

84TH GENERAL ASSEMBLY

REGULAR SESSION

NOVEMBER 7, 1985

PRESIDENT:

The Senate will please come to order. Will the members be at their desks, and will our guests in the gallery please rise. Prayer this afternoon by the Reverend Victor Kaltenbach, St. Patrick's Catholic Church, Springfield, Illinois. Father.

REVEREND KALTENBACH:

(Prayer given by Reverend Kaltenbach)

PRESIDENT:

Thank you, Father. Reading of the Journal, Senator Lechowicz.

SENATOR LECHOWICZ:

Thank you, Mr. President. I move that the reading and approval of the Journals of Wednesday, October 30th; Thursday, October 31st; Friday, November 1st, Monday, November 4th; Tuesday, November 5th and Wednesday, November 6th, in the year 1985, be postponed pending arrival of the...printed Journals.

PRESIDENT:

You've heard the motion as placed by Senator Lechowicz. Is there any discussion? If not, all in favor of the motion indicate by saying Aye. All opposed. The Ayes have it. The motion carries and it is so ordered. Messages from the House, Mr. Secretary.

SECRETARY:

A Message from the House by Mr. O'Brien, Clerk.

Mr. President - I am directed to inform the Senate the House of Representatives adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit.

House Joint Resolution 119 and 120.

PRESIDENT:

Consent Calendar. All right. If I can have the attention of the membership, the House, as I'm sure you're all

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aware, is awaiting Senate action as is only appropriate. So, in the meantime, Channels 20, 17, 3, 5, 7, UPI, AP request permission to tape and photograph as does WCIA-TV, also Channel 19 and Channel 17 in Decatur. With leave of the Body, leave is granted. Senator Zito, for what purpose do you arise?

SENATOR ZITO:

Thank you...thank you, Mr. President. I would renew my request made the other day of the Secretary that he reads the LRB number so that we can correspond that with the corresponding amendment.

PRESIDENT:

I think that...that suggestion is a good one. The members now have at their desks copies of the amendments, copies of the analyses and a list insofar as we...as of eleven o'clock this morning, a list of the order in which these amendments will be offered. I would ask the members to just take a moment or two, make sure you can find what you have to find, so that as we begin I will ask the Secretary when an amendment is offered to indicate the LRB number and we would hope that the sponsor would recognize it. Senator Lemke, for what purpose do you arise, sir?

SENATOR LEMKE:

I would like to ask leave to be excused for my attendance on Tuesday and Wednesday, I was in Washington on behalf...on legislative business on behalf of some legislation that was before the U. S. Supreme Court.

PRESIDENT:

All right. The record will so reflect. If you turn to page 2 on the Calendar, on the fifth day of November, House Bill 569 was recalled from 3rd reading to 2nd reading at the request of the sponsor. And we will begin again on the Order of House Bills 2nd Reading, House Bill 569, Mr. Secretary.

SECRETARY:

Amendment No. 3 offered by Senator Jerome Joyce.

PRESIDENT:

All right. May I ask that the members be in their seats. There are some twelve or fourteen amendments. We have been patiently waiting all week to get to this, we're there. So, I'd ask the members who are not on the Floor to please join us and the others to be at their seats. And I'm going to ask the staff and the visitors to take their conferences off the Floor. Amendment No. 3, Mr. Secretary, what is the LRB number?

SECRETARY:

LRB 8402545EGCHAM93.

PRESIDENT:

Senator Joyce.

SENATOR JEROME JOYCE:

Thank you, Mr. President. This is the farm debt relief program that we passed in House Bill 1090 with two exceptions. In House Bill 1030 on the tax delinquency interest, we lowered that from eighteen to nine. There was some concern expressed about that, that it would prevent people...or they would not pay their property tax, so we raised it in this one to twelve. So what...in essence what we are doing is lowering the...the tax delinquency interest from eighteen percent to twelve percent. Also, in this one the other exception is that we are taking twenty-five million two hundred and ten thousand eight hundred thirty-two dollars and thirty-two cents from the Farm Credit Payment Adjustment Fund created last year by House Bill 485 and transferring it to the Farm Emergency...Fund...Farm Emergency Assistance Fund. And that is the two percent, two thousand dollar payments if you're seventy percent or over or fifty-five percent to seventy percent, you have to pay it back. And that is the only two different...the only two changes from House Bill 1090 as we passed it. Also in here there is seven million

dollars for debt restructuring and seven hundred and fifty thousand dollars for legal assistance. And I'd be happy to answer any questions if there are any. If not, I'd ask for a favorable roll call.

PRESIDENT:

All right. Senator Joyce has moved the adoption of Amendment No. 3 to House Bill 568. Is there any discussion? Senator Watson.

SENATOR WATSON:

Yes, sir, and thank you, Mr. President. On page 5, we talk about the State guarantee program and...and we have discussed this individually and I again want to reiterate my appreciation for your concern for the agriculture community of...of Illinois and I share your concern and your sincerity, but...I just have a problem with this one and I'd just like to ask some questions, if I may.

PRESIDENT:

Sponsor indicates he'll yield, Senator Watson.

SENATOR WATSON:

Now...from what I understand, we're going to be guaranteeing eighty-five percent of a three hundred thousand dollar loan on those qualified farmers.

PRESIDENT:

Senator Joyce.

SENATOR JEROME JOYCE:

That is correct.

PRESIDENT:

Senator Watson.

SENATOR WATSON:

And we are going to have a hundred million dollar bonding program to fund that particular program. Okay. What and how are we going to determine which farmers are going to come first in the line of guarantees? Not necessarily the farmers but which banks are going to come first in...in regard to the

guarantees?

PRESIDENT:

Senator Joyce.

SENATOR JEROME JOYCE:

Yes, we don't Senator. The lenders apply...or the farmers apply and the...Farm Development Authority makes that decision.

PRESIDENT:

Senator Watson.

SENATOR WATSON:

Do you have any idea what the total indebtedness is of the agriculture community in the State of Illinois and what a hundred million dollars is going to do in regard to any kind of a guarantee program?

PRESIDENT:

Senator Joyce.

SENATOR JEROME JOYCE:

No, I can't give you the total debt...farm debt in Illinois, but I can give you from fifty to eighty percent debt to asset ratio, there are 16.79 percent and from eighty percent debt to asset ratio above, there are 15.11 percent. That totals 31.90 percent.

PRESIDENT:

Senator Watson.

SENATOR WATSON:

In the legislation in the amendment here, does it spell out where the State comes in regard to the...to the mortgage? Do we get a first mortgage, second mortgage? Do we follow the bank? What...where do we...where are we at in regard to...to our protection?

PRESIDENT:

Senator Joyce.

SENATOR JEROME JOYCE:

What it does say is that the bank takes the first fifteen

percent of the loss and then the State would come in after that. That's as much as it spells out.

PRESIDENT:

Senator Watson.

SENATOR WATSON:

Is the State of Illinois prepared to take upon the obligation of liquidation that...that's going to have to occur in regard to...bankrupt farmers?

PRESIDENT:

Senator Joyce.

SENATOR JEROME JOYCE:

That is the lender's responsibility.

PRESIDENT:

Senator Watson.

SENATOR WATSON:

Okay...okay, thank you. Just...just to make a couple of remarks, and...and I want to reiterate that I...I appreciate the sponsor's sincerity in trying to help the agriculture crisis that we now find ourselves, but I'm involved with a couple of banks and maybe I'm even in conflict of interest but I'm going to vote my conscience, but I sit on a bank board and I know how this thing is perceived. I know how we in the banking industry or the banking industry tries to shove everybody into either Farmers Home Administration or SBA, let's get them out of the bank. These marginal farmers, these marginal businesses, get them out. Get them into some other guarantee loan program and that's exactly what's going to happen here. This is going to be a tremendous boon to the banking industry for those people who are considered a marginal farmer. We're going to be...eighty-five percent of the...of three hundred thousand dollar loan we're going to be guaranteeing to this particular financial institution and...and the banks are going to love it. And I...and...I don't know exactly how much good this is going to provide the

farmer, the guy that's out there trying to...to push the...the plow and make the living but we're going to do a lot for the banking industry in regard to this because they're going to love it. They're going to get eighty-five percent of three hundred thousand dollars instead of a loss of possibly a hundred percent of three hundred thousand dollars. I...I just don't know what the real benefits of this are and I thought that I should mention that and...and put it into the record. Thank you.

PRESIDENT:

Further discussion? Is there any further discussion?

Senator Weaver.

SENATOR WEAVER:

Thank you, Mr. President. A parliamentary inquiry.

PRESIDENT:

State your point, sir.

SENATOR WEAVER:

Mr. President, is the Amendment No. 3, the farm assistance proposal, germane to 568?

PRESIDENT:

The Chair is prepared to rule that Amendment No. 3 as proposed is germane to House Bill 568 because the amendment provides forms of assistance to farmers and therefore seeks to encourage economic development in...as it relates to the farm industry. The subject of the amendment relates to that of the bill which seeks overall to promote economic development in Illinois. So the Chair rules that, yes, Senate Amendment No. 3 as proposed is germane. Further discussion?

Senator Schuneman.

SENATOR SCHUNEMAN:

Thank you, Mr. President. A question of the sponsor.

PRESIDENT:

Sponsor indicates he'll yield, Senator Schuneman.

SENATOR SCHUNEMAN:

Senator Joyce, I...I've not had an opportunity to read the amendment. I assume this is the farm aid...the same farm aid package that was...adopted by the Senate on...was it Senate bill or House Bill 1090? Is...is that correct? The same one that passed the Senate earlier.

PRESIDENT:

Senator Joyce.

SENATOR JEROME JOYCE:

Yes, Senator, that is what I just explained with two exceptions. Do you want me to explain them again?

PRESIDENT:

Senator Schuneman.

SENATOR SCHUNEMAN:

Perhaps. I guess...I guess the one thing I'm curious about is whether it's got the two thousand grant in there.

PRESIDENT:

Senator Joyce.

SENATOR JEROME JOYCE:

Yes, it has the two thousand dollar grant in there. Do you want me to explain the other changes?

PRESIDENT:

Senator Joyce.

SENATOR JEROME JOYCE:

Thank you. For the second time then, we are also...lowering the...or decreasing the tax delinquency interest...and the bill that we passed, we...in House Bill 1090, we lowered it from eighteen percent to nine percent. There was some concern expressed that that was too much and that people might not pay their taxes in lieu of the nine percent, so we raised...the amendment...we raised the interest back to twelve percent. So it's...it is now lowering it from eighteen to twelve. Also, we are taking twenty-five million two hundred ten thousand eight hundred thirty-two dollars and thirty-two cents from the...Farm Credit Payment



Adjustment Fund that was created by House Bill 485 last year, putting it into this...this one, the Farm Emergency Assistance Fund. So, we are not taking...we are not spending any new money, we are just shifting the twenty-five million dollars that was not spent before into this fund. That is the only changes, Senator.

PRESIDENT:

Senator Schuneman.

SENATOR SCHUNEMAN:

Well, then, to the bill, Mr. President. Those of us who are elected public officials I'm sure often get caught on issues that are very important to our constituents and who...and issues which appear to be of assistance. And I think that's precisely what we've got here. Anyone who really understands the farm credit problem in the State of Illinois realizes that some of the points made by Senator Watson are absolutely correct. If we're going to pass this bill, we probably ought to rename it the Bank Aid Bill, because I think that banks will try to the extent possible to push these loans toward a State guarantee. Now the other...the other point that's out there in the farm community today is...is the problem of the Federal loan system which is near bankruptcy. Part of the reason that it's near bankruptcy is that the Federal farm credit system is full of loans that wouldn't be allowed by private banks, they were loans of last resort. Now what we're going to do is set up another category of loans of last resort, and if we get into this, I suggest to you that what we're doing here is probably helping the banking industry in Illinois more than we're helping agriculture, and Lord knows, the banking industry in Illinois may need some help because small country banks are full of troubled loans. I think we're going in the wrong direction here and...and I went along with this bill before; frankly, I'm not comfortable with my vote, I think it was the

wrong vote. I'm going to vote against it this time.

PRESIDENT:

Further discussion? Senator Lechowicz.

SENATOR LECHOWICZ:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. I would just strongly recommend that the people in this Body seriously consider the consequences of what we're considering today on this issue and probably the other amendments as well, and we've tried to address the farm...crisis problem in Illinois during this past four or five months. It's not only a crisis in Illinois; unfortunately, it's a nationwide crisis which was brought to the attention of this country by a farmers march in Washington, D. C.. The Governor of this State tried to bring it to a national attention by having a farm aid program in Champaign, Illinois with Willie Nelson and Company and tried to do that standpoint...bring that standpoint to a national attention and he did. What Senator Joyce is trying to do is provide a small semblance of relief, a stopgap measure which will assist the farmers, not for an extended period of time, and you're right along that direction, but if you read the paper, both the Chicago papers and the downstate papers ten days ago, they pointed out that there was a banking crisis as well which is related to the farm crisis in this State nationwide. And if you're saying that, if this bill provides some semblance of additional time so the farming community, the number one product of the State of Illinois is agriculture, is able to get back on its feet in a more productive role, then you should support this amendment; and if you're saying, farming community, we appreciate all the help you've done to the State of Illinois for a good period of time but we can't afford this and you're on your own, you're cutting off a tremendous opportunity for advancement of this State. I would strongly recommend an Aye vote on this measure and I'm

from an urban area, but everything is interrelated and the cost that we are experiencing in Chicago or in any urban area deals to exactly what the farmer receives to some extent on a direct level. There's a lot of in between costs that are...also in consideration, but the farmer, the family farmer as we know it in Illinois or the corporate farmer that's coming to be needs a relief so that the...family farmers have an opportunity to farm in this State. I'm not saying this is the panacea but is a step in the right direction and deserves your support.

PRESIDENT:

Further discussion on Amendment No. 3? Senator Lemke.

SENATOR LEMKE:

I rise in support of this coming from an urban area but having roots that go through agriculture, having heritage of people that came from Europe from farm land, having heritage that supported a community by McCormick's reaper who...who started our area on the southwest side; but also more important, I think this is a good example of what we can show the people in the State of Illinois. This State for the last administration since Governor Thompson took the reins has done very little to retain business in this State. They have accused people of chasing industry out of this State but they have nothing to retain it. They can spend fortunes and fortunes to travel to the Orient and bring industry to Illinois but yet not spend a single dime to help small businessmen to retain them in Illinois, not to assist them, and we're talking about retaining one of the most...vital industries in Illinois, farming. Illinois is a fortunate for an industrial state to have both and they have both so well. We have a well balance and I think this bill is going to balance our economy again and get us rolling and also put some of my people back to work at Harvester so the farmers can buy some implements and start going in the right way. I think that

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it's a bad precedent in this State to see what's been done in trying to help existing business. It's nice to bring industry here and bring Japanese car industries here and spend the money, but it's also bad when you see little businessmen being squeezed and the State doing nothing about it. I ask for an Aye vote on this amendment.

PRESIDENT:

Any further discussion? Further discussion on Amendment No. 3? Senator Joyce, you wish to close?

SENATOR JEROME JOYCE:

Yes, thank you, Mr. President. I...I think that this has been thoroughly discussed. We all know the...the farm problem in this State is not brought about by what we did in this State, it is brought about because we have low commodity prices. Those prices will go up someday and these farmers who are in trouble now will then be able to repay the loans and keep the small banks in these small communities open and perhaps keep the small grocery store open and all the rest of it in the...the way we...we like to remember rural life in...in Illinois. And if...if we don't do this, then I think we're saying to the farmers, well...and we're saying to rural Illinois, things are going to change so dramatically that we don't know what's going to happen and we're...but we don't care. So, I would certainly ask for an Aye vote on this...this amendment. Thank you, very much.

PRESIDENT:

All right. The question is the adoption of Amendment No. 3 to House Bill 568. Those in favor of the adoption of the amendment will indicate by saying Aye. All opposed. The Ayes have it. The amendment is adopted. Further amendments? Mr. Secretary.

SECRETARY:

Amendment No. 4 offered by Senators Rock and Philip. LRB No. 8402545GLSBAM24.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Senator Rock.

SENATOR ROCK:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. Amendment No. 4 deals with the subject of the horse racing industry and provides again an economic incentive to that industry to remain in Illinois and, in fact, hopefully, will provide an incentive to the operators of Arlington Park to, in fact, reinvest and rebuild that magnificent facility. This is a bill that is similar to Senate Bill 1469 which just two weeks ago went out of the Senate with forty-seven affirmative votes. This bill does three things; it is reasonable, it is agreed to by the Chief Executive and it will provide, I think, a signal from the Illinois General Assembly and from the Governor of Illinois that, yes, we are interested and obviously very interested in the building of Arlington Park. Three substantive changes are made. One, it reduces the privilege tax, reduces it in an amount similar to what we did for the small downstate tracks last Session. In addition to that, it lowers the tax on the top end so as the handle gets bigger the tax gradually increased. We cap it, instead of going to seven and...and a quarter percent, it...remains at six. The net effect...the net fiscal effect of that change in the privilege tax is an eleven million dollar tax incentive to the breeding and racing industry of Illinois and an eleven million dollar decrease in the Agricultural Premium Fund. Secondly, it would authorize...authorize under again the discretion of the Illinois Racing Board as this is a totally regulated industry, it would authorize the track operators to impose an additional one percent tax on winning wagers. That will result in an additional one million dollars annually and is figured in, frankly, in the computerized result so that the bettor who is the winner will wind up paying an additional one percent. And, again, it is an

attempt on our part to provide a reasonable incentive for the owners of Arlington Park to reinvest and rebuild at that location. The third change would afford the local taxing bodies...would give permission to the local taxing bodies to abate real estate taxes, to notify the county clerk in accordance with the proper procedure that they have agreed, the local taxing bodies, the village and the school boards and the local mosquito district or how many ever taxing bodies are there, that they have agreed to abate any portion...any portion of the taxes otherwise due and owing, again, as an incentive particularly to Arlington Park to afford them the basis upon which a decision is going to be made whether or not they can reinvest. It doesn't mandate any taxing body to do anything; it affords them the permission to do so if they want to. And given the fact that the people of Arlington Heights and its mayor circulated petitions and received thousands of signatures from the people in that local area, this will afford them the opportunity...by record vote of those local taxing bodies, it will afford them the opportunity to abate real estate taxes if they want to. I think this amendment is a reasonable approach, a reasonable incentive to the operators of Arlington Park. The eleven million dollar shortfall that will occur in the Agricultural Premium Fund will be taken up in Amendment No. 5. The Governor has agreed to this and so Senator Philip and I urge your affirmative vote for Amendment No. 4.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Discussion? Senator Vadalabene.

SENATOR VADALABENE:

Yes, I would like to ask the...Senator Rock a question.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Indicates he will yield. Senator Vadalabene.

SENATOR VADALABENE:

Yes, Senator Rock, there's been some questions in regard

to...of the funding of the convention centers in the State of Illinois. I think you just alluded to something...in Amendment No. 5 but I want to be assured, will the convention center funding, would they be in jeopardy in...regards to the funding of Arlington Park?

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Senator Rock.

SENATOR ROCK:

The question is a good one and the answer is no. There was never any intent even with the passage of Senate Bill 1469 two weeks ago that was discussed and discussed at some length, and it was admitted and I admit it on the Floor in response to Senator Weaver's question at that time that that shortfall in the Agricultural Premium Fund would have to be made up by a transfer from general revenue. It was never our intent to in any way derogate the rights of the downstate civic centers to access to that money. In Amendment No. 5 which will follow immediately, I've asked Senator Luft to offer that, will make that as clear as can be. We are attempting to provide and only provide an incentive for the breeding and racing industry in Illinois and specifically with the intent to provide an incentive to rebuild Arlington Park.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Macdonald.

SENATOR MACDONALD:

Thank you, Mr. President. I rise in strong support of this amendment and I also rise on a point of personal...personal privilege to say that there will be a series of amendments attempting to help Arlington Park and it...they are most critical. There were forty-five thousand people who signed the petitions that were circulated by Citizens for Rebuilding Arlington Park. It is not only the interest of those people who were not just local people but people

throughout the whole Chicago area that signed those petitions, and these amendments that lie before us to help Arlington Park must all pass or I can assure you that the owners of Arlington Park will not be able to rebuild that track. So not only am I strongly in support of this amendment but I will also be in support of the other amendments to follow.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? Senator Bloom.

SENATOR BLOOM:

Thank you, Mr. President. Last spring I supported and spoke for the bill that was sponsored by Senator Vadalabene. As you know, in our part of the State there's an interest...an economic development interest, might I add, in the dog racing industry; and I believe that the other concern we had was the Ag. Premium Fund. I've conferred with Senator Luft on his amendment and one of the problems we had when 1469 was debated several weeks ago was to...that it had no mechanism by which our civic centers...revenue stream through the Ag. Premium Fund and we felt that each budget cycle would turn into a bit of a begging contest. I think that this amendment and No. 5 takes care of that problem, and my support of it and the amendment that follows in no way means that we have given up attempting our form of economic development in central Illinois. Thank you.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Watson.

SENATOR WATSON:

Yes, thank you, Mr. President. I'd like to ask the sponsor a question, if I may.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Indicates he will yield. Senator Watson.

SENATOR WATSON:

I...I appreciate your remarks and...and you alluded to



the eleven million dollar shortfall that the two previous speakers also remarked about. County fairs and the civic centers, of course, are...are impacted there. Now...am I to assume from your remarks then you're going to be supporting Amendment No. 5?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

With my heart and soul.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Weaver.

SENATOR WEAVER:

Thank you, Mr. President. I have a parliamentary inquiry.

PRESIDING OFFICER: (SENATOR DEMUZIO)

State your...

SENATOR WEAVER:

Mr. President, Amendments No. 4 through 9 all deal with horse racing industry here in...in Illinois, and I was just wondering about the germaneness of these amendments to the bill.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Weaver, the...the Chair has, in fact, utilized the high-priced attorneys that we have and...have examined the...the next several amendments that deal with the horse racing industry in Illinois. Since House Bill 568 deals with the subject of encouraging economic development in Illinois, the amendments that...that you have mentioned seek to encourage the development of horse racing in Illinois via the various tax the surcharge or the breakage proposals and because of the subject of the amendments relates to the subject of the bill, they are, in fact, germane. Further discussion? Senator Lenke.

