

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

TAPE 2

(Regular Session & First Special Session Tape)

PRESIDENT ROCK:

The First Special Session will come to order. Reading of the Journal, Madam Secretary. Senator Hall.

SENATOR HALL:

Thank you, Mr. President. I move that reading and approval of the Journals of Tuesday, May 14th, in the year 1991, be postponed, pending arrival of the printed Journal.

PRESIDENT ROCK:

You've heard the motion as placed by Senator Hall. Is there any discussion? If not, all in favor, indicate by saying Aye. All opposed. The Ayes have it. The motion carries, and it is so ordered. I would direct your attention to Page 2 of the Calendar. Special Session No. 1, on the Order of Senate Bills 2nd Reading is Senate Bill 2. Madam Secretary, read the bill, please.

SECRETARY HAWKER:

Senate Bill 2, of the First Special Session.

(Secretary reads title of bill)

3rd Reading of the bill. Committee on Revenue offers Committee Amendment No. 1.

PRESIDENT ROCK:

The Chair -- the Chair made a mistake. We are on the Order of Special Session, Page 2 on the Calendar, on the Order of Senate Bills 3rd Reading is Senate Bill 1. Senator Luft seeks leave of the Body to return that bill to the Order of 2nd Reading, pursuant to an earlier agreement, for the purpose of amendments. Is leave granted? Leave is granted. On the Order of Senate Bills 2nd Reading is Senate Bill 1, Madam Secretary.

SECRETARY HAWKER:

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

Senate Bill 1.

(Secretary reads title of bill)

PRESIDENT ROCK:

Senator Luft.

SENATOR LUFT:

Thank you, Mr. President. I would ask leave to Table Committee Amendment No. 1 to Senate Bill No. 1.

PRESIDENT ROCK:

All right. Senator Luft, having voted on the prevailing side, is moving to Table Committee Amendment No. 1 to Senate Bill 1 in the First Special Session. All in favor of the Motion to Reconsider, indicate by saying Aye. All opposed. The Ayes have it. The vote's reconsidered. Senator Luft now moves to Table Committee Amendment No. 1 to Senate Bill 1. All in favor of the Motion to Table, indicate by saying Aye. All opposed. The Ayes have it. The motion carries, and Amendment No. 1 is Tabled. Are there further amendments?

SECRETARY HAWKER:

Amendment No. 2 offered by Senator Philip.

PRESIDENT ROCK:

Senator Philip, on Amendment No. 2.

SENATOR PHILIP:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. Today we have an opportunity to set aside partisan differences and act on two of the most important issues facing the State of Illinois: property tax relief and education funding. I'm under no illusion that our action will somehow spur the House to behave responsibly. The House will do whatever they choose to do. But just as we cannot control the behavior of -- the other Chamber, neither should we let them paralyze us. Amendment No. 1 to Special Session Bill No. 1 does three things. First it enacts the Property Tax Extension Limitation Act to cap local spending growth

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

at five percent or the rate of inflation, whichever is less. Two, it extends the current income tax surcharge and the double deduction on State income taxes for property taxes paid. Number three, it retains the State Educational Assistance Fund and it permanently increases State local governmental distribution fund share from one-twelfth to one-ninth. Mr. President, in my judgment, it's a true compromise. It merges the property tax limitation plan proposed by Governor Edgar with a plan sent to the Floor of the Senate by the Senate Revenue Committee. There are few surprises in this bill. Most of the provisions have been discussed and debated in Committee, and I'll be happy to answer any questions.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Any discussion? President Rock.

SENATOR ROCK:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. Question of the sponsor.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Indicates he'll yield.

SENATOR ROCK:

Senator Philip, you and I have been negotiating for a number of weeks and I frankly applaud your willingness to propose this amendment, Amendment No. 2 to Senate Bill 1. My question, I guess, is how do you distribute, once having made the income tax -- surcharge permanent, how then are the proceeds distributed?

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip.

SENATOR PHILIP:

As you're probably aware, under our -- the Act today, two and a half percent of the State income tax, one-twelfth goes to local municipalities. The half we put on to make it three percent temporarily is one sixth. This would change the -- the permanent

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

three percent to one-ninth.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Rock.

SENATOR ROCK:

There is rampant confusion over here on my side. Translate that, please. Tell me what the -- what -- it just seems to me, and let me just -- let me make the point and then you can respond. It seems to me that we are taking, or you are proposing, some dramatic action. Dramatic to the extent that we will be, by law, limiting the revenue potential of a local government unit, and we are saying and mandating to local governments, "You cannot, you may not, you shall not, extend more than five percent in any given year, absent a referendum," and at the same time we are saying to those same units of local government, "However, the money we have heretofore afforded you, we are no longer going to give you." So that on the one hand, you are capping their potential for the self-generation of revenue, and you are saying on the other hand, the State's going to pull the rug out from under you. And I would like your response to that.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip.

SENATOR PHILIP:

As you know, Senator Rock, if we do not extend this, of course, the schools or local government, as of June 30, will have nothing. And what we're simply doing is changing the local government's share. And we would make it permanent. In other words, they will have it forever, and instead of being one-twelfth, it will be one-ninth.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Rock.

SENATOR ROCK:

Well, I'm in something of a dilemma, because I am publicly and

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

privately and every other way, I suppose, on record in favor of making permanent the temporary surtax on the income tax. Without it, it seems to me, the budget as recommended is simply a shambles. Without it, it seems to me, that the nine hundred and forty-plus school districts of this State are also in shambles. So I don't have any quarrel with that part at all. The problem I have is the cap part of it. When we have the audacity to try to say to locally elected officials, "You, in your wisdom or lack thereof, cannot, under any circumstances, go above a five-percent increase in your levy or your extension, just because we say so." And it seems to me that at least we ought to be in a position to say, "Yes, we recognize the fact that, given the tremendous - I suppose, popular - support for some limitation on property tax increases," and there isn't, I dare say, no one of us who doesn't want to see property tax increases stop, or at least maintain some stability, but it seems to me almost inconsistent that we would say to the local governments on one hand, "You can only raise this much and no more," and at the same time pull the financial support out from under them. It seems to me that your amendment is correct, except to the extent that you do not properly distribute to the local governments their fair share of the money. Once having asked them - not asked them, we're telling them - to limit themselves to five percent. This is a difficult amendment. It's a difficult question. And I wholeheartedly agree that there should not be any question in anybody's mind that the income tax surcharge, which was temporary, and which has proved so very beneficial to this State, ought to be extended and made permanent.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Any further discussion? Senator Luft.

SENATOR LUFT:

Thank you, Mr. President. Let me begin by complimenting Senator Philip on his effort. I don't think that anybody in this

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

Body, or as a matter of fact, in this building, has worked any harder - and I mean that seriously - to try to achieve this goal. But I think it would be remiss of me not to point out some flaws that still exist in this program. First of all, Senator Rock has talked and mentioned many times about the five percent. I want you to realize that we are dealing with five percent or the CPI, which is ever less -- whichever is less. CPI being the Consumer Product Index. Should also know that the consumer CPI has never reached over five percent until the year 1990. As a matter of fact, in 1986 the CPI was 1.9 percent. So any local government that would have exceeded the 1.9 percent would have had to go to referendum for whatever purposes they took place. Secondly, I think it is unconscionable for us to mandate that local governments, for computation purposes, for the hundred and five percent, to have to use pension funds, insurance, tort liability or any court-imposed cost. Those are factors that the local governments have absolutely no control over. As a matter of fact, if you look what we've done to local governments - and I say "we," sharing in the collective guilt - have done to local governments, as far as pension costs. I read in the Chicago Sun-Times Sunday where the City of Chicago spends most of their real estate taxes on debt and/or pension funds. So I'd like to see those excluded. And secondly, let me give you a couple examples that I think also need to be further negotiated. On the big side, you have the Water Reclamation District in Chicago building the giant tunnel beneath the city. That is funded by nonreferendum bonds. Under this bill, if a new issue of bonds kick the expense over a hundred and five percent, you would have to go to referendum. That referendum would be countywide within the Cook -- County of Cook, and I'm not certain that those people within the County would be willing to support the Water Reclamation District's effort to build the tunnel in Chicago. Secondly, let's look at a small

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

downstate township. The township road commissioner has used the same truck for the last twenty years to repair the roads. All of a sudden, the truck breaks down. That cost of a new truck kicks you over the hundred and five percent, and for one truck - one truck - you have to have a referendum. Once again, let me say to Senator Philip that I think he has been first and foremost in promoting the idea of tax and real estate tax -- accountability, but I would hope that in this process, as we move forward, that we can sit down and make it even more palatable and especially to a degree that we don't destroy the local governments.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Any discussion? Any further discussion? Senator Collins.

SENATOR COLLINS:

Question of the sponsor, please.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Indicates he'll yield.

SENATOR COLLINS:

Senator Philip, when you exempt home rule units, and I -- I understand and when you change the distributive formula that it would take some -- some of the funds shift from local units of government, and then you exempt home rule units, but probably the -- the local units of government or political subdivisions that will be affected the most would be the school districts. So this bill does not -- it -- I mean, this bill does include school districts, park districts, water reclamation districts and et cetera. They would still be included in this bill.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip.

SENATOR PHILIP:

Well, as you know, we allow home rule units out completely. Any other taxing body is excluded. Now, you know, if they go to referendum, they can still increase their taxes. You know, that's

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

the way we used to do it in the old days. I don't know why there's any objection on the other side of the aisle. If a school district or sanitary district or somebody wants to go up on their tax rate, why don't we let the voters do it? That's the way we used to do it. We've gotten away from that. Let them decide. It's their money.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Collins.

SENATOR COLLINS:

Senator, I am not opposed -- I think you have seen all of us, during the last election, how some of the local people feel about raising taxes. I think we got a clear message across the State, if you saw the results of referendums and the failure of those referendums in the last election. And, let me first join - so the record can be clear - with my other colleagues in commending you, because I understand and sympathize with the -- and appreciate, rather, the difficulty that you had in trying to craft this amendment to respond to a very difficult and a very sensitive problem facing the taxpayers in the State. I can appreciate that, but I think at a time when the reality of our circumstances dictate that we'll -- in fact, this State will have no money - no money to give any relief to any unit of local government, be it school districts or be it park districts or be it city government or township government - that the reality is that we going to have -- those people have to come up with some money from someplace. The only authority that they have in this State, because we have not given local units of government the option of raising income tax. So they have nothing but property taxes. I'm not advocating increasing property taxes, but the reality is that they have to get the money from someplace. This bill makes it difficult to do that. And the other problem I have with the bill -- in those areas where they're not at that five percent, what happens when,

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

in fact, those areas are raised up to that five percent cap? That in itself would be a tax increase -- property tax increase, rather than a decrease. So that question poses a contradiction in my mind. I have a real problem, Senator Philip, with this amendment and I -- I really think that we should take more time with it. I don't understand the urgency at this point, of moving forward with this bill. We should wait until we really see what we're going to do in the State about the overall financial picture before we handcuff local units of government. Because if we don't have the -- the answer to their financial problems - which we don't have to our own - you most certainly should not limit or take away some avenues that they have available now to raise local revenue. The money has to come from somewhere, and I don't think it's dropping from Heaven or coming up out of the ground at this time. If it is, I'm sure they don't know about it, and we don't know about it.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Let me just caution the Membership of the Senate. There's a number of lights that are seeking recognition on this second amendment, so we may be here for a good portion of the day. So limit you time accordingly. Senator Barkhausen.

SENATOR BARKHAUSEN:

Mr. President and Members, I thought the -- a special point should be made in response to the contention that this amendment would limit the ability to -- to extend for the payment of principal and interest on bonds for projects of the Metropolitan Water Reclamation District. There is, in fact, an exception to the definition of aggregate extension, which includes the eighth exception -- is payments of principal and interest on bonds issued by the district to finance construction projects initiated prior to the effective date of the Act. The example that was used was -- was deep tunnel, and inasmuch as that project has obviously already been initiated, that, as I read this - and I think all of

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

us read this - any additional bonds that might be sold to pay for additional work on that project - which has, as I say, obviously already been initiated - would be an exception to the limitation that this amendment would otherwise impose.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Demuzio.

SENATOR DEMUZIO:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I, too, have some mixed emotions with respect to this amendment. I have, on at least two occasions, had the opportunity to speak to Governor Edgar about the five percent cap that you propose in this amendment. In looking at the taxing districts in Downstate Illinois, and more specifically, in my district, Senator Philip, I find that there are very few taxing districts that are -- that have extended their taxes more than five percent. As a matter of fact, the average is somewhere around two and a half to three percent. As I have talked to the respective taxing districts in the district - and I don't think my district is any different than any other rural district around Illinois - there are a few exceptions with respect to taxing districts that levy for working cash bonds or for life safety bonds, or what have you, but I have found that the taxing districts have indicated to me that if, in fact, this cap passes, that they will view this as a floor rather than a ceiling. And they will take the position that it is okay that the Legislature has approved that they could go up to five percent on their extensions with legislative approval. That means that those taxing districts now that have not maxed out on their tax rates, that are in the average of two and a half or three percent or less or more, and under five percent, we are giving them carte blanche to go ahead under the guise and the protection of the fact that we now have a five percent cap established in the Statute. The Governor has indicated that -- that this bill will

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

have very little if no effect whatsoever on my district. And I take that by looking at the tax extensions in the other rural districts across Illinois, that it will have virtually no effect. How do you respond to that?

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip.

SENATOR PHILIP:

Well, as you know, Senator Demuzio, people run for election to represent the school districts, et cetera. Let the voters knock them out of office next time. I mean, that's the alternative. If people are irresponsible and do what -- don't do what the wishes of the district are, they're going to run for reelection, let them stand for reelection.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Demuzio.

