

81ST GENERAL ASSEMBLY

REGULAR SESSION

JANUARY 23, 1980

1. PRESIDENT:

2. The hour of ten having arrived, the Senate will please
3. come to order. Will the members please be in their seats
4. and will our guests in the Gallery please rise. Our prayer
5. this morning by Father Thomas Holinga, Little Flower Church,
6. Springfield, Illinois. Father.

7. FATHER THOMAS HOLINGA:

8. (Prayer given by Father Thomas Holinga)

9. PRESIDENT:

10. Thank you, Father. Reading of the Journal.

11. SECRETARY:

12. Thursday, January the 10th, 1980, Friday, January the 11th,
13. 1980 and Saturday, January the 12th, 1980.

14. PRESIDENT:

15. Senator Johns.

16. SENATOR JOHNS:

17. Thank you, Mr. President. I move that the Journals just
18. read by the Secretary be approved unless some Senator has
19. additions or corrections to offer.

20. PRESIDENT:

21. You heard the motion. All in favor signify by saying Aye.
22. All opposed. The Ayes have it. So ordered. Senator Johns.

23. SENATOR JOHNS:

24. Mr. President, I move that reading and approval of the
25. Journal of Tuesday, January the 22nd, in the year 1980, be
26. postponed pending arrival of the printed Journal.

27. PRESIDENT:

28. You heard the motion. All in favor signify by saying
29. Aye. All opposed. The Ayes have it. So ordered. Introduction
30. of bills.

31. SECRETARY:

32. Senate Bill 1498 introduced by Senators Coffey, Shapiro,
33. Weaver and others.

1. (Secretary reads title of bill)
2. 1st reading of the bill.
3. Senate Bill 1499 introduced by Senator Schaffer.
4. (Secretary reads title of bill)
5. 1st reading of the bill.
6. PRESIDENT:
7. Rules Committee.
8. PRESIDING OFFICER: (SENATOR SAVICKAS)
9. For what purpose does Senator Moore arise?
10. SENATOR MOORE:
11. Thank you, Mr. President and members of the Senate. At this
12. time, Mr. President, I'd like to call a Republican caucus
13. in Senator Shapiro's office for all Republican members.
14. PRESIDING OFFICER: (SENATOR SAVICKAS)
15. Senator, could you give us an idea how long that will
16. be?
17. SENATOR MOORE:
18. ...Probably a half an hour.
19. PRESIDING OFFICER: (SENATOR SAVICKAS)
20. The Senate will stand at ease for the next half hour, till
21. 10:45.
22. PRESIDENT:
23. The Senate will come to order. Introduction of bills.
24. SECRETARY:
25. Senate Bill 1500 introduced by Senator Jerome Joyce.
26. (Secretary reads title of bill)
27. 1st reading of the bill.
28. Senate Bill 1501 introduced by Senators Berning, Geo-Karis
29. and Mitchler.
30. (Secretary reads title of bill)
31. 1st reading of the bill.
32. PRESIDENT:
33. Rules Committee. With leave of the Body, turn to page 2

HB 2563.
Recall
1-23-80

1. of the Calendar. We'll go to the Order of House Bills 3rd
2. reading. On the Order of House Bills 3rd reading, House Bill
3. 2563. Senator Egan.

4. SENATOR EGAN:

5. Thank you, Mr. President, members of the Senate. I would
6. ask leave of the Body at this time to return Senate Bill or
7. rather House Bill 24...2563 to the Order of 2nd reading for
8. purposes of amendment.

9. PRESIDENT:

10. All right. Senator Egan asks leave of the Body to return
11. House Bill 2563 to the Order of 2nd reading for purposes of
12. an amendment. Is leave granted? Leave is granted. On the
13. Order of House Bills 2nd reading, House Bill 2563. Yes, Senator
14. Bloom.

15. SENATOR BLOOM:

16. Perhaps to speed up the process, if the Secretary could
17. ...we have many amendments on our desk...read off the...sponsors
18. of various amendments, we could arrange them in proper order
19. and then the debate won't be interrupted by people saying
20. which amendment and so on and so forth.

21. PRESIDENT:

22. All right. Mr. Secretary.

23. SECRETARY:

24. Amendment No. 4 offered by Senators McMillan and Shapiro
25. and it is lettered A at the top. It's...A of a...of four
26. amendments, A, B, C and D. This is A.

27. PRESIDENT:

28. Read the LRB number.

29. SECRETARY:

30. All right. LRB8106272SJDVAM07...consisting of twenty-
31. one pages.

32. PRESIDENT:

33. All right. Amendment No. 4 has been identified by LRB

1. number, consists of 21 pages. Has everybody got the amendment?

2. Senator McMillan.

3. SENATOR McMILLAN:

4. Mr. President, members of the Senate. The first amendment
5. for consideration is the amendment which was distributed widely
6. yesterday for which there was a...a lengthy discussion over
7. in the House of Representatives and it's the amendment which
8. I'll describe very briefly...and...it's basically the one
9. that most of the controversy has been over. This is the bill
10. which would provide for limits on the extensions for 1980.
11. It would provide that those limits would be either...it
12. would be the average of...excuse me, a three year average
13. of percentage increases in personal income. It provides for
14. an additional option for units of government where there is
15. a great deal of growth. It provides that in all cases where
16. the limit provides a problem for a district in all cases the
17. limitation may be eliminated by the application of...a positive
18. ...referendum passed by the people in the district. It includes
19. home rule units, but provides for a one year exception for
20. the City of Chicago in 1980 and...and one year exception for
21. Cook County Hospital in 1981. The reason the Cook County
22. Hospital exception is needed, is we have demanded of them
23. that the budget be balanced for that Fiscal Year and they
24. can't do it with this exemption. It indicates that...it
25. has provisions for what happens if a district has lowered
26. its levy and we have a...an additional amendment which
27. makes that clear across the board, takes care of some of
28. the concerns raised by Representative Brummer in his letter
29. which went to all Legislators late last week. Then it provides
30. for a series of exceptions and the intent of these...exceptions
31. is to make sure that we don't impose upon units of government
32. undue hardship at the same time that we're trying to implement
33. effective limitations. It says that the higher extension...it
34. says that if a referendum has been passed after December 31st,
35. 1978 to raise the maximum allowable tax rate that we're not