SENATOR LENKE:

Senator Rock, you...you say that we're taking a tax on the winners. So that means if my constituents go to the race track and they bet two dollars and they have a winning, say, of two dollars and ten cents, what would this cost them...in taxes?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

One percent.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Lenke.

SENATOR LEMKE:

In other words, that would mean, would they get taxed on the two dollars and ten cents or just on the ten cents? The winnings or the whole thing?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

No, on the winnings.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Lenke.

SENATOR LEMKE:

I think then, you know, this is a great example but I think that we, as Democrats, should put in as a requirement to put on the windows if we do help Arlington Track and we do help Hawthorne and Sportsman, we should put on the...winning windows a little placard that says, "Sorry, we're taking one percent of your winnings but we're not giving you one percent of your losings, 'cause we have to help this striving, profitable industry make twenty million dollars...at this race track because they're blackmailing us to stay in this State. Signed, Governor Thompson." I think that would be the greatest thing in the world in my district to tell my constituents that Governor Thompson is taking one percent of

their winnings but is not giving them anything for their losings. I think if it's going to be fair, then we as taxpayers should be given a deduction on our income tax for our losings at the race tracks. If they're going to take taxes for our winnings, then we should be giving a deduction for our losings at the race tracks. This is ridiculous. I can see helping industry in this State that's deprived, and I get calls every day from industry in my district that is going. I get letters from Crystal Lake of former people that moved there and have industry and they say, isn't it a...a...a wrong that the Governor in this State is spending millions and millions of dollars to help Koreans and Japanese and pretty soon Vietnamese to bring them here to this country to make us work for them but they're doing nothing to help me, a Korean War Veteran, a Vietnam War Veteran, a World World II Veteran that has come back to this State and has built the small industry. It has built the small industry but yet my industry is suffering because of the high foreign investors that are causing interest rates to go up and keeping them up and the foreign investor creditors, and then we come to this silly thing of helping an industry in this State so a guy can make another twelve million dollars profit every year. That's ridiculous. I think this whole thing...if you're going to cause economic development, then we should start looking at the picture and we shouldn't be having this rammed down our throat. The next thing we're going to be asked to do is to tax my people eight cents a pack of cigarettes, that's what we're going to do. We're going to put...we're going to help...guy make twelve million that's going to line his pockets and could care less about this State...could care less about the State of Illinois 'cause he has said that if we don't do this he's moving out of the State and I say...anything. And I say right now, let him move, we don't need him here; some other state wants him, let them have it.

California got Marge Everett and you saw what happened with Marge Everett in California. So let them have this guy too and let them have them all. If you want to leave, leave, but don't come to us and take our monies and say and plead with us and try to blackmail me.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Lemke, can you...can you bring your remarks to a close.

SENATOR LEMKE:

And...and this is going to start a precedent in this State, every industry that's profitable will come up to...and say, we're going to leave if you don't give us a tax break. And that's what this do, this is a most ridiculous thing...a most ridiculous thing. And the news media should stand up and criticize this thing but maybe they won't...maybe they won't because the race tracks advertise in their newspapers and they make profits.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? Can we have some order. The following have...their lights on, Senator Jones, Savickas and Senator Geo-Karis. Senator Jones.

SENATOR JONES:

Thank you, Mr. President. Would the sponsor yield?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Indicates he will yield. Senator Jones.

SENATOR JONES:

Senator Rock, you indicated in your opening remarks that you were sponsoring this legislation so that Arlington Park will stay in Illinois and not leave the State. Why would they have to leave the State and why do you need this legislation for them to remain in Arlington Park?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

Well, what I said...what you said I said is accurate but not totally accurate. I started out my remarks by saying this is admittedly an across the board tax incentive program, tax break program, for the racing and breeding industry of Illinois with the hope that it will encourage and act as an incentive to the folks at Arlington Park to rebuild, and I say that because this relief is aimed at the operation of a race track. This will say to the operator of a race track all across the State, the same as we did last year for the small tracks, stay in business, we will afford you as best we can a better margin of profit; now you're going to have to operate probably with some more stringent fiscal controls, you may have to do something, but the fact is, we're going to afford you...instead of taking as large a tax bite as we currently do, we're going to afford you some relief.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

If that is the case, Senator, can you tell me in the recent years other than the racing industry what businesses...small businesses have we passed similar legislation to afford them a larger profit or a...a...a...a increase on the profits that they would make?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

Every one of us has put together a brochure for...under which we stand for reelection and I'll guarantee you that...that this General Assembly and the past couple of General Assemblies has afforded business and industry some significant tax breaks. I heard Senator Leuke as the chief sponsor of a bill to exempt manufacturing and...and parts and all kinds of things to afford initiatives to expand and remain in Illinois. Yes, the answer is...is clear as a bell,

the answer is yes. We have afforded substantial tax relief to businesses large and small in the State of Illinois.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

Well, Senator Rock, if that is the case then, and when you indicated that we did this for other smaller race tracks and Arlington Park was not included in that legislation, why then...why didn't we include them then if they were having a problem? Why are you just doing that...this at this particular time?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

I think it's fair to say, and I think Senator Vadalabene who was the sponsor of that measure would corroborate the fact that it's fair to say and you as the committee chairman in which committee that bill reposed, I think it's fair to say would not have supported it because it was costly. The...the cost of the help for the downstate tracks was estimated at between two and three million dollars, as a matter of fact, closer to two. This admittedly is closer to eleven. It incorporates what we did with the downstate tracks and literally puts another eight million dollar tax break on top of it. I just...that's a judgment call. We were mightily concerned at that point about the downstate tracks, the three smaller tracks, East Moline, Balmoral and Fairmont, that they were operating very, very marginally because we were taking too big a bite out of the handle and so we said, here, we're going to try to help you, and Senator Sam pleaded eloquently for that help. Had we at that point attempted to amend, I suggest, the larger tracks into that program, it would have failed. This year it's different, I suggest, because this year we are confronted with the fact that this major race

track has now unfortunately burned to the ground and we are attempting to provide an operational incentive, a larger margin of profit so that there will be that seventy-two hundred million dollar reinvestment. And I don't agree with Senator Lemke, I think we ought to do what we can reasonably do to encourage that kind of reinvestment, and this, I suggest, is the way to do it.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

Well, speaking to the amendment, it is my understanding that the Arlington Park Race Track could be rebuilt with the proceeds from the insurance policies that covered that particular track. I don't think we, as a Body, should be guaranteeing millionaires to make megabucks off the people of the State of Illinois. If Arlington Park, the owners want to build there and take the...insurance proceeds and rebuild that track, let them do so. The money is there but we should not be playing the same game that was played with the consumers in the State of Illinois and particularly the City of Chicago with Comm. Ed. to guarantee them a profit. They have the money, why should we be doing this? And all the petitions, Senator Macdonald, that you talked about, I don't think those petitions was gathered from many of the patrons who...who go to Arlington Park, because those same persons who go there...and you talk about three thousand jobs, they can't get the jobs. I'm talking about minorities and women. I have in my district black horse breeders, black horse owners and the race...and they can't even get racing stalls at Arlington Park. It is the most racist industry in the State, and to take taxpayers' dollars to promote that racing industry is ludicrous. All we'll be doing is fattening...

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones, pardon me. Ladies and gentlemen...the

gentleman is entitled to courtesy to be heard. Our House members will please...

SENATOR JONES:

...as the old timers say it, all we will be doing if we pass this legislation as is would be to be fattening frogs for snakes. If Arlington Park doesn't...doesn't want the race track, then why don't they stand up and say so? But they should not come in here begging like some poor individuals that we have to have a guaranteed profit in order for us to rebuild there. The track can go well in the City of Chicago where eighty percent of the patrons come from; but the people in my district, the people in Senator Collins' district, Senator Chew's district and many others, they go there and they can't even get jobs as parimutuel clerks. Horse breeders in Illinois, black horse breeders, black horse owners cannot get stalls at Arlington Park. No...I...I don't intend to vote for this bill and anyone in their right mind wouldn't vote for it, because we have not dealt with the poor people of this State but yet and still we going to give the rich everything they so desire. It's stupid. This...this amendment should be defeated and overwhelmingly defeated if we are concerned about the people of the State of Illinois.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? Senator Geo-Karis.

SENATOR GEO-KARIS:

Mr. President and Ladies and Gentlemen of the Senate, we talk about keeping jobs in Illinois and bringing in more jobs. If that track is not rebuilt, there are nine hundred jobs are going out the window and not only nine hundred jobs but the small business people around that area within a fifty and sixty mile area of that area are going to suffer. I mean, we can say what you want about tracks, I don't even like racing myself but let's face the realities of life. This track has been operating the last few years in a manner



where the money was reinvested in the track. I don't care what happened before or during Marge Everett's time but I...from what I know, the people who have the track, Arlington Heights Track, have reinvested the money and they were just becoming...beginning to come out of the red when they had the fire. Now we can talk about racism all we like. If you have a genuine complaint about it, let's help this track get rebuilt. They're not asking us for any money, they're asking us for a couple of tax breaks that apply to all the tracks all over the State. If we're interested in keeping employment going and stop having more unemployment, then let's help and vote for this amendment. As I said, I don't have a track in my area but I do have concerned citizens about the track and so does the...so do the prior speakers. And if you want...any of you wants to put an amendment in this one...the Senator said he's complaining about the one percent tax which is nothing, if he wants to put an...an amendment of...for one percent rebate for the losses, that's up to him, but we can't afford it. We got enough problems, let's support this amendment, let's go on with the show, we've been here long enough.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? Senator Savickas.

SENATOR SAVICKAS:

Yes, Mr. President, a few comments I guess. It was my understanding when we passed the incentive for the downstate tracks last year it was because they were broke and they proved their case that they were going out of business, and the reason the big tracks didn't get it is that they showed a tremendous profit, not because of the amounts of money that they showed a huge profit and weren't entitled to any help. I could see if our treasury had a great deal of money to offer incentives to businesses, but here we are going to be taking in the next amendment the money out of the General

Revenue Fund, money that goes to our school districts and a little later we're going to raise the cigarette tax and raise taxes to supply money for our schools. It seems incredulous that we are offering a...guaranteed profit to an industry and then have to go around through another side door and go home and say, well, we raised the taxes to open your schools and keep your schools operating because we want these race track owners to enjoy a greater percentage of profits on their money, not to make business viable but to enjoy a greater percentage of profits, so we're going to tax you now so those people can enjoy a greater life style. I think it's wrong, I think if the business is a viable business that if it will produce a return on their investment, they will rebuild. If it's a bad concept and they will not make a return on their investment, they will not rebuild and develop the land for other use. I think this is a bad amendment and should be defeated.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Topinka.

SENATOR TOPINKA:

Yes, Mr. President, Ladies and Gentlemen of the Senate. I stand in support of this particular amendment and it's interesting listening to what people are saying here, especially some of the heated preelection speeches that they're already warming up to. But let me suggest that, you know, first and foremost, if Arlington Park, you know, cannot be rebuilt in this State, we are going to lose a preeminent track which ultimately draws the best horses from all around the world to come to Illinois. Not only that, it creates bigger handles and it goes down to the breeding farms and has a very strong and direct impact on agriculture. Now we just put forth a very nit-wit amendment onto this bill that allegedly helps farmers and at best all you're doing is BS'n then 'cause it's not going to give them anything. This actually

has a direct impact on breeding in the State and it...it'll show, it'll show in their profits and help them to help themselves to get...back to where they are, not just, you know, giving them grants or trying to do bailouts when...when for all practical purposes they're going under already. The second thing is is that when we're providing this tax relief, if the Village of Arlington Heights wishes to do this they may, it is permissive, it doesn't say they have to do it. If Arlington Heights wishes to go along with that abatement and their school districts wish to go along with that abatement, to be perfectly honest, we're leaving it on the local level, it's up to them. In terms of the rest of this bill, we're basically bringing the tracks in northern Illinois up to parity with what we have done for the tracks in southern Illinois. And I don't see that there's anything wrong with that. You know, we hear Senator Lenke constantly stomp around here on how tracks don't do anything for their people. Well, I happen to have districts which impinge on three tracks right off, and they're not rich areas, these are people who are holding their own, and those tracks provide a great deal of money in terms of tourism dollars, in terms of taxes that they provide back to those local communities, in terms of jobs, in terms of things that we need for economic development; and I sure as heck would hate to put them out of business on this. In terms of allowing the race tracks to impose the one percent surcharge, again it is permissive. Personally speaking, if I owned a race track, I think you'd be dumb to do it because I think you're outpricing yourself in terms of the recreational dollar but, again, it is permissive. This gives a lot of leeway for an industry to help itself and I think it has a direct impact on agriculture. So for those of you who do have farm districts, you ought to look very carefully at this bill. And once again, I would stand in support.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Fawell.

SENATOR FAWELL:

I call for the previous question.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well, Senator Fawell, we only have one additional speaker. Senator Jerome Joyce.

SENATOR JEROME JOYCE:

Thank you, Mr. President. Senator Topinka. Senator Topinka. Yes, if you have three parks in your district, you're not doing much benefit for them by saying that the amendment before on the agricultural bill was a nit-wit amendment. I'm very prepared to vote for this but I think you may just have lost me and I may just try and lobby on this side of the aisle for your area. I take deep resentment in the fact that you said that that was a nit-wit amendment. There are all kinds of farmers in this State who do, indeed, benefit from...from racing and that's why I was prepared to vote for it, but I think you do them a very great injustice.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? Senator Rock may close.

SENATOR ROCK:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. I'm urging support for Amendment No. 4 and I'd just like to respond to a couple of things. Senator Jones, there isn't any question in anybody's mind in either Chamber on either side of the aisle that the folks from Arlington Park will have as...as businessmen they had insurance and they certainly can rebuild out of the insurance proceeds. The question really is, what's the incentive to reinvest? Why not take the insurance proceeds and put them into a treasury note or buy stock or do what other business people do? What we're trying to do is provide an incentive to reinvest in an industry and to stay here with that industry. And in order

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to do that, it seems to me only fair to recognize that others in this State have a stake in this industry and have, in fact, a committed investment. And what we're saying is, we recognize that, we thank you for it and we are attempting to provide a reasonable return on your investment; and in order to do that, we will take less of a tax bite...less of a tax bite which we hope ultimately will redound to the future benefit of Illinois because it will encourage the industry, it will provide more money for the farmers as suppliers, it will provide more money for the breeders, it will provide more money for everybody and ultimately they will be paying much more in taxes. It's a question of reasonable return on an investment and I urge an Aye vote on Amendment No. 4.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Senator Rock has moved the adoption of Amendment No. 4 to House Bill 568. Those in favor indicate by saying Aye. Opposed. There's been a recall...request for a roll call. Senator Rock has moved the adoption of Amendment No. 4 to House Bill 568. Those in favor will vote Aye. Those opposed will vote Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question the Ayes are 37, the Nays are 18, 2 voting Present. Amendment No. 4 to House Bill 568 is adopted. Amendment No. 5, Mr. Secretary.

SECRETARY:

Amendment No. 5 offered by Senator Luft.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Luft.

SENATOR LUFT:

Thank you, Mr. President. The amendment we just adopted does impact on...

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Luft...pardon me for interrupting...Mr. Secretary, would you read the LRB number for the members.

SECRETARY:

LRB 8402545XXCSAM61.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Luft.

SENATOR LUFT:

Thank you, Mr. President. The amendment...that we just adopted does impact on a number of ongoing programs that are being financed by the Horse Racing Privilege Tax and therefore this amendment is...proposes to provide beginning in January of '87 a monthly transfer of one million dollars into those funds that are being impacted. They are as follows: the Agriculture Premium Fund, the Metropolitan...Exposition, Auditorium and Office Building Fund, the Fair and Exposition Fund and the Illinois Standard Breeders Fund and Illinois Thoroughbred Breeders Fund. It's my understanding that this amendment is agreed to by the Bureau of the Budget and hopefully the other side of the aisle and I would ask for its adoption.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Discussion? Senator Etheredge.

SENATOR ETHEREDGE:

Will the sponsor yield, please?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Indicates he will yield. Senator Etheredge.

SENATOR ETHEREDGE:

Senator,...is it your understanding that the proposed transfer is adequate to keep the Ag. Premium Fund, the Civic Center Fund whole?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Luft.

SENATOR LUFT:

It's...that is my understanding. In my discussion with DCCA and our staff members that this will, in fact, satisfy the needs of that fund.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Etheredge.

SENATOR ETHEREDGE:

Senator, it's also my understanding that there was a bond sale which was proposed on behalf of the Civic Center Fund the latter part of this year or very early next year in order that some...proposals which have been in the works for some time might continue forward. Would this transfer enable that...that bond sale to proceed? Is this a...large enough revenue stream to...to cover those bonds?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator...Senator Luft.

SENATOR LUFT:

In...in my discussions with DCCA this satisfies the need for that bond sale.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Lechowicz.

SENATOR LECHOWICZ:

Is this amendment germane? I knew Senator Weaver asked the question, so...I'll be as conscious on this side. Thank you.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well, in fact, the...the Chair had indicated that we had reviewed the...the next several amendments that had been proposed to House Bill 568 and, in fact, this amendment is, in fact, germane. Further discussion? Senator Darrow.

SENATOR DARROW:

Thank you, Mr. President, Ladies and Gentlemen of the House...Senate. I get confused some days. Last spring Senator Vadalabene had a bill to help my race track in East Moline and it was to save nine hundred jobs we thought. We did give them a tax break and when I went back home I thought that we would be talking about saving jobs, but instead what happened was, as I went around to the retirees, they said we

had money to help the race tracks but we didn't have money for senior citizens' tax relief. As I went to the...the school board members and the teachers, they said we had money for the horse race industry but we couldn't give any more money to the education fund. And we've adopted Amendment No. 4 for Arlington Heights and that was not General Revenue Fund and so it did not directly affect tax relief for senior citizens or tax...tax or revenues for the school system, but here we're transferring twelve million dollars of general revenue funds. I'm just alerting you to the fact that this may backfire on you. When you go out on the campaign trail people may say, why did we have twelve million dollars for the racing industry when we needed it for senior citizens tax relief, why did we have twelve million dollars for the...horse racing industry when we didn't have it for the unemployed, for programs or jobs? So I merely caution you on that and I...I hate to see this twelve million dollars going out of the General Revenue Fund, but now that we adopted Amendment 4, I see, we probably would have to do this to continue the other programs. Thank you.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? Senator Luft may close.

SENATOR LUFT:

I would just simply ask for the adoption of the amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Senator Luft has moved the adoption of Amendment No. 5 to House Bill 569. Those in favor indicate by saying Aye. Opposed, Nay. The Ayes...the Ayes have it. Amendment No. 5 is adopted. Further...further amendments?

SECRETARY:

Amendment No. 6 offered by Senator Macdonald.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Macdonald.



SENATOR MACDONALD:

Thank...

PRESIDING OFFICER: (SENATOR DEMUZIO)

The...whoop, Senator Macdonald.

SECRETARY:

LRB No. 8402545RCHLAN26.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Macdonald.

SENATOR MACDONALD:

Thank you, Mr. President. The State of Illinois has adopted the policy that a certain amount of money that is bet at the track each year to be used for physical plan improvements made at Illinois race tracks. The Race Track Improvement Fund guarantees that tracks can maintain their physical plant through the use of monies collected from betters State-wide. One of the uses to which these funds can be put by law is the construction of a grandstand. This Race Track Improvement Fund last year received 4.5 million from the State, all drawn from what is called breakage. I should explain what breakage is. In Illinois, all winnings are actually paid in multiples of twenty cents; in other words, if a winning horse is computed to pay three dollars and thirty-six cents, the actual payout is three dollars and twenty cents, the sixteen cent difference is breakage which the State retains. At the moment, the policy in Illinois has just been fifty percent of all breakage on race track improvements and put the other fifty percent in the General Revenue Fund. In past times, the fifty-fifty split between the General Revenue Fund and the Race Track Improvement Fund was sensible. In the event of a major catastrophe, the Federal Law permitted the issuance of tax exempt industrial revenue bonds to reconstruct a track. Changes in the Federal law have now made such help unavailable nor is the Track Improvement Fund...nor is the Race Track Improvement Fund as

currently funded sufficient to reimburse an owner who makes this large capital improvement. This amendment would provide that the other fifty percent of the breakage or about 4.5 million which would ordinarily go into the General Revenue Fund would go to Arlington Race Track. The Improvement Fund would be devoted to that purpose for a ten-year period only. This approach is not new, it is consistent with established policy of this State and the approach is sound business. For a 4.5 million a year for only ten years the State of Illinois will; one, cause the reconstruction of a hundred million dollar facility; two, it will create almost four million in taxes generated by the construction in the next fifteen months; and three, it helps to ensure that the racing industry remain sound, stable and a valuable part of our economy. There is one more thing, as a legislator from that area and a taxpayer, I am proud to make this recommendation. Arlington has come from a losing track four years ago to one that is a premier world-wide track. Since being acquired by the Illinois ownership that it...presently in charge of Arlington Park, we have spent over fifty percent of the total expended Statewide to promote and advertise racing, even though it has only a twenty percent cost ratio to the revenue. Every track has benefited from that effort to publicize racing and involve the fans. Arlington's management has proven to be capable, responsible and good for Illinois. When the owners put their own money on line to stage the Budweiser Million this year known around the world as the Miracle Million because of the rise of Arlington from its own ashes within six weeks of its terrible fire, they showcased Illinois racing for the world and showered a record amount of publicity on that sport in Illinois. Arlington's management is simply asking us to help them continue to be strong and stable and...and an economic force in this State. I...it is my good fortune to live in that district and I beg for your

support of this amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Discussion? Senator Savickas.