SENATOR DEMUZIO:

I -- I don't quarrel with the fact that they have to run for reelection, as you and I do, and I think that's the American way. The problem I think we have here is that we are establishing a ceiling which is becoming the floor, and we are affording the local taxing districts to take advantage of that, and in fact, increase taxes in my legislative district. Now I assume that legislators on both sides of the aisle, respective of their political affiliation, they're going to be wondering next time they're running for reelection next summer, and last year the tax bill was a -- an extension that was two and a half percent and all of a sudden it's four percent or five percent because they have used this under the guise that we in the Legislature have now given them some type of protection by putting into the Statute that we -- that we are capping taxes at five percent, and they said, "That's all right. That's okay." So, I mean, certainly they run for reelection. If they raise taxes, they got to be

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

accountable just like you and I are. And I don't have any quarrel with -- with -- with what you just said, and they ought to be accountable. The fact of the matter is -- is that I foresee many taxing districts that are holding down taxes, that are being -- responsive, and being accountable to the taxpayers and to the voters will be afforded the opportunity to have some type of irresponsibility as a result of this cap.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Rigney.

SENATOR RIGNEY:

Well, Mr. President, we kind of have a -- an -- an unenviable position this year, in that we're going to have the wonderful opportunity to raise taxes, or at least to make them permanent, in the very same year that we're going to be asked to take six hundred million dollars out of this year's budget. Now, talk about all the breaks in life, you know, particularly in a reapportionment election-type of a year. But I think probably we are finding ourselves in this position in 1991 because of some of the tough decisions that we maybe didn't make in the recent past. When we look at the packages being offered today, I don't see anything in here that's going to improve a whole lot between now and June 30th. This decision is not going to be any easier in the end of June, or maybe in the middle of July, than what it is right here today. And I think we've got to realize this before we just, you know, shuck the whole thing aside. First of all, let's be clear about one thing. We're not rolling back anybody's tax -- taxes - the amount that they can collect. We're simply not doing that. We're tying that to the Consumer Price Index. I don't find that to be a radical concept. After all, that's what we do in our own lives, so we can only spend the amount of new money that we enjoy every year in our own personal lives, and we're saying to those taxing units, "We're going to expect you to do the same

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

thing." So we're not -- let's be clear about that -- we're not really capping anything in place. We're only tying it to a consumer index. Now there are a lot of exemptions in this bill. First of all, we took out, at request, the home rule units. So we've taken care of the big guys. We also have a line in there that says that -- for those smaller units that have not enjoyed any increase in the last several years, "Until you get back to the base year of 1982, we're not going to affect you, either." And I think that exempts about five hundred and fifteen school districts in this State. So as far as the small non-growth type of communities that folks like myself represent, I don't think there's any gray thread in here as far as they're concerned either. And then we go through a whole laundry list of exemptions. We've had so many different exemptions as a part of this -- general obligation bonds; we did the double barrel bonds for the park districts. They're out, and yet I don't think most of our -- our park district folks realize that either. We have written so many exemptions into this thing it's no longer just a Consumer Price Index or a five-percent concept. There are a lot of other considerations in here - I think most of them rather defensible in nature - but it gives a different concept about what tax capping is all about. So I point those things out to you and I suggest to you that I humbly do not believe that on June 30th, when we may cast the eventual vote on this thing, that it's going to be a darn bit better. I think we ought to get on about our work here, and let's just remember one other nice feature about that, and that is the distribution that's going to be made out of that surtax. As I understand, it's going to put about another hundred and sixty to a hundred and seventy billion dollars into our State General Revenue Fund. And let me tell you, that's going to be as welcome as a glass of lemonade on a hot July day when we're here still trying to resolve this thing. That hundred and

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

sixty, boy that's going to be like money from home. So let's -- let's look at the whole package. I know that Chairman Luft and myself, on the Revenue Committee, you know, we were immediately made stars of this thing, and all of the attention in the State of Illinois came our way in that Revenue Committee. And we couldn't find the areas of agreement either, but nevertheless there comes a time when you've got to put something together and attempt to move on it. And I think basically what we have before us today is a decent package, and I hope that everybody here, on a little reflection on this issue, is going to come on board in behalf of this bill.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

The Gentleman from Rock Island, Senator Jacobs.

SENATOR JACOBS:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I, for one, do not have any mixed emotions on this bill. It's the saying, "A duck by any other name is still a duck." This has been a sham from the first day that we talked about this so-called property tax relief. The words have been said today - it is no relief. It's limitation. A limitation on what, I am not sure. On one hand we are saying we're sending out so many mixed signals on this thing. On one hand we are saying as a Body, that we are going to pass the first permanent income tax increase since Governor Olgilvie signed into law the original income tax increase. We're talking about doing that, while at the same time telling local governments that they have got to get their house in order. And we keep talking about local governments in total. We're talking about forty-three - forty-five home rule units. Home rule units are the ones that can raise taxes the easiest. Most municipalities are less than home rule. They are established tax rates. They can't go to the hundred and five percent. But there are areas that can. Senator Philip, you hit it on the head.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

You said this is a local issue, and I think you're right. And the best way to handle this, in my estimation, is kick those rascals out that you've got up there in DuPage County, because that's where the problem's at. It's in DuPage County. It's in Cook. It's in those areas. I got my tax bill Friday. My taxes on two pieces of property in two different townships each went up in Downstate Illinois one percent. Now what I'm afraid of, and I agree with Senator Demuzio, that what we have said to the local taxing bodies, that it's one -- where I'm at one percent increase, if we put a five percent cap on it in order to insure that next year they don't get caught with their proverbial pants down, they're going to take the five percent every year. And I don't think it's fair to give my -- my constituents a property tax increase, and I think that's exactly what this bill does.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Gentleman from Cook, Senator DeAngelis. DeAngelis, please.

SENATOR DeANGELIS:

Thank you, Mr. President.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Time is up...

SENATOR DeANGELIS:

I don't -- I don't think any additional -- rhetoric is going to change any votes. However, there are some things that ought to be pointed out for the record.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

It's fine. Please proceed, Senator DeAngelis. Please proceed.

SENATOR DeANGELIS:

Let the record show...

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Can you hear him, Jack?

SENATOR DeANGELIS:

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

And let it be made perfectly clear...

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Okay, fine.

SENATOR DeANGELIS:

Let it be made perfectly clear that municipal governments will receive more money when this bill passes, because it does, in fact, extend the surcharge. And let me also tell you that if an extension to the surcharge is not accompanied by some property tax relief or limitation, it is not going to get extended. So anybody who votes against this is essentially voting to give less money to local governments. There is one part of it that is being diverted, and it is being diverted to the General Revenue Fund - the Fund that we are hearing about that is in badly need of money for the sick, the hungry and the homeless. And I have to tell you, money going to municipal government - in many instances well-funneled, in many instances not needed and not well-funneled. We have communities who are going to receive this money who have no property tax, and who have no way of abating it. But we have people out there who are in need of that money in other ways. And you know, Senator Luft, you talked about the mandates, and I agree with you, but let me tell you a little story about mandates. One of the most significant mandates we impose on local governments came up for review and a Senator from this Body put a bill in that would take us out of that mandate. The two most influenced bodies by that legislation, the first one, the City of Chicago, took no position on that. The other one, the downstate pension funds, represented by the Municipal League, did the most courageous copout of the twentieth century by opposing the bill. And frankly, if there is such a great concern, then I wish they would just stand forward and express that concern, because I learned that day, after eleven years in this Body, that there's agreed bill process on pensions downstate. Right, Senator Jones? So if

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

you're going to say it's a mandate - well, I'll tell you, Jack, it's an agreed mandate. It's not an imposed mandate. Well, let me tell you what this issue is really about. It is the issue of what happens in an economy when property taxes exceed personal income. And like -- it's not like in football when you throw the forward pass. In football with the forward pass, three things happen. Only two are bad. But when property taxes exceed personal income, all three things are bad. One, those people that live on fixed incomes - like my mother - come to the point where they can no longer afford to live in their homes. And young people - like my four children - cannot buy homes. And more and more we see in Illinois the percentage of home ownership declining. But the third thing is the one that affects us directly here in Springfield, because as property taxes rise greater than personal income, the amount of disposable income declines. Which means then consumption declines, the production of goods declines, and ultimately our ability to fund the vital services of government are diminished. This bill -- this amendment is not political. 'Cause I'm going to tell you, the majority of the calls that I received - and as late as about ten minutes ago - was don't vote for a cap. The majority of the political forces are opposed to this. But this bill is an economic bill. It is the recognition that a rise in assessments is not an opportunity to raise taxes, but ought to be an opportunity to determine the way in which the burden of government is shared, and I urge your strong support for this very, very important amendment.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

The Gentleman from Cook, Senator Berman.

SENATOR BERMAN:

Question of the sponsor.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

Indicates he'll yield.

SENATOR BERMAN:

Senator -- Senator Philip, I call your attention to Page 5 of the amendment, lines 2 through 7. And for the record, let me just read them to you, and I would like to know whether as I read it is the way you read it and intend it. Quote, "A taxing district may increase its extension limitation for a current levy year if that taxing district has held a referendum, either before or after the effective date of this Act and prior to the levy date at which a majority of voters voting on the issue approve adoption of a higher extension limitation." Now just to expand upon my question. As I read that, it says that if a taxing district at any time before the enactment of this bill, has held a referendum, they are not bound by the cap. Is that your intent?

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip.

SENATOR PHILIP:

You know, this was put in at the request of the Democrat staff, just out of curiosity, and it is to protect those referendums that have passed.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Berman.

SENATOR BERMAN:

I take that as an answer being yes. Hearing no -- no contradiction...

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip.

SENATOR BERMAN:

...I'll accept that as yes. Thank you.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Schaffer.

SENATOR SCHAFFER:

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

Mr. President and Members of the Senate, this bill -- this amendment, which I believe is a compromise in the best meaning of the word, addresses a couple of problems that have -- we in the General Assembly have been wrestling with for years. The first is the temporary income tax, which I think most of us recognize did not address temporary problems, but permanent problems. This proposal - this compromise - would make that temporary income tax permanent, but it would, to some degree, redistribute the money that that tax raises -- that surcharge raises. The schools would obviously continue to get everything that they were getting. In fact, under the Governor's budget, even a little more. Not from that source, but more overall. The local governments would continue to obviously get more than they'll get if this tax is not -- continued, but not as much as they did get initially. I can't speak for every Member of this General Assembly, but I and a lot of the people I know made it very clear to the cities and counties in our areas that they ought not to plan on this thing being as large and being permanent. And I think most of them, at least in my area, have done that. We in the General Assembly are in the business primarily of setting priorities. One of the major objections that many of us had with that temporary tax two years ago was it didn't address the real priorities of this State. It sent money to education - obviously a high priority - the highest priority, but the money going to local governments never met that priority test. That income tax increase didn't generate one additional dollar for public aid, for mental health, for hospitals. This would free up at least part of that money to address some of those needs. I think that's responsible government. I think that's intelligent priority setting. I think that's what the people sent us down here to do. And a portion of this State - primarily Suburban Cook and the Collar Counties - we have had the good fortune, and it's a two-edged sword, of

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

prosperity and increasing assessed valuations. Dramatically increasing assessed valuations. Regrettably, some of our taxing bodies have taken advantage of that prosperity and that expansion. This bill would call those people to task, and would put some limits. I think it's time we do that. My home county this year, I understand, has a seventeen percent increase in assessed valuation. I can assure you the people that live in that county have not had a seventeen percent increase in their ability to pay taxes. This is a responsible bill. Frankly, some of the exemptions may go a little further than some of us like. And there's some things in it that perhaps need to be fine-tuned. But I would suggest to you that we have a very difficult time. We have to put together a budget. We have to come to grasp in some meaningful way with a property tax crisis, and revolution in our State, and we best get that job done now, not in early July, when I guess, if it takes three-fifths, we could probably leave home rule in, 'cause it won't matter. How can we draw a budget without putting these two issues behind us early? To put those two issues behind up early is responsible good government. All -- and to all our friends that are calling us and writing us from all the governmental units, why, as much as I love them dearly and respect them and commend them for their public service, the bottom line is that the Members of the General Assembly work for the people of Illinois, the taxpayers of Illinois - not the governmental units of Illinois.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

The Lady from Lake, Senator Geo-Karis. Geo-Karis, please.

SENATOR GEO-KARIS:

Mr. President, Ladies and Gentlemen of the Senate, I don't know how many of you've been getting calls and letters like I've been getting, but in my county, the tax bills are out. They've been -- they were out a week or so ago. Bills have jumped six

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

hundred dollars - eight hundred dollars, and what have you. And it's not a sham, Senator Jacobs, to try and look at a property tax relief, because we've been promising it to the people for years and haven't done a darn thing about it. Here you have a responsible amendment -- that can look into it. It makes the income tax surcharge permanent. It does provide the double deduction, and does have the Education Assistance Fund permanent, and it does provide the taxing districts which receive rate increase approval by referendum after December 31, 1988, have five years following the referendum to -- to begin ascending the new rate. We do not just represent the taxing bodies. We've got park districts, library districts, you name it, all kinds of districts. Fire protection districts. But the people have to have some relief. I never voted for an income tax increase before in my life, in nineteen years that I've been here. But I am going to vote for this amendment, because we need that surtax extension. It's about seven hundred million dollars a year, and I understand our budget deficit is about one billion two hundred million dollars, and how in the dickens are we going to pay the nursing homes for which we owe money for four or five months and the hospitals and for our senior citizens, and for our disabled, all the bills that they have -- that they need to have paid? What are we going to do, sit here and say we're going to make a political football out of this? I say that we should be responsible and try this. It isn't going to hurt us. And since I don't have the conflict -- possible conflict of interest, since I'm not a mayor anymore, I can tell you that the -- the municipalities are not going to be hurt by this. We have to address the fact that the taxpayers can't live in their own homes anymore. You should read some of the letters I get. And I think it's time that we take a responsible approach and work together. And I commend Senator Luft for his work on it and Senator Philip and Senator Rigney and

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

all the other folks who worked on it. But let's try this. I support this amendment and urge all of you to support it. If you want to give some property tax relief to your citizens of Illinois, now is the time to start doing it.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Gentleman from Whiteside, Senator Schuneman.

