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The following is a general overview of the legislative activity occurring during the Illinois General Assembly's 1998 regular session. Reports also include detailed information about legislative activities of direct interest to each client.

CLIENT REPORT FOR 1998 END OF SESSION

The Illinois General Assembly has formally concluded its 1998 spring session, with the Senate adjourning late on May 22 and the House adjourning early on May 23, 1998. Legislative attention now focuses in two directions: (a) to the Office of the Governor, which will begin acting on the 343 bills that passed the General Assembly this session; and (b) to the various campaigns for state legislative and executive office, with election day now just 23 weeks away.

This end-of-session report highlights legislative activities from the now-concluded 1998 regular session that may be of general interest.

I. GENERAL OVERVIEW OF SESSION

The 1998 spring session officially commenced on January 14, 1998. As anticipated, the session proved to be relatively limited in scope, with legislators being reluctant to address controversial matters in an election year. In contrast, the 1998 veto session may be relatively active, as it will take place *after* the general election.

A. State of the State

As always, the tone of the session was in part shaped by the State of the State address, which Governor Edgar delivered on January 28, 1998. As expected, Edgar highlighted his accomplishments as Governor over the last seven years, focusing primarily on education and the State's positive economic and fiscal condition. He also laid out his final legislative agenda. Some of the new initiatives he proposed included:

- Placing the State Board of Education directly under the Governor's authority as a cabinet-level Department of Education. This initiative failed early in the session.
- Appointing two non-judges to the Illinois Courts Commission, which handles disciplinary action against judges. The legislature approved this initiative in the form of a constitutional amendment, with the voters to decide its fate at the polls in November.
- Creating an education funding reform panel to study swapping lower property taxes for higher statewide taxes. This group has begun meeting. Similar initiatives are underway under the auspices of Cook County Assessor Jim Houlihan, the Civic Federation of Chicago, and the Metropolitan Planning Council.
- Continuing efforts to build a third airport in Peotone. No legislative action in this regard took place; a proposed \$20 million appropriation to "land bank" property for the proposed Peotone site stalled in the House.
- Creating stricter campaign contribution disclosure laws. As described more fully below, this initiative resulted in legislation that passed the General Assembly.

B. New Faces

The 1998 session brought with it some new faces in the Governor's office and General Assembly. Mark Boozell has been named Edgar's new Chief of Staff, replacing Gene Reineke, and Al Grosboll was designated Deputy Chief of Staff. In the House, Representative Elba Rodriguez (D. 3rd Dist.) replaced Miguel Santiago; Rep. Rich Bradley (D. 20th Dist.) replaced Joseph Kotlarz; Rep. Michael Brown (R. 63rd Dist.) replaced Ann Hughes; Rep. Dale Righter (R. 106th Dist.) replaced Mike Weaver; Rep. Dan Reitz (D. 116th Dist.) replaced Terry Deering; and Rep. Jay Hoffman (D. 112th Dist.) replaced Glenn Bradford.

While the session was relatively low key, with few high-profile issues, the following constituted the more prominent matters that passed the General Assembly this year.

C. Campaign Finance Reform

On the final day of session, the legislature passed a campaign finance reform proposal that was a cooperative effort of all four caucuses. Involved in the negotiations were former U.S. Senator Paul Simon and Mike Lawrence, Governor Jim Edgar's former Press Secretary, along with Senators Kirk Dillard (R. Hinsdale) and Barack Obama (D. Chicago), and Representatives Gary Hannig (D. Litchfield) and Jack Kubik (R. LaGrange Park). Billed as the most significant campaign reform measure to pass the legislature in 24 years, the measure includes the following elements:

- Bans personal use of political funds for personal residences, personal vehicles, personal debts, clothing, personal travel, tuition, club membership dues, and payments to the candidate and/or his or her family (except for services rendered). Prohibits the conversion to personal funds of any amount over campaign cash-on-hand balance as of June 30, 1998.
- Forbids state officials from accepting gifts of more than nominal value from those who do business with the State.
- Bans fundraisers in Springfield (or within a 50-mile radius of the capitol city) on session days, and prohibits fundraising on state property.
- Forbids legislators from accepting or requesting campaign donations face-to-face on state property.
- Requires greater disclosure of campaign fundraising. Committees that raise more than \$25,000 would have to file reports electronically. Candidates must also disclose the occupations and employers of people who give more than \$500. Political action committees ("PACs") also have to fully identify themselves in filing materials.
- Requires lobbyists to provide a copy of their lobbyist disclosure reports to each official listed in it at least 25 days prior to the filing deadline. An official may, within 10 days after receiving the report, provide written objections to the lobbyist. If those objections conflict with the final report, the lobbyist must include the written objections along with the report when it is filed.

Not included in this package are limits on campaign contributions or spending.

D. Juvenile Justice

The General Assembly approved a juvenile justice bill that revises significantly the manner in which courts deal with juvenile offenders. One of its key provisions gives judges the option to impose adult penalties on juvenile offenders who violate their original sentence. Other provisions include allowing police to hold a minor for up to 24 hours to investigate a felony, giving victims more rights during juvenile court

proceedings, involving parents in drug and alcohol rehabilitation, sharing of information and records among agencies, and creating community panels and councils to establish prevention programs.

E. Tax Relief

Three tax relief proposals made it to the Governor's desk this year. The first will double the personal state income tax exemption from \$1,000 to \$2,000 over a three-year period. The first-year savings would amount to about fifty cents per week per family; when it is fully implemented, the savings will amount to about \$120 per year. This exemption has not been increased since 1969. The second tax relief measure grants senior citizens property tax breaks and assistance in paying for some prescription drugs by increasing the "circuit breaker" income ceiling from \$14,000 to \$16,000. The third tax relief measure, the so-called "single-sales factor," grants Illinois-based corporations with out-of-state sales an income tax break by changing the way their corporate income taxes are computed. This break will be phased in over three years at a cost of \$21 million a year.

F. The Budget

The final legislative act of the 1998 spring session was approval of the \$37.5 billion state budget. The budget included the following elements:

- Granting of three percent cost-of-living increases to employees of social service agencies that contract with the state to provide care to the disabled.
- Fully financing increases to public elementary and high schools that the legislature approved last year.
- Providing money for the state share of a plan to boost pensions of public school teachers.
- Providing \$180 million to lawmakers for projects in their districts – so-called "pork," which legislators have recently termed "member initiatives." This is in addition to projects that are included in the annual bond program for capital projects.

Importantly, the budget calls for a general revenue fund balance of \$700 million, which Governor Edgar championed to ensure his legacy as a prudent fiscal manager.

II. ADDITIONAL SESSION HIGHLIGHTS

Even though the session was less active than previous years, the General Assembly this year considered a number of significant bills, in addition to the major items outlined above, including the following:

A. Measures That Passed

- A bill that authorizes stiffer penalties for drunk drivers whose blood alcohol level far exceeds the legal limit. Under the legislation, DUI offenders whose blood alcohol level is .20 or higher could receive up to three years in prison and a \$10,000 fine (a driver is now presumed legally drunk if their BAC is .08). Also, stiffer penalties for repeat offenders were approved.
- Another truth-in-sentencing bill that would require convicted murderers to serve 100% of their sentences, and other violent criminals to serve 85% of their sentences, without early release. This was passed in response to the Illinois Appellate Court ruling that invalidated the previous truth-in-sentencing law enacted two years ago as violating the “single-subject rule” of the Illinois Constitution.
- The Religious Freedom Restoration Act, which would require state and local governments to prove a “compelling interest” before they can interfere with seemingly innocent religious practices.
- A bill that would provide health insurance coverage to the children of the working poor. The State will provide health insurance for children of families who earn too much to receive medicaid, but not enough to pay for private insurance. Over 20,000 children are expected to benefit from this program.
- Consumers will now be protected against forms of phone “slamming” and “cramming” through the banning sweepstakes boxes as a way to authorize the switching of phone companies or adding extra telephone services or features.
- Companies that sell alcohol over the Internet or through the mail to Illinois residents must first obtain a state liquor license and receive the signature of someone at least 21 years old before dropping off the package.