SENATOR SAVICKAS:

Well, I'd just like to point out now, here's another four and a half million dollars a year, forty-five million over the next ten years out of general revenue, the money that you'll be asked in the next few amendments to vote for a tax so we can give another four and a half million dollars to Arlington Park, not even to the other tracks, they want it all for themselves. Now that's...that's really a great thing. The other tracks, forget them, don't even give them a part of it, just give it to us. When you talk about a money grab, Arlington Park sure knows how to do it.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? Senator Lemke.

END OF REEL

REEL #2

SENATOR LEMKE:

I was unaware...Senator Macdonald, I was unaware about this, but you mean if my constituent bets two dollars and he wins five dollars and thirty-six cents, he only gets five dollars and twenty cents. The other sixteen cents he doesn't get, right?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Macdonald.

SENATOR MACDONALD:

Senator Lenke, that is correct and that has been the precedent in Illinois for many, many years. That is the formula and it...the accepted law in Illinois.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Lenke.

SENATOR LEMKE:

Then I think this is a bad amendment. I think we should give that sixteen cents back to the winner 'cause we're...that sixteen cents that...is five twenty...is five thirty-six...we should give that sixteen cents back to the winners because we're taking the one percent tax on top of the sixteen cents on the winnings. So, in other words, this poor guy is going to pay more tax in tax that he doesn't know about. I think that...a race track bettor should...they should explain to him what they're doing. I think there should be some public awareness of what's happening and I'm getting sick and tired of this thing. Now we're going to give another four million dollars to Mr. Joyce and all these millionaires. I say good-bye to them. They should leave the State. I'm sure that we could find somebody else to build a track there. We can find somebody else to build a track; in

fact, we have a track that's still setting and could be...reconditioned in Aurora...in Aurora Downs, maybe we could rehabilitate that and put the premiere track there and spend this money to promote and give the money to somebody that wants to come here and say we're going to give you this money to promote your race track so your...'cause you want to come here and you want to create jobs and you're going to keep them here and you're not threatening us if we leave. It's like stealing and stealing and stealing. If it isn't stealing illegally, it's surely an...way to nicely steal, like Jay Gould and everybody in the past, legally and that's what this is, this is a legal steal by multibillionaires who have no love or compassion for the people of the State of Illinois when they threaten to leave. I think we should vote against this amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Barkhausen.

SENATOR BARKHAUSEN:

Mr. President and members, as one whose district is adjacent to Senator Macdonald's and, therefore, adjacent to Arlington Park, I rise in support of this amendment. The point has been made but I think bears repeating at this point that the success of the racing industry in Illinois is very much dependent upon Arlington Park coming back to full life and operating more successfully than others; and I think it also needs to be pointed out that since all tracks, as I understand it, now get fifty percent of this breakage revenue, that if fifty percent of it goes to Arlington Park, the remaining fifty percent rather than being shared by all tracks, including Arlington, that the remaining tracks, other than Arlington, will have that fifty percent to themselves. So, in that sense, this amendment will benefit all tracks and will, therefore, benefit the entire racing industry. I think it's shortsighted of us to...to look upon this amendment as

simply taking four and a half million dollars and giving it to Arlington Park or to the racing industry generally. There is ample precedent...the recent tax incentives given to Mitsubishi being perhaps only the best and most recent example of the State making a calculated decision to grant incentives to various businesses that they might locate in Illinois. I think, perhaps, in some cases we need to do that to businesses not simply to get them here but to...to keep some of the industries that we have here and which we are so dependent upon, like the racing industry, to keep them here and to make sure that they flourish even more than they have in the past. For that reason, I think this Amendment 6 is...is important and really underpins all that we do for Arlington and for the racing industry and...and, therefore, for the economy and for ourselves and I would ask for your support of it.

PRESIDING OFFICER: (SENATOR DENUZIO)

All right, further discussion? Senator D'Arco.

SENATOR D'ARCO:

Thank you. Mr. President, I think we have to make a distinction between Amendment No. 4 and Amendment No. 6. I mean, Amendment No. 4...benefited every track in the State of Illinois, and because of the situation with attendance being down at all tracks and because of the situation of State revenue being down from last year and the year before from proceeds from all tracks, there's no question that all the tracks deserve some economic stimulus in order to get back on the type of situation that they need be in. The problem with Amendment No. 6 is it only benefits one track, Arlington Park, and there's no replacement revenue for the...for the amount of loss to the State of Illinois. Now, in Amendment No. 4 we took care of that problem, but we're doing nothing with this amendment to take care of the substantial loss of revenue to the State as a result of this benefit for

Arlington Park only. It's not a good idea, and Senator Barkhausen is absolutely incorrect when he suggests that the other tracks will benefit from the Race Track Improvement Fund in lieu of this fifty percent breakage going to Arlington Park only. Arlington Park will be able to dip into that fund as well. So, they're getting a double benefit out of this. Now, I believe it's the premiere track in the State, and it...it is a...a good, solid investment for the State of Illinois, but we've got to draw the line somewhere and this amendment goes too far, ladies and gentlemen.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator...all right, Senator Lemke for a second time.

SENATOR LEMKE:

Oh, I'm sorry, I pressed the wrong button.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Senator DeAngelis.

SENATOR DeANGELIS:

Thank you, Mr. President. I rise in support of Amendment No. 6 to Senate Bill 568, and I've heard a lot about people grabbing stuff, taking stuff; perhaps let me put this in perspective with an analogy. Let's assume that there were four apartment buildings in an area and they're all worth about the same amount and they all make the same amount of money and one of them burns down. The person who owns the building that burnt down has two choices. The first choice is to rebuild and there is sufficient enough insurance to rebuild. The second choice is not to rebuild. Then why would you choose not to rebuild? And I'll tell you why, because if your apartment building is in the same area, generates the same clientele, in this case pays the same rent, and you had a building that cost a hundred thousand like everybody else's and you collected five thousand dollars a year in profit on the rent, you now have to replace it with

a building that may cost three hundred thousand, four hundred thousand or five hundred thousand and, in fact, not even make your five thousand. Well, I'll tell you, if those of us in this Body were given that option or choice, I can tell you right now, if that were the scenario and that were the only scenario, our choice would be not to rebuild. We would take our insurance money and invest it in even the worst investment and do far better. Yes, it is a grant to one track, but that one track is like that apartment building that doesn't fit the neighborhood, it's overbuilt for it, and nobody in this Body would take that kind of risk. In fact, I'm even wondering why they're even contemplating it alone, 'cause I know that if I were faced with that decision what I would be doing, and I would trust that the majority of the members on this Floor would probably do the same thing; except in this instance, the person that intends to rebuild has as it would happen in that case a sense of commitment to the neighborhood, doesn't want to build it someplace else, and that is what the choice is, and let me point out a couple of errors. When we talk about what they are taking, we are assuming the pot is going to be the same without them. The fact of the matter is, they contribute to that pot and without them, that pot won't be there. So, when we talk about how much is being taken, the assumption is that they would build it, it would be in there, and they were grabbing what they were putting in. Well, ladies and gentlemen, if they don't build, that pot will be diminished severly. It's hard to accept but, you know, we talk about the people that go to the track. No one has to go to the track if they don't want to. There are a lot of people that go, perhaps with some weakness, but what...one thing we are forgetting from an economic development standpoint, horse racing is not like lotto. It is an industry. It has farms, it consumes agricultural products and as an end product helps produce other agricultural prod-



ucts. The fact is,...the fact is, it is an industry and to relate this to things that I've heard on this Floor without relating it appropriately to the fact that there is an industry would be unfair. Illinois...Illinois...Illinois has the chance of maintaining a premiere track, the flagship, the only international track in the United States. The choice is ours, ladies and gentlemen, and I can tell you and this is not a threat, the economics are not there if this does not pass. Thank you.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Rock.

SENATOR ROCK:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. It is with some reluctance that I rise but I rise nonetheless to ask for a No vote on Amendment No. 6, and while Senator DeAngelis was eloquent in his analogy, the analogy, I suggest, breaks down to this extent because this amendment calls for four plus million dollars a year out of a fund that is otherwise available to the entire industry and ultimately to the State, and it really does, in fact, guarantee operations assistance, no question about that, but his analogy breaks down because the rebuilding aspect, I don't think anybody questions, but that the rebuilding will be out of the insurance proceeds and if, indeed, that apartment building that unfortunately burned down in Senator DeAngelis' neighborhood was insured for four hundred thousand when it was only worth a hundred, there probably would be an investigation of sorts. What we are attempting to do and I think did attempt to do in Amendment No. 4 was afford some operating assistance, yes, to the industry and, yes, specifically to Arlington Park as a reasonable return on an investment, and that's the key to this. Amendment No. 6, in my view, is unreasonable. They're asking too much. I certainly don't blame them for asking but they're asking too much by Amend-

ment No. 6. We have been discussing this in other proposals for the past three and half to four weeks and the Governor, I think, has made it very clear that, yes, indeed, he is in favor of some operating assistant, not rebuilding assistance, operating assistance, if, indeed, it's fair and evenhanded across the industry, but to single out a four million dollar grant for ten years to one specific ownership group is simply asking us to do too much. If the entire industry were to benefit, then we could argue whether or not we could afford it, but the entire industry does not benefit, one set of owners benefits, and in my view, it's too much. I urge a No vote.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right,...further discussion? Senator Geo-Karis.

SENATOR GEO-KARIS:

Well, Mr. President and Ladies and Gentlemen of the Senate, it's true, it's about four and a half million dollars but it's for ten years; however, if the...the track is rebuilt, there's going to be far more income coming into the State of Illinois than four and a half million dollars a year, and I think we have to look at it, basically, if we're giving up four and a half million, what are we going to get back in return? It's a ten-year situation. It helps rebuild a track in the sense of...once the track is rebuilt, there's a lot of jobs while it's...going to be built; and on...on the other hand, after it's built and they're in good shape and they..are going to be the premiere track and attract racing business that is very palatable to the rest of the country, more money is going to come in to the coffers of the State of Illinois and I think we cannot minimize that. So, I rise in support of this particular amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? If not, Senator Macdonald may close.

SENATOR MACDONALD:

Thank you, Mr. President. As has been stated eloquently in the first racing amendment we heard by Senator Rock, the racing industry in Illinois is over a billion dollar industry. Arlington Park is the premiere track of all of the tracks in this State, and I think that for them to take money from the...racing improvement funds which is what the...State's portion of the breakage is intended for in the first place...and I would like to clarify that should there be another fire or another natural disaster at any of the other tracks, then the State would be forced to split that four and a half million that would be going to Arlington Park and help that other track as well. They are only asking for an...an incentive for them to rebuild this track. I would like to tell you that...some...not only are the citizens for...building...rebuilding Arlington Track very much involved in this effort and knowing that we will be saving nine hundred permanent jobs and probably over twenty-seven hundred jobs now...involved with the...breeding industry as well, but we have the...AFL-CIO, the Chicago Federation of Labor, the Illinois Building Trades Conference, Chicago and Cook County Buildings Construction Trades, the Chamber of Commerce, Illinois Manufacturer's Association, all of them are behind the building of Arlington...rebuilding of Arlington Park. Our small businesses in that area are showing losses of up to thirty percent over the period...this same period since the burning of the track of a year ago. This is a crisis not only in our area of Illinois which is the northwest suburban area but it is a crisis for all of...Illinois. I only in closing want to tell you what we did as incentives for Chrysler-Mitsubishi. For starters, there was forty million given for them for training and education over five years; there was thirteen million given for water and sewage improvements from State and local governments, there was eleven million site acquisition and prepara-

tion from Build Illinois. So, I can tell you, ladies and gentlemen, that to ask for four and a half million dollars of the breakage fund which is not taking this from any other fund but rebuilding and capital improvement fund for which this money is...breakage money is paid into that fund for this express purpose and I think that this is a...a...a good amendment and it is a necessary amendment to have Arlington Park rebuilt in the State of Illinois. So, I ask for your Yes vote.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator Macdonald has moved the adoption of Amendment No. 6 to House Bill 568. Those in favor will vote Aye. Those opposed will vote Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, the Ayes are 22, the Nays are 34, none voting Present. Amendment No. 6 fails. Further amendments?

SECRETARY:

Amendment No. 7 offered by Senator DeAngelis. LRB No. 8402545RCMLAM32.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

I would like to have that amendment withdrawn.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator DeAngelis seeks leave of the Body to withdraw Amendment No. 6...Amendment No. 7. Is leave granted? Leave is granted. It's withdrawn. Further amendments?

SECRETARY:

Amendment No. 7 offered by Senators Jones and Collins. LRB No. 8402545GLMLAM23.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

Yeah, thank you, Mr. President. This is the most simplest of all amendments, it only pertains to Cook County, and what it does is remove that thirty-five mile restriction for tracks having racing dates at the same...same time. The...the reason why I...I put this amendment in is because due to the close proximity of the tracks and as well as the people in the City of Chicago, this amendment if adopted to this bill would give a local unit of government, particularly the City of Chicago, the right if they so desire to build a track in the City of Chicago.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Discussion? Senator Topinka.

SENATOR TOPINKA:

Yes, might I ask a question of the sponsor, please?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Indicates he will yield. Senator Topinka.

SENATOR TOPINKA:

Who wants this amendment?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

Senator Emil Jones, Jr.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Topinka.

SENATOR TOPINKA:

Who else might want this amendment?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

Besides Senator Collins and quite a few others, the people who patronize the tracks at Hawthorne, Sportsmen, Balmoral and Arlington who make up eighty percent of the patrons at those tracks, who cannot get jobs at those tracks,

who are discriminated against. If we had a track in the City of Chicago...and anyone from the City of Chicago should vote for this because when you talk about taxes, you're talking about a tax base. All the taxes that...we pay out there far as concessions and...and everything else go back to that local unit of government. If you had a track located in the incorporate limits of the City of Chicago, then the taxes that the people pay would help defray some of the burden that's placed on the property taxes. So, this amendment would...it's on a permissive wherein the citizens of the City of Chicago would be able to have a race track.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Topinka.

SENATOR TOPINKA:

Then I am to assume from what you have said that this would be laying the groundwork for a potential track in the City of Chicago?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

When you remove the thirty-five mile an hour...I...I mean, thirty-five mile radius restriction, then the racing board if they so desire and Chicago if they so desire to place a...a race track there, then they would be able to have that race track and have racing dates in the City of Chicago.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Topinka.

SENATOR TOPINKA:

Would this be kind of looking part and parcel of a suggestion which came out of one of the leaders of the House that possibly Arlington Park might see fit to rebuild in the City of Chicago?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

I'll...I'll give you a statement that was made once when the Chicago Bears thought about moving to Arlington Park and they were told that they could go Arlington Park but they would no longer be the Chicago Bears. So, therefore, what I'm saying to you, if a track is built in the City of Chicago, it'll be the City of Chicago track; if Arlington Park wants to rebuild, they can go ahead and rebuild, we have no problem with that.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Topinka.

SENATOR TOPINKA:

To the bill. Last Session we put out legislation that reduced the geographical perimeters between tracks from forty-five miles to thirty-five miles, and that in...of itself, I think, is bumping the...the same geographic limits pretty hard in terms of how far the racing recreational dollar can go. If you remove the thirty-five mile limit and just leave it as open season, I think it's been made pretty clearly on this Floor that the racing industry has not been doing all that well and this has a...a permeating effect throughout the whole State in all areas of endeavor. If you remove this lid, I think you're going to reduce that even more because you literally are going to have them a...abutting one another, racing dates abutting each other, track services abutting one another and it strikes me that at all times this is not the appropriate way to go and we should continue to keep the limits at thirty-five miles between tracks unless, of course, you wish to move Arlington Park to the City of Chicago.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Marovitz.

SENATOR MAROVITZ:

Just a question of Senator Jones. Senator Jones, the

existing tracks in the City of Chicago,...what is their position on this amendment?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

The existing tracks in the City of Chicago, I haven't talked to any of them because none exist.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Marovitz.

SENATOR MAROVITZ:

I'm talking about...Balmoral and Sportsmen's, what...in the county. How...how do they feel on this?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

Well, I filed the amendment two days ago and they haven't talked with me, so I don't know what their position is.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Marovitz.

SENATOR MAROVITZ:

Does...is the...is the Mayor of the City of Chicago supportive of this amendment?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

I have not talked to the Mayor of the City of Chicago. I've been a resident of the City of Chicago for fifty years. I...so, therefore,...I'm a legislator, I can think for myself.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Netsch.

SENATOR NETSCH:

Thank...thank you, Mr. President. Senator Topinka, this is directed in part toward you. I have no desire to move



Arlington Park. I think the suggestion of trying to move it from where it is now probably does not make great sense; but by the same token, I would lay down a challenge to all of you on that side of the aisle that this restriction which should never have been in the law to begin with is about as anticompetition, as antifree enterprise as anything that we do in the State of Illinois Statutes. It's a horrible idea to set up such protected territories for any business, and for that reason, I will support Senator Jones' amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Topinka for a second time.

SENATOR TOPINKA:

Yes, I am sorry to, you know, bring...go back up on this, but I have talked to the track owners, at least at Sportsmen, Hawthorne and Maywood. They are not in favor of this and it's my understanding having just had someone call Balmoral they don't even know that this amendment exists. So that caught them total unawares and I just not wanting to speak for them, but it would strike me that they would not be all that happy with this either. In terms of what Senator Netsch brings up, I think there are certain industries that we have always provided regulations for that have provided again for the best bang for the buck that you can get in the State of Illinois. The recreation dollar just goes so far, and when you pit one against the other, you ultimately come up negating anything and our tracks benefit the State of Illinois in terms of tax dollars. So, it's just a matter of how much you want to make off of them and I think we're doing pretty well now and could probably do better. Terms of Arlington Park, I did not make the first suggestion that Arlington Park go to the City of Chicago, that came from somebody in the other House. I merely responded to it.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? We have two additional lights. Senator Schaffer.

SENATOR SCHAPPER:

Well, I think I share some of...Senator Netsch's concerns about restricting free enterprise; and refreshing to see candidate Netsch adhering to that position of late. I...I, remembering the speeches on the Floor a few minutes ago, assume that if this amendment was successful that any race track that was built in Chicago that we wouldn't hear from anybody wanting subsidies or special treatment or breakage, because as I recall from the sponsors of this amendment that those things were akin to the worst possible evil, and I assume if they prevail in this amendment, they would not come back and ask for State subsidies or special treatment for any future Chicago race track. I'm...I'm confident that they wouldn't be that hypocritical.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Collins.

SENATOR COLLINS:

Yes, thank you, Mr. President and members of the Senate. I rise in support of Amendment No. 2 and I don't think we have to have the approval from any of the...the tracks to...to do this, it's just basic fairness, and then the...the other...the fact is that most of the people that go to the tracks, be it Hawthorne or Arlington Park, comes from the City of Chicago, so why not allow the people of the City of Chicago the opportunity to have their own race track if they want to play the horses and that's what this is all about.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Rock.

SENATOR ROCK:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. Allow me, if I can, to attempt to make some sense out of Amendment No. 7 because I think it is the wrong time,

the wrong place and on the wrong bill to argue this subject matter. There is currently...currently no prohibition, constitutional, statutory or any other prohibition against any one of us or any group of us or anybody prohibiting the building of a race track in the City of Chicago, none. There simply is none. The mileage protection says to the Illinois Racing Board that you...members of the board, ought not afford two licenses...cannot afford or give two licenses for racing dates to hold a race meeting on the same day during the same hours unless the tracks are thirty-five miles apart. Those of us who go to the track know very well that Sportsmen's and Hawthorne are certainly not thirty-five miles from one another, and I suggest to you that if they want to build a race track in Senator Collins' district or in Senator Savickas' district or in my district, all you need is the money, and then you go to the racing board and you ask for a license because this is a regulated industry, and once you receive that license, then no other track within thirty-five miles can be granted a license to hold racing at the same day in the same hour. So the fact of the matter is, this is more symbolic than it is real, it doesn't belong in this bill. I will pledge to Senator Jones that we will consider this subject matter if he wants to pursue it next Session, but in the meantime, all we're going to do is muddy up a bill that is extremely important because the bill, hopefully, when we conclude is going to contain farm aid, a cigarette tax, some incentive for Arlington Park and most importantly, the rejuvenation of McCormick Place. The fact is, this may be counterproductive in terms of a Chicago track, because if I build a brand new facility in Chicago, I don't have any guarantee that once I get racing dates they might not also at the same time give racing dates to Sportsmen's and Maywood and Hawthorne all at the same time, and I, as the new kid on the block, would be hard pressed to compete with existing busi-

nesses. I just think it's the wrong time. I wish you'd withdraw this and let us get on with the major business.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Macdonald.

SENATOR MACDONALD:

Well, actually, Senator Rock really gave the remarks that I was going to give. I think this is the wrong time for this amendment. I think that if...if we...interfere with the thirty-five mile limit as involved with the racing board that we could all be competing...all the tracks could be competing for a...for the same crowds, and I think that this is...is...is just totally unacceptable and I urge your No vote on this amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? If...if not, Senator Jones may close.

SENATOR JONES:

Yes, thank you, Mr. President. I believe Senator Rock hit the nail on the head and that is, we're all aware the you can build a race track in the City of Chicago, but we're also aware that as long as this thirty-five mile radius exists, it would be very ludicrous for the City of Chicago to build a race track 'cause during the racing season be it Balamoral, be it Arlington, be it Hawthorne, any one of the tracks who...who currently have racing dates during that period of time, they going to fight very vigorously to oppose any racing dates at a...at a race track in the City of Chicago. If you...as you indicated in your remarks that you would fight very vigorously for this and if you will fight very vigorously to see that the people of the City of Chicago can keep some of their tax dollars there instead of letting those tax dollars go out to the various suburban areas where people can't even get apartments that work out there in Cicero, Senator Topinka, and can't get their kids into school, Sena-

tor Topinka, then I will withdraw this amendment, but it...it is not to take anything away from any race track, you just give the people who patronize the race track an opportunity to have something in their own back yard. So I will withdraw the amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator...Jones withdraws Amendment No. 7. Further amendments?