1. going to provide...the limitation on that authority that was
2. granted by referendum. It exempts taxes to retire principle
3. and interest. It exempts taxes for the...exempts any district
4. that's levying taxes for the first year. It exempts taxes
5. levied pursuant to Public Building Commission Act. It exempts
6. taxes levied to pay substantial judgments which may be entered
7. against a given district. It exempts taxes levied to pay
8. election. It exempts taxes levied to pay principal and interest in
9. notes issued in anticipation of real property taxes or personal
10. property replacement taxes. It exempts taxes levied to pay
11. principal and interest on indebtedness of home rule units and
12. a later amendment exempts taxes to pay all indebtedness. It...
13. indicates that in 1981, it will exempt contributions to pension
14. funds. It indicates that any tax levied after December 31st,
15. where a backdoor referendum might have been possible, that's
16. exempt from the limit. It provides that it exempts taxes levied
17. to pay bonds issued by the Chicago School Finance Authority,
18. In other words, the action that we took week before last to
19. provide for a solution to the problem with the Chicago schools.
20. It provides for an exemption for taxes for special service areas.
21. And it provides for an exemption for taxes levied for facilities
22. mandated by the Illinois EPA. In fact, it provides for substantial
23. exemptions which should mean then that relatively few units of
24. government would suffer any hardship if they have been prudent
25. at all. It further indicates that every unit of government
26. would know by July 1st each year what the...the rate of increase
27. allowable would be thereafter. And essentially then, this becomes
28. the bill, the limitation that is applied. I would seek a favorable
29. roll call because this is a meaningful limit. It does respond
30. to the great increases that have occurred for taxpayers. It does
31. mean that since many of the local units of government, in fact,
32. did not do anything to reduce their levies after we came up with
33. the Corporate Personal Property Tax Replacement Law. This will

1. be the one bill which will place some limits on what local units
2. of government can extract from taxpayers in this year and in
3. the years to come.

4. PRESIDENT:

5. All right. Senator McMillan has moved the adoption of
6. Amendment No. 4 to House Bill 2563. Any discussion? Senator
7. Egan.

8. SENATOR EGAN:

9. Thank you, Mr. President, members of the Senate. Well...the
10. world knows by now that I have filed with the...the Secretary
11. a...an amendment to House Bill 2563 which is quite different
12. than the amendment which is now being considered. And the
13. world also knows the content. It is entirely different. It
14. is not a matter of pro or con on this amendment, it's a matter
15. of preference. I, for one, prefer my own amendment and conse-
16. quently, I will vote No so that this amendment does not
17. attach to House Bill 2563 and I would ask those of you who have
18. been deliberating and have been negotiating and have been following
19. the events of the past few days to follow likewise. If we are
20. going to afford the taxpayer relief, let's do that, let's not
21. create a myriad of problems that are created by this amendment
22. that we cannot solve, being kidnapped by the Governor, as we
23. have, with the gun to our head, in this amount of time. And
24. I ask your support for my amendment and consequently the defeat
25. of this amendment.

26. PRESIDENT:

27. Further discussion? Senator Carroll.

28. SENATOR CARROLL:

29. Hello...hello. Thank you, Mr. President and Ladies and
30. Gentlemen of the Senate. I too find this interesting. Let
31. me first start off with a question of the sponsor. How many
32. exemptions do we now have?

33. PRESIDENT:

34. Senator McMillan.

1. SENATOR McMILLAN:

2. I'm not sure I can give you a specific answer, because
3. some of them are...are exemptions to more than one individual
4. problem stated in one sentence and I...and I can't really give
5. you a specific response to that question.

6. PRESIDENT:

7. Senator Carroll.

8. SENATOR CARROLL:

9. That's what leads to my point, Senator McMillan. I don't
10. think any of us oppose a concept of placing upon the taxing units,
11. local government, some limitations because of the growth that
12. some of them have experienced. But I think as you well learned
13. and I sure did over this past week-end when they were drafting
14. for tons of hours, coincidentally in my office, these potential
15. amendments, we found that with every phone call, we found another
16. exemption. No one knows yet what this is going to do, in fact,
17. to local government because, we in the Senate haven't really
18. even had full hearings on the concept. I found a problem that
19. is not dealt with in this amendment, that in fact I drafted one
20. for, that involves part of my district in Skokie. Skokie Park
21. Districts built their field houses some twenty-five years ago
22. using bonds, paid them off already and now find that they are
23. deteriorating and need restoration and improvement. They also
24. find in some of the schools et cetera, in Skokie that they
25. need to do some energy conservation type rehabilitation. None
26. of these were included in the first twelve, fourteen, sixteen
27. amendments. The point of it all is, while it's dealt with in
28. a later amendment, maybe, and if not, I have another amendment.
29. The point is that as we have learned about all of these taxing
30. districts, for another example, is what they'd call the virgin
31. taxing districts or the semi-virgin taxing districts, who had
32. never taxed before for property tax purposes, they had used
33. Sales Tax revenues that were being generated to take care of

1. local government. The point of it all is, until we get into
2. the details, no one knows who we're really hurting and whether
3. or not we're helping anybody. I think this will take quite a
4. bit more time, even for the technicians working in a vacuum
5. to think of all the alternatives if they've come up with four-
6. teen yesterday and seventeen today. I think if we waited another
7. couple of hours, there would probably be five or six more that
8. we found we didn't take care of. I think we would be better
9. served to have a more and full and complete hearing on it
10. and in the meantime to give the meaningful tax relief that
11. I'm sure is coming in a subsequent amendment.

