

1.

Speaker Redmond: "The House will be in order, the Members please be in their seats. We will be led in prayer this morning by Reverend O'Brien."

Clerk O'Brien: "Let us pray. Lord, bless this House and all those that serve and work here. Amen."

Speaker Redmond: "We'll have the pledge this morning by the assistant clerk."

Clerk Leone: "I pledge allegiance to the flag of the United States of America. And to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

Clerk O'Brien: "House Joint Resolution Constitutional Amendment #13. Resolved by the House of Representatives of the Eighty-first General Assembly of the State of Illinois, the Senate concurring herein, that there shall be submitted to the electors of the state for adoption or rejection at the General Election next occurring at least 6 months after the adoption of this Resolution a proposition to amend Section 11 of Article 9 of the Constitution to read as follows. Article 9, Section 11. Limitation on total of state taxes on the share committed to local governments and on ad valorem personal property taxes, prohibition of mandate of local programs for downstate funding, provisions for the transfer of programs. A. There is hereby established a limit on the taxes imposed by the General Assembly for any fiscal year. The state shall not impose taxes of any kind, which together with all other revenues of the state, except revenues received from the Federal Government. Revenues received by the state revolving fund, receipts from the sale of general obligation bonds and contributions to an earnings of trust funds and the custody of the State Treasurer shall exceed 8% of the average annual personal income of Illinois of the next to last



full calendar year proceeding the calendar year in which the fiscal year begins and the prior 2 calendar years. Personal income of Illinois is the total income received by persons in Illinois from all sources, including transfer payments as defined and officially reported by the United States Department of Commerce or its successor agency. No expenses of state government shall be incurred for any fiscal year which exceeds an amount the revenues...revenue limit established by this Section. B. For any fiscal year in the event that total revenues of the state exceed the revenue limit established in subsection A. of this Section, this excess shall be transferred to the Budget Stabilization Fund in the State Treasury. Emergency expenditures from the budget stabilization fund may be made only if all the following conditions are met. 1. The Governor requests the General Assembly to declare an emergency. 2. The request is specific as to the nature of the emergency and the dollar amount of the emergency. And 3., the General Assembly thereafter declares an emergency in accordance with the Governor's request by a Joint Resolution adopted by a three-fifths vote of the Members elected to each House. The Bills providing for the appropriation of funds for the emergency must be passed by a three-fifths vote of the Members elected to each House. Total revenues of the state means all public funds received by the state but does not include revenues received from the Federal Government, revenues received by the state's revolving fund, receipts from the sale of general obligation bonds or the contributions to or earnings of such funds in the custody of the State Treasurer. If it is determined that the amount of the budget stabilization fund is less than the amount needed to meet an emergency situation, taxes in



excess of the limit established in subsection A of this Section may be imposed and collected only if all of the following conditions are met. 1. The Governor requests the General Assembly to declare an emergency. 2. The request is specific as to the nature of the emergency, the dollar amount of the emergency and the method by which the emergency will be funded. And 3, upon receiving the request of the General Assembly, declares an emergency in accordance with the specifications of the Governor's request by a Joint Resolution adopted by a two-thirds vote of the Members elected to each House. The Bills providing for the appropriation of the funds for the emergency must be passed by a two-thirds vote of the Members elected to each House. The emergency must be declared in accordance with these procedures prior to incurring any of the expense which constitutes the specific emergency request. The revenue limitation may be exceeded only for the fiscal year in which the emergency is declared. In subsequent fiscal years the revenue limit of subsection A in this Section shall again take effect. An emergency shall not be declared in two successive fiscal years without the approval of the majority of the qualified electors of this state voting thereon. Income earned from the funds maintained in the budget stabilization fund shall app...occur to the fund. C. For any fiscal year in the event of the amount of the budget stabilization fund exceeds 2 percent of the revenue limit established by subsection A of this Section, the General Assembly shall provide for distribution of the excess revenues in any of the following three methods. 1. Distribution to the various state pension funds established by law in proportion to the perspective actuarial reserved efficiencies of the several funds based on the benefits



in effect at the time the effective date of this Section. Funds distributed under this method shall be used only to reduce the actuarial reserve deficiencies of the various state pension funds.

