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The following is a general overview of the legislative activity occurring during the Illinois General Assembly's 1999 regular session. Reports also include detailed information about legislative activities of direct interest to each client.

CLIENT REPORT FOR 1999 END OF SESSION

The Illinois General Assembly concluded its 1999 spring session on Thursday, May 27, 1999. Legislative attention now shifts to the Office of the Governor, which will begin acting on all of the bills that passed the General Assembly this session.

This end-of-session report highlights legislative activities from the now-concluded 1999 regular session that may be of general interest.

I. NEW FACES IN THE 91ST GENERAL ASSEMBLY

The 1999 spring session officially commenced on January 13, 1999, with the swearing in of the members of the 91st General Assembly. The new Governor, George H. Ryan, as well as new state Constitutional Officers, Lieutenant Governor Corinne Wood, Attorney General Jim Ryan, Secretary of State Jesse White, Comptroller Daniel Hynes, and Treasurer Judy Baar Topinka, had been sworn in on January 11, 1999.

The legislature saw no change in control of either chamber. The Democrats maintain control of the House, having picked up two seats. The November 1998 election

resulted in a total of 62 Democrats and 56 Republicans. Michael J. Madigan continued as Speaker and Lee Daniels as Minority Leader. In the Senate, Republicans maintained control and gained a seat. The Senate now consists of 32 Republican and 27 Democrats. Pate Philip was re-elected President, and Emil Jones was re-elected Minority Leader.

As with any new administration and General Assembly, there are some new faces. The following comprises the list of “freshman” in the Illinois House of Representatives: Suzie Bassi (R. Palatine), Patti Bellok (R. Hinsdale and appointed to fill a vacancy in the final days of the 90th General Assembly), Willie Delgado (D. Chicago), Jim Fowler (D. Harrisburg and appointed to fill a vacancy in the final days of the 90th General Assembly), Jack Franks (D. Woodstock), Susan Garret (D. Lake Bluff), Julie Hamos (D. Evanston and appointed to fill a vacancy in the final days of the 90th General Assembly), Willis Harris (D. Chicago), Randy Hultgren (R. Wheaton), Sidney Mathias (R. Buffalo Grove), Bill O’Connor (R. Berwyn and appointed to fill a vacancy in the final days of the 90th General Assembly), Tim Osmond (R. Antioch), Wanda Sharp (D. Maywood), Tim Schmitz (R. Batavia), and Keith Sommer (R. Morton).

Freshman Senators are: Wendell Jones (R. Palatine and appointed to fill a vacancy in the final days of the 90th General Assembly), Kimberly Lightford, (D Chicago and appointed to fill a vacancy in the final days of the 90th General Assembly), Lisa Madigan (D. Chicago and appointed to fill a vacancy in the final days of the 90th General Assembly), Tony Munoz (D. Chicago), Duane Noland (R. Decatur, who previously served as State Representative before being elected to the Senate), Ira Silverstein (D. Chicago), and David Sullivan (R. Mount Prospect and appointed to fill a vacancy in the final days of the 90th General Assembly).

While control of the General Assembly remained the same, the Democrats were successful in gaining two constitutional offices from Republicans. Democrat Secretary of State Jesse White replaced Republican George Ryan, who successfully ran for Governor, and Democrat Comptroller Daniel Hynes replaced Republican Lolita Didrickson, who ran unsuccessfully in the Republican primary for United States Senator.

Governor Ryan promptly appointed directors of the various state agencies. The new appointees include: Margo Schreiber, Department on Aging; Joespeh Hampton, Department of Agriculture; William Darr, Office of Banks and Real Estate; Steve Schnorf, Bureau of the Budget; Julie Gude, Capital Development Board; Pam McDonough, Department of Commerce & Community Affairs; Donald N. Snyder, Department of Corrections; Glenn McGee, State Board of Education; Manny Hoffman, State & Local Labor Relations Boards; Linda Renee Baker, Department of Employment Security; Tom Skinner, Environmental Protection Agency; Sarah Vega, Department of Financial Institutions; Robert Casey, Gaming Board; Nathaniel Shapo, Department of Insurance; Robert Healey, Department of Labor; Brent Manning, Department of Natural Resources; Leonard Sherman, Department of Professional Regulation; Ann Patla, Department of Public Aid; Jack Kubik, Racing Board; Glen Bower, Department of Revenue; Sam Nolen, Department of State Police; and John Johnston, Department of Veterans’ Affairs. Reappointees include: Robert Kirk Brown, Department of Transportation; Dr. John L. Lumpkin, Department of Public Health; Michael S. Schwartz,