12. PRESIDENT:

13. Further discussion? Senator Martin.

14. SENATOR MARTIN:

15. Certainly there are legitimate questions about the bill
16. that...and there are further amendments that will take care
17. of some of the problems that the McMillan amendment does not
18. address. But I think we are kidding ourselves and the people
19. we claim to represent if we suggest that any other alternative
20. fulfills the mandate that was clearly stated at the polls last
21. November. Now there may be some questions about the Thompson
22. Proposition as it was called, but it was a very clear mandate.
23. Over eighty-four percent of the people said they wanted to
24. see a limit on State and local spending. They did not say we
25. want to see other alternative means of taxation, although
26. they would like that. They did not say they wanted to see
27. tax reform or clarification in the Tax Codes, although that...
28. are problems we should address. What they said was, they wanted
29. to see a limit. Now you can talk around it all you want, but
30. if you really do claim to be trying to follow the will of the
31. people you represent, I do not know how you can ignore that
32. kind of response to a very clear statement. I would also suggest
33. to you that they can go...back to the ballot and we can have a

1. Constitutional Amendment, if the General Assembly does not
2. do it Statutorily. And if we do it Statutorily, we can amend,
3. we can take care of the problems. This amendment has a double
4. edge to it, it, of course, does hurt some of the districts
5. that I think have performed well, in my own district. But
6. overall, the benefits of the bill far outweigh any detriments.
7. Anyone who suggests that they can vote against this bill and
8. then go back and say they are for tax limitation and say
9. they are for a responsible local and State spending limit,
10. will be fooling the people. And I grant you, it was a
11. Republican who said it, but you cannot fool the people all
12. the time.

13. PRESIDENT:

14. Further discussion? Senator Mitchler.

15. SENATOR MITCHLER:

16. Mr. President and members of the Senate. The amendment
17. we have does place many of us in a very unusual position,
18. because it does provide tax relief. Yet many of our local
19. taxing governments are not doing a bad job, they're doing
20. a good job. They're living within their budgets, they're
21. doing everything possible to meet the demands for services
22. of the people of their governmental unit that call upon them
23. for these services and are doing a great job. And they are
24. the ones that sometimes you might think are going to be
25. penalized for doing a good job, whereas sometimes you have
26. the runaway local units of government that may benefit.
27. Now the people that pay the taxes in my district will like
28. this bill even though they'll be turned down on some of
29. the services they ask from some of their local units of
30. government. I, as many of you, have received numerous phone
31. calls, letters, telegrams, mailgrams, from representatives
32. and most of them elected in local units of government,
33. asking that we not put this limitation on their local units

1. of government, so that they can continue to operate in the
2. good manner in which they're operating. And move ahead with
3. their bonded programs so that they can have their programs
4. developed. I tell them, well you do have a referendum, but
5. they know how any referendum put up to the people will be
6. looked on with scrutiny. Although I can say to you, that
7. recently the Oswego District Library was successful in passing
8. a referendum, very successful, and I can point out the school
9. districts in my legislative district that have been success-
10. ful in having referendums passed where needed. And, so with
11. that thought in mind, because of the referendum fact in here,
12. I think that I can safely vote for this for the people who
13. are clamoring for some type of tax relief. I don't know what's
14. going to come out of the amendments to House Bill 2563, but
15. I'm going to look at each and every one of them and in the
16. final decision my vote is going to be passed for the taxpayer
17. back there that is asking for some type of relief in whatever
18. form we are able to construct into legislation during this
19. short period of time that we're down here. Thank you.

20. PRESIDENT:

21. Further discussion? Senator Netsch.

22. SENATOR NETSCH:

23. Thank you, Mr. President. I would like to point out something
24. because I think it has gotten lost in a lot of the campaign rhetoric
25. that has come through these halls recently, is that now, within
26. the last few months, we, as Democrats, have offered the State
27. and this administration two alternative forms of exactly what
28. he claimed he was for in the Thompson Proposition and that was
29. a limit on the growth of Public Revenues to be spent on govern-
30. ment. The first, and some of us made this point over and over,
31. was with respect to the elimination of the Sales Tax on food
32. and medicine. If you track the impact of that proposal that
33. did exactly what we said it did, it limited the growth of

1. government revenues and therefore of government programs in the
2. future. In fact, it had an impact that did not quite equal,
3. but almost came to the Totten Proposition, the impact that
4. it would have had on the growth of government at the State level.
5. That was one of the major arguments that some of us made for
6. that proposal. It was completely ignored by the Governor and
7. rejected. That Governor, was your first opportunity for a
8. limit on growth of government. The second is the proposal
9. that is going to be made shortly, when this amendment is
10. hopefully defeated. And that one, not only the abatement
11. provision, but more particularly the provision that increases
12. the Homestead Exemption, again does exactly that, it limits
13. the growth of government revenues, this time, Property Tax
14. Revenues at the local level of government. It does not cut
15. out existing revenues and existing services, which I suspect
16. most people really do not want that badly. But what they are
17. saying, is, please, is there no end to how much government
18. is going to take away from us and particularly when a lot
19. of that growth is inflationary. By increasing that exemption
20. on the Homestead, it does take away the inflationary artificial
21. growth, it does limit local government revenues, it does, therefore,
22. limit local government growth. It seems to me that both of these
23. proposals have been exactly what taxpayers have asked us to do
24. and they are the proposals that ought to be supported.

25. PRESIDENT:

26. Further discussion? Senator Gitz.

27. SENATOR GITZ:

28. Well, Mr. President, very briefly. I find it kind of
29. intriguing, the fact that, when the Governor has pledged his
30. relief for Property Tax sentiments, he interestingly enough
31. has said very little about the shop that he is the head-
32. honcho of, namely, the State government. The bill...before
33. us is to restrain four thousand taxing districts or actually
34. more than that, in the State of Illinois. It seems to me that

1. before we go and tell local governments everything that they've
2. got to do, there's a lot of room for improvement at the State
3. level. I wish that Special Session had been called on a
4. Constitutional Amendment on State spending. I'd like to also
5. point out that it has been talked about, I think by Senator
6. McMillan, that we have a situation where we've built in a
7. lot of exemptions. The very fact of the matter is that we're
8. flying by the seat of our pants in this amendment. If Senator
9. McMillan's original bill was signed into law, the largest municipi-
10. pality in the State of Illinois would be unable to float all
11. those wonderful bonds from the school session that we had last
12. week. If that had been adopted, we could have had extreme
13. hardship, people have been drafting amendments left and
14. right. We have so many amendments and exemptions that nobody
15. is quite certain what the final form of this little jewel is
16. going to be. We set a very dangerous precedent, because what
17. I fear will happen is that if this is adopted, every local taxing
18. district will raise by the maximum allowable growth and income,
19. this year nine percent, because they will fear the next year
20. that they will be that much less able to raise any tax levies
21. they want if they don't do it this year. So you've built in
22. an incentive to raise Property Taxes every year. I submit that
23. when Senator Martin says, everybody wants tax relief, she's
24. quite right, but this is not going to be tax relief, this is
25. an attempt to restrain the growth. And in those municipalities
26. that have restrained it very well, it creates a new ballgame.
27. I would like to lastly suggest that once you have put limitations
28. in local government, but cleanly avoid at looking at your own
29. house, we set another dangerous precedent. I notice that the
30. City of Chicago is exempt from this bill. Some of my constituents
31. feel they should be exempt forever, because what happens when a
32. school district in my area or in anyone else's area goes
33. bankrupt. They are going to come to the State government and

