

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

HB0429	Third Reading	2
HB0429	Vote Intention	21
HB1972	Motion	40
SB0782	Recalled	43
SB0782	Third Reading	44
SB0782	Vote Intention	48
SB0782	Vote Intention	48
SB1167	Concurrence	21
SJR0011	Motion	40
SJR0055	Motion	40
Senate to Order-Senator Halvorson		1
Prayer-Pastor Jon Morrissette		1
Pledge of Allegiance		1
Journal-Approved		1
Message from the House		2
Senate Stands in Recess/Reconvenes		39
Committee Reports		39
Message from the House		43
Adjournment		49

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

PRESIDING OFFICER: (SENATOR HALVORSON)

The regular Session of the 95th General Assembly will please come to order. Will the Members please be at their desks and the guests in the galleries please rise? The invocation today will be given by Pastor Jon Morrissette, Lakeside Christian Church, Springfield, Illinois.

PASTOR JON MORRISSETTE:

(Prayer by Pastor Jon Morrissette)

PRESIDING OFFICER: (SENATOR HALVORSON)

Please remain standing for the Pledge of Allegiance. Senator Maloney.

SENATOR MALONEY:

(Pledge of Allegiance, led by Senator Maloney)

PRESIDING OFFICER: (SENATOR HALVORSON)

The Chicago Tribune, Fox News and Journal-Register seek leave to photograph or videotape the proceedings. Seeing no objection, leave is granted. Madam Secretary, Reading and Approval of the Journal.

SECRETARY SHIPLEY:

Senate Journal of Monday, August 6th, 2007.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Hunter.

SENATOR HUNTER:

Madam -- Madam President, I move that the Journal just read by the Secretary be approved, unless some Senators has additions or corrections to offer.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Hunter moves to approve the Journals just read by the Secretary. There being no objection, so ordered. Madam

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

Secretary, Messages.

SECRETARY SHIPLEY:

A Message from the House by Mr. Mahoney, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to wit:

Senate Bill 1400, together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to wit:

House Amendment No. 1 to Senate Bill 1400 and House Amendment No. 4 to Senate Bill 1400.

Passed the House, as amended, August 6th, 2007. Mark Mahoney, Clerk of the House.

PRESIDING OFFICER: (SENATOR HALVORSON)

We will be going to Floor action. Will all Members within the sound of my voice please come to the Senate Chambers? All Members within the sound of my voice please come to the Senate Chambers. We will be going to 3rd Readings. Ladies and Gentlemen, we will be turning to page 31, top of the page, House Bills 3rd Reading. With leave of the Body, page 31, House Bills 3rd Reading. Senator Silverstein, do you wish to proceed? Madam Secretary, on Senate -- on House Bill 429, please read the bill.

SECRETARY SHIPLEY:

House Bill 429.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein -- and I know everybody's excited to see each other, but please keep it down so we can hear Senator

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

Silverstein.

SENATOR SILVERSTEIN:

This -- is 3rd -- 3rd...

PRESIDING OFFICER: (SENATOR HALVORSON)

We are on 3rd Reading.

SENATOR SILVERSTEIN:

Thank you, Madam President. House Bill 429 is the result of two years of efforts to bring the Illinois liquor law into compliance...

PRESIDING OFFICER: (SENATOR HALVORSON)

Excuse me, Senator. Please keep it down. We cannot hear the Senator explain the bill.

SENATOR SILVERSTEIN:

I'll start again. House Bill 429 is the result of two years of efforts to bring the Illinois liquor law into compliance with a 2005 U.S. Supreme Court ruling about wine called Granholm versus Heald. Which also allowed Illinois to regain -- regain statutory control over the -- wine entering the State. In Granholm the Court ruled that laws that treat in-state and out-of-state wineries differently are unconstitutional because they violate the Commerce Clause. This removes from our liquor laws certain types of provisions that discriminate between in-state and out-of-state wineries. One -- one being preferences that -- that let -- that let Illinois wineries, but not out-of-state wineries sell their wine -- their wine direct to -- to retail and to others, being a reciprocity provision saying that Illinois consumers could buy direct and tax free two cases of wine per year from a winery provided that the winery was in-state and let its consumers buy Illinois wine. 429 replaces the preferences

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

with an exception for which smaller wineries - those that make less than twenty-five thousand gallons of wine - from any state - - from any state can -- apply. The exemption allows the winery to ship up to five thousand of gallons of wine direct to retail. The provision recognizes that it is hard for small wineries to work with distributors that's generally required by the 3-tier system. House Bill 429 replaces the reciprocity provision with the provision creating a wine shipper's license which will allow a licensed winery to sell direct to consumers of legal age in any state up to twelve cases of wine per consumer a year. This provision -- actually this -- this provision actually is -- better accomplishes the original intent of the -- reciprocity provision to authorize limited wine shipments for wineries only. Out-of-state retailers are not eligible for this license because they are not subject to federal regulation and do not apply with local license and insurance requirements, as there are hundreds of thousands of them that do not purchase from Illinois distributors. Both enforcement and tax collection is particularly impossible. The amendment is supported by the Illinois Grape -- Growers and Vine -- Vineyards {sic} (Vintners) Association, the Illinois Wine Institute, the Wine and Spirits Distribution of -- Distributors of Illinois, the Associated Beer Distributors of Illinois, the Beverage Retailers -- Alliance of Illinois, the Illinois Retail Associations {sic} (Merchants) -- Association is neutral. Other significant portions of the -- of the amendment are that wine shipper's licensee must file reports on total wine -- wineage -- total gallonage shipments semi-annually and pay the Illinois -- gas -- gallonage tax and sales tax. It expressly states that Illinois license retailers may

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

continue their current sales practice. And the ILCC maintains jurisdiction over wineries shipments, must conduct Internet compliance stings, and provide package-warning stickers. I ask for your favorable roll call.

PRESIDING OFFICER: (SENATOR HALVORSON)

Is there any discussion? Senator Garrett.

SENATOR GARRETT:

Thank you, Madam President. To the -- I have a question for the sponsor.

PRESIDING OFFICER: (SENATOR HALVORSON)

Sponsor indicates he'll yield. Senator Garrett.

SENATOR GARRETT:

Thank you. I've received numerous e-mails from constituents who are concerned that...

PRESIDING OFFICER: (SENATOR HALVORSON)

Excuse me, Senator Garrett. I do not know what the problem is, but we can't seem to get order. And if it's the people out in the hall, will the Doormen please check out there to make sure they're quiet? But, please we need to be able to hear in here. Senator Garrett.

SENATOR GARRETT:

Yeah. Thank you, Madam President. I have received numerous e-mails from constituents who are concerned that they will not be able to order direct as they have been able to in the past. They feel that their rights have been -- are going to be trampled upon. And I'm just wondering, maybe I have misread the bill or they don't understand the changes that you've made. So, if you could clarify that.

PRESIDING OFFICER: (SENATOR HALVORSON)

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

Senator Silverstein.