SENATOR SCHUNEMAN:

Thank you, Mr. President and Members of the Senate. I'd like to speak to this bill -- or to the amendment as it affects those of us from Downstate Illinois. Illinois is a very diverse - and many times divergent - State, but we have such different economic climates in this State. The suburban area that has been booming and growing and getting tremendous increases in assessed valuations - we've all heard the complaints about rapidly escalating taxes there. Sometimes I'm jealous of those areas, because we have just the opposite problem in the district where I live, and I know many of you on both sides of the aisle have the same problem. I want to compliment Senator Philip, because he has tried to craft an amendment that will be of assistance to all parts of this State, not just where he lives. And in response to the example that was given a while ago of a township that wanted to buy a new truck, I've got to -- I've got to mention to you that if the township wants to buy a new truck right now, they've got to go to referendum. They don't have an increase in assessed valuation that would fund new equipment. So those of us downstate were reluctant to go on this bill, because we didn't want to hamstring our units of local government. But the bill's been amended, and for those of you who may not be aware of it, the bill specifically says that this Act shall not apply to any taxing district whose assessed value for the current levy year does not exceed the equalized assessed value for that district for the 1982 levy year. What does that mean? That means that for most of our

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

downstate communities, this bill isn't going to affect us for a long, long time, because our assessed valuation is growing very, very slowly. And so I think we can vote for this bill. There's nothing in here that says that simply because we have a five percent tax that a local government needs to raise taxes by that much. Most of them can't do it now anyway, because they're at their limits and their assessed valuation is not increasing. I think the bill has been crafted in such a way that there's something in here for all parts of Illinois. And I'm strongly in support of the amendment.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Gentleman from LaSalle, Senator Welch.

SENATOR WELCH:

Thank you, Mr. President. I had a question of the sponsor, Senator Philip.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Indicates he'll yield.

SENATOR WELCH:

Senator Philip, I wanted to go back to the question Senator Berman asked, because I wasn't sure of your answer. Senator Berman did read a line on Page 5 of the bill; however, preceding that on -- on Page 4, I think there's a very relevant line that should be taken in tandem with the line that Senator Berman read. What that line says is that for 1992 extensions based on the 1991 levies and thereafter, a taxing district is limited to an extension increase of five percent or the percentage increase in the Consumer Price Index, during the twelve-month calendar year preceding the levy, or whichever is less. Then the line Senator Berman read, "A taxing district may increase its extension limitations for a current levy, or if that taxing district has held a referendum, either before or after the effective date of this Act." Now, was -- what was the intention? Or was it that the

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

-- the referendum had to be held after the -- after 1991 when the bill goes into effect, or it could be any time within the last ten years? Exactly what was the intention of that paragraph?

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip.

SENATOR PHILIP:

If you would look on Page 7, line 23 and 24, the "rate increase has been approved by referendum held after December 31, 1988." I believe that gives you four years.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Welch.

SENATOR WELCH:

So you're saying that Section 35 on Page 7, is incorporated by reference in Section 15, and it's anything after December 31, 1988? Any referendum after that date is -- determinative?

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip indicates the answer is yes.

SENATOR PHILIP:

Yes, that is correct.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

The Lady from Winnebago, Senator Holmberg. Joyce.

SENATOR HOLMBERG:

Question of the sponsor.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Indicates he'll yield.

SENATOR HOLMBERG:

Following up on what Senator Welch has said, my school district passed a referendum a number of years ago. You know, before 1988. And they would be over the maximum now. So would that -- would the cap apply to them?

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

SENATOR PHILIP:

Yes, the cap would apply to them.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Holmberg.

SENATOR HOLMBERG:

Well, I guess I'm a little bit confused by -- by what I read versus what you have answered me. What it says in the bill is, "A taxing district may increase its extension limitation for a current levy year if that taxing district has held a referendum either before or after the effective date of this Act, and prior to the levy date at which a majority of voters voting on the issue approve adoption of a higher extension limitation."

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip.

SENATOR PHILIP:

Didn't you tell me they were already taxing at the max?

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Holmberg.

SENATOR HOLMBERG:

Yes.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip.

SENATOR PHILIP:

Well, if they're at the max, where can they go? Can't go any higher. They've got to -- they've got to back to the voters to put it on a referendum.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Holmberg.

SENATOR HOLMBERG:

So you're basically telling me that the cap applies - they've got to go back for another referendum. Is that right, under your bill?

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Philip.

SENATOR PHILIP:

Yes.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Caught. Senator Demuzio seek recognition? Senator Philip, to close. Senator Philip, to close.

SENATOR PHILIP:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I ask each of you on both sides of the aisle, who may be thinking about voting No, to consider exactly what you've doing today. First, you're saying no, that you're opposed to any meaningful property tax relief. Secondly, you've voting against the only tax break that gives the middle-class homeowner a double deduction on their State income tax. Thirdly, you're voting against the school children. It's a vote against making the State income tax permanently. And a vote against this, quite frankly, will be a vote against the children of the State of Illinois, and against our schools. And I'm asking for a favorable vote.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Question is, shall Amendment No. 2 be adopted. All in favor, signify by saying Aye. Opposed. Ayes have it. Amendment No. 3.

SECRETARY HAWKER:

Amendment No. 3 offered by Senators Weaver and Philip.

PRESIDING OFFICER: (SENATOR LECHOWICZ)

Senator Weaver.

SENATOR WEAVER:

Thank you, Mr. President. This amendment would dedicate all of the new revenue, with the extension of the surcharge, to three areas. Fifty percent would go to the Educational Assistance Fund, thirty-seven percent would go to the Health Care Debt Relief Fund, and thirteen percent would go to the second deduction for the

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

property taxes paid. Today we are -- we have unpaid bills in the amount of six hundred and thirty-one million dollars. And over a period of eighteen months, with this amendment, we would be able to wipe out that debt. It would continue the one-twelfth to the municipalities until June the 30th, 1991. And as of January the 1st, 1993, it would increase to one-ninth, as has been proposed. But by creating this -- by adopting this amendment, we would not change that portion going to the Educational Assistance Fund, which is about three hundred and ninety-four million dollars. But we -- we would dedicate to the second deduction on real estate taxes, which would amount to about a hundred and three million dollars of tax relief, and to the Health Care Debt Relief Fund, we'd dedicate thirty-seven percent or approximately two hundred and eighty-three million dollars in the next fiscal year. Now if anyone has any questions, I'll be happy to try to answer them.

PRESIDENT ROCK:

Senator Weaver has moved the adoption of Amendment No. 3 to Senate Bill 1. Discussion? Senator Schuneman.

SENATOR SCHUNEMAN:

Well, thank you, Mr. President. I simply want to rise in support of this amendment. The State of Illinois has a constitutional requirement to provide a system of education in this State. We have a requirement to pay for nursing homes, for hospitals for the medically indigent, and we're not doing it right now. This provides a way to do that. I think that if we adopt this amendment, the State would be in the posture of simply telling our local cities and counties that, "Yes, we're going to -- we're going to continue to give you some additional support from the income tax, but you're going to have to wait until we get our bills paid." And I think that makes eminently good sense right now, because we have a lot of bills that need to be paid, and over the next eighteen months this would give us an

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

opportunity to accumulate enough money to pay off our short-term debt to get back -- to get our fiscal house back in order, and then begin to share our income tax money with units of local government. This is somewhat like the amendment that, you remember, was offered here in the Senate before the income tax surcharge was adopted in the first place. We had some amendments that would do something like this. And I think that this amendment comes at a good time. I would urge your adoption.

PRESIDENT ROCK:

All right. Senator Weaver has moved the adoption of Amendment No. 3 to Senate Bill 1. Further discussion? If not, all in favor, indicate by saying Aye. All opposed. The Ayes have it. The amendment's adopted. Further amendments?

SECRETARY HAWKER:

Amendment No. 4 offered by Senators Demuzio and Collins.

PRESIDENT ROCK:

Senator Demuzio.

SENATOR DEMUZIO:

Thank you, Mr. President. To -- to clear up some of the confusion with respect to the amendment that was adopted earlier. This amendment is very simple in its nature. It simply exempts all school districts from this -- from this bill. And I would move adoption of Amendment No. 4.

PRESIDENT ROCK:

Senator Demuzio has moved the adoption of Amendment No. 4 to Senate Bill 1. Discussion? Senator DeAngelis.

SENATOR DeANGELIS:

I -- I would like for the sponsor to please repeat what he said, 'cause I do not have a copy of your amendment. But would you please state...

PRESIDENT ROCK:

Senator Demuzio.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

SENATOR DEMUZIO:

My amendment simply takes out all the school districts that will not be subject to this limitation.

PRESIDENT ROCK:

Senator DeAngelis.

SENATOR DeANGELIS:

Well...

PRESIDENT ROCK:

Pardon me, Senator DeAngelis. Senator Philip, for what purpose do you arise, sir?

SENATOR PHILIP:

The amendment has not been circulated. It's not on our desks and I would suggest that he's -- now, he questioned earlier today some amendment that was not printed, and we moved to another bill. I'm asking for the same courtesy.

PRESIDENT ROCK:

Well, then we'll just stop the proceeding and make sure copies are distributed. We have in front of us, I'm told, some fourteen amendments, and I'm not sure whether or not they've all been distributed. This one, it seems to me, is rather simple. It doesn't take a rocket scientist to figure out what he's doing. But we will make sure that copies are distributed. Senator Philip.

SENATOR PHILIP:

The rocket scientist just sent it over. It arrived on my desk.

PRESIDENT ROCK:

Okay. Senator DeAngelis. To the amendment.

SENATOR DeANGELIS:

Well, trying to create a property tax limitation bill by first, leaving out home rule, and then leaving out all schools, would be almost like treating a person who was injured in an

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

automobile accident who had a broken arm and a hole in his chest, and then you decided to treat the broken arm, hoping the person would live. Frankly, I'm not putting blame on anybody for anything, but I have to tell you that if you look at your property tax bill like I look at mine, I can tell you about seventy-four percent of my property tax bill is an educational levy. And if you want to put a limitation on my municipality, be my guest. They don't charge a property tax. Okay? The other units on my bill are Cook County, which is home rule, which we are not putting a limitation on. Frankly, what I think you've done is absolutely nothing, and if you think that you can go back and tell the public that you have enacted meaningful property tax reform or limitation with -- I -- I don't know how you can do that. I mean, this is, in fact, a sham.

END OF TAPE

TAPE 3

PRESIDENT ROCK:

All right. Senator Demuzio has moved the adoption of Amendment No. 4. Further discussion? Senator Raica.

SENATOR RAICA:

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

PRESIDENT ROCK:

Sponsor indicates he will yield, Senator Raica.

SENATOR RAICA:

Senator, I think under Senator Philip's proposal, the school -- the City of Chicago schools right now would not be able to pass, quite possibly, that 300-million-dollar shortfall on to the people that live within the City of Chicago. Under your proposal

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

now, would they now be able to do that, saying that all school districts can now extend the levy?

PRESIDENT ROCK:

Senator Demuzio.

SENATOR DEMUZIO:

They still have to -- they're still subject to the Truth in Taxation Act; therefore, they would still have to have a hearing. And that would be my response.

PRESIDENT ROCK:

Senator Raica.

SENATOR RAICA:

We're saying a hearing, but not a referendum, correct?

PRESIDENT ROCK:

Senator Demuzio.

SENATOR DEMUZIO:

Well, I didn't really hear the question, but they would also be subject to the limits in the law. That's the -- the main point that needs to be made.

PRESIDENT ROCK:

Further discussion? Senator Philip.

SENATOR PHILIP:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. The reason we are debating the tax relief for real estate is because of the schools, basically. The schools have really created this problem. In my community anyway, the largest part of my tax bill goes to education, over seventy percent. The municipal governments haven't done it. The local -- other local taxing bodies haven't done it. To let the school districts out is absolutely irresponsible, in my judgment. And I'll tell you what they do - they don't do it in front of me anymore - they used to. They'll go around bragging that they've lowered their rate or kept their rate the same. They forget to tell you the assessed

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

valuation went up so much they took in more money. Mr. President, we ought to defeat this amendment, and I would ask for a roll call.

PRESIDENT ROCK:

That request is in order. Further discussion? Senator Berman.

SENATOR BERMAN:

Thank you, Mr. President and Ladies and Gentlemen of the Senate. If you don't support this amendment, what you are, in fact, saying is that you want to give some property tax relief to your homeowners and take it off the backs of your schoolchildren. Amendment No. 1 -- or Amendment No. 2, Senator Philip's amendment, exempts home rule units. There's also a long line of other exemptions, so that most of the well-connected cities and municipalities can probably live with this bill. The people that are hurt by the bill as it presently sits are the schoolchildren. And why are they hurt? They are hurt because we, in the General Assembly, have refused to live up to our constitutional mandate of being the primary funder of schools. We're only paying forty cents on the dollar of the cost of education in Illinois. And that's our fault. Nobody else's fault. We decided to not live up to that obligation, whether you want to call it a Supreme Court ruling or any other excuse. We, the General Assembly, have refused to fund schools adequately. So the only other alternative is through locally elected school boards and referenda that have decided, with local support, to provide a decent education for our kids. That's where those decisions were made, because we didn't have the guts to make those decisions. And to be honest with your schoolchildren and the future of our State, you ought to vote Yes, because we should not be handcuffing the administrators and the teachers and our own children because of our lack of honesty to say, "Yes, we refuse to support you, schoolchildren." Let's

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

vote Aye and be honest.

PRESIDENT ROCK:

Further discussion? Senator Fawell.

SENATOR FAWELL:

Thank you very much, Mr. President and Members of the Assembly. I happen to live and represent those -- one of those districts where our real estate taxes are going sky high. Senator Berman, I wish I had forty percent for my school districts coming from the State. I don't. I have anywhere from two to seven percent max. My tax -- tax bill just arrived the other day, and I have to pay sixty-six hundred dollars in real estate taxes this year, eighty-five percent - eighty-five percent - of which goes to my schools. I have good schools, but I am more than paying for them. And, of course, my children have long since grown. We are not limiting the schools, because they can always go to referendum. Our referendums pass in my district, if they feel that they are needed. It is true that it is necessary for the school board to convince my people that the monies are needed, but so far they have done a rather spectacular job in doing so. What we are saying, though, is school boards, if there is a nine and half percent raise in the assessed valuation of the schools as there was this year, you're not going to be able to take advantage of the full nine and half percent. You can take advantage of the five percent but not the full nine and a half percent. If you want nine and half percent, you're going to have to go to referendum for it. Ninety-nine percent of the counties in the State of Illinois have to do that. It's only counties such as you represent, Senator Berman, and those who represent the collar counties that have this problem. We're not depriving the schools. The schools have done extremely well in the past several years. I think this is a good bill the way it stands now. I think this particular amendment would ruin any attempt we have in helping our

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

citizens stay in their homes, particularly our senior citizens. And I would suggest an Aye vote.