1. say, you created this monster, now you pay for it. I don't
2. think we should put ourselves into that posture. The Thompson
3. Proposition did pass overwhelmingly, but one thing that's
4. interesting is that no other options are on the ballot.
5. There wasn't another check point on there for tax reform. For
6. an Illinois Tax Base that ranks with Arkansas and Mississippi
7. and Texas and how regressive it is and who hits with the bill.
8. This is folly because it is really not well thought out because
9. there are so many exemptions changing hour to hour. Because nobody can
10. really tell you intelligently what kind of impact this has
11. on School Aid Formula and most specifically because we are
12. not addressing a State issue, we have chosen to look at
13. local government and say, here, we're going to straighten out
14. your act, but we're not going to do anything about our own.

15. PRESIDENT:

16. Further discussion? Senator Berning.

17. SENATOR BERNING:

18. Thank you, Mr. President and members of the Senate. It
19. seems somewhat paradoxical that we ought, at this point, to be
20. discussing alternatives to alternatives. We have before us
21. a House Bill 2563 which an effort is being made to offer a
22. constructive amendment to. Before we ever get to that, we
23. are informed that any amendments considered and adopted or
24. rejected will all be meaningless anyway because there is
25. another omnipotent effort to be made then another amendment
26. will be going on. Well I want to point out to the members,
27. respectfully, that while...this Body thought it was doing
28. everybody a great favor when we passed that totally ill-advised
29. Sales Tax Amendment, Senator Netsch, we affected a very severe
30. hardship on the little businessman. One small grocery store
31. right across the street from my office in the little village
32. of Deerfield had to go out and buy twelve thousand dollars
33. worth of new cash registers simply because of what we did down

1. here in our "great wisdom" and bludgeoned all local business
2. people. Now, what would the Homestead Exemption do, what would
3. the Homestead do for business and industry? Not one blessed
4. thing of any value, but what it would do to them would be
5. shift the burden of the reduced valuation from real estate,
6. homeowners. Now, I say to you that that is not what we have
7. been asked to consider. There isn't any justification for
8. our saying, we're going to offer this kind of tax relief to
9. one segment of our society and forget the other segment. I
10. think the Homestead Exemption has been a very, very desirable
11. tool in somewhat...relieving the burden of our citizens.
12. But to increase it by a hundred percent, with no consideration
13. of that other segment of our society, the business community,
14. is irresponsible. What we have before us is a legitimately
15. drawn, well thought out amendment to a bill which is a vehicle
16. and I believe that in all fairness, this Body ought to vote
17. on what is before us, not on what might be coming, because
18. we all know that we don't know what's coming. Some of us
19. will be here by next Christmas, some of us won't, but we
20. know that Christmas is coming, but we are not so sure we
21. will be here and the little taxpayers back home are totally
22. convinced that we have not their interest at heart. The
23. Homestead Exemption is a dodge, it's not going to provide,
24. at least in my area, even a small step toward negating the
25. tremendous increases in valuation, which is the basis for the
26. Real Estate Tax Bill, simply because inflation is driving
27. real estate values up at an astronomical rate. Tax bills,
28. the actual tax dollars, which my citizens are required to pay,
29. have increased from twenty percent to as high as, yes, two
30. hundred percent, in one year. That's dollars, that's not
31. tax rates, that's not percentages or anything else. The
32. citizen is crying for relief. And Mr. President, if we are
33. going to play games now with essentially the same attitude
34. we had with the Sales Tax, which I said on the Floor at

1. the time we were considering it, it was nothing but a shell
2. game, then I think it is highly inappropriate that we continue
3. to waste the taxpayers' money, Mr President, I move we adjourn
4. until March 5th, 1980.

5. PRESIDENT:

6. You heard the motion. All in favor signify by saying
7. Aye. All opposed. The Noes have it. Further discussion?
8. Senator Shapiro. Pardon me, Senator, Channel 17 and 20 have
9. requested leave to film the proceedings. Is leave granted?
10. Leave is granted. Senator Shapiro.

11. SENATOR SHAPIRO:

12. Well, Mr. President and Ladies and Gentlemen of the
13. Senate. I think many of the arguments raised by the opposition
14. to the proposed amendment are answered in this amendment and
15. subsequent ones which will pass...which will be forthcoming.
16. I would like to point out that, to the Body, that, of all the
17. exemptions that are...have been considered and that...that
18. are incorporated into the...this amendment and other amend-
19. ments, amount to approximately fifteen percent of the tax-
20. payers' total bill. So that means that the limitation will
21. apply to eighty-five percent of that bill that he is paying
22. at the present time. This does not take into consideration
23. the fact that State-wide, real estate tax bills will be
24. going up thirteen percent, in some areas, twenty to thirty
25. percent, in other areas, one hundred, two hundred, three
26. hundred percent. There was a comment made concerning the
27. restraints upon the State. And I would like to point out
28. to the Body that, with the exception of the one year when
29. Governor Walker was the Governor of this State, when State
30. spending increased 21.8 percent. That since Fiscal Year
31. '77, the State has shown markable...remarkable restraint
32. in spending measures. FY '77, the percent increase was
33. 5.4, FY '78, 2.2, FY '79, 9.2. All within the limitations
34. that are being proposed for local governments in this