SENATOR SILVERSTEIN:

Well, they just can't order from retailers but they can order from other people. I think there's a lot of confusion regarding that.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Garrett.

SENATOR GARRETT:

So, in the bill, how is a retailer defined? What is the -- definition of retailer?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

Well, the only one I -- it's a person who sells alcohol through retail sales. I don't know how else I can define it.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Garrett.

SENATOR GARRETT:

As an example, if I went to a winery, let's say Mondavi in California, and I wanted to have a case of their wine shipped back to my home, under this bill would that be allowed?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

It would be allowed, but it would be only limited to twelve cases, if they register. So, there -- there's...

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Garrett.

SENATOR GARRETT:

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

I guess what I'm trying to get at is that for some reason many, many constituents believe that in the past they have been able to get access to less than or more than twelve cases of wine. And I'm not sure exactly if a retailer is who they've gone through or if they've gone through a wine wholesaler or how that's happening. But now, all of a sudden, they're saying they don't have the right to do that anymore and, obviously, they don't like this.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

I -- I don't have any response to your question. That's your opinion. But you do make a valid point. But I think that overall the -- the retailers are the ones that are going to be in control of everything here.

PRESIDING OFFICER: (SENATOR HALVORSON)

Further discussion? Senator Pankau.

SENATOR PANKAU:

Thank you, Madam President. Will the sponsor yield for a question?

PRESIDING OFFICER: (SENATOR HALVORSON)

Sponsor indicates he'll yield.

SENATOR PANKAU:

Senator, I have Lynfred Winery in my district in Roselle, Illinois. Really good winemaker, I may add. And I understand they are opposed to this. Did they sign in in opposition?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

They -- they are opposed.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Pankau.

SENATOR PANKAU:

And because I was not able to make the committee hearing 'cause I was in Revenue, can you tell me why they are opposed?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

They didn't want to be limited to twelve cases. That's the -- the cap here was twelve cases.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Pankau.

SENATOR PANKAU:

Did they happen to say what portion of their business would -- this would eliminate? I mean, how much more they ship now, I guess.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

No.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Pankau.

SENATOR PANKAU:

Was it only the shipping that they were opposed to? I know they also like retail to -- well what used to be Marshall Field's is now Macy's in their gourmet food department. Was that a concern of theirs?

PRESIDING OFFICER: (SENATOR HALVORSON)

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

Senator Silverstein.

SENATOR SILVERSTEIN:

The only concern was the shipping. I don't know about the gourmet food aspect. I don't know anything about...

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Pankau.

SENATOR PANKAU:

So, in -- in -- in your opinion this bill does address their concern though, I mean that they can ship one case a month basically?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

What we do for in-state is what we're doing out-state. They're limited to twelve cases so what -- whatever they can do it's the -- limit is twelve cases, that's all.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Pankau.

SENATOR PANKAU:

Is there a possibility to negotiate with them further or are all the negotiations done and this is a take it or leave it type thing?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

I like the word negotiate. But, you know, this -- this has been going on for over two and a half years. So I don't know if they were at the table or they weren't at the table. But on the final hour, I don't think there's going to be any more

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

negotiations here. They're might be negotiations on the budget, but not on this.

PRESIDING OFFICER: (SENATOR HALVORSON)

Further discussion? Senator Munoz.

SENATOR MUNOZ:

Thank you, Madam President. To the bill: I want to congratulate the sponsor. They have addressed over the last couple of years, as the sponsor stated, to an agreed-upon bill, addressed issues that the leaders have addressed in the House here in the Senate, as well as my colleagues. I would urge an Aye vote on this.

PRESIDING OFFICER: (SENATOR HALVORSON)

Any further discussion? Senator Dillard.

SENATOR DILLARD:

Thank you, Madam President. Would the sponsor yield for a couple of questions, please?

PRESIDING OFFICER: (SENATOR HALVORSON)

Sponsor indicates he'll yield.

SENATOR DILLARD:

Thank you. Senator Silverstein, all those press people over there I don't think are here perhaps on this wine bill. They're probably here waiting to talk to Senate President Jones about the budget or Senator Trotter. But what impact would this bill have, if any on State revenues?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

This would ensure that the taxes would be paid by the shipper. I don't have a figure for you.

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Dillard.

SENATOR DILLARD:

So, is it fair to say that perhaps the State of Illinois will receive some increased proceeds from liquor sales because of this bill?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

Hypothetically, possibly, yes.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Dillard.

SENATOR DILLARD:

Another question, Madam President, and this one is -- is pretty serious. This bill is of dubious constitutionality and I leave it up to my friend, Senator Cullerton to always -- warn the Chamber that we're going to pass unconstitutional bills, like he did in the videogame bill, which cost the State of Illinois hundreds of thousands in legal fees. And Senator Cullerton also warned us, as did I, that the judge's pay raise was also unconstitutional and cost us a fortune. Senator Silverstein is a -- is a great lawyer. So my question to him, Madam President, is, Senator Silverstein, why do you think that this bill does not violate the Interstate Commerce Clause? Is this bill in your estimation - and I assume your answer's going to be yes, 'cause you're up talking about it - but is this bill constitutional and why?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

SENATOR SILVERSTEIN:

Well, I -- I -- I try to make the laws, I can't interpret them. Maybe not yet. But I -- I've spent an amount of time researching this. There -- there may be -- there may be a challenge to this, I don't doubt that. I'm sure one or two -- grape growers will probably be challenging it. But I think based upon the Supreme Court decision and what work has been done, it is constitutional. But again I'll leave it up to across the street, the Supreme Court, or any other judge in Cook County or the State of Illinois.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Dillard.

SENATOR DILLARD:

Thank you. And thank you, Senator Silverstein. To the bill: I -- I guess because it is the only game in town and Senator Silverstein has indicated negotiations are probably over on this, I'm going to vote for this bill. But, this bill clearly has some legal questions. It's clearly got some very, very bad provisions, but there are good provisions in here as well. Including that we open up the ability - for those of us, like Senator Radogno, over here who like wine - to purchase from all states rather than just a few that we have reciprocity on and the number of cases we can get is increased. And those are good things. But I trust greatly and have -- there's no Senator in here that I respect more than Senator Silverstein. So, as I do a lot of times as a courtesy to the sponsor and somebody who's worked hard on this, who's a good contentious sponsor, I'm going to vote for this bill. But there are clearly legal questions and there are some stinker provisions in here to go with the good

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

ones that are here. But I certainly thank Senator Silverstein for giving a great portion of his spring and summer working on this -- this bill. So, I rise in support of it. Thank you, Madam President.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Peterson.

SENATOR PETERSON:

Thank you, Madam President. Would the sponsor yield?

PRESIDING OFFICER: (SENATOR HALVORSON)

Sponsor indicates he'll yield.

SENATOR PETERSON:

Senator Silverstein, I'd like to follow-up on what Senator Garrett talked about - the prohibition of buying wine from out of state, specifically from retailers. Was that addressed in this bill or is that something that existed before this bill was drafted?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

We -- we don't address that. It just says that retailers have to -- retailers have to operate the current law. But we don't address that, Senator Peterson.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Peterson.

