

Sen. Robert Peters

## Adopted in Senate on Mar 06, 2024

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1	AMENDMENT TO SENATE BILL 3650
2	AMENDMENT NO Amend Senate Bill 3650 by replacing
3	everything after the enacting clause with the following:
4	"Section 5. The Day and Temporary Labor Services Act is
5	amended by changing Sections 5, 10, 11, 42, 45, and 85 as
6	follows:
7	(820 ILCS 175/5)
8	Sec. 5. Definitions. As used in this Act:
9	"Applicant" means a natural person who seeks a work
10	assignment at a day and temporary labor service agency.
11	"Day or temporary laborer" means a natural person who
12	contracts for employment with a day and temporary labor
13	service agency.
14	"Day and temporary labor" means work performed by a day or
15	temporary laborer at a third party client, the duration of
16	which may be specific or undefined, pursuant to a contract or

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understanding between the day and temporary labor service agency and the third party client. "Day and temporary labor" does not include labor or employment of a professional or clerical nature.

5 "Day and temporary labor service agency" means any person 6 or entity engaged in the business of employing day or 7 temporary laborers to provide services, for a fee, to or for 8 any third party client pursuant to a contract with the day and 9 temporary labor service agency and the third party client.

"Department" means the Department of Labor.

Il "Interested party" means an organization that monitors or is attentive to compliance with public or worker safety laws, wage and hour requirements, or other statutory requirements.

14 <u>"Labor dispute" means any controversy concerning wages,</u> 15 hours, terms, or conditions of employment.

16 "Third party client" means any person that contracts with 17 a day and temporary labor service agency for obtaining day or 18 temporary laborers.

19 "Person" means every natural person, firm, partnership, 20 co-partnership, limited liability company, corporation, 21 association, business trust, or other legal entity, or its 22 legal representatives, agents, or assigns.

23 (Source: P.A. 103-437, eff. 8-4-23.)

24 (820 ILCS 175/10)

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25 Sec. 10. Employment <u>notice and application receipt.</u>

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1 Notice.

2 (a) <u>Employment notice</u>. Whenever a day and temporary labor 3 service agency agrees to send one or more persons to work as 4 day or temporary laborers, the day and temporary labor service 5 agency shall provide to each day or temporary laborer, at the 6 time of dispatch, a statement containing the following items 7 on a form approved by the Department:

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(1) the name of the day or temporary laborer;

9 (2) the name and nature of the work to be performed and 10 the types of equipment, protective clothing, and training 11 that are required for the task;

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(3) the wages offered;

13 (4) the name and address of the destination of each14 day or temporary laborer;

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(5) terms of transportation; and

16 (6) whether a meal or equipment, or both, are 17 provided, either by the day and temporary labor service 18 agency or the third party client, and the cost of the meal 19 and equipment, if any.

If a day or temporary laborer is assigned to the same assignment for more than one day, the day and temporary labor service agency is required to provide the employment notice only on the first day of the assignment and on any day that any of the terms listed on the employment notice are changed.

If the day or temporary laborer is not placed with a third party client or otherwise contracted to work for that day, the 10300SB3650sam001 -4- LRB103 38728 SPS 70445 a

day and temporary labor service agency shall, upon request, provide the day and temporary laborer with a confirmation that the day or temporary laborer sought work, signed by an employee of the day and temporary labor service agency, which shall include the name of the agency, the name and address of the day or temporary laborer, and the date and the time that the day or temporary laborer receives the confirmation.

8 (b) <u>(Blank)</u>. No day and temporary labor service agency 9 may send any day or temporary laborer to any place where a 10 strike, a lockout, or other labor trouble exists.

11 (b-5) Application receipt. If an applicant seeks a work assignment as a day or temporary laborer with a day and 12 13 temporary labor service agency, including in-person, online, 14 or through an app-based system, and is not placed with a third 15 party client or otherwise contracted to work for that day by 16 the day and temporary labor service agency, the day and temporary labor service agency shall provide the applicant 17 with a confirmation that the applicant sought work, signed by 18 19 an employee of the day and temporary labor service agency, on a 20 form approved by the Department, that shall include:

21 <u>(1) the name and location of the day and temporary</u> 22 <u>labor service agency and branch office;</u>

(2) the name and address of the applicant;
 (3) the date and the time that the applicant sought
 the work assignment;

26 (4) the manner in which the applicant sought the work

1 assignment; and

2 (5) the specific work sites or type of jobs sought by
3 the applicant, if applicable.