1. particular bill. In spite of the fact that many of you oppose
2. this, I think that you ought to be aware of what is going to
3. follow if this bill does not pass. And I do not mean the amend-
4. ment that will be offered by our loyal opposition. I want to
5. point out to you that there will be Constitutional Amendments
6. presented to this Body that will limit State spending in
7. General Revenue Funds, the Common School Fund and in the
8. Motor Fuel Tax Fund. And I think you all ought to take a
9. hard look at that concept because that will severely limit
10. the ability of the State to provide Staté Aid to our local
11. school districts, revenue sharing to our cities and counties
12. and that this may be the best of all the alternatives that
13. have been considered by the General Assembly over the past
14. year and a half. I personally feel that a 9.5 or .6 tax
15. limitation on our local governments is not severe, particularly
16. in view of the fact, that every year since 1971, which was the
17. last largest increase, local governments have kept their spending
18. increases down around the three...or four percent average,
19. but the Department of Local Government Affairs did conduct
20. a survey throughout the State and found that of the three
21. hundred and some odd local government units that they surveyed,
22. that very few, only four percent of the total number throughout
23. the State, were going to abate their taxes due to the fact of
24. the Corporate Personal Property Tax replacement monies and
25. the fact that they have shifted the Personal Property Tax
26. load to the Real Estate Tax. So I think at this time there
27. is a need for this particular type of bill and I honestly
28. believe that it has to be done within the time limitations
29. by the end of this month. I would urge everyone to support
30. this limitation. I think it's reasonable. I think we have
31. answered most of the objections and complaints raised by
32. local government units and have exempted those funds in
33. which there would have created a problem with a limitation.

1. I see nothing wrong with the amendment. I think it's a good
2. amendment. I think there's been a lot of work and thought
3. put into the amendment and please keep in mind that at one
4. time or another, practically everyone in this Body has voted
5. for a tax limitation proposal much more severe than we are
6. considering here. Please keep in mind that this amendment
7. is watered down from Senate Bill 1292, which passed this Body
8. last spring by approximately forty votes, if my memory serves
9. me correct. So I think it is a good...amendment and should
10. be supported by everyone in the Body.

11. PRESIDENT:

12. Further discussion? Channel 9 also seeks leave to film
13. the proceedings. Is leave granted? Leave is granted. Further
14. discussion? Senator Wooten.

15. SENATOR WOOTEN:

16. Thank you, Mr. President. Just a cautionary word to
17. my colleagues. Governor Thompson has put us in one of those
18. predicaments where we're going to have to earn our pay again
19. today, we're going to have to do it the tough way. I think
20. if we really wanted to help the Governor, we ought to defeat
21. this amendment. I don't think anything could do him more
22. damage than to pass this bill and then have people get their
23. tax bills with a sizeable increase. One of the problems we're
24. facing, Ladies and Gentlemen, is there's going to be an increase
25. in taxes at all levels. Local governments won't get as rich
26. as the State or the Federal Government on inflation, that's
27. where we get all our money. But they obviously will need
28. more money. But the difficulty is that we are dealing in a
29. subject that the press is not competent to report except in
30. bottom line issue, tax limitation, tax relief, pass or fail.
31. What happens is that there will be an increase. We are going
32. to heighten expectations of some kind of dramatic cut. This bill,
33. this amendment, certainly won't produce it. As a matter of fact,

1. it will have the lamentable effect of guaranteeing sizeable
2. increases year after year. Because you're quite right,
3. most units of government are not up to this 9.3 limit, but
4. there're certainly going to go up there just as fast as they
5. can. Because they cannot afford to be left out. They will
6. not have the ability to rise to emergencies. And one of
7. the things I discovered is that certainly is their intention.
8. If we put in this ceiling, that's going to become the Floor.
9. And so if we did pass this, then I think there would be general
10. unhappiness that we have apparently talked about doing something
11. and we did not deliver on it. Fact is, I don't think any of
12. us are competent at this point, to talk about what the effects
13. of all these amendments are going to be. They're still being
14. circulated two years after the Thompson Amendment as late as
15. yesterday afternoon. Trying...this is not a reasonable deliberative
16. process, it's a scrambling kind of thing to turn something out
17. in a hurry that might work. I suggest to you that we would
18. be more responsible if we limit ourselves to one or two things
19. that we know will work. Senator Shapiro made reference to a
20. survey. I believe that many units of local government believe
21. that they are not allowed to abate after they've made their
22. levy. Also some units that can, have abated since that survey,
23. in my area, once they found out what the courts had to say about
24. this. I believe that if we make clear that those units can
25. abate at any time, we'll be doing something that we know will
26. work. We're dealing in a very treacherous area and I'm afraid
27. the stakes for the game are mostly political headlines, see
28. what will work. But the taxpayer, I'm afraid is going to feel
29. betrayed almost no matter what we do. We have heightened expectations
30. and we simply can't change the economic facts of life in this
31. country. We do have inflation, governments must address it,
32. they don't charge us less for gasoline, we've got to bite the
33. bullet, we've got to be responsible, we've got to prevent ourselves

1. from going for the headline and instead deal with this problem
2. in a serious step by step and sober way. This patched together
3. amendment, still being assembled, obviously is not the answer.

4. PRESIDENT:

5. Further discussion? Pardon me, Mr. Dan White of Central
6. Media has requested permission to take still photographs of
7. one of our esteemed colleagues. Is leave granted? Leave is
8. granted. Senator Geo-Karis.

9. SENATOR GEO-KARIS:

10. Mr. President, Ladies and Gentlemen of the Senate. The
11. last speaker rather intrigues me. First he wants to save
12. Governor Thompson and then he forgets that there were nine-
13. teen tax relief bills sponsored by the Thompson administration
14. last year were...where they went nowhere. Why? Because the
15. Democrats in this House decided they didn't want them. I
16. can remember one specifically which was a bill to reduce the
17. income of people in the State of Illinois by the amount of
18. taxes they paid for real estate up to one thousand dollars or
19. the amount of rent they paid up to seven hundred and fifty dollars,
20. to take it straight off the gross income and what happened,
21. twenty-two Democrats in this House voted Present. We got
22. a total of twenty-two votes on the bill. So I'm really rather
23. intrigued by all this...handwringing and oh, what are we doing
24. to...hurt the poor Governor. Governor Thompson has spoken
25. because the people of Illinois have spoken. They are tired
26. of being taxed to death, they...I have very responsible school
27. administrators, very responsible mayors in my district, some
28. of them are sitting here in the Gallery. I don't disagree
29. with their contentions, but we have to tighten our belts.
30. Inflation is caused by a high cost of government, both
31. local and State and by the high cost of energy. We have taxed
32. the people too much without giving consideration to their wants.
33. There is a referendum provision in here. If services are to

1. cut and are needed services, the people will support a referendum,
2. they have done so in my county. Therefore, I think this amend-
3. ment is a good amendment, and I think we should support it if we
4. really mean tax relief for the people of Illinois.