SENATOR PETERSON:

So, the language in the bill does not address it, it doesn't prohibit it, it kind of goes back to what the practice was before this legislation was presented?

PRESIDING OFFICER: (SENATOR HALVORSON)

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

Senator Silverstein.

SENATOR SILVERSTEIN:

That's correct.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Peterson.

SENATOR PETERSON:

Well, there's some disagreement. I think that this is an area that should be addressed. I know, like Senator Garrett, I had many people call me who are now prohibited from buying from retailers out of state. They can buy from the wineries, but not from retailers. And they are certainly not in support of this bill. I realize there are a lot of good things in this bill and I'll probably support it. But I think this is something we should try to address in future legislation. Thank you.

PRESIDING OFFICER: (SENATOR HALVORSON)

Any further discussion? Senator Ronen.

SENATOR RONEN:

Thank you, Madam Chair. Will the sponsor yield?

PRESIDING OFFICER: (SENATOR HALVORSON)

Sponsor indicates he'll yield.

SENATOR RONEN:

I -- I had some questions about people buying wine online. There's wine clubs that have been established that are not necessarily associated with a retail -- or a winery or another retail association. It's all online. How would this affect those operations?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

Retail wine sales will -- will remain the same. This is -- this won't -- I -- I don't think it's going to affect that much -- what you're saying. Only wine maker...

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Ronen.

SENATOR RONEN:

About it -- I'm talking a -- a wine club that has been established or a business that -- and I've seen several of them and heard from them. They sell wine on the Internet. They buy it somewhere -- would -- what kind of restrictions would be placed on them and what kind of -- what would the tax situation be for them?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

If they're associated with a winery then they'll only be limited to twelve cases.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Ronen.

SENATOR RONEN:

And -- and if they're not associated with a winery there's no limit? They can continue doing what they're doing now?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

That -- that's correct. I mean, if you read the in Act, nothing will deny or limit their right to -- to ship -- it's -- it's in the Act, page 20.

PRESIDING OFFICER: (SENATOR HALVORSON)

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

Senator Ronen.

SENATOR RONEN:

So, if I understand correctly we're saying that -- that -- wine -- that -- that e-mail -- that E-club out there -- that wine club if it's not associated with a winery they continue to operate just as they have? Thank you.

PRESIDING OFFICER: (SENATOR HALVORSON)

Further discussion? Senator Lauzen.

SENATOR LAUZEN:

Thank you, Madam President. First of all, I would also like to thank the sponsor for two and a half, three years of hard work on a very complicated matter. I'm under the impression from this conversation and some -- some talk outside of the -- this debate that, you know, you probably have the number of votes you need to pass the legislation. I just wanted to confirm a couple of things. If I'm not mistaken this -- this legislation favors Illinois retailers, probably disfavors out-of-state retailers. Would that be a fair characterization?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

I would disagree with you. I think everyone would be on the same plane -- playing field. But I disagree with your -- with that -- with that -- your opinion there.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Lauzen.

SENATOR LAUZEN:

Okay. Second -- thank you for that clarification. The second, isn't it possible for a grower or a winery that might be

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

prohibited under this bill from the distribution to make arrangements with a -- you know, a favorable commercial ally to become a distributor and then distribute their -- their product that way? I mean, aren't there ways that people continue to do their business under -- the provisions of this legislation?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

We -- we -- they can give it to a distributor. We have a 3-tier system. I -- I don't understand the question, but I...

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Lauzen.

SENATOR LAUZEN:

Thank you. Let me -- try to clarify the question. There's no restriction on the number of distributors that there are in State of Illinois. So, a -- a person who wanted to go into business distributing from wineries that might not be able to self-distribute, there's no prohibition on the number of distributors is there?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

The -- I -- I don't know if there's a -- a requirement, a number, but the distributors have to go through the -- the 3-tier system in -- order to be a -- a -- a distributor. I -- I don't understand. I mean, maybe I'm missing something over here.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Lauzen.

SENATOR LAUZEN:

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

The -- the point of my question is I want to make sure in voting Yes on a bill like this that we're not somehow restricting commerce for those - especially in Illinois - wineries trying to sell their product to customers in Illinois. There isn't any -- I know that there's the 3-tier structure in Illinois, but there's no restriction of the number of people who can go into the distributor level.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

The number that can go into the distributors -- whatever, that -- that remains current law. We haven't touched anything like that, so that still stays the same.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Lauzen.

SENATOR LAUZEN:

Okay. Thank you very much. And then just one final question. Are there any fee or tax increases in this bill? Is there a fee increase?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

We're -- we're hoping to generate revenue, but there's no fee or tax increases.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Lauzen.

SENATOR LAUZEN:

Last -- last question was -- on the clarification of that, our analysis shows that there's some fee, a hundred and fifty to

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

a thousand and it's called a -- it's -- it's a winery shipper's license. And would that be considered a new fee or is that already part of existing law?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein.

SENATOR SILVERSTEIN:

Believe that's already existing law. I don't think there's a new fee. We're just applying it to the new names, that's all.

PRESIDING OFFICER: (SENATOR HALVORSON)

Last speaker. Senator Sieben.

SENATOR SIEBEN:

Thank you very much, Madam President. I rise in opposition to the legislation. And I recognize the fact that this bill's had strong support. And we discussed it yesterday in Executive Committee and recognize that there's a -- been agreement worked out with the Beer Distributors, obviously, and the smaller wineries in the State. But the one thing that this legislation does that's -- punitive, to the two most successful family-owned and -operated in this State, is it prohibits their ability to self-distribute or retail to their customers that they've built over the last twenty or twenty-five years. Galena Cellars in my district in Galena is one and Lynfred Winery is the other one. Two family-owned businesses that have been very successful. So, in support of Galena Cellars in my district, I rise to express their opposition to the legislation. They were not part of this agreement. They did not agree to this limitation on their ability to self-distribute. And I -- I would hope - I understand this legislation will pass overwhelmingly - but I would hope as we go forward we can look at something, some type of a trailer

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

bill possibly that would create an opportunity for these two wineries to have some level of self-distribution to the customers that they've built over the last twenty/twenty-five years of growing their businesses. And I think we need to recognize that over the next five or ten years some of those other small wineries in the State that have agreed to this will reach that same threshold and have the same difficulty. So, I would just ask the sponsor that we might look at that in the future. Look at -- that we might make some accommodation with some future legislation for these two wineries. Thank you very much.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Silverstein, to close.

SENATOR SILVERSTEIN:

Just thank you for the comments, and I ask for a favorable roll call.

PRESIDING OFFICER: (SENATOR HALVORSON)

The question is, shall House Bill 429 pass. Those in favor will vote Aye. Opposed, Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there are 49 Yeas, 5 voting Nay, 2 voting Present. And House Bill 429, having received the required constitutional majority, is declared passed. Senator Clayborne, for what purpose do you rise?

SENATOR CLAYBORNE:

Point of personal privilege.