2. Distribution for the retirement of outstanding general obligation bonds of the state. Funds distributed

under this method shall not be used to pay current principle and interest charges. It shall only be used to retire outstanding general obligation bonds.

And 3, distribution in the form of the reducing of the rebating of state taxes. D. There is hereby established a limit on the ad valorem taxes levied on real property by units of local government and school districts. The total yield resulting from the application of the tax rate for any tax year to the assessed valuation of real property is finally equalized for that year, including the value of new construction and improvements in property added by annexation shall not be increased over the yields of the previous year in excess of the 75% increase in the consumer price index. All items from the United States as defined and reported by the Bureau of Labor Statistics of the United States Department of Labor or its successor agency for that last full calendar year prior to the date the unit of local government or school districts levied such taxes. If the total yield exceeds this limit the tax rate applied to the equalized assessed valuation shall be reduced to produce a yield which reflects no more than the limits established by this subsection. The revised tax rate shall then be applied to the equalized assessed valuation of new construction and improvements in property added by annexation. The limitation of this subsection shall not be...shall not apply to taxes imposed for the payment of principle



and interest on bonds and other evidence of indebtedness or for the payment of assessment on contract obligations and anticipation of which bonds are issued which were authorized prior to the effective date of this Section. The limitations of this subsection shall apply to home rule units. The tax rate of the unit of local government or school districts may be increased to yield revenue exceeding the limit established by this subsection only with the approval of the majority of the qualified electors of the unit of local government or school district voting thereon. If such an increase is approved then the total yield, including the new tax rate shall be used to determine the limitation in the succeeding years.

E. Whenever any law or any court under the responsibility for defraying the cost of a program is transferred from one unit of government to another unit of government the total yield established by the section of the unit of government to which such responsibility was transferred shall be commensurately increased and the total yield established by this section for the unit of government from which such responsibility was transferred shall be commensurately decreased.

F. The General Assembly shall by law prescribe the manner by which any unit of local government or school districts created after the effective date of this section shall determine the limits established in Subsection D. of this section during the first year of its existence. No new unit of local government or school district shall be created after the effective date of this section except by the approval of the majority of the qualified electors of the proposed unit of local government or school district voting thereon. G. For any fiscal year that proportion of the state expenditures paid to all units of local



governments and school districts shall not be reduced below the portion paid to all units of local government and school districts in fiscal year 1980. H. The state shall appropriate funds for each unit of local government and school district to reimburse it at full cost for mandates enacted after the effective date of this Section. However, where the General Assembly is required to enact legislation to comply with the federal mandate the state shall be exempt from the requirement of reimbursing to units of local government or school districts for the cost of the mandate. State mandates for which funds are not appropriated to reimbursed units of local government and school districts are void until such time as required funds are appropriated. No unit of local government or school district shall be required to implement any mandate enacted after the effective date of this section, unless that mandate is a result of a Federal or court mandate or funds are appropriated for the unit of local government or school district or the cost of the mandate, as determined by the General Assembly. The limits established by subsection D of this Section shall not apply to new or expanded federal or court mandates.

I. Any taxes imposed to replace the revenue lost to the abolishment of personal property tax under some subsection C of Section 5 of Article 9 shall not be, by state taxes, for the purpose of this Section and the proceeds of such taxes shall not be included in the computation under subsection G of this Section of the proportion of state expenditures distributed to units of local government and school districts. J. The General Assembly shall provide by law for the implementation of the provisions of this section. Schedule. If approved by the electors



7.

this Amendment takes affect July 1 next occurring
after its adoption. Second Reading of the Constitutional
Amendment, as amended. Being no further business,
the House now stands adjourned until 12:00 noon,
Monday, July 9."