PRESIDENT ROCK:

Further discussion? Senator Dudycz.

SENATOR DUDYCH:

Thank you, Mr. President.

PRESIDENT ROCK:

Senator Fawell, we heard your suggestion. Thank you very much. Senator Fawell, for the record. Senator Fawell, please. Senator Fawell.

SENATOR FAWELL:

I apologize, for the record. I'm sorry. An Aye vote on the bill, and a No vote on this amendment.

PRESIDENT ROCK:

Further discussion? Senator Dudycz.

SENATOR DUDYCH:

Thank you, Mr. President. Senator Demuzio, as a Chicago legislator, I look at Senate Bill -- Senate Bill 1. As it sits currently, it exempts home rule units. As a resident of Chicago and as a State Senator from Chicago, that means that the City itself is exempt and so is the county government. And then as a Chicago resident, I look at the CHICAGO SUN-TIMES dated Sunday, May 5th, and just the first sentence of this article says, "Over the past five years, spending in the Chicago public schools increased 38.4 percent." My question, Senator, is, if we exempt the school district, we exempt the city, we exempt the county, who is this going to affect?

PRESIDENT ROCK:

Senator Demuzio.

SENATOR DEMUZIO:

Well, it wasn't my idea to take out the home rule municipalities. It was your leader. It wasn't my idea to take

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

out county government in the County of Cook. It was your leader. If it's good enough for the County of Cook with respect to the county and the city, it ought to be good enough for the school districts.

PRESIDENT ROCK:

Senator Dudycz.

SENATOR DUDYCZ:

So in other words, you would join me in including the County of Cook and the City of Chicago, and you would be in favor if they were inserted to include the school district of Chicago?

PRESIDENT ROCK:

Senator Demuzio.

SENATOR DEMUZIO:

Well, I didn't really hear what you said over here, but it's my understanding that they are both in, and so now we are just putting in the school districts.

PRESIDENT ROCK:

Senator Dudycz, anything further? All right. Question is the adoption of Amendment No. 4 to Senate Bill 1. A roll call has been requested. Senator Demuzio, to close.

SENATOR DEMUZIO:

Well, I think we ought to follow Beverly Fawell and vote Aye, Mr. President. So I would move adoption.

PRESIDENT ROCK:

Senator Demuzio has moved the adoption of Amendment No. 4 to Senate Bill 1. Those in favor of the amendment will vote Aye. Opposed will vote Nay. And 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, there are 28 Ayes, 28 Nays, none voting Present, and the amendment fails. Further amendments?

SECRETARY HAWKER:

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

Amendment No. 5 offered by Senator Demuzio.

PRESIDENT ROCK:

Senator Demuzio, on Amendment No. 5.

SENATOR DEMUZIO:

Well, thank you, Mr. President, Ladies and Gentlemen of the Senate. If you -- if you take a look at this amendment, Senator Philip, you will find that this amendment goes right to the clarifying language that we were attempting to clarify with respect to Page 5 in your amendment, with respect to the extensions on the taxes by referendum. And what this amendment does is, Senator Dudycz, it puts the school districts in, but what it says -- it excludes the taxes that are collected on behalf of the schools that were approved by referendum. The voters who voted on the tax rates - the tax increases - by referendum are exempted by virtue of this amendment. And therefore, I think that it clarifies what Senator Philip was attempting to do a few minutes ago. I don't think it's a big deviation from what he indicated that this -- that his amendment did, and I would move its adoption so that we might have some clearer language with respect to those taxes that are approved by the voters by referendum are excluded from the cap.

PRESIDENT ROCK:

All right. Senator Demuzio has moved the adoption of Amendment No. 5 to Senate Bill 1. Discussion? Senator Schaffer.

SENATOR SCHAFFER:

I recently saw a publication - I think it might have been from the Taxpayers' Federation - and I think this is -- virtually the effect of this amendment is virtually the same as the amendment that was just defeated. The bottom line is that over a period of the last forty or fifty years, virtually the entire tax rate of all school districts is by referendum. So I think -- I would hope that no one would be fooled by that. One of the problems,

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

however, is in many areas with the increased assessed valuations, those rates have not been used, simply because assessed valuations have gone up faster than the -- probably faster than we could print money. This amendment effectively does exactly the same thing as the amendment that was just defeated.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Rigney.

SENATOR RIGNEY:

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

PRESIDING OFFICER: (SENATOR D'ARCO)

He indicates he'll yield.

SENATOR RIGNEY:

Is it true that this is just simply the amendment we just got done voting on except for including the community colleges?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Demuzio.

SENATOR DEMUZIO:

I think I heard you say the exclusion pertains also to community colleges? And I believe that it does, yes.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Rigney.

SENATOR RIGNEY:

It is the same amendment we just got done voting on.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Demuzio.

SENATOR DEMUZIO:

No, it isn't. The previous amendment just simply took out all the school districts completely. What this amendment does, it says that if you want a cap, fine, but we're excluding from the cap all taxes that have been voter-approved, that have been approved by voter referendum, are not included in the tax cap and that also pertains to the junior college voter referenda system as

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

well.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Rigney.

SENATOR RIGNEY:

Let me -- one final question. How does this differ with what's already in the Act, or in the bill?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Demuzio.

SENATOR DEMUZIO:

Well, what I'm attempting to do is I am attempting to clarify Senator Philip's amendment that was adopted earlier, on Page 5, where it says "A taxing district may increase its extension limitation for a current levy year if that taxing district has held a referenda either before or after the effective date of this Act and prior to the levy date at which a majority of voters voting on the issue approve adoption of the higher extension tax limitations." There was some question with respect to the Section by which there was a limitation in this Section - and I don't remember what the number was - but for clarification, all I'm saying, Senator, is that the caps are in this bill. We don't touch the cap, but we do say that what is excluded from the cap is all voter referendum tax increases that have been approved. That's all it does.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Welch.

SENATOR WELCH:

Yes, I had a question of the sponsor.

PRESIDING OFFICER: (SENATOR D'ARCO)

He indicates he'll yield.

SENATOR WELCH:

Senator Demuzio, in Chicago is the referendum used to pass educational tax increases, or do they do it by city council?

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Demuzio.

SENATOR DEMUZIO:

Well, I think I heard your question. I don't want to be answering for the City, because I'm not exactly clear on that.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Welch.

SENATOR DEMUZIO:

It would seem to me the school board, I would assume. I don't know the answer to that, Howie.

PRESIDING OFFICER: (SENATOR D'ARCO)

The answer is no. Senator Welch.

SENATOR WELCH:

Thank you. So this amendment does not apply to the City of Chicago, because they don't use referendum. Is that correct? That would be correct. So the objections that the few Senators from Chicago on the other side have raised to this basically are taken care of in your amendment. Is that correct, Senator Demuzio?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Demuzio.

SENATOR DEMUZIO:

Well, I wish I were an expert with respect to their referendum procedures, but it is my understanding that there are tax increases that have been approved by the City of Chicago by referendum, particularly, I think, the retirement fund.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Any further discussion? Senator DeAngelis.

SENATOR DeANGELIS:

Thank you, Mr. President. Question of the sponsor.

PRESIDING OFFICER: (SENATOR D'ARCO)

He indicates he'll yield.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

SENATOR DeANGELIS:

If I read this amendment correctly, what you are creating is an exemption of the cap by any district that passed a referendum.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Demuzio.

SENATOR DEMUZIO:

Yes. Why -- why should we -- thank you very much. Why should we deny those voters the opportunity who have voted and passed, by a majority of those voters in the district, a referendum? Why should we not exclude them from that cap?

PRESIDING OFFICER: (SENATOR D'ARCO)

I think he heard you. Senator Demuzio -- DeAngelis.

SENATOR DeANGELIS:

Well, I have no problem with people wishing to raise their taxes the referendum amount, but this amendment says that the cap will not apply to the aggregate base, meaning that you can go way beyond the five plus the referendum.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Demuzio, to close.

SENATOR DEMUZIO:

Well, again, I don't know what the -- the big deal about this amendment is. What it does, it's simply very clear - it clarifies the language that we were attempting to do in Senator Philip's bill. It simply says that the local referendum that are passed by the local school districts, by the people who went out there and worked hard to get their referendum passed, that they are excluded from the five percent cap. The cap is still in there. So, I would move its adoption, Mr. President.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Demuzio moves the adoption of Amendment No. 5 to Senate Bill 1. All those in favor, vote Aye. Opposed, Nay. The voting is open. Have all voted who wish? Have all voted who

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

wish? Have all voted who wish? Have all voted who wish? Have all voted who wished? Have all voted who wish? Take the record. On this question, there are 29 Nays, 27 Ayes, and Amendment No. 5 fails. Any further amendments?

SECRETARY HAWKER:

Amendment No. 6 offered by Senators Jones and Jacobs.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Amendment No. 6, Senator Jones.

SENATOR JONES:

Yeah, thank you, Mr. President and Members of the Senate. Recognizing that the deal has already been cut, but I'm going to go ahead and offer this amendment. This Amendment is an attempt to add some measure of progressivity to this bill and some measure of fairness. The amendment will give lower-income and middle-income taxpayers some reason to support this piece of legislation. The bill currently contains the regressive surtax income tax extension, which is very regressive, which hit the persons who live or who work and pay a lower -- a larger share of their income for taxes, as Senator Dudycz pointed out in the SUN-TIMES article. So what the -- what this amendment does is very simple. Like Senator Pate Philip's plan, the amendment makes the so-called double deductions permanent, but only for taxpayers earning less than thirty thousand dollars a year. Taxpayers earning between thirty thousand and seventy thousand dollars a year will be able to take a single deduction. And taxpayers earning more than seventy thousand dollars will have no deduction. As we all know, Illinois' flat rate income tax falls disproportionately on those persons who can least afford to pay it. And including the extension and making it permanent in this bill does not solve that problem. They pay a higher percentage of their income in taxes, and this surtax extension does not even solve that problem or begin to even address it.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

PRESIDING OFFICER: (SENATOR D'ARCO)

You know -- would you please give your attention to Senator Jones? Thank you.

SENATOR JONES:

So, without this amendment -- without this amendment -- the proposed bill will only be a tax break for the wealthy. You will do nothing to enhance the persons in the middle income and lower income who pay a disproportionate -- portion of their salary for taxes. This amendment should have the unanimous support of the Members of this Body if we are talking about fairness and equity, and I urge a favorable vote on this amendment.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Any discussion? Senator Rigney.

SENATOR RIGNEY:

Mr. President, I'd point out to you, if I understand this amendment, what we're talking about here is a graduated system of deductions. We cannot have a graduated income tax in this State, but we're kind of making that out of it. So I just, you know, so that our Members are aware of what's going on. Furthermore, it says anybody that makes seventy thousand dollars a year, and that could be many husband/wife combinations - between them, they will make seventy thousand a year - they're just not going to get any deductions whatsoever. And I'm not sure if that's really what we want to do.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Schaffer.

SENATOR SCHAFFER:

Well, I just wanted to echo Senator Rigney's sentiments. Frankly, in candor, this amendment destroys the concept of the double deduction. I suspect the people who will qualify for it are probably non-homeowners and the homeowners will be disqualified from getting it. I think, frankly, any of us that

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

represent middle America and suburban homes have to be a red light on this. And I might add anybody who ever wants their people to have homes ought to be a red light on this.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Collins.

SENATOR COLLINS:

Yes, thank you. Senator, one of the speakers over there indicated that we could not have a graduated income tax and, under the Constitution, it did not say that we couldn't have graduated exemptions. It says -- because we have a flat rate. You can, in fact, graduate the exemptions and the deductions. Because I have a bill out on 2nd Reading also to do this, and it's my understanding that this issue has been reviewed before -- that in cases where the state had a flat rate, and they could, in fact, allow them to graduate deductions in exemptions. So just in case this amendment go on, I think there's precedent for establishing the constitutionality of this particular amendment. I think it's a good amendment. I wish the sponsor had raised the cap to a hundred thousand dollars, because under a hundred thousand dollars is where most of the people pay the income tax and over a hundred thousand is where it gradually goes down to those people who don't pay as much -- carry their share of the burden. I think it's a good amendment and it should go on at this time, which makes this bill a better bill. If we're going to do something about tax relief, then we ought to make sure that those who can afford to pay, pay the most.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right, Senator Jacobs.

SENATOR JACOBS:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. You know, so far we've seen Senator Weaver's amendment which I think has some tremendous merit, and now I think we're looking at

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

another one that has some merit. And Senator Weaver, your amendment I think is good. It needs some work. I think that even though I'm a co-sponsor of this particular amendment, I would agree with Senator Collins that the caps may be too low, but I think it's heading toward the right direction. As I say, does Clement Stone need a double property tax exemption? Probably not. But I think the issue here really boils down to the fact, in answer to Senator Rigney, that this whole thing has -- the double taxation is like it's a gift, and that's exactly what it is. This is something we enacted. If we want to turn around and make some adjustments to it, I think that's our prerogative, and it doesn't become a graduated income tax at that point, because if you don't own a home, you're not getting that now. So, let's be honest about this thing and give this an Aye vote.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right, Senator Jones moves the adoption of Amendment No. 6 to Senate Bill 1. All those in favor, vote Aye. Opposed, Nay. The voting is open. Have all voted who wished? Have all voted who wished? Have all voted who wished? You said the deal was cut. Have all voted who wished? Take the record. On that question, there are 31 Nays, 23 Ayes, and Amendment No. 6 fails. Amendment No. 7.

SECRETARY HAWKER:

Amendment No. 7 offered by Senator Cullerton.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Cullerton.