PRESIDING OFFICER: (SENATOR HALVORSON)

State your point.

SENATOR CLAYBORNE:

It is my privilege to announce today that one of our

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

colleagues, a good friend of mine from downstate, he and his wife, thirty-six years ago, got married. And, as a result of those thirty-six years, they have five girls and two boys. And there's also a celebration tomorrow, as well. So -- but, I want to say today and I want you all to -- to congratulate Bill and Anna Haine for thirty-six years of -- of marriage.

PRESIDING OFFICER: (SENATOR HALVORSON)

Happy anniversary. Congratulations. Senator, thanks for raising her hand. You are right. Senator Cronin, for what purpose do you rise?

SENATOR CRONIN:

Just a point for the record.

PRESIDING OFFICER: (SENATOR HALVORSON)

State your point.

SENATOR CRONIN:

The bill that we considered moments ago, House Bill 429, I intended to vote Yes, but I didn't turn my key on before I attempted to vote. So, let the record please reflect that.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Cronin, your -- your intention on House Bill 429 will be reflected in the record. Ladies and Gentlemen, with leave of the Body, we will be going to page 37, Secretary's Desk, Concurrence. At the bottom of page 37, on Senate Bill 1167. Senator Collins, do you wish to proceed? Madam Secretary, please read the motion.

SECRETARY SHIPLEY:

I move to concur with the House in the adoption of their Amendment No. 1 to Senate Bill 1167.

Filed by Senator Jacqueline Collins.

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

PRESIDING OFFICER: (SENATOR HALVORSON)

Okay. I, again, need to please ask for order. And I've got a feeling it's the people out there. So, if someone could please go keep everybody down I would appreciate it. Okay. It's in here. It is not outside. Please keep it down. Senator Collins, to explain your motion.

SENATOR COLLINS:

Thank you, Madam President. House Amendment No. 1 to Senate Bill 1167 is the comprehensive financial regulation package combating predatory lending and protecting homebuyers. It consists basically of three components. It authorizes governing commissions to establish a Foreclosure Prevention Loan Fund to provide low interest loans to certain individuals forced to -- into foreclosure proceedings. Two, it also provides comprehensive consumer protections to homebuyers by prohibiting prepayment penalties, requiring brokers to honestly compare loans, and prohibiting lenders from encouraging default, equity stripping and loan flipping. And third, finally, it codifies provisions concerning the predatory lending database that enabled us to monitor unscrupulous lending practices. The program now applies throughout Cook County, rather being limited to specific areas. And let me explain that the purpose of the bill is to preserve homeowner -- homeownership in Illinois as foreclosure rates are on track to hit record highs. Foreclosures in 2006, for the State, reached fifty-five percent totaling seventy-two thousand four hundred and fifty-five. On -- today, in 2007, Cook County has shown a -- foreclosure rate over fifty percent and are expected to hit as high as thirty-seven thousand by year's end. And this is not only a problem for the urban area -- excuse me,

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

the urban areas. It is also an issue arising also in the suburban communities. For north Cook County they show a -- a -- a 52.1 percent rise in foreclosures, in northwest Cook County a forty-eight percent rise in foreclosures and even in DuPage County showed an increase of forty-six percent of foreclosure rates. And that is basically the gist of the -- of the legislation. And before I take questions in reference to the merits of the legislation, I want to give some of my colleagues some background information on how we got to Senate Bill 1167. Now, as a legislator, I am very frustrated that I received calls after this legislation passed out of the House from individual rogue mortgage brokers who told me that they were opposed to the legislation. However, 1167 is the product of two months of negotiations, an open-door negotiations on both sides of the aisle. We had the Republican staffer and the Democratic staffer in the meetings. That was a result of their strong opposition to a Senate Bill 1674. So, I said, we would sit down and have a negotiation to find out whether or not we could come to some agreement on language. Senate Bill 1167 is that agreed-upon language. Not only that, the Illinois Association of Mortgage Brokers filed as proponents of the legislation in the House. So, I was amazed and somewhat disappointed that my office was flooded with calls - I'm sure your offices were flooded with calls - from individual mortgage brokers indicating that they were opposed to the legislation. So, I just wanted to give that backgrounder too, because I don't feel that I should have to re-argue, on the Floor, something that was compromised and agreed-upon language. I was told this has never been done in the twenty-five-year history of the Legislature. So, it's not only is it an insult to

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

me, but it's an insult to every Member of this General Assembly.

PRESIDING OFFICER: (SENATOR HALVORSON)

Further discussion? Senator Rutherford.

SENATOR RUTHERFORD:

Thank you, Madam President. To the legislation: Senator Collins is accurate in her comments with regards to the efforts that were put forward in this. Senator Link and I were together in the back Anteroom with all parties involved that had questions on 1674. As we moved forward and dispatched it over to the House, both our Senate Republican, Senate Democrat, the Attorney General, and the caucuses on the House side got together. We have from that moment an agreed bill. In fact, in the House committee the Mortgage Brokers Association filed witness slips as proponents to this legislation. When it passed, came over for concurrence, Senator Collins -- we had our Senate Financial Institutions Committee meeting last week or the week before. No one filed in opposition to this bill. So, for those that we've received perhaps an e-mail or phone call on, they were not here. Came forward -- everyone in that room filed as proponents to this legislation. So, in light of the process we've gone through, the investment of time, bipartisan, I stand in favor of this concurrence motion by Senator Collins and would ask my colleagues to join with an Aye vote, please.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Link.

SENATOR LINK:

Thank you, Madam President. I want to concur with the previous two speakers on the events of this bill and add one other thing to it. When it was addressed to me originally one of

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

the big factors was on -- was the constitutionality of this bill. And we checked on it and we felt that there was problems of its constitutionality. And I made strong indications I would vote for nothing that was unconstitutional. And we checked and, as Senator Rutherford and Senator Collins said, we met with a number of people and in all good faith worked this bill out. And as anything -- anybody knows in here you work and you compromise. We corrected the constitutionality of this bill. We corrected some of the problems that people had on this bill. And it was a give-and-take measure by everybody. And I made indications to people - and I will follow through on a personal promise I made to some mortgage brokers - I -- I'm not making that promise to the organization anymore because I think they've lost a lot of good-faith with me in what they did. But I will follow through with the individual that I made that commitment to, of working on a trailer bill and -- in the future and -- with Senator Collins in her -- and Senator Rutherford in their leadership roles of trying to correct some of the inaccuracies in this bill that they feel that's in here. And see if we can correct it with a trailer bill. And seeing what we can do to work on it. And I made that commitment that I would do that. And I still will stick to that commitment because I know what a commitment is. And when you make a commitment you should follow through on it, unlike what they did to us. But I compliment Senator Collins for holding these hearings, willing to work with all sides on this to make sure that people could be heard and that we could come up with something that I think now is a workable bill. And I would strongly suggest that everybody vote for this bill for a lot of reasons. But I thank you, Senator Collins, for what you did in

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

showing the leadership that I know you have on this bill. Thank you.