Department of Central Management Services; Thomas Armstead, Illinois State Fire Marshal; Mark Schmidt, Department of Public Health; Mary Ann Louderback, Illinois Educational Labor Relations Board; Rose M. Jennings, Illinois Human Rights Commission; Mary Jeanne Hallstrom, Illinois Human Rights Commission; Isiah Thomas, Illinois Human Rights Commission; Milton Maxwell, Prison Review Board; Joseph Kindlon, Illinois Racing Board; Charlie Fisher, Illinois Commerce Commission Executive Director; and Kenneth Boyle, State Board of Elections.

Finally, the Governor named several people to boards and commissions, which were confirmed by the Senate. *Some* of these appointments include:

| <u>Appointment / Compensation</u> | <u>Name (Political Affiliation) / Residence</u> |
|--|---|
| Member, Board of Higher Education expenses only | Lourdes Monteagudo (D) Chicago |
| Member, Health Facilities Planning Board expenses only | William Marovitz (D) Chicago |
| Member, Development Finance Authority expenses only | Peter O'Brien (D) Chicago |
| | Terrence O'Brien (D) Northfield |
| Member, Illinois Human Rights Commission salary of \$35,169 | Marylee Freeman (D) Chicago |
| Member, Metropolitan Pier & Exposition Authority expenses only | Lawrence Warner (R) Chicago |
| Commissioner, Commerce Commission salary of \$87,655 | Edward Hurley (D) Chicago |
| Judge, Illinois Court of Claims salary of \$44,874 | John R. Patchett (R) Marion |
| Commissioner, Human Rights Commission salary of \$35,169 | Eva Betka (R) Palatine |
| | Dominic DiFrisco (D) Chicago |
| | Daniel C. Sprehe (R) Chicago |

| | |
|---|--|
| Trustee, University of Illinois Board expenses only | Gerald W. Shea (D) Burr Ridge |
| | Kenneth Schmidt (R) Riverwoods |
| Trustee, Southern Illinois University Board expenses only | A.D. Van Meter, Jr. (R) Springfield |
| Commission, Merit Commission for Secretary of State salary of \$10,000 | George Dunne (D) Chicago |
| | James L. Wright (D) Chicago |
| Member, Board of Review, Employment Security salary of \$15,000 | Michael Breslan (D) Chicago |
| | Stanley L. Drassler (R) Kankakee |
| Member, Industrial Commission salary of \$89,749 | Barbara Sherman (D) Chicago |
| Member, Prisoner Review Board salary of \$64,322 | Anthony Agee (D) Evanston |
| | Robert L. Dunne (R) Chicago |
| Member, State Board of Education expenses only | Ronald J. Gidwitz (R) (Chair) Chicago |
| | Dr. Janet Steiner (D) Carlinville |
| | David P. Gomez (I) Burr Ridge |
| Chairman, Board of Higher Education expenses only | Philip J. Rock (D) Chicago |
| Member, Sports Facilities Authority expenses only | John T. McCarthy (I) Chicago |

II. GENERAL OVERVIEW OF THE 1999 SESSION

The primary focus of the 1999 session was Governor Ryan's Illinois FIRST Program. The Governor proposed a 5-year, \$12 billion capital construction and infrastructure improvement program. The program is to be funded through bonding supported by new revenue from increased vehicle license fees, liquor taxes, and various additional fee increases. The time was right for the largest public works program in Illinois history because the Edgar administration prided itself on its fiscal conservatism and had been particularly reluctant to encourage significant public work projects. Therefore, the Illinois FIRST proposal tapped into eight years worth of pent up demand for statewide and local capital projects.