B. Measures That Did Not Pass

- The defeat of a bill in the House Electric Deregulation Committee that would have sped up the effective date of the 15 percent residential rate reduction to February 1, 1998 from August 1, 1998. This bill was introduced in response to IRMA receiving electrical rate breaks immediately (under the “billing experiment” section of the new law) as opposed to having to wait until August, 1998.
- An unsuccessful attempt to allow for voter referendum consideration of a constitutional amendment requiring the State to enact by May 31, 2002 a plan for universal health care coverage. Another proposed constitutional

amendment to combine the offices of the Treasurer and Comptroller into one office likewise did not pass.

- A bill authorizing counties to stop large hog producing facilities from being built, and placing a one-year moratorium on construction of such facilities.
- Implementing a sales tax on prepaid long distance phone cards to simplify the current practice of having to track where the phone card is used in order for phone companies to pay that locality.
- Because the resolution rejecting the recommendations of the Compensation Review Board did not pass both chambers of the legislature, a two percent pay increase in each of the next two years for legislators, the six executive branch officials elected Statewide, judges, states attorneys and top agency managers. This increase is in addition to their automatic 2.9 percent cost of living increase.
- A property tax relief proposal that would double the property tax credit on the income tax form and save a family with a \$100,000 home about \$240 per year.
- HMO reform.
- A bill to prohibit units of local government from increasing any present sales tax on fuel sold in the state, or from imposing any new such tax.
- Gaming expansion.

C. Gubernatorial Appointments

During the last few days of session, the Senate confirmed a number of gubernatorial appointments to boards and commissions. Since a number of Edgar administration officials received these appointments, effectively extending their state government tenure well beyond the end of Edgar's term of office, the appointments received significant attention. Some of those appointments included:

<u>Appointment / Compensation</u>	<u>Name / Residence</u>
Illinois Arts Council, expenses only	Smita Shah, Chicago Shirley R. Madigan, Chicago

Health Facilities Planning Board, expenses and per diem	William Marshall, Plainfield Bernard Weiner, Kankakee Harry Kurshenbaum, Chicago Robert M. Schroyer, Highland Park Louis M. Libert, Naperville Stuart Levine, Highland Park Marjorie Albrecht, Princeton Thomas Beck, Glenview Eric L. Myers, Wheaton
Health Facilities Authority, expenses only	Edward H. Mazur, Wilmette
Board of Trustees of the Historic Preservation Agency, expenses only	Julianna Cellini (Chairman), Springfield Warren Swanson, Chicago Samuel Lilly, Downers Grove Carol Stein, Glencoe Pamela Daniels, Elmhurst Edward Genson, Deerfield
Illinois Housing Development Authority, expenses only	Abram Van Meter (Chairman), Springfield John Green, Fox River Grove Napoleon P. Tarnaris, Long Grove Rudolph S. Shoultz, Springfield Chunghee K. Kang, Oak Brook
Metropolitan Pier And Exposition Board, expenses only	James B. Bolin, Western Springs Patrick F. Daly, Wheaton
Illinois Sports Facilities Authority, expenses only	Joel G. Herter, Elmhurst Alexander Lerner, Glencoe
Illinois Education Labor Relations Board, salary	Janis M. Cellini, Springfield Keith A. Snyder, Springfield
Illinois Human Rights Commission, salary	Yvette Kanter, Highland Park Arabel Rosales, Chicago Mathilda Jakubowski, Downers Grove Sakhawat Hussain, Frankfort Rudolph S. Shoultz, Springfield
Illinois International Port District Board, salary	William F. Murphy