PRESIDING OFFICER: (SENATOR HALVORSON)

Is there discussion? Senator Hunter.

SENATOR HUNTER:

Thank you, Madam President. I'd like to commend the speaker as well, for working so hard on negotiating this bill and taking the leadership and stepping out there to do the right thing for the people. I have a huge foreclosure rate in my community. We've been working very closely with the African American mortgage brokers who originally were in -- who were originally against 4050. But this is a problem that we all need to address. We need to do the right thing. We've all received phone calls from mortgage brokers asking us to vote against this bill. However, we may have -- all of us may have mortgage brokers in our district, but we also have our constituents that we represent down here in Springfield. And we really need to do the right thing and vote in support of this bill. Thank you.

PRESIDING OFFICER: (SENATOR HALVORSON)

Further discussion? Senator Pankau.

SENATOR PANKAU:

Thank you, Madam President. To the bill: I'm going to be voting No on this bill. I bristled slightly when the sponsor said that she'd received some phone calls and e-mails from rogue mortgage brokers. These are good people in our community that do a service to all of us. And not everybody has pristine credit in their history or their kid's history. And, there are sometimes when you need to work efficiently and effectively, to be able to get them into a mortgage and into a home. I don't blame the

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

sponsor or the committee for this bill. From my conversations with the mortgage brokers and the people that have called and wrote, it appears to be a breakdown in communications between them and their association. So, I do not blame the committee for this. However, I will be voting No. I think some of the regulations in here are onerous. I have had two conversations with attorneys that tell me that due to the counseling and some of the other restrictions in here it might actually go past the date of closing - where, technically, they were supposed to be closing on a building but they haven't had their counseling yet. So, they aren't going to be able to get their mortgage yet. I think there's a lot of problems in this bill. And thank you very much, Madam President. I will be voting No on this.

PRESIDING OFFICER: (SENATOR HALVORSON)

Further discussion? Senator Righter.

SENATOR RIGHTER:

Thank you, Madam President. Will the sponsor yield, please?

PRESIDING OFFICER: (SENATOR HALVORSON)

Sponsor indicates she'll yield.

SENATOR RIGHTER:

Thank you. Senator Collins, Senator Link spoke earlier and talked about a commitment he had made to someone about running a trailer bill to correct any defects or deficiencies that might be in the bill. I'm wondering, first, if you can enlighten the rest of the Body as to what defects or deficiencies he might be referring to. I'm assuming you've been on -- in on those conversations that might be the subject of a trailer bill.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Collins.

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

SENATOR COLLINS:

I cannot address all those defaults in the bill. There was -- when they came to the table - and probably Senator Link can address it - but I think it deals with banks - including the banks within the -- the regulations and the restrictions on the database. I believe that is, but I'm not sure. But I do know that mortgage brokers came to the table with nine concerns. Of those nine, we agreed to three that they approved of, wholeheartedly. There are three others that they're okay and it was -- was not a deal-breaker and there were three that they had issues with. And I can give you those.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Righter.

SENATOR RIGHTER:

Was it -- Senator, was it not possible to address those defects or deficiencies that Senator Link referred to in a trailer bill here before calling the bill for 3rd Reading?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Collins, and then if you'd like we can refer that question to Senator Link.

SENATOR COLLINS:

I would like to turn that over to Senator Link, because I think the main concern dealt with banks. That's my understanding. So, I would leave that question to Senator Link.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Righter, do you wish to ask Senator Link or do you just have another question of this sponsor?

SENATOR RIGHTER:

I do have another question of this sponsor, Madam President.

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

But I would like to ask that question of Senator Link, if the sponsor can't answer it.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Link, the -- Senator Righter would like to know what some of the concerns were that you possibly would put in a trailer bill.

SENATOR LINK:

Senator Righter, I was -- I made the indication that I would work with them of the concerns that they had in -- they -- they just had general concerns of what they wanted to do on the bill. There's no specific types of things that I have right now, but that I was willing to work with them on correcting some of these things that they felt were concerns on it. There's no exact things in words right now that we have.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Righter.

SENATOR RIGHTER:

For Senator Collins then, if I might again. Thank you, Madam President. Senator Collins, it's my understanding, this bill, the way it's drafted right now, the requirement for counseling is -- is premised on not a person's failure to meet credit obligations in the past, it's not based on their financial standing, it is instead based on the product that they are choosing to purchase and who they are purchasing it from. So that if there is -- there are two customers and one is going to a bank and one is going the mortgage broker across the street, they are alike in every single way - the product, their -- their financial standing, the fact they're a first time home buyer, or their refinancing, and the product that they are seeking from

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

that financial institution - that they will be treated differently because they're going to a mortgage broker as opposed to a bank. Is that an accurate characterization of the bill?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Collins.

SENATOR COLLINS:

No, and let me frame it in the way that this bill seeks to address. You're probably asking about the equal protection issue. Now banks and brokers are two different entities. And banks are pretty much regulated by federal and State laws. Banks are depository institutions which not only loan a borrower the bank's money, it takes payments from the borrower and offers the borrower the bank's products, for the most part. Brokers merely place a borrower in a loan as a middleman. It is not the broker's money and the products are not the broker's. As far as the constitutional standard I think you're raising with this, any such equal protection issue arising under this bill would likely be subject to the rational basis test. Under the rational basis test, a court will review whether the Legislature had a rational basis for enactment of the legislation by looking at the reasonable relationship between the evil thought to be cured and the cure, which would be the legislation, and whether the legislation attains some legitimate governmental objective. Senate Bill 1167 would meet such a test because the legitimate objective of the State is to reduce foreclosures and to make sure that borrowers are informed and counseled on such large transactions. This is accomplished by the database and counseling which should help borrowers. The legislation is designed to address mortgage brokers, because studies show that

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

brokered loans are more likely to end in foreclosure than bank loans. And if you've been reading The Wall Street Journal, the Tribune, Crain, we know that the majority of the foreclosures are due to subprime products that you get for the most part from brokers. Now, it's not to say that the mortgage brokers do not serve a -- a purpose. They do. Because the reason that they came into existence is -- for those individuals that might had -- might have had credit problems. But if you look at all the data - and I have a -- a data sheet here that will show you - and this is what Crain's has been reporting, as well as The Wall Street Journal. If you look at the numbers of total foreclosures filed for 2006, mortgage brokers had filed fifteen thousand five hundred and forty-one. You compare that with State banks which only had total foreclosures filed seven twelve -- seven hundred and twelve. Saving banks only had ninety-five and savings and loans only filed eighteen. I think my role as a legislator is to address -- to identify where the problem is. If those numbers were reversed and banks showed those same statistics, this legislation would be -- would have been directed towards banks. But I think we have an obligation to deal where the problem -- to meet the problem where it exists and that is with the mortgage brokers - and not all mortgage brokers. I'm not painting all mortgage brokers with a broad brush. We want to weed out the bad apples and the bad actors and I think this is what the legislation does.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Righter, I doubt if you could possibly have another question, but please ask it if...