In addition, the new administration and new General Assembly experienced a reinvigorated and successful push for gaming legislation. The legislation is by far the most extensive revision of gaming law since the Illinois Riverboat Gaming Act was enacted 10 years ago. Previously, attempts for major gaming legislation was thwarted by the Edgar administration's antipathy for casino gambling in general. The gaming legislation allows for dockside gaming for current Illinois riverboats, transfer of a dormant riverboat gaming license to any municipality which accepts its presence, elimination of the prohibition from conducting riverboat gaming in Cook County, reduction in the pari-mutual gaming tax, and use of state proceeds from a riverboat operating in Cook County to subsidize the state's horse racing industry. As a result of this legislation, which Governor Ryan is expected to sign, a riverboat will almost certainly go to Rosemont and Arlington International Racecourse will reopen (Arlington gets substantial property tax relief under the bill).

Finally, the General Assembly passed a \$41 billion budget for Fiscal Year 2000, which begins July 1, 1999.

In addition to the major items briefly described above, the General Assembly considered a number of significant bills, including the following:

A. Measures That Passed

- Legislation passed for the testing of diesel truck emissions in Cook County and suburban St. Louis locations in Illinois. While automobiles over a certain age in these locations must be tested, trucks had always been exempt. The bill attempts to address environmentalists' concerns that these trucks are responsible for a disproportionate amount of air pollution.
- Legislation passed protecting soda-pop, wine, and liquor distributorships by preventing manufacturers from canceling existing contractual relationships without specified cause. These bills were identified as the "Crisp Bill" and "Wirtz Bill" for their principal proponents, who own major soda-pop and liquor distributorships, respectively. These bills were opposed strongly by

distillers, manufacturers, restaurants and retailers. Governor Ryan has already signed the bills into law.

- Legislation passed setting a stricter standard for establishing Tax Increment Finance (“TIF”) districts, promoting public awareness of TIF districts, and establishing a formula to subsidize schools that experience enrollment increases because of TIF districts.
- Legislation passed providing a tax break for businesses that create new jobs in Illinois.
- Legislation passed automatically transferring from the jurisdiction of Juvenile Court teens who fire guns on or near school property, and requiring that they be tried as adults. This proposal was part of Attorney General Jim Ryan’s Safe-to-Learn school safety package.
- Legislation passed implementing Governor Ryan’s “15-20-Life” proposal which automatically lengthens the sentences of criminals using guns in the commission of a major felony. Fifteen years would be automatically added to a sentence if a gun is used, twenty years if the gun is fired, and twenty-five to life if someone is maimed or killed by the use of the gun.
- Legislation passed rewriting the Real-Estate Licensing Act, which was due to sunset this year.
- Legislation passed establishing a \$500 tax-credit for parents who send their children to private and parochial schools.
- Legislation passed establishing a statewide 911 system for cellular phones in Illinois. The bill also authorizes a surcharge on cellular phones of up to 75 cents per month to pay for the system.
- Legislation passed requiring children to receive parental permission for body piercing, other than the piercing of ears.
- Legislation passed allowing adult adopted children to obtain medical information about their birth families through an adoption registry and medical information exchange, but only if the parent or sibling has also registered.
- Legislation passed which represented a major revision of the electric deregulation law passed two years ago. Conference Committee Report No. 1 to SB 24 raised the earnings cap allowing Commonwealth Edison to retain earnings despite the sale of its coal burning plants for nearly \$5 billion. Besides raising the earnings cap, the bill also quickens the scheduled 5% reduction in base residential rates, quickens industrial’s access to alternative

suppliers of electricity, exempts certain self-generation/co-generation facilities from the requirement to pay transition fees, requires Commonwealth Edison to pay \$2 billion over the next six years in infrastructure improvement in suburban Chicago, establishes the Illinois Clean Energy Trust Fund funded predominantly through a \$250 million contribution by Commonwealth Edison.