4 (c) The Department shall recommend to day and temporary 5 labor service agencies that those agencies employ personnel 6 who can effectively communicate information required in 7 subsections (a) and <u>(b-5)</u> <del>(b)</del> to day or temporary laborers in 8 Spanish, Polish, or any other language that is generally 9 understood in the locale of the day and temporary labor 10 service agency.

11 (Source: P.A. 99-78, eff. 7-20-15; 100-517, eff. 6-1-18.)

12 (820 ILCS 175/11)

13 Sec. 11. Right to refuse assignment to a labor dispute.

14 (a) No day and temporary labor service agency may send a 15 day or temporary laborer to a place where a strike, a lockout, or work stoppage other labor trouble exists because of a labor 16 dispute or where a picket, bannering, handbilling, or other 17 job action exists because of a labor dispute without 18 19 providing, at or before the time of dispatch, a statement, in 20 writing and in a language that the day and temporary laborer understands, informing the day or temporary laborer of the 21 22 labor dispute and the day or temporary laborer's right to 23 refuse the assignment without prejudice to receiving another 24 assignment. This Section shall not apply to any strike, 25 lockout, or other work stoppage or any picket, bannering,

handbilling, or other job action, that has been ruled unlawful by any court or government agency authorized to make that determination.

4 (b) The failure by a day and temporary labor service 5 agency to provide any of the information required by this 6 Section shall constitute a notice violation under Section 95. The failure of a day and temporary labor service agency to 7 provide each piece of information required by this Section at 8 9 each time it is required by this Section shall constitute a 10 separate and distinct notice violation. If a day and temporary 11 labor service agency claims that it has provided a notice as required under this Section electronically, the day and 12 13 temporary labor service agency shall bear the burden of showing that the notice was provided if there is a dispute. 14

15 (Source: P.A. 103-437, eff. 8-4-23.)

16 (820 ILCS 175/42)

17 Sec. 42. Equal pay for equal work.

18 (a) Beginning on and after April 1, 2024, a A day or 19 temporary laborer who is assigned to work <u>and performs work</u> at 20 a third party client for more than 90 calendar days <u>within a</u> 21 <u>12-month period</u> shall be paid <u>as follows:</u> not less than the 22 rate of pay and equivalent benefits as the lowest paid

(1) if there is a directly hired <u>comparator</u> employee
 of the third party client with the same <u>or substantially</u>
 <u>similar</u> level of seniority at the company and performing

the same or substantially similar work on jobs the 1 performance of which requires substantially similar skill, 2 effort, and responsibility, and that are performed under 3 similar working conditions: 4 (A) not less than the straight-time hourly rate of 5 pay or hourly equivalent of the lowest paid directly 6 7 hired comparator employee of the third party client who is entitled to overtime under the Fair Labor 8 9 Standards Act, of 1938, as amended, with the same or 10 substantially similar level of seniority at the company and performing the same or substantially 11 similar work on jobs the performance of which requires 12 substantially similar skill, effort, 13 and 14 responsibility, and that are performed under similar 15 working conditions; and

(B) substantially similar benefits to the job 16 classification of employees performing the same or 17 substantially similar work on jobs and performed under 18 19 similar working conditions. A day and temporary labor 20 service agency may pay the hourly average cash 21 equivalent of the actual cost of the benefits the 22 third party client provides the applicable directly hired employees in lieu of benefits required under 23 24 this paragraph; or-

25 (2) if <del>If</del> there is not a directly hired <u>comparator</u>
 26 <del>comparative</del> employee of the third party client, the day or

1 temporary laborer shall be paid: (A) not less than the straight-time hourly rate of 2 3 pay or hourly and equivalent benefits of the lowest 4 paid directly direct hired employee of the third party 5 client who is entitled to overtime under the Fair Labor Standards Act of 1938, as amended, <del>company</del> with 6 the closest level of seniority at the third party 7 8 client; and <del>company.</del> 9 (B) substantially similar benefits of the 10 classification of employees performing the same or substantially similar work on jobs. A 11 dav and temporary labor service agency may pay the hourly cash 12 13 equivalent of the actual cost of the benefits the 14 third party client provides the applicable directly 15 hired employees in lieu of benefits required under 16 this paragraph Section. (b) The payment of equivalent pay and substantially 17 similar benefits as required by subsections (a) shall not be 18 required if the applicable direct hire comparator employees 19 20 are covered by a valid collective bargaining agreement in effect on April 1, 2024 during the period covered by that 21 22 current collective bargaining agreement. Thereafter, payment of substantially similar benefits to a day or temporary 23 24 laborer as required by subparagraph (B) of paragraph (1) of 25 subsection (a) and subparagraph (B) of paragraph (2) of subsection (a) shall not be required if the applicable direct 26

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## <u>hire comparator employees are covered by a valid collective</u> <u>bargaining agreement during any period covered by the</u> collective bargaining agreement.

