS CASH IN ON SPORTS GAMBLING?

On May 14, 2018, the United States Supreme Court struck down the Professional and Amateur Sports Protection Act, which previously banned most states from, among other things, authorizing sports gambling. In a 6-3 decision, our nation's highest court determined the 1992 statute violated the Tenth Amendment to the United States Constitution. The Tenth Amendment, which helps define the relationship between Federal and state governments, specifically provides, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the

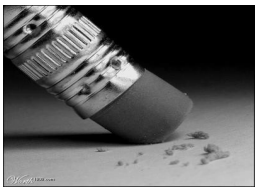
states, are reserved to the states respectively, or to the people." More simply stated, if the U.S. Constitution does not grant a power to the Federal Government or take that power away from the states, it is reserved for the states or the people.

The U.S. Supreme Court has generally interpreted the Tenth Amendment to bar the Federal Government from compelling, or commandeering, states to enforce federal laws and policies. In Murphy v. National Collegiate Athletic Association, the Supreme Court held the Professional and Amateur Sports Protection Act violated this "anti-commandeering" rule. Supreme Court Justice Samuel Alito, who authored the Court's majority opinion, stated, "Congress can regulate sports gambling directly, but if it elects not to do so, each state is free to act on its own. Our job is to interpret the law Congress has enacted and decide whether it is consistent with the Constitution. PASPA is not."

The Supreme Court's decision immediately made national headlines, as it opens the door for states nationwide to legalize and regulate sports betting, a multi-billion dollar industry. Several sources estimate sports betting generates over five billion dollars annually in Las Vegas alone, with over one hundred billion dollars wagered on athletics illegally in the United States every year. States like Delaware and New Jersey have quickly cashed in on the Supreme Court's decision, implementing sports gambling on June 5th and June 14th respectively.

The future of sports betting in Illinois is currently uncertain. Senate Bill 0007, which addresses sports betting, online gambling, and daily fantasy sports, was re-referred to the House Rules Committee on May 31, 2018. Legislators and political experts are uncertain if, or when, Senate Bill 0007 will be passed, with some suggesting Illinois lawmakers may take a different path toward legalized sports gambling sometime in the future. Although uncertainty remains in Illinois, the impact of the Murphy v. NCAA decision cannot be overstated. In addition to its impact on the multi-billion dollar sports gambling industry, the decision could arguably give significantly more power to states when addressing major issues in the future.

If you have any questions regarding any criminal matters, please contact Boyd O. Roberts III or Kevin D. Day at (309) 637-1400.



EXPUNGING OR SEALING CRIMINAL RECORDS ON THE FAST TRACK

Criminal proceedings can be detrimental to someone's life and livelihood, even if never convicted, because a criminal record is created upon arrest. This record can be viewed by the public and may negatively affect employment or other personal matters. In Illinois, the process of removing arrests or charges from the public record is known as expungement whereas the process for concealing those records from the public is known as sealing.

Expungement and sealing proceedings only apply under certain circumstances and to certain offenses. However, the Illinois General Assembly recently made two significant changes to expungement and sealing procedures. First, under the prior law, a minor could not petition a court for expungement of a juvenile record until reaching the age of 18. The recent changes now allow minors to immediately petition a court for expungement when charged, but not convicted, with a crime. Similarly, the recent changes to Illinois law now allow adults to immediately petition for sealing court records upon the final disposition of a case when eligible, meaning that arrests or charges resulting in an acquittal or dismissal with prejudice for certain offenses may be sealed immediately.

If you have questions about expungement and sealing proceedings, or any other traffic or criminal issues, please contact our experienced criminal defense attorney Boyd O. Roberts III at (309) 637-1400.

ILLINOIS REDUCES FEES FOR LIMITED LIABILITY COMPANIES

When forming and operating a business, the type of business entity to operate as can be an important decision. A number of factors should be considered when making this choice. One factor is the costs associated with the formation and operation of the different entity options.

One of the most popular choices of entities for businesses is the Limited Liability Company. Although this entity can have significant advantages for many businesses, one of the disadvantages is that the costs of formation and operation are often higher than other forms. Until recently, this was particularly true in Illinois as the state's filing fee of $500.00 was tied for the highest in the nation.

Recent changes to Illinois law has provided some relief from the high startup fees for Limited Liability Companies. Beginning in 2018, the filing fee for a Limited Liability Company has been reduced to $150.00. Annual Report Fees have also been reduced from $250.00 to $75.00, and similar reductions have been made to other fees relating to Limited Liability Companies. These reductions lower the costs doing business in the state, and brings Illinois more in line with the expenses in other states.