B. Measures That Did Not Pass

- Legislation failed that aimed at ending legislative scholarships. In the latest chapter of this seemingly never-ending saga, the House voted to eliminate all such legislative scholarships. The Senate amended the bill to exclude Senate members and thereby eliminate only House members' scholarships. The House did not concur in the amendment, and the measure failed.
- Legislation failed to reinstate the Scaffolding Act, which sets up safety regulations for scaffolds and other work place structures, and creates a cause of action for workplace injuries.
- Legislation failed which would have required drivers convicted of two or more drunk driving convictions to display orange license plates.
- Legislation failed which included guaranteeing greater family leave, increasing the minimum wage to \$6.50/hr, and requiring women be paid the same as men for doing the same work.
- Legislation failed which would have extended protections of the human rights act to discrimination based on sexual orientation. This proposal was considered by the last several General Assemblies. The proposal has passed the House in the past but failed this year. The bill has never passed the Senate.
- Legislation was not called for a final House vote to require people to use a "hands-free" cellular telephone while driving.
- Legislation failed establishing a one-year moratorium on executions. This proposal was basically moot because no executions are scheduled for the next year.

C. Illinois FIRST

On May 4, 1999, Governor Ryan introduced his Illinois FIRST – a Fund for Infrastructure, Roads, Schools and Transit. It will be the largest public works program ever initiated in the State of Illinois. This 5-year \$12 billion public works program will rebuild and expand the state's roads and highways, renovate mass transit systems, repair

and enlarge schools, and meet the needs of local communities. The main components include:

- (i) The Transportation 21 Plan: A \$4.1 billion supplement to the state's existing surface and air transportation program for roads, rail and air infrastructure. Included is: \$3.7 billion for highways, roads, and bridges that will result in repair of an additional 1,000 miles of road and an additional 125 bridges; \$160 million addition for improvement projects at airports in Illinois, including \$75 million for land acquisition in Peotone; \$150 million supplement for railroad grade crossing safety improvements, \$100 million to continue preparing existing rail lines, and \$50 million to replace more than nine million license plates.
- (ii) The Transit 2000 Plan: A \$4.1 billion allocation for bus, rail and other mass transportation infrastructure needs in Northeastern Illinois and other cities with transit districts. The Regional Transportation Authority ("RTA") will be able to borrow \$1.6 billion for improvement projects that will enable it to receive an additional \$2 billion in federal matching funds. With these dollars, the RTA will be able to rebuild and repair train lines, expand service, and restore the fare subsidy for students and seniors. A \$35 million supplement is also included to help rehabilitate mass transit systems in downstate cities.
- (iii) The Classroom 21 Plan: A \$2.2 billion allocation to the state's existing school construction fund, which includes \$1 billion in state bonded resources, combined with \$1 billion in matching funds from local school districts. Also, \$125 million will be available for "pay-as-you-go" projects in districts that can match the state's commitment.
- (iv) The Fund for Illinois Future: A \$1.6 billion allocation for projects in local communities to bolster the state's economy, promote a clean environment, and improve the quality of life in Illinois. Most of these projects were "member initiatives" submitted by the Senators and Representatives to address needs in their respective districts. Some of these improvements will include water and sewer projects, university repairs and improvements, assistance for local jails and juvenile detention centers, historic preservation, technology infrastructure improvements, local recreation and sports facilities projects, and local redevelopment projects.

Governor Ryan proposed financing these projects through a combination of state, federal and local resources. The state will increase its current authorized bond debt allocation by \$4.3 billion, and the state will allocate \$2 billion for projects that would be funded on a pay-as-you-go basis. The federal government is expected to match some of the dollars, and local governments, primarily school districts, will also be required to provide matching funds. These matching funds will total \$4.1 billion. The RTA will also be authorized to increase its indebtedness by \$1.6 billion. An additional \$621.8 million in fee increases was also proposed initially. As initially proposed, the fees included:

- Doubling the license plate fees from \$48 to \$96. This proposal would have generated \$398.4 million.
- Increasing liquor taxes to raise \$62 million -- distilled spirits would have been increased from \$2 per gallon to \$3.25 per gallon, beer would have been increased from 7 cents per gallon to 18.5 cents per gallon and wine would have been increased from 23 cents per gallon to 73 cents per gallon.
- Increasing the annual registration for large trucks 15 percent which would have generated \$43 million.
- Increasing the current \$14 fee for vehicle title transfers by \$37, which would have generated \$118.4 million a year.