SENATOR CULLERTON:

Thank you, Mr. President. -- Thank you, Mr. President. Next September, the property tax bills in DuPage County will come out. And if this amendment becomes law, there will be some tremendous tax relief for the homeowners and the tenants out in DuPage County. What this amendment does is to shift the cost of some of

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

the property taxes from the homeowners and tenants to the industrial and commercial property taxpayers in DuPage. The bill would require that the county board in DuPage pass an ordinance, and the only limitation we put on that ordinance is to say that apartments and homes should be classified at the same level and at the lowest level. Now, out in DuPage County they have about fourteen and a half billion dollars worth of equalized assessed valuation. Thirty percent of that is industrial and commercial. So, it's believed that by raising the classification of industrial and commercial up to thirty-eight percent from thirty-three percent, you can lower the level for homes and apartments from thirty-three percent down to thirty percent and keep the county equalizer the same. Now you would have within the townships in Cook -- in DuPage County, a -- an equalizer that just affects those townships. That equalizer could be a positive one, where there's very little commercial or industrial property, or a negative one, as in Oak Brook, where there's a lot of commercial property. But in either case, --

PRESIDING OFFICER: (SENATOR D'ARCO)

Come on. Come on. Ladies and Gentlemen, we don't want to give Senator Cullerton the wrong impression. Be nice.

SENATOR CULLERTON:

In either case, under no circumstances would there be an increase in the taxes of -- of people who own their homes. There would always be a decrease. Now, you know, out in DuPage, they have had the problem of industrial property -- industrial -- potential industrial developments coming out, and because of the incredible cost on the infrastructure, they have imposed impact fees. Impact fees on new businesses. They are nothing more than property taxes for new businesses. But in the meantime, the existing businesses just skate. They stay there, at thirty-three percent. Now I think this is fair. The commercial tax -- the

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

commercial property taxpayers will have to take their additional tax bills and pass some of it on to -- in their products. If those products are sold outside the county, then there's no additional cost to the county people. The consumers of those products are different than the taxpayers. The consumers have a choice. They can decide to go and -- and pay for a product. Now some people have said that in Cook County this would be -- this would be good for Cook County, because residents or industrial property in Cook County would stay there, not move to DuPage, because the taxes would not be lower in DuPage. I don't know if that's true or not. But if it is true - and for those of you from Cook - you should probably vote for the bill for that reason alone. The -- this amendment is designed to help those people who are homeowners in DuPage County, especially those who are on fixed incomes, who don't want to sell their home as the property tax goes up, who just want to stay in their home - the home that maybe they raised their family in. This will give them property tax relief. And I believe you cannot find anything that's more fair. And you won't find anything in this bill that'll provide more tax relief in the area that perhaps needs it the most out in DuPage County. Be happy to answer any questions.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Any discussion? Senator Keats.

SENATOR KEATS:

Thank you, Mr. President. Senator Cullerton, as a Republican, I rise to say, "Thank you for this bill." This is a fantastic idea. I cannot tell you how much we appreciate your help. This will fund the entire Republican Party of DuPage County, and in a few years, the entire Republican Party of Lake County, without one bit of contribution from anyone other than politically connected fixer lawyers who'll be working in this area. It is a Republican dream bill. Right now in Cook County, you have people who have

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

become millionaires through their contacts in the Assessor's Office, who can go in and make sure they work their way through the system, and get this at this level fixed and that level fixed. And they make a fortune. And then they contribute to their ward committeeman and to the Democrat Party of Cook County and the Assessor. It is the best political machine you've ever seen. The County Assessor in Cook - great guy that he is - is the biggest fund-raiser short of the mayor. You will make the Assessor of -- of -- of DuPage County, and shortly, Lake County, fund-raisers like you have never seen. They will raise so much money we will never again need to hold a fund-raiser for any other office. This will make millionaires of lawyers who've got connections there, which will guarantee that they'll become Republicans, and they'll contribute out of sheer gratitude for what you have done to make them millionaires. We really appreciate it, because, frankly, fund-raising is getting hard, and this does solve our problem for us. And this will finally let us compete with the Cook County Democrat Party, who already has this mechanism to fund their party and to make sure their structures are taken care of. I do ask a favor, though. If you would pay as much attention to Cook, where you and I live, and get as serious about the Cook County assessment problem as we are about DuPage, you know, you and I could make some progress and help the property taxpayers in our home county if you spent as much time on Cook as you're spending on DuPage. And I just thank you for this opportunity to make us the wealthiest Republican Parties in the State of Illinois.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Schaffer.

SENATOR SCHAFFER:

Senator Cullerton, I would plead with you not to -- to pursue this amendment, on behalf of the people in McHenry County. You know, the taxing policies of Cook County have driven all that

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

industry out into DuPage, and -- all those factories and research centers and what have you. If you put DuPage and then, subsequently, Lake, all that's left is McHenry. Now, we got all the growth we can handle. We got full employment. We got traffic congestion. We don't need this. Don't do this to us. Don't drive all the industry out of Cook, Lake and -- and DuPage into McHenry. We won't be able to sleep night, for all the construction equipment running. This is not a good idea. It didn't work in Cook County. All it's done is drive the prosperity to the rest of the nation and the rest of the State. let's not destroy DuPage. And for God's sakes, please don't send all these people to McHenry. We can't take care of them. We love 'em dearly, but they're not welcome.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Macdonald. Virginia.

SENATOR MACDONALD:

Thank you. I guess that I wanted to ask a question, since Senator Cullerton is so interested in DuPage County. I -- I'm wondering if you would agree, out of fairness, in Cook County that we should be allowed, as property taxpayers, to appeal to the State Property Tax Board of Appeals. That seems to me that it would be a great comfort to the property taxpayers of Cook County, and since you were so interested in DuPage County, I'd like to have you come back to Cook County, where we all live, and ask you what your opinion is of that particular position. A bill that I had that would have done exactly that did not pass out of committee, so I just -- I wondered what your -- what your position is on fairness in Cook County to allow the property taxpayers there to have one more area of appeal. Will you answer me, Senator?

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator -- Senator Cullerton.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

SENATOR CULLERTON:

Yes. I don't think that that has anything to do with this particular amendment, but I don't know of any people in Cook County that are terribly upset with the method by which they can appeal their property taxes now. What this bill does have to do with Cook County, though, is to possibly keep some of the tax space in Cook County and from going to DuPage, and therefore, in answer to you and Senator Keats, keep your property taxes from going up higher.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Karpiel.

SENATOR KARPIEL:

Thank you, Mr. President. Question of the sponsor.

PRESIDING OFFICER: (SENATOR D'ARCO)

He indicates he'll yield.

SENATOR KARPIEL:

Senator Cullerton, under your amendment, it says the level of assessment of property classified as residential shall be the lowest level of assessment, et cetera, and that the Board shall establish by ordinance a system of classification of real property, et cetera. My question is, the DuPage County Board then could, by September 30th, 1991, establish an ordinance which leaves the classification just the way it is now, at thirty-three and a third percent for all property.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Cullerton.

SENATOR CULLERTON:

Yes.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Karpiel.

SENATOR KARPIEL:

Question would be, Senator, why are you doing this - telling

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

DuPage County Board they can establish an ordinance doing just what they're doing now? It doesn't seem like there's much purpose to this amendment. And I would request a No vote.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Geo-Karis.

SENATOR GEO-KARIS:

Mr. President, Ladies and Gentlemen of the Senate, Mr. Cullerton didn't quite answer Senator Macdonald. But I'm going to ask a question, if I may. Is it true that the taxpayers of Cook County cannot appeal to the Property Tax Appeals Board?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Cullerton. Senator Geo-Karis.

SENATOR GEO-KARIS:

To the State Property Tax Appeals?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Cullerton.

SENATOR CULLERTON:

I'm not sure. I don't know.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Geo-Karis.

SENATOR GEO-KARIS:

Well, then, if you don't know, you shouldn't be going along with this amendment. Because all you have to do is straighten out your tax situation in Cook and they won't leave Cook. So stop trying to get -- benefit some other counties.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Cullerton, to close.

SENATOR CULLERTON:

This bill is real simple. This gives property tax relief --

PRESIDING OFFICER: (SENATOR D'ARCO)

Oh! Pate, your light wasn't on. Senator Philip.

SENATOR PHILIP:

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

I apologize, Mr. President. I -- I was in deep, deep conversation. But I just want to make a few points in regards to this classification for DuPage. Number one, the county board has the authority to do it now - today. If they wanted to do it next week, they could do it. As you know, we had public hearings in the courthouse in DuPage. My nine township assessors testified. The supervisor of assessment testified. The county treasurer and county clerk unanimously said we shouldn't do it. About seventy percent plus of our property is residential. We do not have enough industrial base in DuPage County to do it. Also, we have some school districts - believe it or not - that have virtually no industry in them whatsoever. The total district are homes. And -- and quite frankly, we shouldn't be doing it. I think that we ought to defeat this amendment, quite frankly.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Cullerton, to close.

SENATOR CULLERTON:

I thank the previous speaker for raising a point that I forgot to make. It's true that the county board in DuPage can do this by ordinance, but they haven't done it. And they haven't done it because they've been listening to their contributors, rather than their voters. And what we're saying with this bill is, we're telling the DuPage County Board where the biggest problem is with rising property taxes. Give a break to the homeowners and the renters, let the industrial and the commercial property owners pay a little bit more, so there's some tax relief in Cook -- in DuPage County. That's what this is about. Tax relief for the homeowners in DuPage County. It's -- that's exactly what the bill is. I ask for an Aye vote.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Cullerton moves the adoption of Amendment No. 7 to Senate Bill 1. All those in favor, say Aye. Opposed.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

I'm sorry. I'm sorry. All those in favor, vote Aye. Opposed, Nay. The voting is open. Have all voted who wished? Have all voted who wished? Have all voted who wished? Have all voted who wished? On that question -- take the record. On that question, there are 31 Nays, 26 Ayes, and Amendment No. 7 fails. Amendment No. 8. Senator Luft. Read the amendment, Madam Secretary.

SECRETARY HAWKER:

Amendment No. 8 offered by Senator Luft.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Luft.

SENATOR LUFT:

Thank you, Mr. President. Amendment No. 8 simply asks that the State pay for all the referendums that have to take place because of this Act.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right, any discussion? If not, those in favor, say Aye. Opposed, Nay. The Ayes have it. Amendment No. 8 is adopted. Any further -- All right. Okay. All those in favor, vote Aye. Opposed, Nay. The voting is open. Have all voted who wished? Have all voted who wished? Have all voted who wished? Have all voted who wished? Take the record. Almost. On that question, there are 29 Ayes, 29 Nays, and Amendment No. 8 fails. Any further amendments?

SECRETARY HAWKER:

Amendment No. 9 offered by Senator Holmberg.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Holmberg.

SENATOR HOLMBERG:

Thank you, Mr. President. This amendment creates some exceptions for unplanned or mandated cost increases for local government. It basically exempts from the extension limitation extensions made to pay costs related to pension contributions,

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

insurance, self-insurance, tort liability, environmental compliance, persons with disabilities, and any cost imposed on a taxing district by court order. All the types of things that we mandate and local governments have no recourse but to increase taxes. It also takes care of extensions made to pay interest on notes and certificates issued or authorized prior to the effective date of the Act. For instance, in Rockford, it would protect our City Hall financing scheme, in which we have authorized nine and a half million dollars in GO certificates but have only issued 1.1 million dollars to date. The certificates were authorized by backdoor referendum in 1990. And also, it takes care of extensions made to pay interest or principal or <sic> bonds not exceeding one-half of one percent of the total equalized assessed valuation - something that we have had in the past and have rarely used. I think -- these are suggestions that have come to us from local government. I think they're very much needed in the bill. They're emergency type things that we want to keep for these bodies, and I would recommend that we vote for this amendment.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Any discussion? Senator Schuneman.

SENATOR SCHUNEMAN:

Question -- thank you, Mr. President. A question of the sponsor.

PRESIDING OFFICER: (SENATOR D'ARCO)

The sponsor indicates she'll yield.

SENATOR SCHUNEMAN:

Senator, could -- is this on? Senator, can you hear me? Thank you. Senator, I would -- questioning your amendment on line 19, where it refers to taxing -- allowing the taxing district to pay interest or principal on bonds not exceeding one-half of one percent of equalized assessed value of all real property and so on. What's your -- what's the intent of that provision?

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Holmberg.

SENATOR HOLMBERG:

This is something that the City of Rockford now has. They feel they're entitled to it under law, and they just want to keep it. They don't want to see it eliminated by the new bill.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Any further discussion? If not -- Senator Schuneman.

SENATOR SCHUNEMAN:

Well, Senator Keats -- Senator Holmberg, you said that the City of Rockford is entitled to raise or issue bonds equal to this amount now without referendum? Is that -- is that my understanding of what she said?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Holmberg.

SENATOR HOLMBERG:

That is correct.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator --

SENATOR HOLMBERG:

They've never used it, but it is in current law.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Schuneman.

SENATOR SCHUNEMAN:

Okay. May I ask, Senator, under the provision that's in the bill now that exempts those taxing bodies that have not yet reached the equalized assessed value of 1982, where is -- where is the Rockford community in that process? Are you anywhere near your 1982 level?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Holmberg.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

SENATOR HOLMBERG:

I'm sorry, Senator Schuneman, I don't have that information.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Schuneman.

SENATOR SCHUNEMAN:

Mr. President, there's so much noise, I can't hear. Did she say that she didn't -- didn't have the information?

PRESIDING OFFICER: (SENATOR D'ARCO)

Yes, she did.

SENATOR SCHUNEMAN:

Okay. Well, I simply want to point out to the Body that the whole purpose of a limitation is to impose some kind of limits where they need to be imposed. I think that downstate communities generally, and I suspect that Rockford, in particular, is nowhere near the 1982 equalized assessed valuation level. So, I would guess that they are not in danger of being attacked by a cap. As far as those communities there are concerned where taxes have been increasing at unreasonable rates - this amendment would allow them to tax for purposes of pension contributions, tort liability, workers' comp, all the other special assessments that they were given, and have those special assessments be exempt from the cap, and I don't think we really want to do that.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Dudycz.

SENATOR DUDYCZ:

Thank you, Mr. President. Senator Holmberg, on line -- or Section 10 of your amendment referring to the one-half of one percent of the equalized assessed value, what kind of bond issue would this allow the Chicago -- the City of Chicago to impose without referendum?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Holmberg.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

SENATOR HOLMBERG:

I'm sorry, Senator Dudycz, I can't answer that, because, you know, we've never used it, but it's something that the city wishes to have in case they might need to use it.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Dudycz.