Illinois State Labor Relations, Board, salary	Michael T. McCormick (Chairman), Vienna
Illinois Liquor Control Commission, salary	Irving J. Koppel, Skokie Leonard L. Branson, Greenview
Pollution Control Board, salary	Claire A. Manning (Chair), Williamsville G. Tanner Girard, Grafton Marili McFawn, Palatine Elena Kezelis, Springfield Nicholas J. Melas, Chicago
Property Tax Appeal Board, salary	Mark W. Peterson, Lincolnshire
Board of Review, salary	Rolland W. Lewis (Chairman), Mt. Vernon William J. Nolan, Chicago John G. Cashman, Elmhurst Stanley V. Mucha, Burbank Jon R. Walker, Moro
Illinois Industrial Commission, salary	Douglas F. Stevenson, Medinah Jacqueline A. Kinnaman, Chicago Richard M. Gilgis, Downers Grove
Illinois Racing Board, expenses and per diem	William E. Jackson, Chicago Louise E. O'Sullivan Joseph G. Peck, Des Plaines
Chicago Transit Authority, salary	Sam Panayotovich, Lansing
Illinois Commerce Commission, salary	Richard Mathias (Chairman), Winnetka Terry S. Harvill, Chicago Ruth K. Kretschmer, Medinah
Illinois State Toll Highway Authority, salary	William E. Dugan, Mt. Prospect James J. Banks, Oak Park Arthur W. Philip, Oak Brook Lance B. Wyatt, Lake Bluff Thomas Hardy, Chicago
Court of Claims, salary	Robert G. Frederick, Champaign

State Board of Elections, salary	Philip R. O'Connor, Chicago William McGuffage, Chicago
Illinois Building Commission, expenses only	Bruce S. Bonczyk, Springfield J. Raymond Carroll, Urbana Kenneth C. Crocco, Harvard David C. Danley, Barrington Berardo DeSimone, Elmhurst Gary Lichhardt, Elgin Thomas J. McManus, Chicago Roy H. Velde, Sterling
Capital Development Board, expenses only	Bernard B. Birger, Collinsville Roland C. Harris, Hoffman Estates
Illinois Development Finance Authority, expenses only	Martin R. Binder, Chicago Steven M. Cisco, Schaumburg Peter E. Gidwitz, Chicago Howard G. Kaplan, Highland Park Philip K. Rigsby, Cave-in-Rock Perry J. Snyderman, Highland Park
Illinois Gaming Board, expenses only	J. Thomas Johnson, Park Ridge
Board of Higher Education, expenses only	Samuel K. Gove, Urbana Cordelia Meyer, Chicago
Illinois Student Assistance Commission, expenses only	Brian M. Kelly, Orland Park
Lottery Control Board, expenses only	Paul M. Tomazzoli, Hillsboro David A. Zaransky, Nortbrook Mary Ann Koppel, Skokie
Department of Public Aid, salary	Joan Walters, Springfield

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.

Ordinarily, the practice under the Edgar administration has been to act upon bills during the latter portion of the 60-day review period, thereby affording the Governor’s office more time for its analysis and the public more time for its comments.

IV. VETO SESSION

The 1998 veto session has been scheduled for November 5 (Senate only); November 17, 18 and 19 (when vetoes of Senate Bills are considered in the Senate, and vetoes of House Bills are considered in the House); and December 1, 2 and 3 (when vetoes of Senate Bills are considered in the House, and vetoes of House Bills are considered in the Senate).

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 them 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. Many expect an active veto session this year.

V. UPCOMING ELECTION

The general election will take place on November 3, 1998. All executive offices of Illinois government, an Illinois U.S. Senate seat, all Illinois House seats and over half

of the Illinois Senate seats are up for election this fall. Speaker Madigan (D. Chicago) has a 60-58 member majority and Senate President “Pate” Philip (R. Wood Dale) has a 31-28 member majority to protect. Most observers predict a competitive election session. The statewide match-ups are as follows:

<u>Office</u>	<u>Republican</u>	<u>Democrat</u>
U.S. Senator	Peter G. Fitzgerald	Carol Moseley-Braun
Governor	George H. Ryan	Glenn W. Poshard
Lt. Governor	Corinne G. Wood	Mary Lou Kearns
Secretary of State	Al Salvi	Jessie White
Attorney General	Jim Ryan	Miriam Santos
Comptroller	Chris Lauzen	Daniel W. Hynes
Treasurer	Judy Baar Topinka	Daniel J. McLaughlin