SECRETARY:

...Amendment No. 7 offered by Senator Jones. LRB No. 8402545JSJWAM01.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Jones.

SENATOR JONES:

This is the OTB amendment that we passed out of here last Session, and in view of the fact that it has been indicated by some of the speakers on the previous amendment that they are opposed to...they were opposed to the removing the thirty-five mile an hour restriction but they would be in favor of this amendment and I am not going to give them the opportunity, so I will...will withdraw this amendment as well.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator Jones withdraws Amendment No. 7. Further amendments?

SECRETARY:

Amendment No. 7 offered by Senators DeAngelis and Philip.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis. LRB number, Mr. Secretary.

SECRETARY:

LRB No. 8402545RLMLAM62. On eight and a half by eleven.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

Thank you, Mr. President. Amendment No. 7 on House Bill 568 is the McCormick Place amendment. It is essentially composed of four parts; a governance part, a financial part, a reform part and a technical part. We have been here quite a long time and I think most members know what's in this amendment, but I will very quickly and briefly go over this amendment. As far as the governance is concerned, it provides for a board consisting...an interim board consisting of six members, there's three appointed by the Governor and three appointed by the mayor. The terms of that board would expire on June 30th, 1987. The chairman would be selected by that board, and for that board to conduct action, a vote of the majority of that board would be necessary. After that date, a permanent board which would be created now would take its place and it would consist of twelve members; six gubernatorial appointees and six mayoral appointees. The chairman would be selected by the Governor from among those appointees. It prohibits existing members...board members from being appointed to that new board. The governance also creates a trustee appointed by the Governor who would be responsible for the operation of the existing facility. He would...he or she would have control over the expansion project...and rather than continuously saying he/she, I think I will refer to it as it. It would be responsible for the operation of the existing McCormick Place, have the power to employ its staff. It would also have such appointees as attorneys, consultants, et cetera. The trustee will make recommendations to the board concerning contracts, policies, procedures and appointments, and the compensation for that trustee will be fixed by the board and the board will fix a budget for the trustee. Now the important part, the financing of the expansion. It raises the bond authorization level from two hundred and sixty-five million to three hundred and twelve million, approximately sixty million more of which

only forty-five million would be authorized to be spent by that board, the balance...or the nine million would be required with the approval of the...Bureau of the Budget. It also sets up a mechanism for getting the money, and the bonds would be created or...the bonds would be issued at the end of the completion of the project. Any monies left would be returned. As far as reforms are concerned, it includes conflict of interest language under the Corrupt Practices Act, requires the authority to adopt and develop a three-year financial plan, requires the authority to issue requests for...proposals for professional service, requires bidders and respondents to...to disclose individuals having a seven and a half percent interest in the bidding entity. Bids and rebids must be advertised for bids three times, prohibits any entity which does a...feasibility study to employ themselves. The Auditor General will approve the accounting system. The authority has to issue monthly construction reports to the Governor, the mayor and the General Assembly. They must adopt a quality insurance plan if using a general contractor, directs the authority to adopt appropriate sanctions if a contractor is not in compliance with affirmative action goals, reminds the...MFEA that is subject to the Prevailing Wage Act, provides an exemption for training programs in connection with the affirmative action program, requires the MFEA to adopt the Personnel Code, requires the authority to be subject to the Open Meeting Act and the Freedom of Information Act, provides for a annual review of general manager, general attorney and chief engineer. The technical part of it or last part simply provides the MFEA with eminent domain over a personal land belonging to the McCormick Inn. The authority needs to acquire an easement or fee title to permit construction of the pedestrian spine to connect the project with Donnelly Hall. I'll be happy to answer any questions.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Discussion? Senator Marovitz.

SENATOR MAROVITZ:

Senator DeAngelis, please forgive me if...if you covered this. Is the provision in there which would not allow for reappointment of any existing board members?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

Yes, Senator Marovitz.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Rock. Oh, I beg your pardon. Senator Kustra.

SENATOR KUSTRA:

I like the order we take here. Thank you, Mr. President and members of the Senate. I rise in support of Amendment No. 7 as a member of the Senate Investigating Committee which spent many, many hours listening to testimony over the last summer of what went wrong at McCormick Place. As a matter of fact, I think all of my colleagues on that committee would agree that never have we ever been subjected to so many hours of testimony and so many revealing statements by the various people who paraded through those meetings over here in the Senate and, of course, as you know, the House has those also. Even though what brings us here today are the cost overruns, I really don't think that it's the cost overruns alone which are the basic problem. I think that the cost overruns which occurred are symptomatic of poor management practices and an ineffective governing structure which has been ingrained in McCormick Place for a long time. As a result, I think what we need are two solutions. We need the short-term solution which provides for that tough trustee to make sure that those sixty million dollars are spent properly, czar as it's been called; but I also think that we would be foolish...we would



be foolish to go back to our districts and tell our constituents that we gave McCormick Place sixty million dollars without looking to the long-run, without looking to what happens past 1987, and the reason I stand in strong support of this amendment is because, of course, as Senate DeAngelis has already noted, it provides for a long-term solution to ensure that the operations of McCormick Place will never again come under the influences of past practices. I think the problem transcends the people who happen to be in the various political offices right now and so the solution should transcend who happens to be in office right now, and that's the reason why this solution dealing with the long-term must give the power to that government which is constitutionally and legally responsible for McCormick Place; and, ladies and gentlemen, let me remind you that it was here in this Senate and in that House and in that Governor's Office that a soda pop tax was added to provide for the funding of that McCormick Place Annex. It was not in the Chicago City Council or in any city council, it was not done at the action of the Mayor of the City of Chicago or any other mayor. So, it is here in this...Illinois General Assembly that the responsibility lies, and so we must ensure that that final long-term solution provides the taxpayers of the State of Illinois with the control which I think they deserve given what has happened in the last few months. If you agree that McCormick Place is the key to economic development in the State of Illinois, as I do, and if you agree that we must give them that sixty million dollars, there is no alternative, then you can settle for nothing less than what is contained in Amendment No. 7. I urge an Aye vote.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Weaver.

SENATOR WEAVER:

Parliamentary inquiry, Mr. President. I was wondering

whether Amendments No. 7 and 8 which deal with McCormick Place are germane.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Weaver, the bill deals with the subject of economic development in Illinois and Amendment No. 7 and the next Amendment No. 8 have been reviewed. They seek to promote the convention and tourism industry in...in Illinois by providing for the continued construction of the McCormick Place Annex. Because of the subject of the amendments relates to the subject of the bill, the amendments are germane. Further discussion? Senator Berman. Senator Berman. Senator Berman at Senator Dawson's desk.

SENATOR BERMAN:

Thank you, Mr. President. A couple of questions of the sponsor.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Indicates he will yield. Senator Berman.

SENATOR BERMAN:

Does your amendment require that the members of the board or the trustee or...and the trustee are subject to the Illinois Governmental Ethics Act; namely, do they have to file a disclosure form?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

Yes, Senator Berman.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Berman.

SENATOR BERMAN:

The trustee included?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

All employees, trustee included.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Berman.

SENATOR BERMAN:

Is there a cap on the allowable compensation to the trustee?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

No, that decision is made by the board.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Marovitz for a second time.

SENATOR MAROVITZ:

I'm sorry to rise for a second time but I need a clarification on a point, Senator DeAngelis. On page 25 of your amendment, that's the portion of the amendment that deals with the reappointment of the existing board or the fact that they are ineligible, but in...in the previous amendments that were drafted, there was a sentence that was left out and that sentence that has been left out of your amendment reads, "No person who has served as a member of the board within thirty days prior to the effective date of this Amendatory Act of 1985 may be appointed as a member of the board on or after such effective date." That sentence which was in the previous amendments has been left out of your amendment. I want to know why that has been left out of this amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

Well, Senator Marovitz, it was left out of the previous amendment as well, but I think you're talking a couple amendments ago. It has been left out to make them ineligible and...if I might, before I finish answering your question, Senator Berman, I was incorrect, there is a hundred thousand dollar cap.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Berman, the gentleman was responding to a previous question that you had. Senator DeAngelis, you want to repeat that, please.

SENATOR DeANGELIS:

Yes, Senator Berman, I owe you an apology, there is a hundred thousand dollar cap in the bill.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator Marovitz.

SENATOR MAROVITZ:

Well, I...I don't believe I got an answer to my question. That sentence which had been in one of your previous amendments has been left out of this amendment. What was the rationale for leaving that sentence out of the amendment?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

It was to make any current member ineligible for board...for board membership.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Marovitz.

SENATOR MAROVITZ:

No, that's...that's not the case. The sentence which I...you have on page 25 a sentence that reads, "Such members shall be ineligible for reappointment to the board." That's in there, but you left another sentence out that says that if they have been serving within thirty days prior to the effective date, they can...they are not eligible. So, what your amendment...the...the window, the loophole that is left open is that if a current board member resigns, then he can be reappointed. That is the loophole that you have left open by taking that sentence out. I want to know why you've done that.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

I don't really understand the question.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Marovitz.

SENATOR MAROVITZ:

I'll repeat the question for everyone and I'll reread the sentence for you. "No person who has served as a member of the board within thirty days prior to the effective date of this Amending Act of 1985 may be appointed as a member of the board on or after such effective date." By taking that sentence out, you have left a loophole open so that if a current member of the board resigns, he then can be reappointed according to your amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

Well, Senator Marovitz, I'm going to tell you, it was never, never intended as a loophole. You know there are many drafts of this floating around. No,...no, there's been no change in the board that I know of in the last thirty days. If you have a real problem with it, I think we can work it out, but there's...it's just a matter of drafting.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Marovitz.

SENATOR MAROVITZ:

Well, I do have a real problem with it and I would like to...I'd like to know and I'd like the Governor to state on the record, which probably could alleviate the problem, I'd like the Governor to make a public statement that under no circumstances will any current member of the board or anyone who...has sat as a member of the board be reappointed.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

Well, I'm not the Governor, obviously. But, Senator Marovitz, if you read a little further down, we do confirm those members too.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Marovitz.

SENATOR MAROVITZ:

Well, we're not talking about confirmation. I think one of the...one of the major points made in the Senate report as chaired by Senator Sangmeister was that current board members should not be reappointed. That's really a simple statement, that's all we're saying; however, by taking that sentence out from previous drafts, you have...in fact, left a loophole open that current board members could resign and then be reappointed.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

I have been advised if it's sincerely that serious a problem with you, Senator Marovitz, we can prepare an amendment and put that on. It's just a matter of the way it's drafted, all right. This bill, by the way, is effective upon signing. Now will you vote for it if I put that on there?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Marovitz.

SENATOR MAROVITZ:

Let me say this, we all know that the bill isn't going to be signed today. There isn't anybody in this Body that thinks this bill is going to be signed today. Okay? So, if...if you will have that amendment prepared, I will be happy to offer it.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further...Senator DeAngelis.

SENATOR DeANGELIS:

Well, I still would like to know if he's going to vote for the bill if we offer the amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well, I'm...I'm...Senator Rock.

SENATOR ROCK:

Thank you, Mr. President and Ladies and Gentlemen of the Senate, and I hope everybody was listening to Senator DeAngelis, because Amendment No. 7 which I am rising in opposition to will be reoffered in substantial form by Amendment No. 8. There will contain the same duties and responsibilities, the same call for an additional sixty million dollars, the same enumeration of reforms that both the Sangmeister and Currie committees thought necessary and with which I agree. The difference really is something...that we have, unfortunately, been talking about for something in excess of a month and that is the governance. How do we get over what is an obvious political problem? And the four leaders sat at some great length and attempted to work out a solution, a solution that was agreeable to both principals and, in fact, to the leadership, and I think we've done that, but it's not reflected in Amendment No. 7. It is, however, reflected in Amendment No. 8 and it deals only with the question of the permanent board, because the provisions for the interim board are identical in 7 and 8 and they provide for the immediate appointment upon approval of this Act of six people; three by the Governor, three by the mayor, and they further provide for a...the appointment of a trustee by the Governor to ensure not only the completion of the project and we hope the completion on time but to actually manage the operation of McCormick Place and we have agreed to that. What we were unable to agree upon was the question of the establishment in the same bill or in the same provision of a permanent board. There were all kinds of configurations. At one point we were even discussing, at my request, the pos-

sibility of having the legislative leaders involved in the appointment as we did with the RTA or have other people involved as we have done with other boards. It was finally decided and I thought to virtually everyone's satisfaction that what's the hurry. Why do we, today, at the eleventh hour have to deal with and fight about a permanent board which under everybody's configuration doesn't take place until June 30, 1987. Obviously, in reference...in recognition of the fact that in November of '86 we will have a gubernatorial election and in April of '87 we will have a mayoral election and we will have a brand new General Assembly whose configuration as at this moment in some doubt, and we may or may not have a new Governor and we may or may not have a new mayor, so why don't we leave that decision alone. There is no sense in hanging us up on the question of a permanent board that doesn't become effective until June 30, 1987. The immediacy of this of this dictates, if you will, that those kinds of long-term considerations can best be left to another Assembly with perhaps a different political configuration and let them wrestle with it. Our problem is immediate because I'm sure you're aware that when the board met on Monday, they said, yes, we can probably go another week. We will pay as best we can. We will defer some payments as best we can but, holy smoke, as of next Monday, perhaps it will have to be mothballed and mothballed to the chagrin and embarrassment, I suggest, of all of us, irrespective of party and irrespective of geography; because if, indeed, that project has to mothballed, there isn't any question, I hope, in anybody's mind that at some future date we will come back here and have to unmothball it in an attempt to complete it, and that will just cause additional hardship and certainly cost additional millions of dollars which we can avoid by doing it today or this week, preferably today. We do not simply have to deal with the question of the estab-



lishment of a permanent board and who controls or doesn't control, we don't have to deal with that today, and I urge you, I urge the members particularly on this side, please, vote No on Amendment No. 7. Amendment No. 8 will follow immediately on its heels. It will contain verbatim the language that Senator DeAngelis so aptly described with that single exception that it's silent as to the permanent board. That's a political problem with which we can deal later. Our problem now is real and immediate and I urge a No vote on Amendment No. 7.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Schaffer.

SENATOR SCHAFFER:

In his usual eloquent manner, Senator Rock has clearly stated the problem and the difference between the two amendments. This amendment has a permanent board, a...a board, by the way, I should point that's appointed. The major difference between it and tradition is that the chairman would be appointed by the Governor, a Governor, by the way,...and we're not sure who that is 'cause we're talking July of '87. I know who I want it to be, I know who I think it should be, but I have no guarantees that the gentleman that's currently in that office will still be there, none of us do, so it's not a partisan request. The President has said we don't have to select a board. We are going to give sixty million dollars to an existing unit of government to clean up a mess created by that existing unit of government and its mismanagement, and we are told that we don't have to take steps to see that we don't go back to business as usual in July of 1987. If I were to vote for sixty million dollars to pump down this rat hole and not take steps to see that we hadn't corrected the mess, anybody who voted for me in my district would have to have an IQ of four, and I suspect the constituents in every part of this State agree with me, even in the City of

Chicago, maybe in particularly in the City of Chicago, I don't think your people want business as usual at McCormick Place; and without a permanent board in this bill, it's business as usual July 1987, and nobody wants that in McCormick Place.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Lemke.

SENATOR LEMKE:

I rise in opposition to this amendment. If you recall when this proposal came up the first time I stopped it, and I was assured by the Governor of the State, I was assured by the leaders and I was assured by the convention center people and the hotel people that they would watch Mr. Hannan and everything would go right. Here we're back again later. I think that this is bad. I think with the mayor and the Governor sharing the appointments, at least both can watch each other and maybe they'll have a compromise, but to give the Governor this authority when he assured me that Mr. Hannan would not create these problems and I was assured by the department that everything was going well and this is going to be a great project, do you think I want to give this man any power? I could care less. Maybe...maybe we shouldn't give him...anybody...and maybe we as a General Assembly should take the power of appointment and have the people cleared through both bodies like we do the Auditor General, but to give the Chief Executive political power of...the City of Chicago or of the State of Illinois, if we're going to give it, then we should give it to both of them, then both Chief Executives can watch each other and maybe the people will get a fair shake but not this way by giving one man something to take care of something. I think it's wrong because this man assured me when I got up on this floor and spoke against Mr. Hannan that everything would...work well and Mr. Hannan was the right man for the

job. This was the assurances I got. It didn't turn out that way 'cause we're in a mess, and we're in a mess because...when the other mess hits with the new State of Illinois Building, that's another mess...that's going to be another mess, and that's another job that this man ran. We got a great artistic piece but it's not functionally proper for the State of Illinois to function in, workers have to sweat. You want a man like this to make the...sole appointments and control something? Forget about it. This man is bad...if he's left alone. Let the mayor and the Governor watch each other, maybe that's the way it should run, maybe something mutually...be agreed upon or let us assume our responsibilities as a General Assembly and the controllers of the purse and make the appointments ourself. Ask for a No vote.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Watson.

SENATOR WATSON:

Thank you, Mr. President. I'd like to ask the sponsor a question, if I may.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis indicates he will yield. Senator Watson.

SENATOR WATSON:

...can you tell me, Senator, when the McCormick Place was built, how much...how many dollars were State dollars and how many dollars were generated from other local units of government...preferably, maybe the City of Chicago or just exactly how much participation has the State had in this project versus the city and...do you have...do you have an answer to that?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

I can give it to you as a percent, it's one hundred.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Watson.

SENATOR WATSON:

...who...who has a hundred percent participation?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

The State.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Watson.

SENATOR WATSON:

Well, now I...I didn't know that. I honestly didn't know that and that...that makes it even more reason of why that in my district we could care less about McCormick Place. I...and Jack Schaffer said it very well and it's tough to follow a...a speech such as that, but we...we could care less about McCormick Place and its success and all of it, but it is a revenue generator for the State of Illinois. It's important to the economic development of our State. So, it's important to...for my people, for the taxpayers of Illinois to have a say, I believe, in...in the policies of that particular institution. The embarrassment is not the mothballing of the...of the project to me. The embarrassment is that we're going to give them sixty million more dollars and not guarantee a control of the board. Now I...I'll have a tough time explaining to the people in my area that I...I'm sending sixty million more dollars to the City of Chicago for McCormick Place, but I'll have...I'll be able to tell them under this amendment that there's going to be some control, at least by the State of Illinois. We're going to have some...the State of Illinois as a whole is going to have a say in the manner in which this...this particular function is...is...is governed, and now that I find out that it's a

hundred percent funded by the State of Illinois, I just think in fairness to the taxpayers, to the entire State, they should have control and that's...that's all we're asking for. I think it's fairness. I think it's common sense, and it's unfortunate that the mayor of the City of Chicago and others have stonewalled this issue to the point of practically bringing this process to a halt; and I think that this amendment certainly deserves our support, and any downstater who...who doesn't support this concept and the State control probably is going to hear from the electorate. Thank you.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator D'Arco.

SENATOR D'ARCO:

Thank you, Mr. President. I'm having a tough time understanding what this is all about because on the one hand there were something...something going wrong at McCormick Place; whether it was mismanagement, whether it was the lack of information, I don't know. I don't have the answers but something went astray. Now who's to blame for all of that? Well, we can blame the board. Six members of those...of that board were appointed by the Governor, four were...appointed by a former mayor of Chicago and two by the present mayor. So, who's responsible? Well, we're all responsible, aren't we? Maybe we should take the Capital Development Board and let the City of Chicago run that because they are responsible for a hundred million dollars in cost overruns. So, you know, what are we doing here? What is this all about? We've got to come up with some solution to a basic problem that the State of Illinois is faced with and we can't do that on a bipartisan basis. There's no way we can do that. So, let's work together on this issue. And all the mayor wants is what he doesn't really have in the first place. He doesn't want anything more than what is presently going on at McCormick Place in terms of the construction of the board. Why...why

is he being blamed more than the Governor? They're both responsible for what happened over there. You can't blame one and not the other and that makes us responsible. So, let's do the right thing and defeat this amendment and get on with the business at hand.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Geo-Karis.

SENATOR GEO-KARIS:

Well, Mr. President and Ladies and Gentlemen of the Senate, the only reason I am going to support the funding for McCormick Place is because it brings millions and millions of dollars back to Illinois by the...from the exhibitors and other related businesses, and if we're going to sit here and argue, well, you're not going to run it, we're not...we're going to run it and all that kind of garbage, we wasted the taxpayers money all week trying to get involved and do the right job. First of all, we wouldn't be here deciding on McCormick Place if it had been run properly. I wasn't the Executive Director, neither...was anyone here; however, there have been mistakes made, there were mistakes in judgment made and let's face it, they're made. We can't mothball this project, we need it. We need it because the more tax money that comes into Illinois, the less of a tax bite it'll be on our citizens and you know it and I know it. I think this bill is fair. You have the provision here of three and three. I'm not blaming anyone. All I'm saying, poor judgment can happen to any one of us and we've made it in this House as well...I have and all of you have. Don't think any of you is above it or below it. The point is there are six people, three and three, there is someone who can run the darn place and run it well. If he doesn't do it, there is a...a majority of four on that board who can overrule them. Let's go on with the business at hand and let's vote for this amendment and let's give it a chance. For heaven's sakes, we

wasted enough time as it is. I speak for the amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Lechowicz.