SENATOR DUDYCYZ:

Well, you mean this will affect everybody but Rockford. In our city they would be able to -- in the City of Chicago, they would be able to impose this -- this bond issue without referendum then? Except your municipality would be exempt. Is that correct?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator -- Senator Holmberg.

SENATOR HOLMBERG:

It affects everyone.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Any further discussion? If not, Senator Holmberg moves the adoption of Amendment No. 8 to Senate Bill 1. Senator Philip, I'm sorry.

SENATOR PHILIP:

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

PRESIDING OFFICER: (SENATOR D'ARCO)

She indicates she'll yield.

SENATOR PHILIP:

Yeah, if I remember right, didn't the City of Rockford have a referendum on whether to be home rule or not home rule?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Holmberg.

SENATOR HOLMBERG:

That's correct.

PRESIDING OFFICER: (SENATOR D'ARCO)

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

Senator Philip.

SENATOR PHILIP:

And they decided not to be home rule, correct?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Holmberg.

SENATOR HOLMBERG:

That's correct.

SENATOR PHILIP:

Okay. Now what you're doing by this amendment is giving -- exempting them, is that not correct? Isn't that exactly to the reverse of what the voters told you in the City of Rockford? I don't understand that.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Holmberg.

SENATOR HOLMBERG:

Senator Philip, I think you're on the wrong amendment. That doesn't apply to this amendment.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. The question is -- Senator Holmberg moves the adoption of Amendment No. 8 <sic> (9) to Senate Bill 1. All those in favor, vote Aye. Opposed, Nay. The voting is open. Have all voted who wished? Have all voted who wished? Have all voted who wished? Have all voted who wished? Have all voted who wished? Take the record. On that question, there are 29 Nays, 26 Ayes, and Amendment No. 8 <sic> (9) fails. Any further amendments?

SECRETARY HAWKER:

Amendment No. 10 offered by Senator Holmberg.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Holmberg.

SENATOR HOLMBERG:

Now to the amendment. This basically exempts Rockford - any municipalities over a hundred and thirty thousand - because of the

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

fact that we did lose home rule and home rule municipalities are exempted. Rockford has asked for this to put them in compliance with other cities of that size.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Geo-Karis.

SENATOR GEO-KARIS:

Mr. President and Ladies and Gentlemen of the Senate, the people in Rockford are just as upset about their high real estate taxes as the people in my cities. And when you stop to think that the very poor do not have to pay income taxes up to 10,000 dollars and yet the real estate rates have gone tremendously high in all of our municipalities, including Rockford, I don't think the people of Rockford should be excluded. When are we going to care about the middle -- the middle American? The middle class is the one who carries the freight. Let's give them a break and let's vote against this amendment.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Rigney.

SENATOR RIGNEY:

The sponsor said something about Rockford lost home rule. No one loses home rule. When you're a community of 25,000 or more, you automatically have it. And those were all created by the Constitution of 1970. Rockford took affirmative action to throw it out. They had it. They rejected it. And I don't think maybe it's proper to come back now and ask for some special privilege of this kind.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Holmberg moves the adoption of Amendment No. 9 <sic> (10) to Senate Bill 1. Those in favor, vote Aye. Opposed, Nay. The voting is open. Have all voted who wished? Have all voted who wished? Have all voted who wished? Have all voted who wished? Take the record. On that question, there are

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

25 Ayes, 30 Nays, none voting Present, and Amendment No. 9 <sic> (10) fails. Amendment No. 10. Senator Carroll. Read the amendment, Madam Secretary.

SECRETARY HAWKER:

Amendment No. 11 offered by Senator Carroll.

PRESIDING OFFICER: (SENATOR D'ARCO)

I'm sorry. We're on 11? Amendment No. 11. Senator Carroll. Amendment No. 11, Madam Secretary.

SENATOR CARROLL:

Yeah, I was just waiting for the electronic wizardry to turn on the microphone. Thank you, Mr. President, Members of the Senate. Amendment No. 11 deals with the Water Reclamation District, and exempts from the extension limitation made for payment of statutory non-referendum general obligation bonds. The -- there's some ambiguity in the Act. We believe that it was the intent that these bonds issued by the Water Reclamation District be exempt from the five-percent limitation. It seems to recognize the general need, and we believe this, the first amendment, just clarifies that.

PRESIDING OFFICER: (SENATOR D'ARCO)

Any discussion? Senator Barkhausen.

SENATOR BARKHAUSEN:

Mr. President and Members, in the initial debate on Senator Philip's amendment, I made mention of the fact that there is already included within the exceptions to the limitations imposed by this measure an exception number eight, an exception for projects of the Water Reclamation District that have already been initiated. And all of us in the Chicago area in particular have a great interest in flood control, particularly in light of what has transpired in the last few years. But I believe that most of the projects that we're concerned about have already been initiated. And so, in general, I think it's fair to say that the limitations

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

that are contained in this Act for local governmental units generally will not affect the Water Reclamation District in the same way that they will other units of local government. And so I believe that -- very much that Senator Carroll's amendment is unnecessary and should be opposed.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Geo-Karis. You're on a roll.

SENATOR GEO-KARIS:

Just a point of information. Which amendment are you on? There's three Carroll amendments. One relates to wastewater collection treatment facilities. The other one relates to publicly-owned sewage treatment works. Which number is it, please?

PRESIDING OFFICER: (SENATOR D'ARCO)

This is No. 11.

SENATOR GEO-KARIS:

I know, but which number on the -- on the end of the amendments, run them down.

SECRETARY HAWKER:

pam39.

PRESIDING OFFICER: (SENATOR D'ARCO)

Thirty-nine?

SENATOR GEO-KARIS:

Thirty-nine? That's the one that relates to "made for any taxing district to pay interest or principal as statutory non-referendum general obligation bonds."

PRESIDING OFFICER: (SENATOR D'ARCO)

That's correct. All right. Any further discussion? Senator Luft.

SENATOR LUFT:

Thank you, Mr. President. I'd like to ask -- would the sponsor yield for a question?

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

PRESIDING OFFICER: (SENATOR D'ARCO)

He indicates he'll yield.

SENATOR LUFT:

Twice now Senator Barkhausen has got up and suggested that language implied something that I believe may not be totally accurate. Could you tell me whether I'm correct or not, please?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Carroll.

SENATOR CARROLL:

Yes, Senator Luft, I agree that you are accurate; that Senator Barkhausen has said something that we believe is inaccurate, which is how I explained the amendment in the first place, that the language in Section 8 seems unclear if it is the intent that this be done to exempt taxing districts for statutory non-referendum general obligation bonds, then we should say so - and that's what this amendment does, to Senator Barkhausen "to the contraries" opinion notwithstanding, that it already does that.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Any further discussion? If not, Senator Carroll moves the adoption of amendment No. 11 to Senate Bill 1. All those in favor, vote Aye. Opposed, Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Have all voted who wished? Have all voted who wished? Take the record. On that question, there are 26 Ayes, 29 Nays, none voting Present, and Amendment No. 11 fails. Amendment No. 12, Madam Secretary.

SECRETARY HAWKER:

Amendment No. 12 offered by Senator Carroll.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Carroll.

SENATOR CARROLL:

Does this end in 4-3 or 4-0? 4-0? Okay. The -- Amendment

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

No. 12 deals with the issue of the aggregate extension for wastewater collection and treatment facilities and flood control facilities. The issue is to allow the district to have the sufficient funds to operate as new federal mandates come into play. The problem is that the district gets -- has to operate on their federal mandates under the Clean Water and Clean Air Act. They are required to build and operate new facilities that would not -- obviously the Federal Government does not care about our five-percent limitation. As they are mandated to open new facilities, they need the sufficient working funds to operate them. And I would move its adoption.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Any discussion? Senator Keats.

SENATOR KEATS:

Thank you, Mr. President. I rise in opposition to this amendment for a couple of reasons. First, we're dealing with the Water Reclamation District of Greater Chicago, which is the old MSD, who have been notorious for their uneven and unequal treatment of groups within their area. One town is treated one way; another town is treated another way. There's no consistency in their action. They will not cooperate with others. They don't cooperate with other counties; they don't cooperate with other municipalities. We think it might be a good idea if we kept them...(inaudible)...we have to have an eye on what they're doing. We are perfectly capable of letting them do this if we choose to do it. We are perfectly capable of working with the feds to make sure these things are accomplished. But to give them carte blanche without us looking over their shoulder, based upon their existing track record, would be poor government. I think we should oppose this amendment.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Any further discussion? If not, Senator Carroll

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

moves the adoption of Amendment No. 12. Those in favor, vote Aye. Opposed, Nay. The voting is open. Have all voted who wished? Have all voted who wished? Have all voted who wished? Take the record. On that question, there are 22 Ayes, 30 Nays, none voting Present. Amendment No. 12 fails. Any further amendments?

SECRETARY HAWKER:

Amendment No. 13 offered by Senator Carroll.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Carroll.

SENATOR CARROLL:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. The bill, as it currently exists, is ambiguous as to when the limitation applies, regardless of when the bonds are issued. At issue here is -- it says "when a project is initiated," and there's confusion as to what that means. For example, in the case of the Water Reclamation District, if they have been in negotiation on a new storm sewer project for an area of the county and the Federal Government has approved it, but approves it at the time that this Act becomes law - is that or is that not a project that had been initiated? Does initiated mean only those that are already under construction? Does initiated mean only those upon which there is already an operation? The point of this Amendment is to merely clarify that any project that is in the works, subject -- because of some requirement that they build a water treatment or flood treatment facility, that that would be considered initiated and those projects only. And I would move its adoption.

PRESIDING OFFICER: (SENATOR D'ARCO)

Any discussion? All right. Senator Carroll moves the adoption of Amendment No. 13. Those in favor, vote Aye. Opposed, Nay. The voting is open. Have all voted who wished? Have all voted who wished? Have all voted who wished? Take the record. On

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

that question, there are 30 Nays, 24 Ayes, none voting Present, and Amendment No. 13 fails. Any further amendments?

SECRETARY HAWKER:

Amendment No. 14 offered by Senator Jones.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Jones. Senator Jones.

SENATOR JONES:

Yes, thank you, Mr. -- Mr. President and Members of the Senate. Amendment No. 14 exempts from the extension limitation all extensions made to pay any kind of debt instrumental to the Chicago Park District, and I move its adoption.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Any discussion? If not -- Senator Schaffer. Senator Schaffer.

SENATOR SCHAFER:

Mr. President, am I -- Okay. I would just point out that this amendment would leave a hole in the limitation that the entire Iraqi Army could retreat through. It would simply cause our somewhat creative taxing bodies to start running in excess spending through this avenue. It's a bad idea, and I think it's time has definitely not come.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Any -- further discussion? Senator Jones moves the adoption of Amendment No. 14 to Senate Bill 1. All those in favor, vote Aye. Opposed, Nay. The voting is open. Have all voted who wished? Have all voted who wished? Have all voted who wished? Take the record. On that question, there are 24 Ayes, 30 Nays, none voting Present, and Amendment No. 14 fails. Any further amendments?

SECRETARY HAWKER:

Amendment No. 15 offered by Senators Kelly and Severns.

PRESIDING OFFICER: (SENATOR D'ARCO)

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

Senator Kelly.

SENATOR KELLY:

Thank you, Mr. President, Members of the Senate. Amendment No. 15 would exclude park districts and library districts from the Act, and I move for its adoption.

PRESIDING OFFICER: (SENATOR D'ARCO)

Any discussion? If not, Senator Kelly moves the adoption of Senate Amendment No. 15 to Senate Bill 1. All those in favor, vote Aye. Opposed, Nay. The voting is open. Have all voted who wished? Have all voted who wished? Have all voted who wished? Have all voted who wished? Take the record. On that question, there are 25 Ayes, 30 Nays, none voting Present, and Amendment No. 15 fails. Any further amendments?

SECRETARY HAWKER:

Amendment No. 16 offered by Senators Severns, Carroll and Kelly.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Severns. You sure you want to do this?

SENATOR SEVERNS:

Thank you, Mr. President, Members of the Senate. Amendment No. 16 simply requests of the State the same we are requesting of local governmental units, and that's to limit the spending. The message of Illinois citizens - and most certainly the message from citizens of my district - is to tighten our belts. And this amendment does just that. It simply says that the Governor's annual budget for the State of Illinois, as submitted to the General Assembly, shall not exceed an increase of five percent or the increase in the Consumer Price Index over the prior year's spending, whichever is less. We must, as a state, lead by example, and I would urge a favorable vote.

PRESIDING OFFICER: (SENATOR D'ARCO)

Any discussion? Senator Keats.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

SENATOR KEATS:

Just a quick question of the sponsor. We're having an interesting debate on this side. This does not take everything else out of the bill. It just changes the title and adds that the State's covered by the five percent. That's all it does, right? It doesn't take off the other stuff.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Severns.

SENATOR SEVERNS:

That -- that's all it does. And that's its only intent.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator -- Senator Keats.

SENATOR KEATS:

Say that one more time. We're having an interesting debate on this side. Say that one more time - that this does nothing but limit the State's growth to five percent.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Severns.

SENATOR SEVERNS:

This simply limits the State's growth. It simply ask of the State what we're asking of local governmental units.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Schaffer.

SENATOR SCHAFFER:

Well, let me ask you a couple of questions. Would this also obviously apply to the Local Government Distributive Fund?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator --

SENATOR SCHAFFER:

The Common School Fund? And any excess federal dollars that might come our way through the largess of our friends on the Potomac?

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Severns.

SENATOR SEVERNS:

This amendment affects the entire pie. It says the entire pie - all spending - cannot exceed five percent of the Consumer Price Index, whichever is less. Whatever is done within that pie is acceptable, as long as it does not exceed the entire pie.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Dudycz. Oh, I'm sorry. Senator Schaffer.