SENATOR RIGHTER:

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

Actually, I do, Madam President, because I'm -- I'm not sure I got that one answered. But, I will try again. Senator Collins, I mean, it sounded -- you said "No", and then you -- you launched into a defense of why what I was saying -- suggesting might be correct. Let me -- let me phrase it another way. If -- under this bill, if I go to a mortgage broker and I am a first-time homebuyer and I request an interest-only loan, according to this bill, if it becomes law, will I be subject to the counseling requirement?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Sullivan -- Senator Collins.

SENATOR COLLINS:

Well, I -- I understand that but I think you defined it a little bit better. I think the other question was very broad. This bill requires counseling if you are a first-time homebuyer and you're accessing a risky product, which would be a interest-only loan.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Righter.

SENATOR RIGHTER:

The answer was yes, in that instance, correct? Okay.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Collins.

SENATOR RIGHTER:

The answer was yes?

PRESIDING OFFICER: (SENATOR HALVORSON)

Further discussion? Senator Righter, please if you can -- to the bill.

SENATOR RIGHTER:

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

...President, with all due respect, eighty percent of the time that I've been on my feet, I have not been talking. I'm trying to get -- and I'm not trying to be dilatory here. I'm trying to get my questions answered. If that same -- if I go and ask for the same exact product, in the same exact circumstances, and otherwise, I am a first-time homebuyer, I'm seeking an interest-only loan and I go to the bank or the savings and loan across the street, will I, under this bill, be subject to the credit-counseling requirement?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Collins.

SENATOR COLLINS:

No. But, let me also add, those people that frequent the mortgage brokers more likely would not be able to get the loan from the bank if they are not credit -- if they have credit issues. That's why they use a mortgage broker. Most people that go to bank would not face the same credit problems of the individual who might be going to a -- a mortgage broker.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Righter.

SENATOR RIGHTER:

Well, to the bill please, Madam President. Ladies and Gentlemen of the Senate, I appreciate the sponsor's honesty and I appreciate the -- the machinations and the problems with the process that have been described here, but the vote here on the Floor is not just about the process it's also about what we are choosing to put into law. And what we are going to put into law here, under Senate Bill 1167, is a bill that says that we are going to subject citizens in this State to credit counseling, not

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

based on who they are or what their financial status is or how -- whether they had trouble managing their credit in the past, but according to whether they went to the mortgage broker over here or the bank or savings and loan over here. The sponsor made a comment about we're trying to weed out the bad players in the mortgage broker industry. This bill will not do that because it doesn't make a differentiation between mortgage brokers that have a particularly high default rate and those that have a very low default rate. It talks about all the mortgage brokers. I appreciate the hours that have gone in to work on this bill, but this bill is not narrowly defined. It may be constitutional, but constitutionality does not equal a good public policy. I stand opposed to the bill. Thank you, Madam President.

PRESIDING OFFICER: (SENATOR HALVORSON)

Any further discussion? Senator Brady.

SENATOR BRADY:

Thank you, Madam President. I stand to introduce a conflict I have. I'll be voting Present.

PRESIDING OFFICER: (SENATOR HALVORSON)

Any further discussion? Senator Garrett.

SENATOR GARRETT:

Thank you, Madam President. To the bill: You know, like many here, I appreciate the sponsor and everything she has done and -- and those she's worked with to come up with this final agreement. However, I -- I agree with Senator Righter that there are, you know, mortgage brokers aren't to be painted as Senator Collins said with a broad brush. But, in fact, that's what this legislation actually does. Illinois is one of many states that's being affected by numerous and too many foreclosures and so what

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

we're doing - I don't believe, and maybe I'm wrong on this, that other states are doing - we are actually blaming the mortgage brokers instead of really going after the problem. And what we're creating is a -- a -- a -- an unlevel field for which the financial institutions will have a clear advantage and the mortgage brokers will have to succumb to rules that they may not have been -- it might not have been their problem and they might not have been at fault at all. And as far as a trailer bill is concerned - I guess because this bill goes into effect, it's going to be one more year - my question is, why can't we have that trailer bill now? Why, you know, what is the time frame that we're talking about? Would that trailer bill be in effect before the -- this bill goes into effect? There are a lot of questions out there and right now I just think we're not really dealing with the real issue of the day and that's to find the mortgage brokers that -- that do not go after their business in a proper way. So, I will also be voting No.

PRESIDING OFFICER: (SENATOR HALVORSON)

Last speaker. Senator Lauzen.

SENATOR LAUZEN:

Thank you very much, Madam President. I rise in opposition to the bill. However, I do respect Senator Collins; both her work and the motivation to help others, by bringing forward this bill. The caution that I would bring forward is that we should beware of unintended consequences. The very people who you wish to help could be the people who you hurt by this legislation. My experience of working with hundreds of small-business owners and their families and then individuals in trying to get bills paid - including mortgages - over the past twenty-five years of my life,

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

brings me to the conclusion that we really want access to at least some loans or some capital - even if it's at a higher or slightly, you know, a higher rate rather than being cut off altogether. And I'm afraid that this bill would tend to limit the supply of capital, especially to some of the families that are trying to deal with these kinds of terrible problems in their lives. So, I think that we -- what we really want all of us in this -- Senate more service, more capital and in the long run at lower rates that are provided through more and freer competition. One other thought that I would share at this point in this debate - one of the things that we can do to help reduce the foreclosures is to do something about the runaway property taxes in Illinois. Because that factor along with the interest rates are what I think is creating this terrible problem of foreclosures. I think that it's well-intended, but I think it goes in the wrong direction. So, I -- I'd recommend a No vote.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Collins, to close.

SENATOR COLLINS:

To address some of the concerns: One of my colleagues mentioned that -- that why the interest-only would be a disadvantage if you went to a mortgage broker for interest-only. You can still go to a mortgage broker for interest-only. The counseling is only required if you are a first-time homebuyer or you're refinancing. So it doesn't prohibit you from getting the interest-only loan from a mortgage broker. The other mention was that I think one of the speakers mentioned that it -- in the marketplace it prevents adequate access to products. This, I would think, would enhance the availability of products. Because

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

what happens with high foreclosure rates, it stymies any kind of economic development. No one is going to come into a community or a suburb with high rate of foreclosure. So, not only is it an economic endeavor, it also stabilizes communities. And there's nothing to prohibit them. We only put in place a database not to punish mortgage brokers, reputable mortgage brokers, but that gives us a way of tracking those bad actors that I think would benefit every entity involved in this negotiation. And I'm not painting all the mortgage brokers as negligent or involved in wrong behavior. What we're trying to do is make sure -- set up an agent relationship between the borrower and the mortgage broker to ensure that they get the right -- the -- the -- that the borrower gets the right product. And there's an accountability where we can hold mortgage brokers accountable who puts them in -- put -- put individuals in a wrong product so they might get a higher commission. So, this really I think strengthens the mortgage broker as an association and that's why I believe the association filed as proponents from the -- with the negotiated language. So, I encourage my colleagues on both sides of the aisle to vote Yes on Senate Bill 1167 to send a strong message to IAMB or any other organization or entity who attempts to so flagrantly disregard and disrespect the process of open and fair negotiation. A process where all the stakeholders came to the table in good faith to craft policy that benefits all the citizens of Illinois and not just a special interest. As legislators we have an obligation and responsibility to uphold the dignity and honor of our rules of engagement. This issue is bigger than me. It is bigger than Senate Bill 1167. This issue is about upholding the traditions of the Illinois General

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

Assembly. This vote is about respecting and protecting who we are as legislators, what we do as legislators and how we do it. And I ask for an affirmative vote.