SENATOR LECHOWICZ:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. Amendment No. 7 is really a very instrumental key in the solution of 568. Amendment No. 7 takes the power...and, Senator Watson, your question as far it's a hundred percent funded from the State for the McCormick Place is true but it's also the funding is from the tax revenue Statewide. So, Chicago and the County of Cook and the five counties in that area of the State contribute substantially for the funding of McCormick Place as we do for the proper funding of the General Revenue Fund throughout this State through taxes. The question of fairness in Amendment No. 7, it's unfair. It's unfair to the President of the Senate who is taking the political opposition of members of his own party and bringing this bill to the Floor and trying to come up with a compromise issue so both Bodies get off of dead center. You're not being fair to him nor to the mayor of the City of Chicago or the people of Cook County and that area of the State with this amendment. I don't have to go through and tell you exactly who is responsible for McCormick Place, where the appointments came from and the type of job that he did, we all know that. Senator Sangmeister conducted a very thorough hearing in conjunction with Senator DeAngelis as the co-chair, a lot of public debate, but can you criticize a board member who in good faith took the expertise of people in their respective professions and coming in with a proposal in trying to expedite the opening of McCormick Place so it can accommodate electronic convention so that the State of Illinois would not lose that type of revenue and made a judgment call at twenty-four percent of the entire picture? That's what the issue is and they made that call and they

were wrong, and now they're going to pay the price when we asked...asked them to serve as a advisory capacity, no compensation to bring in their best business expertise and make a judgment call, but over here a judgment call is a grab and this grab is absolutely wrong. It is wrong to the President of this Senate and it is wrong to all of us. I believe the President was quite correct when he mentioned Amendment No. 8, a fair and equitable presentation and to address an immediate problem. That's the one you should be voting for and I hope you would, but on this one, I hope you vote No.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Schuneman.

END OF REEL



REEL #3

SENATOR SCHUNEMAN:

Thank...thank you, Mr. President. I think most everyone has made up their mind on this issue, but it seems to me that we really ought to be looking this...at this as State legislators and not legislators from just Chicago or just our own communities. But the mess at McCormick Place really isn't anything new, this is just the current mess, and it seems to me that as a State legislator, the only reasonable position unless you happen to be directly affiliated with the Chicago political organization is that since the State pays the tab, the State ought to have control. Now that's not a very difficult concept to understand and I really think that's the essence of it. I assume most everyone has made up their mind but one other point I think ought to be made and that is that if the position of the Governor which basically has been the State ought to have control, you want the money, then the State is going to take control, that's basically the position of the Republican Party. The opposition has come from the city. Now the threat is going to be made, if you don't do it the way we want to do it, you're going to have to mothball this project, it's going to cost an extra ten million dollars. Well, if that's the case, I think our position should be Chicago ponying up ten million dollars, you know, because it means at least as much to the city in their scheme of things as it does to the State in our scheme of things. I think this is a reasonable amendment. It's time to do something about McCormick Place and you may not get another opportunity like this one.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Luft.

SENATOR LUFT:

Thank you, Mr. President. I have a question of the sponsor.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Indicates he will yield. Senator Luft.

SENATOR LUFT:

Senator, it's my understanding, as I've been sitting here listening, that Amendment No. 7 is virtually the same as Amendment No. 9 which will be followed and offered by Senator Rock, and the only difference is in the permanent structure, a permanent board, to be appointed in July of 1987, am I correct?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

Yes.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Luft.

SENATOR LUFT:

If the appointment by the Governor is so important and if we're so worried about the cost overruns, then why are we waiting till July of 1987 to put the Governor in control? Why doesn't your bill call for that individual to be appointed now during the construction part of this when...the obvious cost overruns have taken place? Why doesn't your amendment, if this is really so important that this man exist, why is it waiting till July of 1987, which we all hope the construction part of this program will be over with?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

Well, first of all, the other amendment waits for July '87 also, but more specifically, there is in place a mechanism called the strong trustee to take care of the ongoing

problems including the completion of the construction. The interim board is going to function through that period of time, the permanent board thereafter.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Luft.

SENATOR LUFT:

Then, if you are happy with the interim board and you are saying that your side feels safe with the interim board to follow through the construction period to ensure that everything take place on the up and up, why are we sitting here arguing over some board that will be appointed in 1987?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

Well, I'm not so sure I'm safe on anything, Senator Luft, but I'm not doing the arguing, you guys are. This is my amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Luft.

SENATOR LUFT:

I'm only asking you to try to convince me.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS.

Well, you know, I don't know what you do but I've adopted a policy of putting a tape recorder and calling my wife every night, 'cause it's pretty difficult to explain what we're doing down here and she's either going to think I'm a liar or inept and I don't like to be called either one. For somebody to stand here and cavalierly say, well, let's wait till June 1987 and take care of this business like it was going to be so easy to do, and we're going to go back home and tell everybody that we did the job but we left one thing open because that's so easy to do then and not have to do it right

now, when we can't even do what we're supposed to do right now.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Luft.

SENATOR LUFT:

Mr. President, I'm not trying to be cavalier. What I am trying to do is establish in my mind the way I want to vote, and I have problems with this simply because we have no way of eliminating the interim board if they foul up. These same people could be...appointed, the way I read this, to the full board in January of '87. There's no provision if these people foul up between now and 1987 to get rid of them. There's no provisions to say that they won't be on the full board, there's a lot of problems with this. I'm just saying, why, if everybody is happy right now with the structure of the interim board, why not wait? Why not find out who's here, why not find out what problems have taken place? Why not find out if these six members that are about to be appointed are worth being reappointed, and why not of, in fact, even have them appointed as subject to confirmation of the Illinois State Senate?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator DeAngelis.

SENATOR DeANGELIS:

Well, we're getting off the track because everything in here is the same except for that permanent board. Now, if you're concerned about the ineptness of an interim board, that isn't addressed with your amendment either. Now, let's argue apples to apples. The fact is that we want to walk out of here giving sixty million dollars worth of State money and say, we have put in place a mechanism on an interim basis to deal with the problems of...completing the construction and reviewing the organization. At that time, when it is completed or their job is completed, June 30th, 1987, we will in

fact have another board in place that is permanent and the chief governance of that board...or chairman would be an official appointed by an official of the State of Illinois. I don't know what's so unreasonable when the State is putting all the money in that the State makes the choice, and we're not saying it has to be a Republican, we're not saying it has to be a Democrat. We're saying that the chief executive officer of the State of Illinois ought to name that chairman and that's all we're saying.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? The following Senators have sought recognition: Fawell, Poshard, Collins, Sangmeister, Philip and Rock. Senator Fawell.

SENATOR FAWELL:

Thank you, very much, and I shall be as brief as I can. I would like to remind my colleagues that this metropolitan fair and exposition hall was built under the present Civic Center Act. There are eight civic centers in the State of Illinois at present. This is the only one that was paid a hundred percent by State money, and it is the only one who receives seven and a half million dollars...seven and a half million dollars, one-third of the budget...operating budget from the cigarette tax. Every other civic center in this State who also generate money for the State of Illinois, I might add, do not receive any operating funds whatsoever from the State, and every civic center that I have heard of in this State is also, like the civic center in Chicago, losing money. It is another governmental agency closer to the people, usually the county, that picks up those operating funds. If we build a civic center by State money and then have to turn around and operate a civic center by State money, it indeed is a State institution and we, as State legislators, as was mentioned before, should indeed be the ones that should have control over it. I vote Yes for this

amendment and anybody who lives outside the City of Chicago...is going to have a very difficult time to explain the vote to their colleagues, it seems to me, if they do not join me. Thank you.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Poshard.

SENATOR POSHARD:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I had not planned on rising on this amendment but I feel compelled to speak, I hate to sound so parochial. I did not come to this Senate with the idea in mind that I was going to be anti-Chicago or anything of the sort; in fact, I think on many occasions I voted with the city on the things that they need and I realize the importance of the City of Chicago to the midwest as the hub of the midwest as well as to this State as a economic center. And I realize that those of us from downstate, especially from my district where unemployment is so high, that we perpetuate a myth when we say that we do not get back the amount of tax monies that we send to Springfield; we do, we get much more back than we send to Springfield, that's the truth. The fact is that we get it back to a great extent in the form of welfare which doesn't go very far to help us out. We don't get it back in terms of the kinds of infrastructure needs that we have and enough of it. Now, I have sat here for a lengthy period of time listening to the argumentations being developed on the basis of who controls the board to McCormick Place. That's not a very great concern for my constituents. What is a great concern of my constituents is 312.5 million dollars being spent on one building in this State, to be sure, a building that will generate a great deal of revenue for the State, but sixty million dollars in cost overruns to one building, three hundred and twelve million dollars more than the initial out-year funding of the entire Build Illinois Program. I

have one town right now struggling for a seven hundred thousand dollar sewer grant to save five hundred jobs, and I get a little bit tired sometimes of having to go to everybody in the General Assembly and beg and plead and cajole in any manner in which I can for a little sewer project here and there or some money to save some county roads and, yet, we so easily pass off three hundred and twelve million dollars, sixty million dollar cost overrun regardless of who controls the board. There is another part of Illinois and part of it happens to be my district. I'm voting No on this amendment, not because of the structure of the board but because there's very little equity that exists on a geographical balance or basis in this State and we need to pay a little more attention to that basis. We don't want to continue on welfare in southern Illinois. We want some sewer projects and some water projects and some roads that's going to get industry into our region so we don't have to depend upon the city and its welfare payments to the south. I would urge my colleagues to vote No on that basis.

PRESIDING OFFICER: (SENATOR DEMUZZIO)

Further discussion? Senator Collins. Senator Sangmeister.

SENATOR SANGMEISTER:

Well, thank you. I'm sure, as others have indicated, any further debate is not going to change anybody's mind, but I've been too long involved in this not to say at least a few words. Senator Kustra indicated the committee for the Senate to come together for a recommendation to you has worked hard, I enjoyed working with Senator DeAngelis, I think we had a fine committee; but as I suppose could have been predicted from the very beginning, when it came down to the final analysis of what we ought to recommend to you, it came down to only two items...although I want to indicate to you, in both of the amendments there are many, many good reforms that are

necessary and they're in both amendments, but it comes down to the two items, it comes down to how you're going to compose the board and, second, what are you going to do as far as the funding is concerned. From the very beginning I have always felt that it is not a legislative prerogative for us to be setting up who's going to be the czar to run the completion of the McCormick Place expansion. I felt that we should have done nothing with the board except remove the present members that are there and I think no one quarrels with that. I think anyone of any leadership position whether it be in the legislative Body or otherwise, I'm not sure, I think even the Governor once a upon a time was very close to suggesting we remove the present board members; but, you know, if you're going to have an interim board, put six people in there, put them in a room, let them elect their chairman and let them go ahead. All you got to do is put the responsibility on the Governor to pick three decent people and the mayor to pick three decent people. I don't see why we have to be speculating as to who is going to be a czar to run this operation but, needless to say, this is where we are. As far as the funding is concerned, I'm not happy with the way the funding is laid out in this amendment nor am I happy with the funding as it's laid out in the amendment that's to follow. After everything that we have heard in the committee, I can assure you that whatever money you put up there is going to be the money that's going to be needed to complete this thing. I have felt all along, from what I have heard, that we ought to give them forty million dollars and that should be the limit and I think this project can be completed with forty million dollars but was persuaded that that would not be enough and that we ought to go to the sixty million with the additional amount being approved by the Bureau of the Budget over and above that amount. I still settle that the forty million as you could see from the report that



I submitted to you and I don't think we should have moved off of that figure one dollar, but for somewhere...somewhere along the line and in the amendment to follow, it's everything over forty-five million dollars. But I really think that what we appropriate here today and authorize, I should say, is going to be spent and I think that's a mistake. If we were to act responsibly, we would give these people the forty million I think they need to complete it and then in the Spring...in the Spring, if they need additional money, let them come back to the General Assembly. I get no support from that on either side of the aisle because, apparently, everybody wants this thing to go away once and for all and they don't want to see it again. I just don't think that's entirely responsible and the other thing that I cannot understand is why the Governor of this State under any circumstances would want to get anywhere close to this tar baby. Why he would want to have his hand involved into who those people are going to be particularly after...I think he does have to bear the responsibility for the members that are there and the screw-ups that have happened that he would want to get anywhere near this thing. So it's inconceivable to me why he would want to go along with this amendment. So, all I can say to you is, I'm not happy with either amendment but certainly the one to follow is better than this.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Philip.

SENATOR PHILIP:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. As you know, the twenty-eight in the minority over here have been working all week to try to put together a reasonable compromise. I would suggest to you that Senator Rock's Amendment No. 8 is not acceptable to the mayor. Now, if he have changed his mind, he has done it in the last fifteen minutes. Secondly, the final board will be selected six

by the Governor, six by the mayor, confirmed by the Senate. So you downstaters will have an opportunity to ask questions and have an input on the final makeup of the board. Whether you like it or not, it's one hundred percent funded by the State of Illinois. The common sense...the rule of thumb would dictate to you when you fund it, you control it. That's true of local government, it should be true of State Government. We don't know who's going to be the Governor, I hope that Jim Thompson get reelected, I'm going to work to get Jim Thompson reelected, but we might have a different Governor, he would be appointing the chairman. It's a non-political...this should be a nonpartisan issue. The Governor should run McCormick Place, not the mayor of the City of Chicago. As you know, the city benefits some nineteen million dollars a year from revenue generated from McCormick Place. Cook County benefits some nine million dollars a year from revenue generated from McCormick Place. The record at McCormick Place, quite frankly, has not been good and I'm afraid we'll have to lay that at the City of Chicago's doorstep. The divided authority, the State finance it, the State should run it. This is a common sense amendment. You downstaters...I don't know why every downstater shouldn't vote for this. We should put this amendment on, pass it and get on with the work of the Senate.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Rock.

SENATOR ROCK:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I feel compelled to rise a second time for a number of reasons and, if I can just have the attention of the membership, perhaps we can allay some of the fears that have been...first, both the mayor of Chicago and, I might add, the county chairman of the County of Cook of the Democratic Party are in favor of Amendment No. 8, so there is no

misapprehension, I have heard all kinds of stuff going on around here. The fact is that we have, along with Senator Philip, been working for a number of weeks and meeting almost interminably attempting...attempting to...effect a resolution; and the resolution really is at this moment an interim board composed of six people, three each from the Governor and the mayor, who will elect their own chairman and a trustee to ensure the completion of the project who will be reporting to the board to be appointed by the Governor, and I don't think...I dare say there's no one in this room that doesn't believe it's going to be former Governor Ogilvie and I think that choice is superb. I'm surprised the man would take that kind of a job but the fact is the choice is superb. And we keep saying sixty million dollars, somebody only wants a hundred thousand and here we are with sixty million dollars worth of State money. It's not the fact. The fact is, we're increasing the bond authorization. And the hundred percent participation which I've heard four or five times isn't accurate. We are paying the debt service pursuant to a law passed by a majority of both Houses and signed by the Governor of Illinois where Illinois is responsible for out of a fund whose revenue stream is a pop tax, we are paying part of that for the debt service on the McCormick Place expansion, as well as we are paying for ten million dollars in downstate tourism and fifty million dollars in downstate parks rehabilitation; yes, we are paying the debt service. Now up until this morning when this amendment was filed or, perhaps, more accurately... 'cause Senator Philip and I have been spending an inordinate amount of time together and usually we can spend it under better circumstances but, the fact is, we are attempting to get a reasonable solution and, up until last night, the proposal had a four-three interim board, not a three-three, four-three, affording the Governor of Illinois who is a candidate for reelection absolute unfettered control

of this board and I said, as did the Speaker, don't do that, that's not fair. Let's have three-three, as both our reports on a bipartisan basis said, let them elect their own chairman and let the Governor appoint a trustee and let's have the trustee be responsible to the board and let's have board action require the vote of four, four of the six, and given the public scrutiny to which this situation has now been exposed, it seems to me only reasonable and I would expect nothing less than three stellar appointments from each of those principals and then they can work it out. Well, then, what do we about the permanent board? And you know who suggested we not deal with the permanent board at all? Because my...the first suggestion...the first draft I saw was that the permanent board would be six and six and it would take place October 1st, 1986, and I said, what about the gubernatorial election? They said, okay, make it December, and then it was pointed out, what about the mayoral election? And I said, okay, let's make it June 30, '87 or May 1st '87. But let's recognize that the 85th General Assembly is going to have to deal with this and, in our typical fashion, it won't be done until the last hours anyway so let's make it June 30, '87 and everybody said, fine; and the Governor of Illinois as the leader of the Republican party said, why don't we just leave out the permanent board, let's don't get into it, let's do what we have to do now and leave the permanent board alone. I agree to that. So when I hear on the Floor that the Republicans are standing for this, the chief Republican is not. The chief Republican is in favor of Amendment No. 3 and it's eminently reasonable, and we are now down to just partisan push-pull and we needn't be because we agree on everything else, particularly, now that as late as last night and as early as this morning, you have come down off of the four-three interim board. We're right there, we can agree on everything. Be silent on the permanent board.

Nothing is going to happen next year because the current Governor still has the pen; if we send him some outrageous plan, he can veto it. As a matter of fact, I assured him that I, as the majority leader, would not be in support of any plan with respect to a permanent board next year, that it should wait until we find out if, indeed, there will be a new Governor and I hope there will be and if, indeed, there will be a new mayor and some hope there will be, but let's leave that aside. We needn't get into that and to hang up this General Assembly...because you know as well as I, we've all been around here long enough to know we are now stuck right on the dime and we can talk and talk and caucus and caucus and caucus and it's not going to go away; and if, indeed, one or another of these plans doesn't prevail for any one of a number of reasons, it's seventy million dollars in farm aid and a hundred million dollars earmarked for common schools and some incentive for Arlington Park and, yes, indeed, additional debt service for McCormick Place, if somehow that doesn't pull enough people together to get a constitutional majority approval, then we'll go home. Sad part is we'll be back and we'll be back and we'll be back and we'll be back. Amendment No. 7, I suggest to you, has ninety-nine percent of what we agreed to, just that one little percent; and on that basis, I urge a No vote, and I'm going to ask for the adoption of Amendment No. 8 at the proper time.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? If not, Senator DeAngelis may close.

SENATOR DeANGELIS:

Yeah, I'm obliged. Thank you, Mr. President. That was a very good closing, Senator Rock. I do have to clear up a couple of points though. Someone indicated that the problem occurred with a board composed of six by the Governor and six by the Mayor of the City of Chicago, correct, and I have

never pointed my finger at anybody on this; but they stopped a little short because the chairman was, in fact, from the City of Chicago and has been historically so, and if that person or whoever does feel that board is responsible, then that chairman cannot escape the responsibility either. I worked with Senator Sangmeister and we did work real well. Senator Sangmeister brought up something real important. The reason that this bill says up to fifty-four million, forty-five million authorized, nine million you have to come back to BOB, is 'cause I was told repeatedly, as he was told repeatedly, nobody wants to come back. But you know what, folks? We will be coming back because there's something open on this bill that yet has to be resolved. Now, when do we come back? Well, I'll tell you. We come back after the gubernatorial election and the mayoral election, but you know what, those don't bother me. What bothers me is we...we come back when the leverage is gone. So you come back to resolve a problem that you don't want to resolve today at a time in which there's absolutely no leverage to resolve but property. I don't regard this as being a Republican position or a Democratic position. I've heard more about McCormick Place, I don't even want to hear it again, and if I ever drive up there, I'll probably not want to even to look at the name; but the fact is we had a job to do and to leave that job undone because maybe somebody might think that their ego gets bruised, that somebody might think that we're changing something they don't want changed, you know, we are taking one hell of a risk. McCormick Place, Senator Poshard, is worth six Mitsubishis to the State of Illinois. Now, you guys want to shoot craps to save a little face, I don't think you're losing face. You're getting the money, you're getting the completion, you're getting the support of a lot of people here who normally wouldn't support it, and what is the hang-up? Senator Rock, I don't think I'm a bad guy for pro-

posing this. I don't think you're a bad guy for opposing it but don't think that we're obstructionists because we want a permanent solution, because that's the job we were asked to do. We were not asked to come back to this General Assembly with a report that garners enough support that perhaps somebody here would say, yes and somebody there would say yes. I didn't think that was my job, Senator Sangmeister didn't think it was his job, nobody on the committee from my side thought it was...that was the job and nobody from your side; in fact, I have to tell you, if I had to judge the criticism of McCormick Place, it probably was a heck of a lot stronger from the other side than it was from our side. But, let's wait, let's wait, wait for what? Wait for so...so we could be here till July 14th in 1987, because there won't be no leverage, we might even be here till the 1st of August; in fact, Senator Sangmeister have a resolution which may not require us to be here on June 30th, if it ever gets out of the House. The point is, that wait is a flimsy excuse. It's an absolute cover-up and I don't know how anybody in good conscience could walk back after spending the taxpayers' money needlessly for the amount of time we have and say, I'm going to come back home and leave the job undone because, you know why, 'cause some people were bothered by this. You know, we're grown-ups, we're responsible people and I think those objections are putting perfume on a pig, let's go with the truth. The fact is, we have a job to do, this does it. Does it please our side? I'll tell you, no. I have not spent some good moments in the last couple of days neither has Senator Philip and some other people, believe me, it hasn't been fun at all. We've made an effort to compromise our position; this is it, folks. I urge your support for it.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Senator DeAngelis has moved the adoption of Amendment No. 7 to House Bill 568. A roll call has been

requested. Those in favor of the adoption of Amendment No. 7 will vote Aye. Those opposed will vote Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, the Ayes are 27, the Nays are 31, none voting Present. Amendment No. 7 fails. Further amendments?

SECRETARY:

Amendment No. 8 offered by Senator Rock. The LRB number, LRB 8402545MRMLAM01.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. Amendment No. 8 contains all the good things you heard. It is a lengthy amendment, absolutely identical in its eighty-eight pages to what was offered by Senator DeAngelis with the sole, single exception in recognition of the political reality that we cannot duck, we are silent on the question of a permanent board. This amendment is, I am told, agreed to, agreed by the principals, the staff has been working, revising and revamping. The fact is, what is necessary to accomplish the purpose, the purpose that all of us want, the orderly completion of the McCormick Place expansion. It has a three-three interim board, those six will elect among themselves a chairman and a trustee will be appointed by the Governor of Illinois, the trustee to report to the board and board action is a four to three action. It's exactly got all the reforms, same financing, same duties and responsibilities. It admittedly leaves open the question of the ultimate constitution of the permanent board and I would urge its adoption.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Senator Rock has moved the adoption of Amendment No. 8 to House Bill 568. Discussion? Senator Geo-



Karis.

SENATOR GEO-KARIS:

Would the sponsor yield to a question?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Indicates he will yield. Senator Geo-Karis.