SENATOR SCHAFFER:

I can think of about twenty arguments why this would be a bad idea in terms of restricting our ability to capture lottery funds, federal dollars, et cetera, except it's not worth arguing against, because the bill - the idea - is a nullity. The reason it is a nullity is it only restricts the Governor's budget - the one that he presents to us. It isn't the Governor that's been busting the budget for the last decade and a half. It's the General Assembly. This does not restrict us from bloating the budget ten, twenty, fifteen percent. All it does, it says that document that Senator Carroll's so fond of describing as dead on arrival and worthless to a five percent cap. Which doesn't mean that the Governor then couldn't put an addenda saying, "If I didn't have the five percent cap, I'd spend some more money in these areas." This is a press release and a nullity, and has no place on this bill.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Dudycz.

SENATOR DUDYCZ:

Well, Mr. President, I seem to like the concept. And, Senator Severns, I -- I applaud you for your effort, but let's go one step further. We are dealing with - in Section 2 - with the Governor's annual budget for the State. What happens after the -- after the Governor presents his budget and it is within that five percent

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

limit? What do we do? Are we restricted to that five percent? Or are we allowed to continue to do whatever we are doing now?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Severns.

SENATOR SEVERNS:

The -- the intent of this amendment is that the Governor submit, we adopt, the Governor signs, a budget that does not exceed five percent of the prior year's budget or the Consumer Price Index, whichever is less. The intent is clear. Contrary to the comments voiced by Senator Schaffer earlier, the intent is clear. If it looks like a duck, if it walks like a duck, it is a duck. This amendment is limiting the Governor and us, as the General Assembly, by five percent or the Consumer Price Index, whichever is less.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Dudycz.

SENATOR DUDYCZ:

Well, the way -- the way I read it is, you're -- you're discussing -- you're referring to that book that we get or that volume -- those volumes of books we get from the Governor where his budget presented to us will not exceed five percent of the previous year's. Now, are you saying to me that -- we're not talking about intent. We're talking about fact. That he must -- he must conform to these -- this five percent guideline. Would that -- would that also require us to -- to stay within that five percent guideline? Because if it is, that's demagoguery on that side, Senator. Because our -- our budget people are saying that almost never we have -- we have - well, actually, no -- never -- we have actually passed a budget as brought to us by the Governor. And maybe last year we were with -- we were within those -- those percentages, but in previous years that you and I have been here the -- the Illinois Legislature has far exceeded that five percent

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

of -- of what was even presented by the Governor.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Weaver.

SENATOR WEAVER:

Thank -- thank you, Mr. President. Question of Senator Severns.

PRESIDING OFFICER: (SENATOR D'ARCO)

She will yield.

SENATOR WEAVER:

Senator, suppose the Governor adheres to this five percent and we, in the General Assembly, say, raise it to fifteen percent in a certain agency. Now, is the Governor directed to line item reduce that to the five -- maximum five percent or cost of living? Or -- it seems like we're -- we're going to run into some -- some real problems in the Veto Session if we find the Governor -- doing what he's mandated to do here through his budget, and then we come back and -- are we going to be able to override or restore those line item reductions?

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Severns.

SENATOR SEVERNS:

Thank you, Senator Weaver. The -- the amendment simply says five percent of the overall State budget. An agency can increase within that budget and is not limited to the five percent level. But the overall State budget is limited to the five percent level. And I want to remind the -- the -- the individual who asked the prior question, that it is in fact the Governor who signs the budget. For the Legislature to -- to be limited, it, of course, takes a constitutional amendment. I'm saying when it's signed, it shall not exceed five percent or the CPI, whichever is less.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Weaver.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

SENATOR WEAVER:

Senator Severns, in your language here, it says, "as submitted." I -- I think -- I think we're -- we could run into a windfall somewhere along the line and then be precluded from -- from appropriating and spending.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Rigney.

SENATOR RIGNEY:

Question of the sponsor.

PRESIDING OFFICER: (SENATOR D'ARCO)

She will yield.

SENATOR RIGNEY:

Do you have more than one amendment pending?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Severns.

SENATOR RIGNEY:

Do not have. Well, the one I have only, again, talks about the budget that's submitted. It doesn't say what's passed. It doesn't say what's signed. And furthermore, contrary to what you have said, I didn't see anything in here about the CPI. Is there -- that's why I was wondering if I didn't have the right amendment.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Severns.

SENATOR SEVERNS:

I have one amendment. You have the -- the earlier draft. The -- the lines 12 and 13 of the correct amendment has the CPI. In fact, we are having drafted, if Senator Weaver and others would approve, an amendment which says in line 11, "as submitted and approved by the General Assembly."

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Hawkinson.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

SENATOR HAWKINSON:

Thank you, Mr. President. You finally hit it on the head, Senator. Your protestations to the contrary, this amendment before us, which ends 46/dos, although it has Consumer Price Index, has no limitation on anything the Governor could sign and no limitation on anything the General Assembly could enact. All this does is say that the budget book that's submitted to us will be limited. And it's not -- your intent to the contrary, this amendment doesn't do that.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Severns.

SENATOR SEVERNS:

My intent is clear. And I would like to make a motion to amend it on its face to add the words, "and approved by the General Assembly."

PRESIDING OFFICER: (SENATOR D'ARCO)

Hearing no objection, leave is granted. Senator Luft.

SENATOR LUFT:

Thank you, Mr. President. I'd only like to point out, with all the confusion we're have with the State five percent cap, just think what's going to happen next year when all the local governments have to deal with the same thing.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Jacobs.

SENATOR JACOBS:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I -- I rise in strong support of this amendment. And I -- I almost really have to chuckle a little bit to sit here and watch the other side of the aisle struggle with this, whenever they have to suffer a little bit of the pain that they are trying to inflict upon local governments. You know, as it was said earlier about the duck, I guess with this case, what's good for the goose, isn't

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

necessarily good for the gander. I think the intent of this bill is clear. Senator Rock said, if you remember, whenever we were talking about tax accountability quite some time ago - I think it was in last Session or thereabouts - he said that the accountability must start on the -- expenditure side of the aisle. I think this fulfills Senator Rock's words, and I think everyone on the other side of the aisle ought to join us on this side in voting for this amendment.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator DeAngelis.

SENATOR DeANGELIS:

Thank you, Mr. President. Someone mentioned what's good for the goose is good for the gander. Let me point out to the Body, that the only thing we limited on local government was the property tax. We did not limit the sales tax. We did not limit the transfer tax. We did not limit all the other user taxes. Now, I'll tell you what, Senator Severns. I'll support this, if you'll agree to put in an amendment that limits five percent period on local government - on all taxes. 'Cause that's precisely what you're trying to do with the State of Illinois.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Raica.

SENATOR RAICA:

I -- I guess, Mr. President, on a question of the Chair. And to Senator Jacobs: the confusion was -- I guess, what Senator Severns was speaking about was -- was not the amendment that we had on this side of the aisle. If we're waiting for another amendment to say exactly what Senator Severns said, I probably have no problem with supporting that amendment, as you said some people should. The problem is, what we have in front of us and what we're voting on now are -- are -- are -- my question to the Chair - can we at this point amend on the Floor or can we wait for

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

an amendment to come up to do exactly what she wants to do?

PRESIDING OFFICER: (SENATOR D'ARCO)

The amendment was amended on its face to include the word, "approved." So in effect, it says, "submitted and approved by the General Assembly." That is the essence of the now amendment. Senator Fawell.

SENATOR FAWELL:

Thank you, Mr. President. Question of the -- of the sponsor. Now --

PRESIDING OFFICER: (SENATOR D'ARCO)

She indicates she will yield.

SENATOR FAWELL:

I -- I -- I happen to think your idea has some merit. But I'm wondering, if we collect more than, say, five percent additional funds, say for instance, to the Road Fund, does this prevent us from spending it? I mean, you know, the Road Fund money has to be spent for roads. We have all different special kinds of funds, and are you just talking about the General Revenue Funds? Are you talking about all the funds in the world that the State manages to collect? What are you -- what are you talking about? And -- and what happens if we collect more in that fund than five percent?

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Severns.

SENATOR SEVERNS:

Senator Fawell, we have over four hundred million dollars sitting in the Road Fund today. It -- it would, in fact, increase -- it would, in fact, force us either to reduce in other lines or -- or not to spend the amount. It seems to me that it's about time, especially looking at our outstanding bills that have not been paid going from one fiscal year to the next, that it would serve us well in the State of Illinois to try to not spend every cent that we -- that we have. In fact, perhaps, consider

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

decreasing.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Fawell.

SENATOR FAWELL:

Well, those four hundred -- four hundred million dollars have already been obligated to road funds, frankly, mostly down in -- in Southern Illinois and Central Illinois. Now, if we collect, say, six percent or seven percent this -- this fiscal year, you're saying, in effect, that we're not going to be able to use that, even though perhaps there are bridges that need to be repaired or -- or roads that need to be repaired? Would -- would it -- would it keep those funds, basically, inside our little bank account?

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Severns.

SENATOR SEVERNS:

We're simply applying the same philosophy to State Government that we're attempting to apply to township government and -- and local governmental units. We simply don't have to be in the business of spending every cent that we take in. We're not going to lose those dollars if we don't spend them. I'm just suggesting that we don't have to overspend year after year. The intent is not dilatory; the intent simply is to ask State Government to do what we're asking of local governmental units.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Schuneman.

SENATOR SCHUNEMAN:

Thank you, Mr. President. Well, this is an interesting idea. Comes a little late. We needed -- we needed -- we needed this kind of an idea two years ago, when -- when the Democrat-driven -- when the Democrat-driven budget of this State increased spending by almost ten percent in one year. That's when we needed it. But it wouldn't have done any good then, either, because if this bill

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

passes, it's merely State law, and any appropriation bill that wants to get around this particular State Statute need only have the provision that this particular appropriation does not apply to this law. So let's not kid ourselves that we're doing anything here; we're really not. We can send out press releases and talk about it, but we're not really affecting the future spending of State Government.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Davidson.

SENATOR DAVIDSON:

Mr. President and Members of the Senate, I think one big point of difference should be pointed out. The property tax limitation bill -- amendment that went on deals with local real estate property tax. What Senator Severns is proposing has nothing to do with any property tax, 'cause the State of Illinois receives no property tax. This is either taxes that someone has chose to spend that we collect, such as sales tax, or income tax, which -- in the amount of what you've made or didn't make. Has nothing to do with the real estate property tax, which the amendment which we passed and certainly hope gets thirty votes out of here, or thirty-six, or forty. Has nothing to do. There's two entirely different subjects. You're comparing apples and oranges. And I think this amendment is out of order 'cause it doesn't deal with property tax; it deals with other sources of revenue.

PRESIDING OFFICER: (SENATOR D'ARCO)

All right. Senator Severns, to close.

SENATOR SEVERNS:

Thank you, Mr. President, Members of the Senate. In response to Senator Davidson, I can only say to -- to the overburdened taxpayer, it all comes out of one pocketbook. In terms of the technicality of the amendment, it does, in fact, track with Senator Philip's amendment. I think it's the right thing to do.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

And I think it's past time that the State of Illinois sets the lead. I would urge a favorable vote.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Severns moves the adoption of Amendment No. 16. Those in favor will vote Aye. Opposed, Nay. The voting is open. Have all voted who wished? Have all voted who wished? Have all voted who wished? Have all voted who wished? On that question -- take the record, Madam Secretary. On that question, there are 29 Nays, 25 Ayes, none voting Present, and Amendment No. 16 fails. Any further amendments?

SECRETARY HAWKER:

Amendment No. 17 offered by Senator Daley.

PRESIDING OFFICER: (SENATOR D'ARCO)

Senator Daley. Withdraw Amendment 17. Any further amendments?

SECRETARY HAWKER:

No further amendments.

PRESIDING OFFICER: (SENATOR D'ARCO)

3rd Reading, Madam Secretary.

PRESIDENT ROCK:

Senator Joyce, for what purpose do you arise, sir?

SENATOR J.E. JOYCE:

For a point of clarification. Is it the intention now to proceed with a vote on this?

PRESIDENT ROCK:

Leave has been requested to -- yes, have intervening business and vote this matter, having now been amended. On the Order of Special Session No. 1, I turn your attention to Page 2 on the Calendar. Senate Bills 2nd Reading, Senate Bill 2. Read the bill, Madam Secretary.

SECRETARY HAWKER:

Senate Bill 2.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

(Secretary reads title of bill)

2nd Reading of the bill. The Committee on Revenue offers Committee Amendment No. 1.

PRESIDENT ROCK:

Senator Luft, on Committee Amendment No. 1.

SENATOR LUFT:

Thank you, Mr. President. The -- Amendment No. 1 to Committee -- Amendment No. 1 to Senate Bill No. 2 establishes a uniform levy filing date of the last Tuesday in December; allows a majority of registered voters attending a Truth in Taxation hearing to require that a levy be approved by referendum. It prohibits taxing districts from accumulating an excess balance; attempts -- exempts home rule units and mandates that Truth in Taxation's hearing be held by August 15th.

PRESIDENT ROCK:

Senator Luft has moved the adoption of Committee Amendment No. 1 to Senate Bill 2. Discussion? If not, all in favor, indicate by saying Aye. All opposed. The Ayes have it. The amendment's adopted. Are there further amendments?

SECRETARY HAWKER:

No further committee amendments.

PRESIDENT ROCK:

Any amendments from the Floor?

SECRETARY HAWKER:

No Floor amendments.

PRESIDENT ROCK:

3rd Reading. Senator Joyce, for what purpose do you arise?

SENATOR J.E. JOYCE:

I would like to ask that the Senate either stand in recess for about fifteen minutes, or if we could move to adjourn.

PRESIDENT ROCK:

Well, the idea that the Chair had discussed with the Minority

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

Leader was that we would work until approximately six o'clock. I think it's fair to say people ought to have time to reflect -- why don't -- The Senate will stand at ease until 5:15. We're going to work till six o'clock. We'll quit at six o'clock. But I think it's important to bring this to a vote. Just stand at ease for about ten minutes.

(AT EASE)

(SENATE RECONVENES)

PRESIDENT ROCK:

Senate will please come to order. We are in the First Special Session of the Eighty-first -- Eighty-seventh General Assembly, intervening business having been conducted. On the Order of Senate Bills 3rd Reading is Senate Bill 1. Read the bill, Madam Secretary, please.