5. PRESIDENT:

6. Further discussion? All right. Will the members please
7. be in their seats. Senator Bruce.

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End of Reel #1

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1. SENATOR BRUCE:

2. Thank you, Mr. President and members of the Senate. The
3. Illinois Senate is being asked today to bring tax relief to
4. the taxpayers of the State of Illinois and we find before us
5. two separate approaches to that tax relief. Embodied in
6. Amendment NO. 4 is the idea that we ought to put a ceiling on
7. real estate assessments throughout the State of Illinois.
8. An amendment which I will offer, along with Senator Egan,
9. says that there ought to be an exemption from taxation. First
10. of all, let me tell you why I have problems with the ceiling
11. in a more personal nature. I have waited in meetings and
12. attended meetings for some long time, trying to find out the
13. position of Governor Thompson twenty months after we first
14. started debating the question of the Thompson Proposition. I
15. stayed here late Saturday, until nine-thirty, waiting for a bill
16. that we were told on this Floor at six o'clock that we must
17. vote for and at nine-thirty when I left this...this building
18. on Saturday evening, I still did not have a draft of what we
19. were supposed to have passed at six and yet, the Governor says
20. we took a powder. I came back to my office this week to find
21. a long amendment, which we are now debating, with now sixteen
22. exemptions and were told at eleven-thirty yesterday that two
23. more substantive changes would be forthcoming and a technical
24. amendment would also be presented. I got those today. It seems
25. to me that we have taken far too long with the Governor and his
26. proposal and now is the time that we have to give some sort of
27. tax relief. What kind of tax relief does a tax lid or tax
28. ceiling provide? Well, it doesn't provide any relief for anyone
29. that is not in an area where the equalized assessed valuation
30. did not go up by 9.3 percent. No tax relief. If you are in a
31. county where the tax rates were less than that, nothing. You
32. walk away from this with not one dime of tax relief now or for
33. any long period of time. How would it have affected the tax-

1. payers during the last fifteen years? The Economic and Fiscal
2. Commission tells us that in those last fifteen years the
3. average growth has been 7.8 percent. Nothing for the taxpayer
4. with the tax ceiling. In the little booklet that the Governor
5. put together yesterday, out of the...one page 2, in the last
6. seven years, a 9.3 percent lid would have given no tax relief.
7. Nothing anyplace to anyone. I think the problem with the lid
8. is also...not only does it not give tax relief to many taxpayers
9. throughout the State of Illinois, it is an incentive to every
10. taxing body to tax to the limit. The ceiling becomes the floor
11. and every taxing body, being the way they want to be, responsible,
12. knowing that there are expenses that they may incur that they
13. cannot anticipate, will try to levy every year up to...as close
14. as they can, to that limit. A third problem with this proposal
15. is that much of the relief goes to those who are more wealthy
16. in this State. For those who...if we are going to have a thirteen
17. percent increase next year, as is anticipated, and we are talking
18. about a 9.3 percent limit, it certainly gives a great deal more
19. relief to those who have a hundred and eighty thousand dollar
20. home, who would have a tax saving sufficient to buy a new car
21. versus those who have a twenty-five thousand dollar home that
22. might be able to take their family to McDonald's that evening.
23. The exemption allows the taxpayer immediate tax relief. It is
24. direct and it shows upon his tax bill. When I got my tax bill
25. this year, my new assessment for my home, printed along the
26. bottom of that tax bill was how much I had been saved by the
27. Public Act passed by Senator Hynes. It isn't some mystery. It
28. isn't something that I have to attend the township meeting, the
29. city council, the Community College Board, the school board
30. meetings to know whether or not they are within the 9.3. It
31. came to me, Terry Bruce, in my tax bill, to my home. That's
32. immediate and for those of you who said it did not...does not
33. give relief, let me tell you that when Senator Hynes' bill passed,

1. according to the Department of Revenue, equalized assessed
2. valuations went down 1.4 billion...billion dollars the year
3. after that bill was signed into law, saving the taxpayers over
4. one hundred and fifty million dollars and that's significant
5. tax relief. I think the bill finally gives tax relief to that
6. taxpayer that has had one dollar of increase in his equalized
7. assessed valuation. There is nothing about percentages, nothing
8. about 9.3 percent. If you get a one dollar increase in your
9. equalized assessed valuation and it's less than that fifteen
10. hundred dollars, you get it. There's a tax freeze on your
11. assessment to the extent of fifteen hundred dollars and for
12. most taxpayers that means immediate tax relief. It means relief
13. that they can see now on their own tax bill and I would stand in
14. opposition to Amendment No. 4.

15. PRESIDENT:

16. Further discussion? Senator Rhoads.

17. SENATOR RHOADS:

18. Thank you, Mr. President and members of the Senate. I
19. have been in the minority before in this Chamber, but I have
20. never really felt myself a minority of one until today. I
21. will be supporting Senator McMillan's amendment because, as
22. Senator Egan said, it's a question of preferences and if 2563
23. were to pass in any form at all, I suppose I would rather have
24. it pass with Senator McMillan's amendment than with the one
25. which will be offered later, but I think the entire focus of
26. this Special Session is just off the mark. Senator Gitz arti-
27. culated some of the frustrations that I have and Senator Bruce
28. did, as well. Let me just bring us back, if I can, to square
29. one which was on...in April of 1978. If you will recall, Senator
30. Graham was seated where Senator Friedland now is and he intro-
31. duced his Constitutional Tax Limitation Amendment. The Governor
32. opposed an amendment to that Constitutional Amendment which
33. would have made the amendment easier to pass in the Fall of 1978.