SENATOR GEO-KARIS:

Is this the amendment that ends up in 57 on the LLRB number?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

No. It ends up in 01. It's...it's a lengthy one and...and the fact of the matter is, Senator, that...I had a list here somewhere. We went all through the fifties, I believe, both Senator Philip and I...no. This...this ends up in AM01.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator...Geo-Karis. Senator Geo-Karis.

SENATOR GEO-KARIS:

...will the sponsor yield to a question, please?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Indicates he will. Senator Geo-Karis.

SENATOR GEO-KARIS:

Okay. I...I'm sorry, I had to ask you twice. Under your amendment, there will be six people, three and three and then a majority of the six, is that correct? You said four and...it would four to three. You didn't mean that did you? Did you mean four to two would be the majority?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

The interim board is exactly the same as proposed by Senator DeAngelis. It consists of six people, three each appointed by the Governor and the mayor. For board action,

four affirmative votes are required.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Geo-Karis.

SENATOR GEO-KARIS:

Then, under Senator DeAngelis' amendment, the trustee would have the right to hire and fire and the only way he would be overruled would be by a majority of the six board...is...of the members of the six...the...the...the six members of the board, am I correct, and does that apply here?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

Yes.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Geo-Karis.

SENATOR GEO-KARIS:

In other words, are you still retaining in your amendment at least fifty-one percent of the six-member board to overcome any action of the trustee?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

Yes.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Geo-Karis.

SENATOR GEO-KARIS:

Well, then, can you tell me, because I'm a little dense with all the machinations going around here, what is the difference between your amendment...the basic difference between your amendment and Senator DeAngelis' amendment?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well, could we have some order, please. We've been through this a dozen times. Senator Rock.

SENATOR ROCK:

The...the only difference and I reiterate the only difference is whether we deal with the question of a permanent board and who controls it. Senator DeAngelis'...amendment, as I understood it, called for the appointment of six by each, the Governor and the mayor, with the chairman to be designated by the Governor. The Governor himself has agreed to Amendment No. 8, leaving the question of the permanent board silent until June 30, 1987 or sometime before that point in time.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Schaffer.

SENATOR SCHAPPER:

Well, I listened to some of the speeches on the last amendment from my downstate brethren on the other side of the aisle. They seem to be saying fie on both of these amendments and pleading the case of their regions. Going to be interesting to watch the roll calls on this. The simple fact is that this is only part of the solution. This is like signing...sending somebody a...a check for sixty million dollars and not asking them to sign the loan. We can't just have a short-range vision. I would respectfully remind my colleagues that we're talking then about a...debating the permanent session...structure of the board in the midst of a mayoral primary. Now that ought to be a lot of fun. There won't be as much trouble on this side of the aisle but those of you on the other side ought to think about it. It's after the primary, Senator Rock, I fully...appreciate that but we don't introduce bills...I think the deadline for introducing bills will obviously be prior to that and there will obviously be discussion on it. The simple fact is, Senator Rock, you noted that we came off three-four. We came off three-four because we wanted to resolve the problem. We wanted to resolve the entire problem. This proposal only resolves part of it. We've been here, all twenty-eight

Republicans have been here every day this week. I don't think the other side can say their attendance has been this good. We've stayed here because we want to resolve it, not part of the problem, not the next few months of the problem but the permanent solution. We may be part-time legislators but I don't think we ought to specialize in part-time problem solving.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Kustra.

SENATOR KUSTRA:

Thank you, Mr. President and members of the Senate. First of all, I...I listened to Senator Rock in the last discussion give us the background on this and, certainly, Senator Rock, your definition of compromise surprises me a bit. You pointed out and you are right, we wanted a four-three temporary board. We wanted a seven-five permanent board. We backed off of four-three and it's three-three, we backed off of seven-five and it's six-six with the Governor appointing the chairman. You talk about compromise, you've got it right in front of you. You had it in Amendment No. 7. The other thing...let me remind each and every one of you, we've been down the road of the, hey, let's remain silent approach to dealing with McCormick Place. That's what we did in June of 1984, when at 8:30 p.m. on June 30th, we enacted that soda pop tax and we cut our deals and we gave some downstate tourism money one direction and sent two hundred and sixty-five million north to McCormick Place and we didn't provide one legislative oversight. We didn't subject any of the spending of those dollars of the bond authorization, whatever you want to call them, to one State law whether it was the Personnel Code or the Purchasing Act or the Open Meetings Act or the Freedom of Information Act. So we've been down this course of remaining silent. Now, what we want to make sure of is that that doesn't happen again, short-term

solution must come and the long-term. This Amendment No. 9 is a bad idea, all Republicans anyway and I would suggest all downstaters...I can't believe a downstater can support this amendment and go back and try to explain it to his people. This is a No vote.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Watson.

SENATOR WATSON:

Yes, sir, and thank you, Mr. President. Something that I've always done in my district and I go around and I speak to a lot of different groups and everybody says, what's the difference between a Republican and a Democrat, and really basically oftentimes you can't answer. There's no real difference between a Republican and a Democrat in the courthouse or in your precinct maybe or in Washington. But I always say there's a basic difference between a Republican and a Democrat when it...come to Springfield and you know what that difference is, that's difference of control, who's in control. Now, anybody who voted Yes on that last amendment should be consistent and probably vote Yes on this amendment. Anybody who voted No on the last amendment should be consistent and vote No on this amendment, but somebody who voted No on the last amendment and turns around and votes Yes on this amendment, it's a matter of control and who is controlling that vote. And I've said in my district, and I believe it and this is an example, the difference between a Republican and a Democrat in downstate Illinois is Chicago and the control that Chicago has over that vote and we're going to see it happen in just a few...

PRESIDING OFFICER: (SENATOR DEMUZIO)

...all right. Senator Marovitz, for what purpose do you arise?

SENATOR MAROVITZ:

I just want to know if that holds true for...

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well, Senator Marovitz, what...what...what...

SENATOR MAROVITZ:

...point of order, make a point of order.

PRESIDING OFFICER: (SENATOR DEMUZIO)

...all right...

SENATOR MAROVITZ:

Just want to understand...

PRESIDING OFFICER: (SENATOR DEMUZIO)

...state your point.

SENATOR MAROVITZ:

...if that holds true about someone who voted Yes on the last one and votes No on this one? Is that the same consistency there?

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Senator Watson.

SENATOR WATSON:

I thought I explained that and I mentioned that, so I don't think it needs to have...but that's just basically the way I feel and I have no problems necessarily with the City of Chicago, but I do have a problem in when they try to control the votes and that's what is happening. And anybody who voted No on the last amendment and turns around and votes Yes on this one, it's a matter of control and we know where it is and there's no way of denying it and somebody is going to get up in a minute and...and try to rebut this, but it's a fact and you know it. Thank you.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Lenke.

SENATOR LEMKE:

You know, I...I just wanted to get up here and...and resent the fact of saying that since I'm a city and a county of Cook County Democrat that I'm controlled by the City of Chicago. I think Phil would like to control me and...so

would my mayor and my...my Democratic leaders, but I am controlled by one factor. I am controlled by my constituency, that's how I vote and what's good for them, that's how I'm going to vote. I think it's time we get up here and start not looking around, I think a great man once said, he came down to Springfield sometime ago in the House of Representatives to speak for education; and as we look at Illinois, we don't look at it as a north or a south or a city or downstate. We look at Illinois as one thing and one issue. We look at Illinois for the basis of what it is, what we're trying to do for the State of Illinois, and to politicalize an issue on that basis is wrong. I don't look and I don't have a good farm record because I represent farmers. I have a good farm record 'cause I vote for farmers and I think it's good for Illinois and it's good for my constituency. I don't vote for coal mines in southern Illinois because I have coal mines in my district. I vote for coal mines because I think it's good for Illinois, and I think it's time now we cease this silliness that was started by a former Governor in trying to break up downstate and upstate and making it different. The people in my...district are no different than the people in anybody's district. They only want one thing, that's a job to support their family, for their kids to have a decent education and for the economy of Illinois to grow because we are betterment. So I think I resent the fact that saying I am controlled by anybody, because I am controlled by the constituents in my district and that's the way I vote; and I think that when something is wrong, it should be cured, but I don't think the wrongness should be cured by taking one...the power...the political power from one political person and putting it in the hands of another one. I think the way it should be solved is the way this bill solves it by making it mutual, by having the mayor and the Governor have equal appointments and let them choose a chairman and let

them argue until they decide who they're going have, and let them each watch each other because that's what's good for my constituents and that's what is going to save us money. So I ask for a favorable vote on this amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Dudycz.

SENATOR DUDYCYZ:

Mr. President,...I'd like to request a Republican Caucus.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well, I suggest you discuss that with your...with your leader.

SENATOR DUDYCYZ:

I did, sir. I'd like to request a...Republican Caucus.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock, for what purpose do you arise? Senator Schaffer.

SENATOR SCHAFFER:

I rise to request a Republican Caucus in Senator Philip's Office immediately.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Have any idea how long it will take, Senator Schaffer?

SENATOR SCHAFFER:

I was out buying new shirts today, in the interim you might want to try that yourself.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well,...Senator Schaffer, I...I didn't bring my checkbook. Why don't...why don't we...why don't we Recess till the hour of four o'clock. That's...it'll be a half an hour. All right. The Senate...Senate will Recess till the hour of four o'clock.

RECESS

AFTER RECESS



PRESIDING OFFICER: (SENATOR DEMUZIO)

For those of you...within the sound of my voice, we will momentarily begin. The hour of four having arrived, the Senate will come to order. When we left off, we were on the Amendment No. 8 to House Bill 568. (Machine cutoff)...right, Amendment No. 8 was offered by...by Senator Rock. (Machine cutoff)...Geo-Karis, for what purpose do you arise?

SENATOR GEO-KARIS:

Mr. President, Ladies and Gentlemen of the Senate, I move the previous question.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well, Senator Geo-Karis, the sponsor hasn't even presented the amendment yet. I think if...probably...well, I...I will defer to Senator Rock and see whether...Senator...Senator Rock, do you...I think for the edification of the members, perhaps we ought to at least have a presentation of Amendment No. 8 to House Bill 568. Senator Rock.

SENATOR ROCK:

I hear the partisan voices wafting through the rafters and that's not unreasonable. Let me suggest, Mr. President and Ladies and Gentlemen of the Senate, Amendment No. 8 is an amendment that has been worked on for sometime by very, very many people, not the least of which was the Senate Select Committee to Investigate McCormick Place. As constituted, the amendment is eighty-eight pages and is virtually identical to Amendment No. 7, virtually identical substantively. It outlines the duties and responsibilities of an interim board, an interim board composed of three appointees each of the Governor and the mayor who will when the six meet elect their own chairman. It intends to proscribe the appointment to that interim board of any current board member. It provides for an additional sixty million dollars in bond authorization. It contains a whole list of reforms that Senator

Kustra was concerned about, freedom of information and personnel and open meetings and the whole thing. The sole, single difference is the question of the permanent board, and the question of the permanent board is deliberately...deliberately left alone. Amendment No. 8 is silent on the existence of and the makeup of and the control of the permanent board, for the reason that we do not want business as usual, we have decided that as a group, and so as a group we have opted for an interim board which interim board will be in place until June 30, 1987, and will be helped in its work by the appointment of a trustee, that appointment to be made by the Governor of Illinois immediately upon his approval of this Act. We have been sitting here all week and for the last three or perhaps four, we have been negotiating in summit meetings. We have had meetings upon meetings, almost interminably, and we have sat here all week awaiting hypothetically what may or may not happen and if it happens, what the House may or may not do and I suggest to you that it is the moment of truth. I, for one, am sorry that it took all week. It needn't have, because the Governor of Illinois agreed that we should be...silent on the question of a permanent board as did the trustee designate whom everybody knows. And I suppose we're all a little tired and a little frustrated, but at this hour to have an absolute, unadulterated, flat out turndown of this amendment seems to me to be shooting ourselves in the foot, because it accomplishes everything we want it to accomplish and it effects an agreement that was struck between the two principals who are equally responsible for the current operation of McCormick Place and for the completion of that project. Amendment No. 8 is absolutely essential to the final resolution of our business this week. I am asking every member on this side of the aisle...every member on this side of the aisle to vote Aye on Amendment No. 8. It will, I suppose, be a partisan

roll call and that's not all bad because we're all partisans, that's how we get elected and every once in awhile it comes down to a partisan roll call, so be it. Once this roll call is over and the amendment is adopted, then we can move on to the consideration of other subject matter and ultimately the final resolution, but I suggest to you this amendment is absolutely essential and I urge an Aye vote by every member of this Chamber but in particular by every member on this side of the aisle.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? Senator DeAngelis.

SENATOR DeANGELIS:

Thank you, Mr. President. I rise in opposition to Amendment No. 9 on House Bill 568. I have not heard one convincing reason for supporting this amendment; in fact, I've heard some convincing reasons for probably going back and reconsidering the previous one. For those of you who found it difficult to vote for the last one, I would suggest it would be almost impossible to vote for this one. Senator Rock, there was some foot shooting going on but I think it was done on the last one, not on this one; and I might add to the members of the Body, it's been extremely difficult to get people to agree who basically have no vested interest here in this, but to turn around and then ask them to disappoint them when they came half way with something that none could find palatable, I think is really an insult to them, and I would like for you to consider your action because if and when we ever vote on 568 it's going to require thirty-six votes. This amendment goes on, they won't be there.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? If not, Senator Rock may close.

SENATOR ROCK:

Well, I...I suppose, Mr. President and Ladies and Gentlemen of the Senate, it's easy to, at this hour partic-

ularly, to make those kinds of representations. I suppose I could make the same kind of representation. If it doesn't go on, we may not get thirty-six anyway. The fact of the matter is, we have worked too hard and too long to see this whole process and the substantive work product go asunder because of some partisan pique. This amendment represents an agreement, an agreement by the head of your party and by the chief executive of the City of Chicago, and incorporates all the things that all of us wanted, or at least as I read in the report, all of us wanted. I am again asking that you reconsider your position and that the members on this side support Amendment No. 8 unanimously, and when we get to the final roll call, at that point, every member will determine for himself how he or she is going to vote. In the meantime, it seems to me, in our best interest that we get there, so let's get there. I urge an Aye vote.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Senator Rock has moved the adoption of Amendment No. 8 to House Bill 568. All those in favor will indicate by saying Aye. Opposed Nay. Roll call has been requested. Senator Rock has moved the adoption of Amendment No. 8 to House Bill 568. Those in favor will vote Aye. Those opposed will vote Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? (Machine cutoff)...all voted who wish? Last call. Have all voted who wish? Take the record. On that question, the Ayes are 29, the Nays are 29, 1 voting Present. Amendment No. 8 fails. Senator Rock, for what purpose do you arise?

SENATOR ROCK:

I respectfully request a verification of the negative roll call.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Senator Rock has requested a verification of

those who voted in the negative. Senators will be in their seats. The Secretary...will read those who voted in the negative. Mr. Secretary.

SECRETARY:

The following voted in the negative: Barkhausen. Bloom. Coffey. Davidson. DeAngelis. Donahue. Dudycz. Dunn. Etheredge. Fawell. Friedland. Geo-Karis. Hudson. Karpel. Keats. Kustra. Macdonald. Mahar. Maitland. Philip. Rigney. Rupp. Schaffer. Schuneman. Sommer. Topinka. Watson. Weaver. Welch.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock, do you question the presence of any member?

SENATOR ROCK:

No, I question only their vote, not their presence.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. On a verified roll call, the...there are 28 Ayes, 29 Nays, 1 voting Present. Amendment No. 8 fails. Further amendments?

SECRETARY:

Amendment No. 9 offered by Senators Maitland and Berman. LBB No. 8402545XKCSAN43.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Maitland.

SENATOR MAITLAND:

Thank you, very much, Mr. President, Ladies and Gentlemen of the Senate. Last Spring, this Legislature passed a number of...of very good...a...a number of very good programs and those very good programs needed to be funded by some new revenue streams. Among those revenue sources was the cigarette tax and we were advised at that time that on October 1st, the tax that was previously collected by the Federal Government would come off on that date. The language as we placed in that bill indicated that if the tax did not come out, we could not have the additional tax. It is now known

by all of us that that extension was granted and the Federal Government continues to collect that tax. In order to carry out not only the reform package that we passed last Spring but indeed all of the other worthwhile programs that this General Assembly strongly supported, it's necessary that we have the revenue that we lost as a result of that extension. Amendment No. 9 to House Bill 568, therefore, reinstates as of December 1st, 1985, the eight-cent tax on cigarettes. That revenue is worth nine million dollars to this State every month. That tax for an annual amount represents about a hundred and nine million dollars, absolutely necessary to carry on the programs that we passed last Spring. Let me suggest to you a couple of the changes that have been made as the bill passed in Senate Bill 730 last Spring. First of all, there was some controversy, as you recall, with respect to the inventory tax on the cigarettes...the cigarettes that were the property of the distributor at that time, an inventory had to be taken. This does not address the cigarettes that are now in inventory but rather would only tax those cigarettes that come into inventory after December 1. It further increases the credit period allowed to purchase to thirty days rather than the twenty-one days, and this is a direct benefit to the distributor. I would further indicate to you that six million dollars of this tax on a monthly basis is earmarked for the Common School Fund, similar to the way in which we handled it in the lottery bill last Spring. The remaining money will go into general revenue from which, as you know, about forty percent goes to education and the rest to other worthwhile programs in the State. Mr. President, my fellow colleagues, I believe very strongly that this tax is necessary and I would suggest that if we supported it last Spring, it is therefore necessary and prudent that we support it today. I ask for your support of Amendment No. 9.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Discussion? Senator Carroll.

SENATOR CARROLL:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. I'm going to rise in opposition to this amendment. I don't think we should be fooled again as we were fooled before, and I think we should bite the bullet and decide what we really want to do about education reforms. I can agree quite wholeheartedly with Senator Maitland, Senator Berman and others that having passed the reforms we have to pay for them. The difference is we were lied to and now I say unequivocally again, we are at least trying to be fooled or hoodwinked into what appears to be a tax to cover a cost which will not, in fact, produce the dollars and that bothers me. It bothered me when the Governor told us that this would be a replacement tax, he absolutely guaranteed it. It bothered me when he came back from a meeting with the President of the United States and was told absolutely, unequivocally this would be a replacement tax of a Federal tax and they lied to us because, yes, that made sense. It didn't cost the people any more, it merely took a tax that they were currently paying to Washington and returned that money to the states where it belongs, and we were earmarking it for a most noble purpose to improve the quality of education. But what do we see now? Now we see a tax that will increase by eight cents and make it so that at least in my community it would be silly to buy cigarettes in Chicago. My God, it would be a four and a half to five dollars a carton cheaper to drive over to Indiana, a mere half-hour away to buy cigarettes for local consumption and I don't smoke them, I don't have to pay the tax, but we're imposing a tax, a tax, a tax on our consumers and not getting the job done. If it got the job done, sobeit, it's an intelligent decision by a General Assembly. But what's really going to happen? We saw what happened in other states when they merely increased the tax and, yes, we

saw in the City of Chicago and in the County of Cook what happened when they raised the tax. The volume dropped, consumers are not dumb, the volume dropped, so the monies projected were never seen. When we're done at the end of the day, we're going to be at least twenty, thirty million dollars short and we're going to be back here again voting for another tax. If we're going to do that, let's do that now, let's do that intelligently and find the money, but to say this is the solution is ridiculous. We know it caused a thirty percent drop in volume of sales when they last raised the tax. So who are we kidding? This will not get the job done and once again we'll be back here saying, we must pay for reform. Well, we must, but let's do it knowingly and let's do it intelligently and you're not talking about merely those who bring truckloads of cigarettes in; hopefully, the Department of Revenue will stop that. What we are talking about is the average worker in the factory taking a twenty minute ride and bringing back ten or twenty cartons for himself, his family and maybe a few of his neighbors and who does that hurt? Illinois jobs. Who does that hurt? Illinois taxing bodies who get the sales tax revenue. Yes, there was an effort in this bill to add a tax upon a tax. Yes, there was an effort in this bill to recognize that shortfall because now they have also said the sales tax will apply to the State tax, something new in an effort to make up to the city and county that shortfall. They know it's there, why are they fooling us once again? And to pay a tax on a tax and still, in my opinion, leave the city and county two to four million dollars a year short from where they are now just makes no sense. We're just encouraging jobs to leave Illinois by encouraging our consumers to go out-of-state in any of our border areas to buy these cigarettes because they will be enticed by about a one-third less cost, that's silly. Let us do the right thing and impose a tax that will produce



the revenue and not have to be back here a third time to do what we were promised would be the result to the first act.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? Senator Weaver.

END OF REEL

REEL #4

SENATOR WEAVER:

Mr. President, a parliamentary question. Amendment No. 9 deals with the Illinois cigarette tax. I was just...question it's germaneness to House Bill 568.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Amendment No. 9...this amendment seeks to raise the cigarette tax in order to provide for a funding mechanism for improving the State's educational system. The subject of the amendment, therefore, relates to the subject of the bill, the promotion of economic develop in Illinois; therefore, Amendment No. 9 is germane to House Bill 568. Further discussion? Senator Keats.

SENATOR KEATS:

I just wanted to make two fairly brief points. One, I appreciate the previous...speaker as he puffs on his cigar, I don't think those are covered by the tax; but in the Chicago region, you're paying about...paying roughly fifty-one cents now, you add eight cents, you're roughly fifty-nine cents in terms of taxes on a pack of cigarettes. Now if you were going from zero to eight, that's a big percentage; where you're going fifty-one to fifty-nine it's irrelevant, but you say we're going to lose money and I appreciate it, but in...in reality you're completely in error, 'cause even if we do lose a little bit of ground on the cigarette tax, the second largest cost under Medicaid...the biggest cost is believed to be just poor health, poor nutrition. The second largest cost it is believed to be is the negative effects from smoking. We may lose a little on the cigarette tax, but we could save a fortune on Medicaid and if we could...somehow entice a few people to quit smoking, you would save the State

a fortune and maybe we ought to add a buck and a quarter on taxes and put it all on to pay for the Medicaid.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? We have several speakers.  
Senator D'Arco.