SECRETARY HAWKER:

Senate Bill 1, from the First Special Session.

(Secretary read title of bill)

3rd Reading of the bill.

PRESIDENT ROCK:

Senator Luft.

SENATOR LUFT:

Thank you, Mr. President. I would yield to Senator Philip.

PRESIDENT ROCK:

Senator Philip.

SENATOR PHILIP:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. We've probably heard enough debate on this today, but just in summation, let me just say this: I think it does two good things.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

First of all, it extends the income tax permanently three percent, gives the majority of that to education; increases the amount we give to local governments. Senator Weaver's amendment postponed the half percent for eighteen months to help the terrible financial condition of the State of Illinois. And I, quite frankly, think that our first obligation at the -- of the State of Illinois, the second obligation is to other governments. I agree with Senator Weaver's amendment. I don't like the idea of going out and borrowing money, because we'll just not borrow our way out of this hole that we're in. The way to do it is just say to the local governments, "You're going to get it, but you're going to have to wait eighteen months." I don't think that is unrealistic at all. It also attempts to slow down the growth of very high real estate taxes, and I mean very high real estate taxes. What it says - it's the rate of inflation not to exceed five percent. Now, to accommodate some of my downstate friends, we have let most of the taxing bodies downstate out of this bill. You know, we had them go back to the year of 1982, which was the last time that they had any kind of an increase. Since then, they've been flat or down. And, quite frankly, this bill ends up primarily affecting Suburban Cook and the Collar Counties, and primarily, that is the place where we have all the problems. That's where we have the place that has all the high -- high real estate taxes. It's the place where, in my judgment, particularly school districts have just taken an unfair advantage of the continual growth in real estate and passed it on to us poor taxpayers. So, we've heard it long today, and I would hope that we'd have enough votes to pass it out of here and get the ball rolling. You know, now, quite frankly, I'm assuming that somewhere down the line the House will act on it. We'll probably get it in a conference committee sometime in the -- in the end of June, and hopefully work out some reasonable accommodations.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Is there discussion? Senator Jacobs.

SENATOR JACOBS:

Yes, I would just -- Mr. President, I'd like to have a ruling of the Chair. How many votes does this take, beings it exempts home rule?

PRESIDING OFFICER: (SENATOR DEMUZIO)

It is my understanding that -- let me get back to you. It's my understanding that is -- it will take 30 votes. Further discussion? Senator Kelly.

SENATOR KELLY:

Thank you, Mr. President and Members of the Senate. I am going to vote against this bill, as amended, because I don't feel it goes far enough in property tax relief, and I am not convinced that we need a permanent extension of the State income tax surcharge. This bill does not reduce any property taxes, and I am convinced that our constituents will still be irate about their high property taxes. Senator Philip did a great job with his amendment. I think it signifies a big change from where we started with the Governor's recommendation for a simple cap of five percent, or the CPI, on the property taxes. We see that we've gone a long ways. I think we need more deliberations, and I also feel that it will be pretty close to June 30th before we'll, in fact, reach accord on this issue, if we ever do. So, I -- I regret that the Assembly did not allow, for instance, my amendment which would have exempted park districts and library districts from the concept. I feel that these are two units of government who will not share in the permanent extension of the income tax, and yet would have to carry this responsibility. I just think this isn't a time for the bill, and I hope somewhere along the line I'll be able to change that -- my vote. But for the time being, it's going to be a No.

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Further discussion? Senator Rock.

END OF TAPE

TAPE 4

SENATOR ROCK:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I view, Mr. President, Senate Bill 1, as amended, as something akin to castor oil or milk of magnesia. It doesn't taste very good, but you know that you're doing the right thing. And I suggest to you that Senate Bill 1, as amended, does the right thing, insofar as it does indeed extend and make permanent the income tax surcharge. Without that surcharge, the budget, as recommended by the Governor of this State, and is being currently acted upon by the General Assembly, is simply in shambles. And so I think if there is no other reason, that is reason enough to vote affirmatively for Senate Bill 1. Senator Philip and I and others have been arguing and negotiating and attempting to compromise. I stood on this Floor last year, you will recall, and spoke vehemently against the idea of caps. I think caps are a usurpation of local government authority. I think caps bespeak almost an arrogance on our part that we, somehow, are all-knowing and all-seeing, and we are going to tell locally elected officials what they can and cannot do, instead of letting them answer to their electorate. I don't think there ought to be a double deduction. I think if, indeed, you're going to impose a cap, that you ought not, at the same time, afford that kind of tax relief, because it's too much. The State simply can't afford it. We are going to argue, I hope, again about the proceeds, who gets the

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

money. We are saying, as I said initially, on the one hand you are attempting and will be attempting to impose a cap on what the local governments can raise themselves by virtue of their own authority, and at the same time you're going to deny them the much-needed State revenue that we have provided for the past two years. So there are a number of things in this Senate Bill 1, as amended, with which I don't agree. And I think it's fair to say that across this State, probably the nine hundred and forty-three school districts, and the park districts, and the library districts, and the cities and the villages don't agree. But I think it's fair to say that some of us are making a good-faith effort to arrive at a resolution, to say to the Governor of this State, "We really want to try to make this system work. We want to put the wheels back on. We don't want the system to break down." One of the ways we do that, I suggest, is to pass, today, Senate Bill 1, and send it to the House. There is no doubt, I hope, in anybody's mind that it's not going to come back. I don't, frankly, like Senator Weaver's amendment. Senator Carroll and I had a different plan to manage -- better manage the cash of this State. But the fact of the matter is I am also a political realist, and I heard the admonition from Senator DeAngelis and Senator Philip and others that there is not going to be an extension of the income tax surcharge unless there is some legitimate effort at tax relief, or tax reform, or both. I understand that, and this is an effort. I think it's worthwhile that we pass Senate Bill 1 and move the process along, and I would urge an Aye vote.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Collins.

SENATOR COLLINS:

Thank you, Mr. President and Members of the Senate. I rise in very strong opposition to Senate Bill 1, because I truly believe

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

that it does not do the right thing. Does it have some good features about it? Yes. The extension of the income tax is something that we should do, and it most certainly is the right thing to do. And I'm even in support of, basically, the basic concept of allowing some of the monies to be used for the State, to deal with some of the critical social problems that we are -- facing us. But is it enough to address those problems? I say no. I'm also strongly opposed to passing this bill right now, because I think, once this bill, if -- if, through the wisdom of the House - and I hope not - would pass and get to the Governor's desk, that we would leave this place on June 30th and not do anything to respond to the many critical problems that face the citizens of this State, and the school districts and local units of government, who we will not give any support to, and the Federal Government has not lived up to its responsibility of giving back its share, the taxpayers' share of money to the State of Illinois. This is a very difficult vote for many, but for me, it's quite simple. Do we address the problems of the citizens of this State, or do we do what is politically expedient and go home and say that we've done our job, or that we've done the people proud for justice in this State? I'm opposed to this bill, because it doesn't do the right thing. And I hope everyone on this side of the aisle join me and vote No.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Maitland.

SENATOR MAITLAND:

Thank you very much, Mr. President, Members of the Senate. I, like fifty-eight other State Senators in this Chamber, have agonized and considered and thought and meditated on this bill for several weeks now, and I, like Senator Rock and Senator Collins and others, I'm sure, find many components of this legislation that are extremely good. And we find other things that bother us

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

a little bit. But let me attempt to address just two areas this afternoon, if I might. First of all, Senator Berman put it well earlier this afternoon when he indicated that the State really hadn't been living up to its responsibility to fund education from the State, and we all agree with that. That's clearly one of the reasons for rapidly escalating property taxes around this State. This will send a signal to us - to us, the General Assembly - that, by golly, it's time now to begin to address the needs of funding education from the State level. And I think for that reason, that lends much credence to the cap issue. Let me also suggest to you that this Governor and many of us are committed to property tax reform, not just property tax relief, and that's an agenda down the road a couple of years. And once we address that, the cap issue probably will not be an issue. And I think that's important to note. And finally, with respect to the Health Care Debt Relief Fund that Senator Weaver amended onto this legislation, every single one of us in this Chamber have been called by hospitals and nursing homes. It is unconscionable what we are doing to them. We tell them that you will provide care and service to people who cannot pay for that care themselves. They are carrying out our obligation. What we've assigned them the task to do, and now we are saying to them, "We haven't the money. We can't pay it. You're on your own." And if you are a long-term health care facility with over fifty percent Medicaid, you are about to go down the tube. And we simply can't allow that to happen, because if we do, the State is going to be in the long-term health care business and the hospital business, and we don't want that. This program is much better than borrowing. It flatly is. It allows us to pay those bills, do it in a systematic way, and get those homes and hospitals back on a level playing field. If we allow ourselves to borrow out of this problem, we simply continue to magnify the problem facing us - and, Senator

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

Collins, I would suggest to you that if we follow that program, not recognizing our problem -- if you think it's bad today, what's going to happen a year from now and two years from now? We simply will not be able to fund those programs that you and I both feel so strongly about. This is a good compromise bill. I urge your support.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Geo-Karis.

SENATOR GEO-KARIS:

Well, Mr. President, Ladies and Gentlemen of the Senate, I concur with what Senator Rock says. I'm not too crazy about parts of the bill. In fact, I have never voted for an income tax increase in my life, in nineteen years. But the facts are the facts. The need is there. How are we going to take care of the people who have the need - the senior citizens, the people in nursing homes and the hospitals, where we haven't paid their bills for months? And as Senator Maitland says, it's not conscionable for us to expect them to take care of these people - and these are the poor people who do not have other funds - and sit here and pontificate. I think this is a step in the right direction. I think the bill, as amended, will at least try and give us some tax relief. And we should concentrate on more tax reform, because the people of Illinois - and it's the middle-class people - are tired of carrying all the freight. And they are carrying ninety percent of the freight in taxes. And I certainly urge a favorable consideration of this bill.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? Senator Keats.

SENATOR KEATS:

Since much has been said, I'll be very brief to say I had hoped this bill would go out unanimously, for a couple reasons. Certainly we all have some disagreements. I look at our schools

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

and I say the uncontrollable costs - special ed, utilities - probably ought to be pulled out. Senator Weaver's amendment is excellent, in terms of moving along the Medicaid payment. All those are nice, but the specifics of the bill are not relevant at this moment. This is the only way to keep the process going, and you really have to commend Senator Rock, as President of the Senate, and Senator Philip, as Minority Leader, and for all of us who've worked on the bill as an entity, to say, "At least it's together and going." Unlike the House, where the "Great Buddha" sits there and June 29th or 30th he'll make a few decisions, and then things are done behind closed doors, with no input, the Senate actually functions. This is what a Legislative Body is about. There are things in this bill, such as an income tax extension, that I, like Senator Geo-Karis, not only have never voted for, but until recently, I've never even considered voting for. I'm not happy with all of it either. But that we would accept the concept that the Senate would act irresponsibly, and would do nothing and would let the "Great Buddha" make all the decisions behind closed doors without input, is frightening. We should send this bill out with a large vote, specifically to say, "The Senate is being responsible. We are moving the process. We are keeping the discussions going. We are accepting that there are other alternatives." But if we do nothing, we accept the fact that the Legislature really isn't capable of doing its job and that we ought to all just quietly go home and get out of here, because that means we aren't capable of functioning as a Legislative Body. The Leaders should be commended for the fact that they have moved this forward and given people the opportunity to realize what is a serious attempt to solve some very serious problems in Illinois.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Further discussion? If not, Senator Jacobs, with respect to

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

your question on the ruling. Left to my own devices, I would rule 45; however, my Parliamentarian indicates to me that with the exemption of home rule, it only takes 30. Senator Jacobs.

SENATOR JACOBS:

Same question of the exemption of the State Mandates Act.

PRESIDING OFFICER: (SENATOR DEMUZIO)

-- Mandates Act, I am told by the Parliamentarian, does not apply. Further discussion? Senator Philip may -- may close.

SENATOR PHILIP:

Thank you, Mr. President, Ladies of the -- Senator Rock, I'm not sure its castor oil or milk of magnesia. It's more like an aged Scotch. It goes down a little strong, but it gives you a good glow. And I would just ask for a favorable roll call.

PRESIDING OFFICER: (SENATOR DEMUZIO)

Question is, shall Senate Bill 1 pass. Those in favor will vote Aye. Those opposed, 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 31, the Nays are 27, none voting Aye <sic> (Present). The -- Senate Bill 1, having received the required constitutional majority, is declared passed. Senate Bill 2. All right. Take it out of the record. Senator Rock?

SENATOR ROCK:

Thank you, Mr. President. Ladies and Gentlemen of the Senate, if I can have your attention. If I might have the attention of the Membership. As indicated earlier, we are indeed going to adjourn at six o'clock. Senator Philip and I have agreed that we will start tomorrow morning at nine o'clock in the morning. We will be on the Order of Senate Bills 2nd Reading, and we will do 2nd Reading and the Agreed Bill List, and we will conclude our business by one o'clock, so that all Members can get to their appointed districts and handle their constituents. So I would

STATE OF ILLINOIS
87th GENERAL ASSEMBLY
FIRST SPECIAL SESSION
SENATE TRANSCRIPT

26th Legislative Day

May 15, 1991

move that the Special Session stand adjourned until 9:05 tomorrow morning. I'd ask, Mr. President, as you go back into Regular Session - there's some housekeeping stuff - and then adjourn till nine o'clock.

PRESIDING OFFICER: (SENATOR DEMUZIO)

All right. Senator Rock has moved that the First Special Session stand adjourned till tomorrow morning at the hour of nine. Nine o'clock. All right. First Special Session stands adjourned.

DAILY TRANSCRIPTION OF DEBATE INDEX
SPECIAL SESSION # 1

MAY 15, 1991

SB-0001 RECALLED	PAGE	1
SB-0001 THIRD READING	PAGE	78
SB-0002 SECOND READING	PAGE	76

SUBJECT MATTER

SENATE TO ORDER - PRESIDENT ROCK	PAGE	1
JOURNALS - POSTPONED	PAGE	1
SENATE AT EASE	PAGE	78
SENATE RECONVENES	PAGE	78
ADJOURNMENT	PAGE	88