(c) Upon request, a third party client to which a day or 4 5 temporary laborer has been assigned for more than 90 calendar 6 days shall be obligated to timely provide the day and temporary labor service agency with all necessary information 7 related to job duties, working conditions, pay, and benefits 8 9 it provides to the applicable classification of directly hired 10 employees necessary for the day and temporary labor service 11 agency to comply with this Section. Upon receipt of the accurate and complete information described in this subsection 12 13 from the third party client, it shall be the responsibility 14 and duty of the day and temporary labor service agency to 15 calculate and determine the straight-time hourly rate of pay and the benefits it shall offer to the day or temporary 16 laborer, including any cash equivalent. The failure by a third 17 party client to provide any of the information required under 18 this Section shall constitute a notice violation by the third 19 20 party client under Section 95. For purposes of this Section, 21 the day and temporary labor service agency shall be considered a person aggrieved as described in Section 95. <del>For the</del> 22 23 purposes of this Section, the calculation of the 90 calendar 24 days may not begin until April 1, 2024.

25 (d) For the purposes of this Section, "seniority" means
 26 the number of months a day or temporary laborer has been

1	assigned to the third party client compared to the number of
2	months a directly hired comparator employee has been employed
3	by the third party client.
4	(Source: P.A. 103-437, eff. 8-4-23; 103-564, eff. 11-17-23.)

5 (820 ILCS 175/45)

6 Sec. 45. Registration; Department of Labor.

7 (a) A day and temporary labor service agency which is 8 located, operates or transacts business within this State 9 shall register with the Department of Labor in accordance with 10 rules adopted by the Department for day and temporary labor service agencies and shall be subject to this Act and any rules 11 12 adopted under this Act. Each day and temporary labor service 13 agency shall provide proof of an employer account number 14 issued by the Department of Employment Security for the 15 payment of unemployment insurance contributions as required under the Unemployment Insurance Act, and proof of valid 16 workers' compensation insurance in effect at the time of 17 registration covering all of its employees. If, at any time, a 18 19 day and temporary labor service agency's workers' compensation 20 insurance coverage lapses, the agency shall have an 21 affirmative duty to report the lapse of such coverage to the 22 Department and the agency's registration shall be suspended 23 until the agency's workers' compensation insurance is 24 reinstated. The Department may assess each day and temporary 25 labor service agency a non-refundable registration fee not

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1 exceeding \$3,000 per year per agency and a non-refundable fee not to exceed \$750 for each branch office or other location 2 3 where the agency regularly contracts with day or temporary 4 laborers for services. The fee may be paid by check, money 5 order, or the State Treasurer's E-Pay program or any successor program, and the Department may not refuse to accept a check on 6 the basis that it is not a certified check or a cashier's 7 8 check. The Department may charge an additional fee to be paid 9 by a day and temporary labor service agency if the agency, or 10 any person on the agency's behalf, issues or delivers a check 11 to the Department that is not honored by the financial institution upon which it is drawn. The Department shall also 12 13 adopt rules for violation hearings and penalties for 14 violations of this Act or the Department's rules in 15 conjunction with the penalties set forth in this Act.

16 (a-1) At the time of registration with the Department of Labor each year, the day and temporary labor service agency 17 shall submit to the Department of Labor a report containing 18 the information identified in paragraph (9) of subsection (a) 19 20 of Section 12, broken down by branch office, in the aggregate for all day or temporary laborers assigned within Illinois and 21 22 subject to this Act during the preceding year. This 23 information shall be submitted on a form created by the 24 Department of Labor. The Department of Labor shall aggregate 25 the information submitted by all registering day and temporary 26 labor service agencies by removing identifying data and shall

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1 have the information available to the public only on a municipal and county basis. As used in this paragraph, 2 "identifying data" means any and all information that: (i) 3 4 provides specific information on individual worker identity; 5 (ii) identifies the service agency in any manner; and (iii) 6 identifies clients utilizing the day and temporary labor service agency or any other information that can be traced 7 back to any specific registering day and temporary labor 8 9 service agency or its client. The information and reports 10 submitted to the Department of Labor under this subsection by 11 the registering day and temporary labor service agencies are exempt from inspection and copying under Section 7.5 of the 12 13 Freedom of Information Act.