SENATOR D'ARCO:

...is Aldo DeAngelis here? Where did Aldo go? Is he smoking his head off someplace or is he still here? Keats, you hear what I'm saying to you, pal?

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Geo-Karis.

SENATOR GEO-KARIS:

Mr. President and Ladies and Gentlemen of the Senate, the prior speaker has said that people will go to the border areas...across the border to buy their cigarettes cheaper. Well, it takes gasoline to get there and that's more expensive than eight cents per...cigarette tax on a...on a package. I might point out something to you that Congress...your Ways and Means Committee and what have in Congress have said that they cannot eliminate the cigarette tax. I have polled over five hundred people in the last month, person to person, and I've asked, do you want us to raise your sales tax for education? Do you want us to raise your income tax for education? Answers were no and no. Do you want us to raise the...the tobacco tax on...on your cigarettes? I'd rather have that. Two reasons; the one that Senator Keats spoke for health; the other reason is, it's a luxury tax and a luxury item, and I think you will find if you talk to your constituency that they would rather have this kind of a raise in tax than any other, and I can...assure you, out of five hundred people that I polled not one was against raising the cigarette tax and most of them are smokers. So, I speak in favor of this amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Lemke.

SENATOR LEMKE:

Just a point of...how much revenue is this going to raise?

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator Maitland indicates he will yield. Senator Maitland.

SENATOR MAITLAND:

Senator Lemke, it...it will raise roughly nine million dollars per month.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Lemke.

SENATOR LEMKE:

Nine million a month?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Maitland.

SENATOR MAITLAND:

That is correct.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Lemke.

SENATOR LEMKE:

In this nine million dollars, is that all going into education...

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Maitland.

SENATOR MAITLAND:

Well,...well, thank you, and...and again, I will respond for a second time also. They...yes, we do in the...in the bill dedicate six million dollars of that money to the Common School Fund on a monthly basis, yes.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Lemke.

SENATOR LEMKE:

Where does the other three million go?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Maitland.

SENATOR MAITLAND:

Again, as I indicated on my opening remarks, the other three million or whatever that remaining amount is, will go to general revenue from which education is also funded by about forty percent from that fund and the rest will go to other State services.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Lemke.

SENATOR LEMKE:

Well, now here we go again raising taxes 'cause this is the solution. We came into education reforms and I...I believe I...I...I was out in Washington D. C. and we...and talked to some of the staff, both with the President's Office and the Senate and the...and the House, and I was advised that this tax was not coming off, and when I came back here I said...and...and we were assured by the Governor by...that the President said it's coming off. Well, I have never seen the Federal Government take a tax off. The last tax they took off was Lyndon Johnson, he took off the excise tax that was put on...on telephones for World War I and he put it back on in six months later. So, it's silly to think that the Federal Government is going to eliminate taxes, they're going to increase taxes just like everybody else wants it; but the silly part of this is, I understand that there is a supplemental bill coming in here for over three hundred and ninety million dollars to operate State Government. Why do we have to put a tax on now? Why can't we wait the...the time out, do a study how much money we need, where the money is coming from, whether it's necessary that we buy this structure or rent this structure in the City of Chicago for ten million dollars for an unemployment office? Why don't we do a good study so we can see if we're appropriating the money properly

and we got the funds and we don't have to raise taxes? See, the present government...Governor's solution to every problem...he has raised every tax in the State of Illinois sometime or the other. He is completely against taxes, yet he raises taxes. This is their issue. They keep raising taxes. This is a raise in the tax...think we should be serious about it, we should study it. If we're taking nine million dollars here and we're going to give money to the race tracks, then we're going to take money out of the General Revenue Fund to fund it, what are we doing? We're helping millionaires make bigger profits in taxing, yes, and I'll tell you who you're taxing...who do...who does the smoking? A lot of senior citizens that have been smoking all their life and it is very hard to quit, young kids that use their lunch money and if you think you're going...you're going prevent them from smoking, you're not. I mean, you're talking...you're talking raising taxes and...and lowering taxes...lowering taxes for wealthy, raising taxes for the...the middle-class and the poor, that's what we're talking here. If you think that this is a good proposal, then maybe we should put it on here and I...I think the Governor...we should also put every time they're ready to buy a pack of cigarettes...a little sign, Governor Thompson has increased your taxes again on this pack of cigarettes eight cents. We should put that forth, we should do that, but to fund education...we have the money to fund education, we have the money right now to fund education and fund the reforms 'cause it's in the budgets and I'm telling you right now, let's not do it now. Let's wait until next year when we talk about appropriations and if...if there isn't the money there, we'll find the money to do this and I think it's proper that we do it now, and I don't think it's now that we should raise taxes. This is not the time, it's not the...the place and I think we should wait until next year so we can properly look

at this question. I'm...I'm going to urge...a No vote on this question.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Schaffer.

SENATOR SCHAFFER:

Well, any tax increase vote is a tough one and I...I, like Senator Geo-Karis, have done a poll in my district on education reform. The overwhelming vast majority of the people would like to fund it through a cigarette tax. I didn't know I had that many...nonsmokers. The real question though before we impose any new tax of any kind is, do we have to do it, and is the reason we want to do it viable and necessary and legitimate? This Senate last Spring voted, I think, 56 to 2 for a major education reform package, a package, by the way, I think was...I wasn't happy with everything in it, but I think overall it was a pretty darn good work product, something we can all be proud of, something the rest of this country has taken note of, something the Illinois General Assembly has done that has gotten us a lot of very favorable comment around the country and, I might add, I think justly so. Before we vote on it, we have to make sure it's a noble cause. Well, I think it is. It's a necessary cause. And then the question is, what are the alternatives? Well, I look at the...that supplemental and I find that the vast majority of that money is not GRF and the vast majority of the GRF money requested for supplemental is income tax refunds. Well, I don't know how we don't send people income tax refunds, and I think to use that as a...well, not...not a terribly good argument. The question is, do we have enough revenue being generated without this? I've sat in the briefings, I've sat in three or four briefings, I've seen those slip charts from the Bureau of the Budget. We've asked some tough questions. I've come to the conclusion; yes, if we want to be responsible, we have to do this; yes, if we

want to keep our commitments to education. During a recent meeting of the oversight committee, I asked Superintendent Sanders if he had to cut a hundred million dollars out of the reform package where he'd do it. He just sort of visually paled. He didn't give me an answer and I don't really blame him. If we want to keep faith with those people that gave us high marks for that education package, if we want to keep faith with the children of this State whose education we are no small part responsible for and if we want to keep faith with the future of this State because we have a...a good education system for our children, I think a Yes vote is a responsible vote, a necessary vote. Let's do it now before we get sucked into an election year whirlpool and we all lose sight of what's right and just think about what's political. This is right, it's necessary and it's appropriate, and I urge a Aye favorable vote.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Can we have some order, please. Senator Berman.

SENATOR BERMAN:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. I rise in strong support of this amendment. Senator Schaffer stole most of my lines and I think that's somewhat unique that I find myself siding with my good friends Senator Schaffer and Senator Keats and in opposition to my good friend Senator Carroll on an issue involving education, but I think it's important to clarify the differences. Senator Carroll is right but there's nobody marching behind him. For...since October 1st, when the President reneged on his commitment to the Governor to allow us to raise the cigarette tax because the Federal tax was going to come off, I and others have been exploring among the members of both Houses where we can get support for an alternative tax, because there is one thing that I think was



indisputable...indisputable when we passed the reform package. Everybody that voted Aye and the two people that voted No agreed that if we're going to pass reforms, we were going to pay for them. Am I right? Okay. There wasn't anybody, there wasn't any person that didn't admit as we were debating the reforms that it was our obligation to fund those reforms and we had a beautiful vote of 56 to 2. That was a great, strong commitment. For years we've gone up and down this...the school districts of this State and heard the harangues, many of which were justified, about passing mandates without funding them and we all proudly stood up and said, these are mandates, these are reforms and we're funding them. The funding mechanism fell apart. This is the funding mechanism. It's our obligation to live up to our word. I would suggest to you that the public, our voters, regardless of party persuasion, regardless of whether they're smokers or not, expect us to vote Yes today on this issue. If you don't vote Yes today, the momentum is gone, the political posture changes and the Spring is a different ball game, and we will have reneged on our commitment to fund the reforms. This is the time, this is the opportunity. If our best projections are not there and the money doesn't flow in, then the ball is back in our court and we look again; but today, I'm not ready to say the money isn't going to be there. We have communicated with our Congress...Congressional delegation and have asked them to do something for Illinois and perhaps opt us out if there is an extension beyond the forty-five days, but irregardless of that, the public expects us to live up to our word. An Aye vote on this amendment is living up to our word for our school children in Illinois.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Holmberg.

SENATOR HOLMBERG:

Thank you, Mr. President. I, too, rise in strong support

of this increase in the cigarette tax. I've been watching my mail closely, having been very much concerned with the whole educational reform package, and I have yet to receive one letter in objection to this proposed cigarette tax. In addition, we must keep in mind what research is showing us that for every increase in a tax of this size on cigarettes, seventeen percent fewer of our young people even begin to smoke. So, we are giving them a double prize, a better education and a chance at a healthier adult life style. True, sometimes we don't get rid of certain taxes, but if all goes the way we would hope with fewer people smoking, perhaps this will be a tax that will bring diminishing returns and we may, someday, perhaps with pleasure, have to look for another source of revenue for education. In the meantime, we have promises to keep. The time is now to keep our commitment for paying for an educational package that we are all very proud of.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Lechowicz.

SENATOR LECHOWICZ:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. I'll be brief, but I think just to clear the record, it should be pointed out in the May and June Session when we discussed educational funding and we discussed funding in the...out of the general revenue funds for the remainder of State Government, the increases for the code departments came from general revenue and the increase for education came from a pending, somewhat tenuous eight cent tax on cigarettes; and I didn't speak to the President of the United States but I did speak to Congressman Dan Rostenkowski in May and June, and I pointed out quite vividly in the Democratic Caucus in Senator Rock's Office that that funding was quite questionable, and if you wanted to do something for funding for the educational students of this State, it should have been

reversed at that time because we knew it then that the eight cent tax was going to be reimposed by the Congress of the United States. It was raised by Senator Rock to the Governor. The Governor rode with the President. He asked him a direct question and he received a direct response, if he receives this tax, he will veto it. Well, you and I know exactly what happened, he's going to receive this tax and he's going to accept it. Now, we're being asked for a questionable eight cents...an additional eight cents to bail the Governor out. What are we doing here? We're talking about a possibility of a hundred and eight million dollars of which eighty-four is supposed to be designated for education and that is questionable, and Howie is right in how much money you're going to really be raising on this issue. I don't believe that we have the answers today. I don't believe we know what the numbers are today and I don't believe what if...if...if and when this goes to the House, it's going to remain at eight cents or five cents or two cents or no cents. Look at it from your own perspective, ladies and gentlemen, you've just extended yourself on McCormick Place and that's part of this equation and it's not there. Now you're extending yourself on this equation, tenuously may I say, and I don't know if it's going to be there or not, but I will strongly...recommend at this time, this measure should be defeated, this bill should be...remain in this Chamber until we get a couple of other things taken care of and I intend to vote No.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Rock.

SENATOR ROCK:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. Question of the sponsor, if he'll yield.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Indicates he will yield. Senator Rock.

SENATOR ROCK:

Whose amendment is this, Senator Maitland?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Maitland.

SENATOR MAITLAND:

Senator Rock, it's my amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

And I...and that's a fair statement and I didn't mean to put you at a partisan disadvantage. The fact is this was proposed by the Governor and his Department of Revenue understandingly. He has been speaking to this point for probably the last three weeks. And as Senator Berman indicated and as Senator Schaffer indicated, this is, indeed, a noble cause and one that I, for one, am prepared to support and have told the Governor I am prepared to support because the alternatives are not very pretty. It will somehow, in the view of many, suggest that we have reneged on our otherwise firm commitment to education and I don't think we should do that. But we have now been confronted with, in my judgment, a little bit of partisan amateurishness. An agreement is an agreement is an agreement or a deal is a deal, as is said. I am going to stand here at this time and urge a No vote on Amendment No. 9. I think the subject matters that we have been discussing are, in the words of some of the other leaders, inextricably tied together; and unless we're prepared to vote on the package, I, for one, am not prepared to ask my members to support a tax increase of any kind even though it be a noble cause. I urge at this time a No vote.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? There being none, Senator Maitland, you may close.

SENATOR MAITLAND:

Thank you, very much, Mr. President. I, too, am disappointed that this seemingly has become a partisan issue. I think this is quite apart from the issue we debated earlier this afternoon and I'm disappointed that it ends up the way it does. But let me suggest to the Body that...not since 1969...not since 1969 has the State of Illinois increased the tax on cigarettes. Each state and its taxing policy is judged as an aggregate and we all have different means by which we tax and when people look to your state they question whether it's a tax favorable state or not, and, indeed, we continue to be a tax favorable State. We passed this tax last Spring and tied it to the educational reform package for a reason. No other state in this nation had reacted to the criticism of "A Nation at Risk" and the other reports as did Illinois, and this is a known fact and we're talked about across this nation; and if you don't believe that, you read some of the educational publications and the business publications, and we tied it to Build Illinois and we began to move forward. Now we can pass the blame to a lot of people as to why that eight cent tax didn't come off. I can blame Congress as much as I can blame the President, but the fact of the matter is, it happened. And, Senator Carroll, no one in this Chamber understand the...understands the State revenue any more than you do, and you know what the future looks like for funding and revenue and it concerns you as much as it does me. If we delay this vote this Fall and wait until next Spring, and if at best we pass a cigarette tax or some other tax that generates this amount of revenue, we will have lost at least seventy-five million dollars; and, yes,...yes, in this amendment we dedicate the money...most of the money to the Common School Fund, but each and every one of you in this Chamber and the House members looking on know that if this revenue is not there, not only do schools lose

but all the other necessary agencies in State Government, all of them lose because this is all a part of the revenue scheme. My fellow colleagues, this is a very important vote here this afternoon. I can't go back to my district, nor can you, having said no to not only the increased funding for education but, indeed, all the other State agencies that need this revenue. I beg of you to forget about partisan politics on this issue and vote Aye on Amendment No. 9.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Maitland has moved the adoption of Amendment No. 9 to House Bill 568. Those in favor will vote Aye. Those opposed will vote Nay. The voting is open. Have all voted who wish? Senator Savickas. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, the Ayes are 33, the Nays are 23, none voting Present. Amendment No. 9 is adopted. Further amendments?

SECRETARY:

Amendment No. 10 offered by Senators Rock and Philip.  
LRB No. 8402545JMLAM90.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Philip.

SENATOR PHILIP:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. This is the severability clause. If any part of the bill will be declared unconstitutional, the rest of it would still stand. It's technical in nature. Be happy to answer any questions. Move its adoption.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator Philip has moved the adoption of Amendment No. 10 to House Bill 568. Any discussion? Senator Lechowicz.

SENATOR LECHOWICZ:

Is the amendment germane?

PRESIDING OFFICER: (SENATOR DEMUZIO)

The severability clause is technical in nature and is always germane. Further discussion? If not, Senator Philip has moved the adoption of Amendment No. 10 to House Bill 568. Those in favor indicate by saying Aye. Opposed Nay. The Ayes have it. Amendment No. 10 is adopted. Further amendments?

SECRETARY:

Amendment No. 11 offered by Senator Philip. LRB No. 8402545SJDVAM99.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Philip.

SENATOR PHILIP:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. This is also technical in nature. It allows the amendments to be put in the proper order. Happy to answer any questions. Move its adoption.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Philip has moved the adoption of Amendment No. 11 to House Bill 568. Any discussion? If not, those in favor indicate by saying Aye. Opposed Nay. The Ayes have it. Amendment No. 11 is adopted. Further amendments?

SECRETARY:

No further amendments.

PRESIDING OFFICER: (SENATOR DEMUZIO)

3rd reading. All right, with leave of the Body, we'll go to the Order of Resolutions. Is leave granted? Leave is granted. On the Order of Resolutions.

SECRETARY:

Senate Resolution...

PRESIDING OFFICER: (SENATOR DEMUZIO)

...oh, oh, oh,...just...Senator Newhouse, for what purpose do you arise?

SENATOR NEWHOUSE:

Amendment No. 12.

PRESIDING OFFICER: (SENATOR DEMUZIO)

I am...well, the amendments, in fact, were filed. The staff indicated that you wished to withdraw them. The Secretary, at that point, did not...Senator Newhouse. Senator Newhouse.

SENATOR NEWHOUSE:

Can I take them over to talk to my handlers here?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well, yeah. Senator Rock, for what purpose do you arise?

SENATOR ROCK:

I...I would request that while we're sorting this out, Senator Philip and I will visit...and hopefully get back to this rather quickly. If we can just stand at ease for about ten minutes, we're going to go down and visit with His Eminence.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock, we have some housekeeping matters...resolutions. Can we just take those? All right, with...with leave of the Body, we will go to the Order of Resolutions. Is leave granted? Leave is granted. Order of Resolutions, Mr. Secretary.

SECRETARY:

Senate Resolution 581, 582, 583 and 584 offered by Senator Vadalabene and all Senators, and they are congratulatory.

Senate Resolution 585 offered by Senators O'Daniel, Jerome Joyce and all Senators, and it's congratulatory.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Consent Calendar. Senator Berman, for what purpose do you arise?

SECRETARY:

...Senate...Senate Resolution 586 offered by Senators Berman, Maitland, Rock and Philip.

PRESIDING OFFICER: (SENATOR DEMUZIO)



Senator Berman.

SENATOR BERMAN:

I would just ask for leave to come back to that before we adjourn.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator Berman has requested leave of the Body to return to the Order of Senate Resolution...what's the number, Mr. Secretary?

SECRETARY:

586.

PRESIDING OFFICER: (SENATOR DEMUZIO)

586. Is leave granted? Leave is granted. All right, resolutions.

SECRETARY:

Senate Resolution 587 offered by Senators Bloom, Joyce, Luft, Sommer, Welch and others.

And Senate Joint Resolution 104 offered by Senator Welch.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Executive. All right, the Senate will stand at ease for about ten minutes.

PRESIDENT:

The Senate will come to order. Senator Schaffer, for what purpose do you arise?

SENATOR SCHAPPER:

Mr. President, to request a Republican Caucus in Senator Philip's Office immediately.

PRESIDENT:

That request is in order. The Senate will stand in Recess until six-thirty for the purpose of a Republican Caucus. Senate stands in Recess.

RECESS

AFTER RECESS

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Vadalabene, for what purpose do you arise?

SENATOR VADALABENE:

Yes, first, I'd like to have a little order and...I'm rising on a point of personal privilege. About three days ago, I passed out the veteran's address for Armistice Day. During the caucuses, and I've been sitting here at my desk, several of my colleagues want to know what to do with those addresses. Are we going to be here on November 11th or do I ask for those to be returned?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well, is that a motion?

SENATOR VADALABENE:

Well, that was a question.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well,...I...I don't have my crystal ball right now. Senator Vadalabene.

SENATOR VADALABENE:

Yes, thank you, Mr. President. That's the information I wanted.

PRESIDING OFFICER: (SENATOR DEMUZIO)

...Senate will come to order. Senator Rock, for what purpose do you arise?

SENATOR ROCK:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. If I can have the attention of the members and ask those who are still in their offices or on the telephone to please join us, we are...we are going to make what I hope will be an attempt to wind up or wind down our business; and by business I mean addressing the issues that ought to be addressed and we are, obviously, at something of a stalemate, at least for the moment. My suggestion is...and I well understand that the Republicans just had a caucus and Senator Philip and I had a chance to visit with the Governor. My suggestion is as an opportunity to move along, if that opportunity does not escape us, we can conclude this matter this

AB 568  
Recalled

evening and in my view even conclude and send to the House the supplemental appropriation request this evening. In the event we cannot, obviously, we'll be back here tomorrow morning. In order to attempt that orderly conclusion this evening, I would remind the members, if they don't already know, the House has adjourned until ten o'clock tomorrow morning because they were not prepared to wait on us this evening. We can legitimately, I think, conclude and send to the House something for their action this evening. In order to accomplish that,...two things immediately and then if we don't accomplish it, we adjourn until tomorrow. One is a motion to reconsider which I understand has been filed by Senator Rupp, that is the motion to reconsider the vote by which Amendment No. 7, I believe, lost. That is the Republican Senate version of the McCormick Place governance. I am going to, at the time the motion is put, two things; one, I'm going to ask leave that we go to that order to afford them that opportunity; and two, then I...I am prepared to speak again in opposition to that motion on a number of bases, but it...we can wait for that. At the conclusion of that vote, when, indeed, the motion to reconsider fails, as I hope it will fail, I am prepared and have filed Amendment No. 12. Amendment No. 12 is a compromise position. If Amendment No. 12 is not adopted, at that moment, I will put the motion to adjourn until ten o'clock tomorrow morning. So, with those three motions in mind, Mr. President, I suggest we, with leave of the Body, move to the Order of Motions in Writing.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Well, Senator Philip, for what purpose do you arise?

SENATOR PHILIP:

Yeah, thank you, Mr. President. I'd ask leave to move to...Senate Bill 568 from 3rd reading to 2nd reading for purpose of a motion...and amendments.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator Philip...Senator Philip has moved, with leave of the Body, to return House Bill 568 to the Order of 2nd Reading for the purpose of considering the motion and amendment. Is leave granted? Leave is granted. House Bill 568, on the Order of 2nd Reading, Mr. Secretary.

SECRETARY:

A motion in writing. Having voted on the prevailing side, I move to reconsider the vote by which Senate Amendment No. 7 to House Bill 568 failed. Signed, Senator Rupp.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rupp, the Chair apologizes to you...you have been pushing your speak button and apparently it is not recording either here nor on the board. Senator Rupp.