Although few objected to the Illinois FIRST program, many legislators objected to the fees, especially the doubling of the license plates fees, which some felt was extreme. The Governor and four legislative leaders negotiated on how to pay for Illinois FIRST. The compromise agreement kept intact the scope of the original program and the basic revenue sources. The bill did, however, alter the extent of increase of these fees. The final Illinois FIRST program generates revenues as follows:

- Total new revenues generated will be \$573 million instead of \$621 million. The \$48 million reduction in new revenues will be offset by reducing the annual diversion of Road Funds money for non-highway purposes and dedicated for Illinois FIRST.
- Vehicle registration fees will be increased from \$48 to \$78 (rather than to \$98 as originally proposed), generating \$249 million in new revenue.
- Large truck and trailer registrations would increase 25% (rather than 15% as originally proposed) – generating \$78 million annually.
- Title transfer fees would increase from \$13 to \$65 (rather than the \$50 originally proposed) – generating \$166 million annually.
- Alcohol taxes would be increased further to generate \$80 million. The state tax on a six-pack of beer would be increased to 10 cents; the tax on wine would be increased to 15 cents a bottle; the tax on distilled spirits would be increased to 90 cents a bottle.

Senior citizens who are eligible for the circuit breaker program for vehicle registrations would still pay their current fee of \$24.

The Illinois FIRST program was broken down into four bills. SB 1028 (Philip / Madigan), which passed the House 74-42 and the Senate 42-17; SB 1018 (Weaver / Madigan), which passed the House 104-11-1 and the Senate 59-0; SB 1066 (Maitland / Madigan), which passed the House 71-43 and the Senate 42-17; and SB 1203 which increases the State's bond authorization.

D. The Budget

The final legislative act of the 1999 spring session was approval of the \$41 billion state budget. The budget included the following elements:

- \$744 million appropriation increase in the state's highway program.
- \$7.3 million is appropriated to provide a 75 cent/hour wage increase to \$10.30 an hour for homemakers working for the Department on Aging's community care program.
- \$52 million is appropriated for 1.6 percent reimbursement rate increases to Medicaid providers, plus an extra \$16 million for higher rates for doctors and dentists.
- \$61.8 million is appropriated for a low-interest loan program to help communities meet safe drinking water standards.
- \$16 million is appropriated to help ensure the state encounters no problems with its computer system in the year 2000.
- An extra \$100 million is appropriated to long-term geriatric care providers.
- \$68 million is appropriated for a new medical school at the University of Illinois.
- \$800,000 is appropriated to be distributed evenly among the four caucuses associated with redistricting.
- \$2 million is appropriated for General Assembly software.

III. GOVERNOR'S ACTION ON BILLS

Under the Illinois Constitution, the General Assembly has 30 days in which to present a bill to the Governor after final passage. The Governor has 60 days after receipt of a bill in which to act; inaction beyond the 60-day period results in the bill automatically becoming law (i.e., the opposite of the so-called "pocket veto" outlined in the federal Constitution).

Typically, the Governor assigns a “bill review team” to analyze any measure that goes to his desk. The review team usually consists of one representative from each of the following areas of the Governor’s office: Legislative Affairs, Bureau of the Budget, Policy Staff, Press Staff and Legal Office. Affected administrative agencies are also typically represented.

IV. VETO SESSION

As the enclosed calendar reflects, 1999 veto session has been scheduled for November 4, 16, 17 and 18 (when vetoed and amendatorily vetoed Senate Bills are considered in the Senate, and vetoed and amendatorily vetoed House Bills are considered in the House); and November 30, December 1, and 2 (when opposite-chamber activity occurs).

There are three types of vetoes: (a) total vetoes, where the Governor disapproves a bill in its entirety; (b) amendatory vetoes, where the Governor makes changes to the bill that, in turn, must be approved by the General Assembly; and (c) line item or reduction vetoes, where the Governor disapproves or reduces certain line items in an appropriation bill, with the non-vetoed portions taking effect as law without further General Assembly action.

The General Assembly may override a veto by a three-fifths vote in each chamber, or it may simply kill a substantive bill by refusing to call for a vote any motion on the veto. Regarding amendatory vetoes, the legislature may accept the amendatory language by way of a majority vote in both chambers.

During a veto session, legislative matters other than vetoes can be taken up depending upon the will of the House and Senate majority leadership.