(b) It is a violation of this Act to operate a day and 14 15 temporary labor service agency without first registering with 16 the Department in accordance with subsection (a) of this Section. The Department shall create and maintain at regular 17 intervals on its website, accessible to the public: (1) a list 18 of all registered day and temporary labor service agencies in 19 20 the State whose registration is in good standing; (2) a list of 21 day and temporary labor service agencies in the State whose 22 registration has been suspended, including the reason for the 23 suspension, the date the suspension was initiated, and the 24 date, if known, the suspension is to be lifted; and (3) a list 25 of day and temporary labor service agencies in the State whose registration has been revoked, including the reason for the 26

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1 revocation and the date the registration was revoked. The 2 Department has the authority to assess a penalty against any 3 day and temporary labor service agency that fails to register 4 with the Department of Labor in accordance with this Act or any 5 rules adopted under this Act of \$500 for each violation. Each 6 day during which a day and temporary labor service agency operates without registering with the Department shall be a 7 8 separate and distinct violation of this Act.

9 (c) <u>A day and temporary labor service agency applying for</u> 10 <u>registration with the Department An applicant</u> is not eligible 11 to register to operate a day and temporary labor service 12 agency under this Act if the <u>day and temporary labor service</u> 13 <u>agency applying for registration with the Department</u> <del>applicant</del> 14 or any of its officers, directors, partners, or managers or 15 any owner of 25% or greater beneficial interest:

(1) has been involved, as owner, officer, director,
partner, or manager, of any day and temporary labor
service agency whose registration has been revoked or has
been suspended without being reinstated within the 5 years
immediately preceding the filing of the application; or

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(2) is under the age of 18.

(d) Every agency shall post and keep posted at each location, in a position easily accessible to all day or temporary laborers <del>o</del>, notices as supplied and required by the Department containing a copy or summary of the provisions of the Act and a notice which informs the public of a toll-free 10300SB3650sam001 -14- LRB103 38728 SPS 70445 a

1 telephone number for day or temporary laborers and the public to file wage dispute complaints and other alleged violations 2 by day and temporary labor service agencies. Every day and 3 4 temporary labor service agency employing day or temporary 5 laborers who communicate with the day and temporary labor 6 service agency by electronic communication shall also provide all required notices by email to its day or temporary laborers 7 8 or on a website, regularly used by the employer to communicate 9 work-related information, that all day or temporary laborers 10 are able to regularly access, freely and without interference. 11 Such notices shall be in English and any other language generally understood in the locale of the day and temporary 12 13 labor service agency.

14 (Source: P.A. 103-201, eff. 1-1-24; 103-437, eff. 8-4-23; 15 revised 12-15-23.)

16 (820 ILCS 175/85)

17 Sec. 85. Third party clients.

(a) It is a violation of this Act for a third party client 18 19 to enter into a contract for the employment of day or temporary 20 laborers with any day and temporary labor service agency not registered under Section 45 of this Act. A third party client 21 22 has a duty to verify a day and temporary labor service agency's 23 status with the Department before entering into a contract 24 with such an agency, and on March 1 and September 1 of each 25 year. A day and temporary labor service agency shall be

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1 required to provide each of its third party clients with proof 2 of valid registration issued by the Department at the time of entering into a contract. A day and temporary labor service 3 agency shall be required to notify, both by telephone and in 4 5 writing, each day or temporary laborer it employs and each 6 third party client with whom it has a contract within 24 hours of any denial, suspension, or revocation of its registration 7 8 by the Department. All contracts between any day and temporary 9 labor service agency and any third party client shall be 10 considered null and void from the date any such denial, 11 suspension, or revocation of registration becomes effective and until such time as the day and temporary labor service 12 13 agency becomes registered and considered in good standing by the Department as provided in Section 50 and Section 55. Upon 14 15 request, the Department shall provide to a third party client 16 a list of entities registered as day and temporary labor service agencies. The Department shall provide on the Internet 17 a list of entities registered as day and temporary labor 18 service agencies. A third party client may rely on information 19 20 provided by the Department or maintained on the Department's website pursuant to Section 45 of this Act and shall be held 21 22 harmless if such information maintained or provided by the 23 Department was inaccurate. Any third party client that 24 violates this provision of the Act is subject to a civil 25 penalty of not less than \$100 and not to exceed \$1,500. Each 26 day during which a third party client contracts with a day and temporary labor service agency not registered under Section 45
 of this Act shall constitute a separate and distinct offense.