SENATOR RUPP:

Thank you, Mr. President. Having voted on the prevailing side on House Bill 568, Amendment No. 7, I make a motion that the vote by which House Bill 568, Amendment No. 7 failed be reconsidered.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, you've heard the motion by Senator Rupp. Senator Rupp has moved to reconsider the vote by which Amendment 7 to House Bill 568 failed. Discussion? Senator Rock.

SENATOR ROCK:

...is...is there...I'm speaking in opposition to the motion. Is there nobody speaking in favor of it...if there's nobody in favor of it, why are we doing it?

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, discussion? Senator Rupp.

SENATOR RUPP:

Yeah, thank you, Mr. President. I did vote No. I am going to change my vote and vote Yes. I think the reason is that there has been a lot of time spent, a lot of effort and I think it's worthwhile to make another attempt at this time. I think I would be remiss and not really responsible if I did

not make that effort, and that's why I'm voting and changing my vote.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator...Senator Kenny Hall.

SENATOR HALL:

Oh,...that's all right, I don't...I don't need to say anything.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? Further discussion? All right, Senator Rupp has moved to reconsider. Senator Rock.

SENATOR ROCK:

Everything the gentleman said I agree with, and I hope he has the same posture when we get to Amendment No. 12. It really ought to be adopted so that we can move along in an orderly fashion. My objection to Amendment No. 7, frankly, stands and I am again standing asking the members of the General Assembly in the Senate to vote No on the motion to reconsider, to vote No because Amendment No. 7 does not represent the agreement that was crafted after interminable hours of negotiation by the leaders and the principals involved with the operation of McCormick Place. We just ought not do this and there isn't any reason to do this except, I guess, a pure spirit of partisanship, and I understand partisanship, believe me, I am a partisan. This is neither the time nor the place, because before I offered Amendment No. 8, and when this motion fails, I will have Amendment No. 12 which again attempts a compromise. So, I am asking as loudly and as clearly as I can ask that if, indeed, we are to move ahead tonight and pass this legislation to the House and then deal with the supplemental appropriation requests, please, vote No on the motion to reconsider Amendment No. 7.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? There are...there are two additional lights. Senator DeAngelis' light was on first. Senator DeAngelis.

SENATOR DeANGELIS:

...thank you, Mr. President. I think we're debating the amendment rather than the motion and all we're asking for is an opportunity to bring back this amendment. I don't think that's an unreasonable request. I think in our form of democracy it ought to be granted and we ought to go through it again.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Rupp may close. SENATOR RUPP:

Thank you...my...I have heard on this Floor assurance and assurance and assurance that there is just this little bit of difference between this and the other proposal, and because of there being just that little shadow of a difference, we should accept it. I would like to reverse that now and say there's just a little shadow of a difference between the other proposal and this one and I now ask you folks also to accept it.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator Rupp has moved to reconsider the vote by which Amendment No. 7 to House Bill 568 failed. All those in favor will vote Aye. Those opposed will vote Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, the Ayes are 28, the Nays are 30, none voting Present. The motion to reconsider is lost. Senator Rupp.

SENATOR RUPP:

Mr. President, I'd like a verification of the No votes.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rupp has sought leave of the Body to verify the...the negative votes, Senator Rupp?

SENATOR RUPP:

...Mr. President.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Mr. Secretary, would you please read the members who voted in the negative.

SECRETARY:

The following voted in the negative: Berman, Carroll, Chew, Collins, D'Arco, Darrow, Dawson, Degnan, Demuzio, Hall, Holmberg, Jones,...Jerome Joyce, Kelly, Lechowicz, Lemke, Luft, Marovitz, Nedza, Netsch, Newhouse, O'Daniel, Poshard, Sangmeister, Savickas, Smith, Vadalabene, Welch, Zito, Mr. President.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator Rupp, do you question the presence of any member who voted in the negative?

SENATOR RUPP:

Joyce.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator...which Senator...which Joyce?

SENATOR RUPP:

Chicago Joyce.

PRESIDING OFFICER: (SENATOR DEMUZIO)

...Senator Joyce did not vote. Good try. Do you question the presence of any other? All right, on a verified roll call, the...there are 28 Ayes, 30 Nays, none voting Present. The motion to reconsider Amendment No. 7 to 568 fails. Further amendments?

SECRETARY:

Amendment No. 12 offered by Senator Rock. LRB No. 8402545RLMLAM\*\*.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock.

SENATOR ROCK:

Thank you, Mr. President and Ladies and Gentlemen of the

Senate. Contrary to opinion over here, it is not a congratulatory amendment, and the fact that it says AM has no particular significance excepts that's a Reference Bureau designation. Let me explain to you Amendment No. 12. Amendment No. 12 is identical to Amendment No. 7 with two important exceptions. It includes the language to which Senator Marovitz earlier alluded. It says as a matter of flat prohibition that current members of the MFEA Board cannot be reappointed to the interim board. We all agree on that. No question about that. All we did was clear up the language, put it back in the way it was in there originally in every draft we had ever seen. Second change is that...in response and in an attempt to compromise, in an attempt to assuage, in an attempt to cajole, persuade, whatever you call it. Amendment No. 12, let me say so it's ineluctably clear, is that amendment that's agreed to by the Governor and the mayor and represents in all its facets what the committee at least of the Senate has said are necessary in terms of reform, and it provides for an additional sixty million dollar in bond authorization. And it...in an attempt to strike a compromise to find some common ground, I have listened and I have heard Senator DeAngelis and, Senator DeAngelis, I don't want you to go back to your district and say we haven't done the whole job, that there's a hole out there. Amendment No. 12 provides for the appointment of a permanent board on January 1,...July 1, 1987 to be composed of six members appointed by the Governor and six members appointed by the mayor and the board will select its chairman. Now let me point out, that's current law and current law also installs the mayor and the Governor as members ex officio of that board, and so in their respective wisdom, when that day arrives a year and a half from now after the interim board with the appointment of the trustee by the Governor has completed its task, with the interim board that has to act four to three, with the trustee



doing all the things that we are asking him, the former Governor, to do, at that point the Governor will appoint six and the mayor will appoint six; and I can't tell you today who is going to be the Governor and who is going to be the mayor, but whoever it is, they're both on the board, and it seems to me that those fourteen people can sit down and elect a chairman or perhaps they might even elect a cochairman, it's not our problem, shouldn't be our problem. I attempted by Amendment 8 to say, we'll deal with it later when we know more about the politics. This is essentially the same thing except it says we are reestablishing a permanent board, there's no more hole, our job is over. The only thing yet remaining is whether or not BOB is going to sign off once they reach the forty-five million dollar mark and have to go beyond that and whether or not the trustee can, in fact, complete it. This I hope...this I hope will get us off the dime. It should get us off the dime because if this amendment is rejected, I am then going to move for a motion to adjourn until ten o'clock tomorrow morning and I really don't want to do that. I ask the adoption of Amendment No. 12.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator Rock has moved the adoption of Amendment No. 12 to House Bill 569. Is there discussion? Senator Philip.

SENATOR PHILIP:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. Once again, this is an unacceptable amendment, and very honestly, it's an argument perhaps over philosophy. We happen to think if it's a hundred percent State funded that the Chief Executive Officer of this State out to at least appoint the chairman and have control whether he be a Republican or a Democrat. That's our position. I would hope that everybody on this side of the aisle would vote No.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Schaffer.

SENATOR SCHAFFER:

Well, obviously, I totally agree with what Senator Philip just said. Perhaps the compromise, Senator Rock, is that we change the funding mechanism and have it half fund and...half funded by the city, half funded by the State and then your proposal probably would make a lot of sense, but until such time as the City of Chicago picks up half the freight, I think those of us in the State have a responsibility, we pay for it, we ought to run it; and we, by the way, is not a partisan we. We mean State Government. It doesn't mean Governor Thompson or Governor Stevenson or Governor Hartigan, it means whoever happens to be here in 1987 in the Mansion and in the Legislature. If the city would like to pay for half of it, I think we'd back off real fast. Fair is fair. We pay for it. This is status quo. This is the same formula that has gotten us where we are today and it ought to be rejected.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Darrow.

SENATOR DARROW:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. Coming from outside the Cook County and the Chicago area, I don't have a great deal of interest...personal interest in McCormick Place; yet, I, like the other legislators from that area and from the other areas of the State, come down here day after day to Springfield to help resolve this problem. We read a lot about it in the Chicago press and hear about it on the Chicago radio and television stations about working out compromises and getting the logjam worked out, and day after day the news media writes the same thing that we're deadlocked down here, that we can't resolve this difficulty, and this has been a very partisan day. I don't think anybody can deny that this is one of the most partisan days that we've had down here in the Senate in the last

couple of years, and we've gone over roll call after roll call, all of them pretty partisan; and I sit here and I see my colleagues on the other side of the aisle, the Senator from Whiteside County voting for funding of McCormick Place, something that I never think...thought I'd see him do and he sees me voting for the funding...of McCormick Place, something, I'm sure he never thought I'd do, and the two of us sit here and we work and we work on a partisan basis. Now is no time to continue the partisan dialogue. Now is no time to continue the partisan fighting and bickering. We got a problem, we've got a problem for Chicago, for Cook County and for the entire State. We've compromised, we've compromised and we've compromised. We've had the big five meeting. We've sat out here wondering what's going on. Now we know what's going on. We're down to the time to vote. We've got very little at stake here, very little disputing between the two sides of the aisle. The main issue, as it seems to me, is who's going to appoint the chairman. We're down to appoint the...in many ways could be considered ridiculous by the general public. We don't know who's going to be the Governor, we don't know, maybe Bernie Epton will be the Mayor of Chicago then. Be that as it may, they are the ones that are going to pick this board. Let them choose who's going to be the chairman. Let's go on with our business. Let's not keep the press down here, let's not keep the Senators and Representatives down here. We're so close, let's vote this out and go on with our business. Thank you.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Keats.

SENATOR KEATS:

Thank you, Mr. President. I don't rise directly to speak on this amendment, to say one kidding thing first. So, remember, by 1987, we could end up with a Democratic Governor and a Republican mayor and we'll be fighting the exact opposite

positions. So, partisanship is not really the issue involved. What I rise to say though is, there has been another amendment filed and, Mr. President, I appreciate your thought of saying, if we don't give you your thing, you're going to adjourn; but I say, there is another amendment filed, it's Amendment 13, for a Republican or a downstater, this an amendment that you can buy for free. It's a heck of an amendment. We'll be glad to discuss it at that time and I might say, kiddingly, Mr. President, that if you say you don't get your way we adjourn until tomorrow, if we don't get to call my amendment, I'm asking to adjourn until noon on the 20th and give you a little more time to stew. I would ask that each of you take the moment to give us the opportunity after this amendment goes down or if it should pass to review the next amendment too. We've offered you the courtesy of offering a new amendment, we expect the same courtesy for us. I thank you.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Kelly.

SENATOR KELLY:

Mr. President and members of the Senate, I hope that this...this issue carries...this amendment and I certainly hope that a number of the Republicans on the other side of the aisle join with a majority of Democrats in doing that; but if it doesn't, I think we're wasting our time by coming back tomorrow morning 'cause nothing is going to change. I think we ought to wait till next week or else call a Joint Session of the General Assembly with the Governor and all of the Senators and Representatives and let's have an open meeting instead of all these hidden meetings that keep taking place in...down in the Governor's Office as well as in the various caucuses. Let's lay it out and make it a public issue and either we're for it or we're against it, but let's get out of here or let's do the people the...business for the

people of Illinois.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator D'Arco.

SENATOR D'ARCO:

Thank you, Mr. President. You know, it really amazes me when I look at some of the legislators from the other side of the aisle and particularly some of the downstaters. You know why Chicago is second city? You want to really know why? 'Cause of the provincial attitude of some of the legislators in this Body, that's why. That's why New York is thriving. That's why New York City is the greatest city in the world, and that's why we're second because you act like Chicago is in another country, like it's not a part of this great State of ours, like you downstaters don't use its cultural facilities, it's great restaurants, it's great entertainment facilities. Who are we kidding? How many of you drive up to Chicago on the weekend and stay in one of its fabulous hotels? Who are we kidding here, ladies and gentlemen? Don't put Chicago down, it's what makes this country and this great State of ours go.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator...Kustra.

SENATOR KUSTRA:

Thank you, Mr. President and members of the Senate. Senator D'Arco, maybe I can explain what I think provincialism is and what is it not. Earlier this year I was approached by the City Club of Chicago. They had an idea to break a deadlock in your city, not mine, a deadlock over mayoral appointments. I didn't care in the sense that I had nothing personally at stake, and I introduced a bill along with Senator Newhouse to try to break that deadlock and get the City of Chicago moving. They said they wanted somebody who had no ax to grind, and I introduced that bill and it didn't even receive the support of your side of the aisle,

not to mention the fact that it didn't...even receive the support of all the members of my side of the aisle. But for you to suggest that everyone over here on this side of the aisle is somehow anti-Chicago is very wrong, at least from where I sit and where I know a number of members over here sit. We don't feel that way at all. This isn't simply a question of whether we love Chicago or don't love Chicago. It's a more basic question involved here. I would have to disagree with Senator Rock, not our problem and shouldn't be our problem. As long as that facility is one hundred percent State funded, then it is, in fact, a State Government problem, and we've said it once and we've said it again, we've backed off. We have backed off of what is in print as the Republican Senate Investigating Committee recommendation that there be a four-three interim board and a seven-five permanent board, and now we're to the point where we're splitting hairs all right, but as far as I'm concerned, we have before us...had before us in Amendment 7 the best alternative for all concerned, and I don't think anybody would have...had to walk out of this Chamber with their head hanging low with that. So, you want to talk provincialism, it cuts both ways. Now is the time to vote No on this and I hate to say that because I'd like to get out of here too but not at the expense of the taxpayers of the State of Illinois.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Lenke.

SENATOR LEMKE:

You know, we sit here and we talk about what's going on. It's just a bunch of political philosophies trying to take over. I look at things that are going on and they talk about State revenue. Where does eighty percent of the tax revenue of the hotel/motel funds come from? Does it come from downstate or Chicago, Cook County? Where does eighty percent of the corporation taxes come from in this State?

Does it come from downstate or Chicago? You act like this is State funded. The State funds come from Cook County, come from six city...six counties in the whole State. That's where the money comes from. Everybody...when you have a fundraiser on that side of the aisle, where do you come? What well do you come to dig...dig in? Where do you have the big successful parties? Do you have them in Springfield, East St. Louis...Rockford, or do you go to Chicago and raise your funds? Where do you go? I remember when a Congresswoman from Rockford raised their money in Chicago to run for election. It's so bad to do this, but let me tell you something, you talk about the City Club, where do they live? Out in the suburbs? Let them walk the cities of Chicago. Let them grow around...let them grow up around County Hospital, let them walk the streets with cardboard in their shoes and let them see to strive the greatness of the city. But I want to tell you something, the city will thrive and every time I come down here from Cook County, I got to beg to get my own money. I got to beg to get my people's own money. Okay? The race track funds, where do they come from? From Chicago. We got to come down here with hat in hand and beg and I'm surprised at the Republican representatives from Cook County and from the six county...area to look at highway funds. We put in the money, we get twenty-five percent of the...what we put in back to build our highways. We come down here and we beg and beg and beg. Why should we beg? Why should we in bondage? Maybe we should be like Bernie Ninstein and say let us go, let us form our own State, you know what I mean, let us form our own State. But I'm telling you right now, you can talk about the City Club and you can talk about all these great university clubs and everything else, but come in my neighborhood and go to our club on the VFW or the corner tavern and see what they feel. That's the people...that's the people that vote, and I want to tell you something, that's

the people two years ago that voted for the President of the United States and crossed party lines because he felt he was a person of their category and they voted against their own interest some...somewhat because they were almost...a lot of them out of jobs and he has put them out of jobs; but I'm telling you right now, this question is beyond political considerations, this consideration is very simple. The working people of the City of Chicago are tired of begging and pleading with this great General Assembly...

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Lemke,...would you bring your remarks to a close.

SENATOR LEMKE:

...they are tired, they want something going. As far as McCormick Place goes, whether it exists or not goes, it's not going to affect their daily life, but they do not want to be told by the State of Illinois what to do and they have said this many times. Just let us do our own government and let us elect who we want...the City of Chicago as the mayor or the county board, but let us decide our destiny. When Springfield had their problem with the convention center, did we come in and say we're taking it over or anyplace else? I ask for a favorable vote for this amendment.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, further discussion? Senator Geo-Karis.

SENATOR GEO-KARIS:

Very briefly, Ladies and Gentlemen and Mr. President. Since we, the...the State of Illinois is funding McCormick Place, I think we have responsibility to the taxpayers to see that the funding is done properly and done at a...the jurisdiction of the Governor. You forget that if...the City of Chicago were going to provide most of the funding, I would expect them to have the responsibility overseeing it. I think it's only fair and, therefore, I cannot support the amendment...



PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Dudycz.

SENATOR DUDYCH:

Thank you, Mr. President. Mr. President, I would just like to remind my Chicago colleagues on the other side of the aisle, ladies and gentlemen, we are State legislators, we're not Chicago aldermen, so let's act like it.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Davidson.

SENATOR DAVIDSON:

Mr. President and members of the Senate, I had not planned on saying anything one way or the other on this until the civic center at Springfield was mentioned by one of the prior speakers. Two big items; one is the City of Springfield, the Springfield Metropolitan and Exposition Authority happens to be the only one who has an elected...elected board subject to their constituents' vote which we just went through on Tuesday, the 5th, had seven people running for three spots. Secondly, because they are elected in answer to the...to the constituent, they're also the only one in the State who have the power to levy up to half a mill of real estate tax for its operation. That's how we operate. We haven't come...we have not come to the State to ask for an operating subsidy as McCormick Place gets without responding how, where or what they spend. Seven and a half million dollars a year from the cigarette tax go into that monster and I have no problem with helping it because it is positive, but...

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator Rock, for what purpose do you arise?  
Senator Rock.

SENATOR ROCK:

That's...that's the third time I've heard that figure.  
Is that a commitment to that figure for next year?

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Davidson.

SENATOR DAVIDSON:

As you always say, anything is negotiable down here, Senator Rock. The point that was raised, let's keep apples to apples and orange to orange, let's not talk about another civic center when you're debating one of another area.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Vadalabene.

SENATOR VADALABENE:

Yes, just briefly and I don't want to get into this debate, but I happen to be...I happen to have been the sponsor of the convention center here in Springfield and I sponsored the bill to give it three hundred thousand dollars for its operation. It passed the Senate and was defeated in the House. So, we did at one time, Senator Davidson, come in with our hand out to help the convention center here in Springfield. I was the sponsor.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator...if not, Senator Rock may close.

SENATOR ROCK:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. I'm certainly glad there are no axes to grind around here, otherwise, we'd be here all evening. Let me just make a couple of points, if you please, because there has been, unfortunately, an abundance of misinformation. The operating budget of McCormick Place, the Metropolitan Fair and Exposition Authority, and I don't have the piece of paper in front of me, in round numbers is something like twenty-six million dollars, six of which admittedly comes from the State of Illinois, four and a half from the cigarette tax and I think another million or million and a half from the parimutuel tax which the Bureau of the Budget says has to be repaid because

it was a loan and that's a different argument; but the fact is, there's twenty million dollars of revenue the State has nothing whatever to do with and the MFEA operates, at least at the moment, on a balanced budget, they're roughly, I'm told, projected probably a hundred to maybe two hundred thousand dollars in debt this year. So, to keep the canard going that this is a hundred percent State funded and therefore the State runs it, it's baloney, please, get off of that. What we're talking about here apparently is pure, absolute, unadulterated partisanship for which I have no quarrel. I was not the State chairman of the party I represent because I'm not a partisan but don't base that on misinformation. Don't say it's a hundred percent State funded and we represent this State and we're State legislators, therefore, it ought to be this way, and who knows in two years who the Governor is going to be. Well, if you're sure the Governor is going to be a Democrat, let me ask you something, as a Democrat, don't do me any favors because if there's a Democratic Governor, I'm going to tell him, as Senator Sangmeister said this afternoon, this is a tar baby, stay away from it, you don't want to get involved with this one. The fact is the amendment that I am offering has been agreed to by the Chief Republican in this State, and all of a sudden we've got a whole host of Republican leaders who want more than the Governor himself wants. I don't understand it. We're trying to settle a problem. The amendment, by the way, that Senator Keats will offer, as I understand it, installs the Governor as the chairman or his designee as the chairman of the interim board, and that really gets us back to square one. This amendment has a three-three interim board, chairman to be selected by the board, has the trustee and the provisions to which Governor Olgilvie has agreed in place and fills the hole that Senator DeAngelis was worried about, it's a six-six board, but in...July 1, 1987. This is a legitimate

effort. Please, please, I ask the adoption of Amendment No. 12.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Senator Rock has moved the adoption of...of Amendment No. 12 to House Bill 568. Those in favor will vote Aye. Those opposed will vote Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Have all voted who wish? Have all voted who wish? Last call. Have all voted who wish? Take the record. On that question, the Ayes are 29, the Nays are 29, 1 voting Present. Amendment No. 12 fails. Senator Rock, for what purpose do you arise?

SENATOR ROCK:

I move we stand adjourned until ten o'clock tomorrow morning.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right, Senator...Senator Rock has moved that the Senate adjourn until the hour of ten o'clock tomorrow morning. It's not debatable. Those in favor indicate...those in favor will vote Aye. Those opposed will vote Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, the Ayes are 29, the Nays are 29, none voting Present. The...the motion fails. Senator Lechowicz, for what purpose do you arise?

END OF REEL

REEL #5

SENATOR LECHOWICZ:

I move that we stand adjourned until nine forty-five tomorrow morning.

PRESIDENT:

Senator Lechowicz, for what purpose do you arise?

SENATOR LECHOWICZ:

Mr. President, I move this Senate stands adjourned until nine forty-five tomorrow morning.

PRESIDENT:

You've heard the motion. All in favor indicate by saying Aye. All opposed. The Ayes have it. Senate stands adjourned until nine forty-five.