PRESIDING OFFICER: (SENATOR HALVORSON)

Before we go to the vote. Senator DeLeo just put your light on. Senator DeLeo.

SENATOR DeLEO:

Thank you very much, Madam President. Because of a potential conflict I'll be voting Present on this issue.

PRESIDING OFFICER: (SENATOR HALVORSON)

This is final action. And the question is, shall the Senate concur in House Amendment No. 1 to Senate Bill 1167. 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? Take the record. On that question, there are 33 Yeas, 19 Nays, 3 voting Present. And the Senate concurs in House Amendment No. 1 to Senate Bill 1167. And the bill, having received the required constitutional majority, is declared passed. Senator Link, for what purpose do you rise?

SENATOR LINK:

Thank you, Madam President. I would ask for a Democratic Caucus immediately in the President's Office.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Righter, for what purpose do you rise?

SENATOR RIGHTER:

Madam President, inquiry of the Chair. Are we done for the day?

PRESIDING OFFICER: (SENATOR HALVORSON)

We are not done for a day. We'll be in recess.

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

SENATOR RIGHTER:

Now would be an appropriate time for the Senate Republicans would go to caucus also I hope. If so, I would request an immediate caucus in Senator Watson's Office.

PRESIDING OFFICER: (SENATOR HALVORSON)

So both caucuses will be meeting during recess. The Senate will stand in recess until the call of the Chair. Senate stands in recess.

(SENATE STANDS IN RECESS/SENATE RECONVENES)

PRESIDING OFFICER: (SENATOR HALVORSON)

The Senate will come to order. And will all Members please come to the Senate Floor? We will be going to do -- we are going to do some business. Rules Committee will meet immediately in the President's Antechamber. Rules Committee immediately. Madam Secretary, Committee Reports.

SECRETARY SHIPLEY:

Senator Halvorson, Chairman of the Committee on Rules, reports the following Legislative Measures have been assigned: Refer to Higher Education Committee - a Motion to Concur with House Amendment No. 1 to Senate Bill 858; refer to Judiciary-Criminal Law Committee - a Motion to Concur with House Amendments -- I'm sorry, House Amendment 1 to Senate Bill 274 and House Bill 1972; refer to Local Government Committee - a Motion to Concur with House Amendment -- House Amendments 1 and 4 to Senate Bill 1400; refer to Public Health Committee - a Motion to Concur with House Amendments 1 and 2 to Senate Bill 1566; refer to State Government and Veterans Affairs Committee - a Motion to Concur

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

with House Amendment No. 1 to Senate Bill 211, Senate Joint Resolution 11 and 55; and Floor Amendment No. 1 to Senate Resolution 299; and Re-refer to Rules Committee from Executive Committee - Floor Amendment No. 2 to House Bill 1926.

Senator Debbie Halvorson, Chairman. August 7th, 2007.

I have a second Committee Report.

Senator Halvorson, Chairman of the Committee on Rules, reports the following Legislative Measures have been assigned: Refer to Education Committee - Floor Amendment No. 2 to House Bill 1926.

Senator Debbie Halvorson, Chairman. August -- 7th, 2007.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Sieben, for what purpose do you rise?

SENATOR SIEBEN:

Thank you, Madam Chairman. For a motion. I would move to waive all applicable Senate rules so that House Bill 1972 can be heard in Judiciary-Criminal Law Committee and that Senate Joint Resolutions 11 and 55 can be heard in State Government and Veteran {sic} Affairs Committee this afternoon.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Sieben moves to waive all posting requirements so that House Bill 1972 can be heard in the Senate Committee on Judiciary to -- Criminal-Judiciary, today; and so that Senate Joint Resolutions 11 and 55 can be heard in State Government, also today. All those in favor will say Aye. Opposed, Nay. The Ayes have it, and the motion is adopted. Senator Wilhelmi, for what purpose do you rise?

SENATOR WILHELMI:

Thank you, Madam President. For point of announcement.

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

PRESIDING OFFICER: (SENATOR HALVORSON)

State your announcement.

SENATOR WILHELMI:

The Judiciary-Criminal Law Committee will meet today at 3:45 in Room 212. 3:45, Room 212 for Judiciary-Criminal Law.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Demuzio.

SENATOR DEMUZIO:

Yes. Thank you, Madam President. For the purpose of an announcement.

PRESIDING OFFICER: (SENATOR HALVORSON)

State your announcement.

SENATOR DEMUZIO:

Thank you. State Government and Veterans Affairs will meet today at 4 o'clock in Room 409. And also meeting today will be Education, meeting at 4:15 in Room 212.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Maloney, for what purpose do you rise?

SENATOR MALONEY:

Thank you, Madam President. An announcement.

PRESIDING OFFICER: (SENATOR HALVORSON)

State your announcement.

SENATOR MALONEY:

The Senate Higher Education Committee will meet at 4:30 in Room 409.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Koehler, for what purpose do you rise?

SENATOR KOEHLER:

Thank you, Madam President. A point of personal privilege.

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

PRESIDING OFFICER: (SENATOR HALVORSON)

State your point.

SENATOR WILHELMI:

I have with me a young woman from Peoria. She is with the Illinois Central College. She's a coordinator for the Retention Program. She also -- the Mayor of Peoria Jim Ardis has thrown out a challenge to the community - paying for a scholarship for every high school graduate of a Peoria school and she is the chairperson of what's called Peoria Promises {sic} (Promise). And her name is Jehan Gordon. I'd like to have the Senate welcome her.

PRESIDING OFFICER: (SENATOR HALVORSON)

Welcome to Springfield. Thanks for being here. Senator Crotty, for what purpose do you rise?

SENATOR CROTTY:

On a point of an announcement.

PRESIDING OFFICER: (SENATOR HALVORSON)

State your announcement, please.

SENATOR CROTTY:

At 3:30, today, Local Government will be meeting in Room 409.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Hunter.

SENATOR HUNTER:

Thank you -- thank you, Madam President. For a point of announcement.

PRESIDING OFFICER: (SENATOR HALVORSON)

State your announcement.

SENATOR HUNTER:

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

Public Health will be -- will be meeting today at 3:30 in Room 400.

PRESIDING OFFICER: (SENATOR HALVORSON)

Madam Secretary, Message from the House.

SECRETARY SHIPLEY:

A Message from the House by Mr. Mahoney, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has concurred with the Senate, in the passage of a bill of the following title, to wit:

Senate Bill 689, together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to wit:

House Amendment No. 1 to Senate Bill 689 and House Amendment No. 2 to Senate Bill 689.