3 (b) If a third party client leases or contracts with a day 4 and temporary service agency for the services of a day or 5 temporary laborer, the third party client shall share all 6 legal responsibility and liability for the payment of wages 7 under the Illinois Wage Payment and Collection Act and the 8 Minimum Wage Law.

9 (c) Before the assignment of an employee to a worksite 10 employer, a day and temporary labor service agency must:

11 (1) inquire about the client company's safety and health practices and hazards at the actual workplace where 12 13 the day or temporary laborer will be working to assess the 14 safety conditions, workers tasks, and the client company's 15 safety program; these activities are required at the start 16 of any contract to place day or temporary laborers and may include visiting the client company's actual worksite. If, 17 18 during the inquiry or anytime during the period of the 19 contract, the day and temporary labor service agency 20 becomes aware of existing job hazards that are not 21 mitigated by the client company, the day and temporary 22 labor service agency must make the client company aware, 23 urge the client company to correct it, and document these 24 efforts, otherwise the day and temporary labor service 25 agency must remove the day or temporary laborers from the 26 client company's worksite;

1 (2) provide training to the day or temporary laborer for general awareness safety training for recognized 2 3 industry hazards the day or temporary laborer may 4 encounter at the client company's worksite. Industry 5 hazard training must be completed, in the preferred language of the day or temporary laborer, and must be 6 provided at no expense to the day or temporary laborer. 7 8 The training date and training content must be maintained 9 by the day and temporary staffing agency and provided to 10 the day or temporary laborer;

(3) transmit a general description of the training program including topics covered to the client company, whether electronically or on paper, at the start of the contract with the client company;

15 (4) provide the Department's hotline number for the 16 employee to call to report safety hazards and concerns as 17 part of the employment materials provided to the day or 18 temporary laborer; and

19 (5) inform the day or temporary laborer who the day or 20 temporary laborer should report safety concerns to at the 21 workplace.

Nothing in this Section shall diminish any existing client company or a day and temporary labor service agency's responsibility as an employer to provide a place of employment free from recognized hazards or to otherwise comply with other health and safety or employment laws. The client company and 10300SB3650sam001 -18- LRB103 38728 SPS 70445 a

the day and temporary labor service agency are responsible for compliance with this Section and the rules adopted under this Section.

4 (d) Before the day or temporary laborer engages in work
5 for a client company, the client company must:

6 (1) document and inform the day and temporary labor 7 service agency about anticipated job hazards likely 8 encountered by the day or temporary laborer;

9 (2) review the safety and health awareness training 10 provided by the day and temporary labor service agency to 11 determine if it addresses recognized hazards for the 12 client company's industry;

13 provide specific training tailored (3) to the 14 particular hazards at the client company's worksite 15 consistent with training requirements provided for in 16 standards, guidances, or best practices issued by the federal Occupational Safety and Health Administration; and 17 (4) document and maintain records of site-specific 18 19 training and provide confirmation that the training

20 occurred to the day and temporary labor service agency 21 within 3 business days of providing the training.

(e) If the client company changes the job tasks or work location and new hazards may be encountered, the client company must:

(1) inform both the day and temporary labor service
agency and the day or temporary laborer; and

1 (2) inform both the day and temporary labor service agency staffing agency and the day or temporary laborer of 2 job hazards not previously covered before the day or 3 4 temporary laborer undertakes the new tasks and update 5 personal protective equipment and training for the new job tasks consistent with training requirements provided for 6 in standards, guidances, or best practices issued by the 7 federal Occupational Safety and Health Administration, if 8 9 necessary.

10 (f) A day and temporary labor service agency or day or 11 temporary laborer may refuse a new job task at the worksite 12 when the task has not been reviewed or if the day or temporary 13 laborer has not had appropriate training to do the new task.

14 (q) A client company that supervises a day or temporary 15 laborer must provide worksite specific training to the day or 16 temporary laborer and must allow a day and temporary labor service agency to visit any worksite where the day or 17 temporary laborer works or will be working to observe and 18 confirm the client company's training and information related 19 20 to the worksite's job tasks, safety and health practices, and hazards. 21

22 (Source: P.A. 103-437, eff. 8-4-23.)

23 Section 99. Effective date. This Act takes effect April 1, 24 2024.".