If you have any questions regarding any business related issues, please contact William P. Streeter, John G. Dundas, or Kyle M. Tompkins at (309) 637-1400.

ILLINOIS LEGISLATURE WORK AROUND OF "SALT" TAX DEDUCTIONS COULD BE RISKY FOR TAXPAYERS

As discussed in our prior issue, many of the changes to the Internal Revenue Code made in the Tax Cuts and Jobs Act of 2017 will result in a reduction of taxpayers' liabilities. One change that could increase some taxpayers' burdens, however, was a new limitation of $10,000.00 on the allowable deduction for state and local taxes (SALT). This change is likely to have an oversized effect in Illinois as it is in the top ten states for the average SALT deduction taken by its residents.

In response to this, Illinois lawmakers, as well as those in several other high tax states, have looked for ways around the limit on the SALT deduction. Both the Illinois House of Representatives and Senate have passed bills which attempt to avoid this limitation by creating a fund or funds that would be considered public charities. Residents would be allowed to make charitable contributions to these entities, and would then receive a corresponding credit on their state and local taxes. The idea is that these payments could then be taken on the taxpayers' federal tax returns as charitable deductions, and not be subject to the SALT deduction limitation.

Although both houses of the Illinois Legislature have passed similar bills on this issue, no single bill has passed both houses yet. It is also not known if Governor Rauner would sign any bill that did pass both houses, or if the Legislature would be able to override his veto if he did not. Moreover, even if such a bill were to be enacted, whether it would benefit, or potentially harm, residents would still be uncertain. The Internal Revenue Service, and many tax experts, have expressed doubt as to whether payments made under the proposed schemes could be properly included as charitable deductions under the Internal Revenue Code. If it is determined that those payments were not deductible as charitable contributions, taxpayers who claimed them as such on their federal tax returns could not only be liable for the unpaid portion of their tax liability, they could also be subject to interests and penalties. Therefore, tax payers should carefully weigh their options when determining whether to try to take advantage of any potential SALT deduction limitation work around, including consulting a tax professional.

If you have any questions regarding any tax related issues, please contact James R. Grebe, John G. Dundas, or Kyle M. Tompkins at (309) 637-1400.

KYLE from page 1... developed a marketing plan to help the organization explore new avenues and optimize its current processes to disseminate information about the App throughout the community. At the end of the experience, each group presented its work product to its peers and a panel of the not-for-profit organizations involved in the program. Mr. Tompkins' group was recognized for its efforts as the winner of a friendly group competition between CLS participants at the Community Leadership School graduation ceremony. Our firm is proud of Mr. Tompkins commitment to this endeavor and ability to demonstrate excellent teamwork and leadership.

Mr. Tompkins has been very involved in the community since returning to the Peoria-area in 2014. He has been an active member of the Young Professionals of Greater Peoria, serving on its board for 2 years, and he has also been an active member of the Peoria County Bar Association making contributions as part of the Real Property Committee, Young Lawyers Committee and chair of the Fitness, Health & Wellness Committee. He is also currently involved with the Children's Home Association of Illinois and exploring other opportunities with local not-for-profit organizations. He intends on continuing his commitment to serving the Peoria community through its many organizations after welcoming his second child to his family in May of 2018.

JANUS from page 1... bargaining activities, and thus should be required to pay their "fair share" of the costs. They further argued that if employees could receive the benefits of the union's collective bargaining without paying their "fair share" of the union dues, employees would have an incentive to not join the union and become "free riders". This, they argued, would lead to a downward spiral in membership which would ultimately weaken the union, and harm all of the employees. Those against the system argued that some employees may not believe that the union's collective bargaining activities benefited them, that employees should not be forced to pay for services they did not agree to, and that all of a public union's activities are politically related, and thus "fair share" dues compel employees to subsidize political activities in violation of their First Amendment Rights to Free Speech.

In Janus v. AFSCME, the Supreme Court overruled its prior decision and found that requiring public employees to pay "fair share" dues to unions that they did not wish to join was also a violation of their First Amendment Rights. Therefore, a public union can no longer deduct any portion of dues from an employee's pay who does not choose to join the union.

It should be noted that the decision in Janus v. AFSCME only applies to public unions and employees. Although there are similarities between unions and employees in the public sector and those in the private, there are also differences which the courts could find material. Therefore, it cannot be said for certain whether or not mandatory union dues for private sector employees may face the same fate as those in the public sector. However, it seems highly likely that future litigation to determine this issue will come.

If you have any questions regarding any labor related issues, please contact Kenneth M. Snodgrass, Jr., Charles J. Urban, or David B. Wiest at (309) 637-1400.

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