Passed the House, as amended, August 7th, 2007. Mark Mahoney, Clerk of the House.

PRESIDING OFFICER: (SENATOR HALVORSON)

If everybody could please come to the Floor we will be going to 3rd Reading. We will be going to 3rd Reading. All Senators please come to the Senate Chambers. Please come to the Senate Chambers. All Members within the sound of my voice we are going to 3rd Reading. Ladies and Gentlemen, if you'd please turn your Calendar to page 7, middle of the page, Senate Bills 3rd Reading. We will be going, with leave of the Body, to Senate Bill 782. Senator Forby seeks leave of the Body to return Senate Bill 782 to the Order of 2nd Reading for the purpose of an amendment. Hearing no objection, leave is granted. On the Order of 2nd Reading is Senate Bill 782. Madam Secretary, are there any amendments approved for consideration?

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

SECRETARY SHIPLEY:

Floor Amendment No. 1, offered by Senator Forby.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Forby, to explain your amendment.

SENATOR FORBY:

Thank you. Senate Bill 782 is the same bill as House Bill 3569 which passed out of the House 112 to 2. The bill will allow the developer WLA Gambit IL, P -- LP to purchase a piece of property in Johnson County owned by the Department of Natural Resources in order to build a retirement complex for seniors. The value of the land will be determined by three independent, certified real estate appraisal. The revenue from the sale will be given to the Department of Natural Resources and be used to purchase land equal or greater the amount that was sold. I had this bill here a while back. There was a couple of issues on it. I took care of all the issues. I do not think there's any issue on this bill now. I'll answer any questions.

PRESIDING OFFICER: (SENATOR HALVORSON)

Is there any discussion on the amendment? Senator Forby moves for the adoption of Amendment No. 1 to Senate Bill 782. All those in favor will say Aye. Opposed, Nay. The Ayes have it, and the amendment is adopted. Are there any further Floor amendments approved for consideration?

SECRETARY SHIPLEY:

No further amendments reported, Madam President.

PRESIDING OFFICER: (SENATOR HALVORSON)

3rd Reading. Now on the Order of 3rd Reading is Senate Bill 782. Senator Forby, do you wish to proceed? Madam Secretary, read the bill.

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

SECRETARY SHIPLEY:

Senate Bill 782.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Forby.

SENATOR FORBY:

I just explained the bill on the -- on the amendment. The amendment became the bill. So if there's any questions, I'll answer 'em.

PRESIDING OFFICER: (SENATOR HALVORSON)

Any discussion? Senator Righter.

SENATOR RIGHTER:

Thank you, Madam President. To the bill.

PRESIDING OFFICER: (SENATOR HALVORSON)

To the bill.

SENATOR RIGHTER:

Thank you. I rise in support of this legislation. Senator Forby, I want to thank him. I submitted a list of questions to him about some of the issues involved in this transfer. He got back to me in a prompt and informative fashion. I thank him for that and rise in support. Thank you, Madam President.

PRESIDING OFFICER: (SENATOR HALVORSON)

Any further discussion? Senator Garrett.

SENATOR GARRETT:

Thank you, Madam President. Will the speaker yield for a question?

PRESIDING OFFICER: (SENATOR HALVORSON)

The sponsor indicates he will yield.

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

SENATOR GARRETT:

The sponsor. Sponsor. Okay. Senator Forby, I -- I just -- I'm a little unclear on the -- the financing. You're going to get three independent bids on the value of the property that you're -- no. Okay. Just explain that to me again.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Forby.

SENATOR FORBY:

Three independent appraisers that go out and appraise the property - three different appraisers. And then they're going to -- whatever the appraisers come up with, that's how they're going to sell the property.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Garrett.

SENATOR GARRETT:

And the property is owned right now by the park district?

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Forby.

SENATOR FORBY:

It belongs to IDNR. And what this property is, is landlocked, you can't get to it. And the people that's got this Gambit Golf Course built a big steak house and everything. So they want to build on to it. There's no way you can get this property, it's landlocked. That's why it'll be good for these people to end up with this and then the State can buy property with the money some place else that will -- that -- that -- that they can use. Right now they -- this property is there, they can't use it.

PRESIDING OFFICER: (SENATOR HALVORSON)

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

Senator Garrett.

SENATOR GARRETT:

Sorry. So, the -- whatever the appraiser comes in and says the value -- they're going to be three different appraisers, so they'll be three different bids. Will it be the highest bid that the -- and I'm assuming the landfill company's going to purchase the -- or it's not going to be leased, it's going to be an outright purchase.

PRESIDING OFFICER: (SENATOR HALVORSON)

Senator Forby.

SENATOR FORBY:

What I'd say they'll probably do -- they'll probably take the middle appraiser the -- it -- do an equal of whatever it was and whatever the property is. They're not asking for no money for the State or nothing. This money goes back to IDNR - a hundred percent of it. And then they can use it to buy other property someplace else, in a park or someplace else in that district.

PRESIDING OFFICER: (SENATOR HALVORSON)

Is there any other discussion? Senator John Jones.

SENATOR J. JONES:

Thank you, Madam President. I just rise in support of it. I -- I think Senator Forby has explained it very well. This -- this -- and for Representative {sic} Garrett, this land will be appraised by three different appraisers. And then IDNR will have the option of taking whichever appraisal amount they want to to sell the land. And I would assume that they'll probably take the highest amount. These people want that land and so they'll pay for it. It's just a matter of getting it appraised and -- and

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

moving on with it. The good thing about it is it goes back to DNR and they will buy approximately a hundred and fifteen acres somewhere else if -- if this money will pay for a hundred and fifteen acres. But that's -- it's almost like a land swap really. So, I stand in support of it.

PRESIDING OFFICER: (SENATOR HALVORSON)

Is there any further discussion? Senator Forby, to close.

SENATOR FORBY:

I just ask for a favorable vote.

PRESIDING OFFICER: (SENATOR HALVORSON)

The question is, shall Senate Bill 782 pass. Those in favor will vote Aye. Opposed, Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there are 55 Yeas, none voting Nay, none voting Present. And Senate Bill 782, having received the required constitutional majority, is declared passed. Senator Risinger, for what purpose do you rise?

SENATOR RISINGER:

Madam President, I had my key turned off and I meant to vote Yes on that bill. Would you please record me that way?

PRESIDING OFFICER: (SENATOR HALVORSON)

Thank you, Senator. The record shall reflect your intentions on the previous bill. Senator Garrett, for what purpose do you rise?

SENATOR GARRETT:

Yes. I was not at my desk and did not have the opportunity to vote. And if the record could reflect that I would vote Yes.

PRESIDING OFFICER: (SENATOR HALVORSON)

The record shall -- reflect your intention to vote Yes on

STATE OF ILLINOIS
95th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

8/7/2007

the previous bill. There being no further business to come before the Senate, the Senate stands adjourned until the hour of 10 a.m., tomorrow, August 8th, 2007. The Senate stands adjourned.