1. Okay. Then his alternative was the Thompson Proposition, an
2. advisory question of public policy. Let's just read through
3. it briefly, so that we remember exactly what it said. "Shall
4. legislation be enacted and the Illinois Constitution be amended
5. to impose ceilings on taxes and spending by the State of
6. Illinois, units of local government and school districts."
7. That passed in November, 1978, one million six hundred and
8. sixty-eight thousand seven hundred and ten votes to three
9. hundred and fifty-six thousand nine hundred and ninety-seven
10. votes. I emphasize the word "spending" in there because I
11. think it has been totally lost in this discussion. It has been
12. lost in Senator McMillan's amendment, it has been lost in
13. Senator Egan's amendment. It has been lost in the entire focus of this.
14. Special Session. It seems that we think that there is no
15. correlation whatsoever between taxes and spending. The two
16. are so intertwined they...they follow as day follows night
17. or vice versa. Spending...the public in this State, the
18. voters in this State, aren't dumb. They realize that the...
19. the correlation, the connection between spending at the local
20. level and taxes. Okay. So, a unit of local government increases
21. it's spending last year by thirteen percent. What does that
22. mean? Well, it means they kept even with the pace of inflation.
23. That was what...the price of everything else was going up
24. thirteen percent last year. Were they acting in an irresponsible
25. manner? No, they were just staying even with the board. They
26. could act in no other manner. Neither could the State, if it
27. were to buy the same amount of goods and services in 1979, as
28. it had purchased in 1978. The Federal government and its spend-
29. ing policies has created distortions in the economy over which
30. we have absolutely no control. I will support Senator McMillan's
31. amendment, but vote No on final passage, whether it goes on,
32. whether Senator Egan's amendment goes on...none of the proposals
33. that I have seen come out of this General Assembly, for this

1. Special Session, are worthy of support at this time. If we
2. want to come back later and seriously address this question
3. with some care, with some thought, allowing for the fact of a
4. double digit inflation environment, then I think that's the
5. way to go, but to do otherwise today, in January, is simply
6. less than responsible action. Thank you.

7. PRESIDING OFFICER: (SENATOR BRUCE)

8. Senator DeAngelis.

9. SENATOR DeANGELIS:

10. Thank you, Mr. President. The sponsor of this bill, Senator
11. Egan, has indicated and quite correctly, that what we are doing
12. is basing our decision on preference. Webster defines preference
13. as giving priority to or preferring. Let's look at what we are
14. giving priority to or choosing between and let me give you an
15. analogy in plain, common or ordinary common sense. Under Senator
16. McMillan's amendment, what we are saying is we are going to limit
17. the price of a particular product. Under Senator Egan's amend-
18. ment, we are saying we are going to offer a discount, but we are
19. going to let the person charge whatever they want for the product
20. and I would submit to you, Senator Egan, if you went out to buy
21. a shirt, would you rather know what the price of that shirt is
22. or what the discount is? Thank you.

23. PRESIDING OFFICER: (SENATOR BRUCE)

24. Senator McMillan to close.

25. SENATOR McMILLAN:

26. Mr. President and members of the Senate, one thing I would
27. like to say is I'm particularly appreciative of the President
28. of the Senate for allowing an opportunity for this measure to
29. be voted on. I heard Senator Netsch's comments earlier about
30. the Sales Tax Proposal being the one that was so great and I
31. would merely say if it was so great, why did you sabotage every
32. other attempt in the Spring Session and only allow the half-baked
33. Sales Tax approach to be voted upon. At least at this point, we

1. are having another opportunity for this to be heard. With
2. regard to Senator Gitz's objection, I would merely say, I
3. strongly support a State-wide constitutional limit on the
4. amount of money that the State can tax and spend. That needs
5. to be done by amending the Constitution and you can't do that
6. in this Body with the same kind of bill. With regard to
7. Senator Carroll's comments about all those amendments drawn
8. up in his office that he doesn't know what the intent or the
9. content or the impact of those would be, I would merely indicate
10. that negotiation and that work was done in good faith in an
11. attempt to work out limits that would be reasonable and that
12. could have support from that side of the aisle. The objections
13. come from that side of the aisle to the exemptions and that's
14. where the exemptions came from. If you don't like it, you
15. shouldn't have shot so many damned holes in the bill because
16. they came from your gun. Now, with all the comments that we
17. have heard, day in and day out, in the news and everywhere else,
18. about how hastily this proposal is being brought before you,
19. let me just say a couple of things. It's been well over nine
20. months that this kind of...this kind of an idea has had ample
21. consideration. The Senate Revenue Committee had a lot of
22. consideration, so much consideration that we had it in this room
23. rather than our normal hearing room, so that the issue could be
24. heard and Senator Egan, very generously, allowed everybody who
25. wanted to say something about it to be heard and he did a
26. commendable job. It did get an excellent hearing. It had a
27. full debate on the Floor of this Body, when nearly everybody,
28. who had anything to say, had a chance to talk about it. Every
29. local unit of government in the State has had ample opportunity
30. to understand what limits of any kind would do to them. After
31. the Thompson Proposition passed, there were hearings around the
32. State, including, Senator Wooten, one in Moline, in which there
33. were ample opportunity for people to stand up and have a chance

1. to say what they thought about tax limitations. There has been
2. ample opportunity, many, many times for people to know. We have
3. been working closely, both sides of the aisle, in meetings. We
4. have had a bill before us yesterday and overnight with the final
5. form. I would merely say to Senator Bruce, who really commented,
6. we only saw his bill an hour and a half ago. That grand proposal
7. that's going to do everything for everybody has only been before
8. us an hour and a half. There was another comment made that the
9. press isn't competent enough to analyze what is going on here.
10. I would merely state the press, eventually, will take a look at
11. that bill that's been proposed on the other side of the aisle
12. that we have only had an hour and a half to look at and there
13. are a couple of things in there that will become very clear. It
14. sounds good, but let's look at a couple of things that it does.
15. In Cook County and in the City of Chicago, property is assessed
16. at only sixteen percent of its value, when we are talking about
17. residential property. Downstate, it's assessed at thirty-three
18. percent of its value. In other words, the assessed valuation
19. starts a heck of a lot lower in the City of Chicago and Cook
20. County than it does downstate. Then when you take three thousand
21. dollars off of that, who gets the big break? Again, it's the
22. City of Chicago and Cook County. Senator Bruce cried and moaned
23. about those people in his district comparing the twenty-five
24. thousand dollar house in his district to the hundred and eighty
25. thousand dollar house. How is he going to explain the fact that
26. his big proposal for tax limitation provided twice as much ben-
27. efit again for the City of Chicago and Cook County as it does
28. downstate? That may sell in his district, but it sure as heck
29. doesn't sell in mine. We need to look at this great amendment
30. again. It has something else in it that the tax will figure
31. out and realize that downstate got taken again. There is a
32. special provision for counties where they...they classify
33. property. Let me tell you what that says. If you are talking

1. about a house that's owned by an individual, but rented to
2. somebody else downstate, this great Homestead Exemption won't
3. apply, but that does apply in Cook County because residential
4. property that is not occupied by...by the owner does qualify
5. for this special exemption. Downstate...apartment buildings of
6. six units or less, if the owner happens to live there, does
7. qualify. In Cook County, if it has six units or less, but the
8. owner does not live there, that qualifies. So, they are getting
9. a double benefit in Cook County. So...so, don't tell me the
10. press isn't smart enough to figure out that this again provides
11. a heck of a lot more benefits for Cook County and the City of
12. Chicago than it does downstate. I have no great expectation
13. that there is going to be a groundswell of support for this bill.
14. The press had it last night that it was dead. Many of you
15. who worked with us in trying to work out exemptions have now
16. decided that you are not going to support it no matter what,
17. but I would merely say this is the bill that provides a reasonable
18. limit on the power of local governments to tax from local property
19. taxpayers. This is the one that's before you, like it or not.
20. This is also the only one that is reasonably fair. It's also
21. the one that provides, if there's a real problem, voters will
22. have a chance, with referendum, to say yes, we are going to go
23. beyond that limitation. I'll tell you one thing. If this thing
24. doesn't go, then the voters are really going to have a chance.
25. If the Totten Proposal, which would provide some real teeth and
26. probably some real problems for local units of government, if
27. that thing ever gets on the ballot, all of you know that the
28. voters are going to buy it and then we'll really have some
29. limitations on local units of government. If you want a
30. reasonable approach that does provide a little healthy realization
31. of problems for local units of government, this is it, but if
32. not, the voters may have a chance to vote on a real limit.
33. PRESIDING OFFICER: (SENATOR BRUCE)

HB 2563
Amend #5
1-23-80

1. Senator McMillan has moved the adoption of Amendment No. 4
2. to House Bill 2563. Those in favor will vote Aye. Those
3. opposed will vote Nay. The voting is open. Have all voted
4. who wish? Have all voted who wish? Take the record. On
5. that question the Ayes are 23. The Nays are 26. Amendment No.
6. 4 is lost. Channel 3 News requests permission to film the
7. proceedings. Is there leave? Leave is granted. Further
8. amendments, Mr. Secretary?

9. SECRETARY:

10. Amendment No. 5 offered by Senator McMillan and Shapiro.
11. It's lettered...B and the LRB No. is LRB8106272SJMAAM08.

12. PRESIDING OFFICER: (SENATOR BRUCE)

13. Senator McMillan.

14. SENATOR McMILLAN:

15. Mr. President, in light of the fact that the first amendment
16. failed, the next four Shapiro-McMillan amendments should be
17. withdrawn.

18. PRESIDING OFFICER: (SENATOR BRUCE)

19. The amendments will be withdrawn. The Secretary informs
20. me, Senator McMillan, there were only three additional amend-
21. ments. I think it was three to be withdrawn. The next
22. amendment is...

23. SENATOR McMILLAN:

24. No, there were...there were five altogether, weren't there...
25. right at the...I could be incorrect.

26. SECRETARY:

27. You had A, B, C and D and then the next amendment was
28. offered by Martin...or Bloom, Martin and Regner.

29. SENATOR McMILLAN:

30. Well, leave...the three that were McMillan-Shapiro, withdraw
31. them.

32. PRESIDING OFFICER: (SENATOR BRUCE)

33. All right. Those amendments will be withdrawn. Further
amendments, Mr. Secretary?

1. SECRETARY:

2. Amendment No. 5 offered by Senators Bloom, Martin and
3. Regner. It is LRB No. 8106272SJMAAM07, consisting of five
4. pages.

5. PRESIDING OFFICER: (SENATOR SAVICKAS)

6. Senator Bloom.

7. SENATOR BLOOM:

8. Well, thank you, Mr. President. This amendment would
9. have provided some of the features in HJR 13 and been in
10. response to Senator...the complaints from the other side of
11. the aisle that somehow the State ought to set its house in
12. order. It would have had the State set its house in order
13. and would have provided a cap on taxes and spending. In light
14. of the fate of the first amendment offered by Senator McMillan,
15. I'm too short in the time...the first four amendments. I
16. would withdraw this at this time. We will address that at a
17. later date.

18. PRESIDING OFFICER: (SENATOR SAVICKAS)

19. Senator Bloom withdraws Amendment No. 5. Any further
20. amendments, Mr. Secretary.

21. SECRETARY:

22. Amendment No. 5 offered by Senator Bruce and Egan.

23. PRESIDING OFFICER: (SENATOR SAVICKAS)

24. Senator Bruce.

25. SENATOR BRUCE:

26. Thank you, Mr. President and members of the Senate.
27. Amendment...Amendment No. 5 is the amendment that has been
28. discussed, I think, in reference to Amendment No. 4 and what
29. it does is one minor thing and that is to clarify that in
30. non-computer operated assessing counties that they do not have
31. to compute the actual cash going to each district. Many of
32. the assessors came to us and said it was going to be...and
33. county clerks, that that would be almost impossible to handle

1. and so that minor change is within there, but it does two
2. things that have been discussed widely in the last couple of
3. weeks and that is, first of all, it says to every taxing
4. district in the State of Illinois that has received income
5. from any source which is additional in nature, they may abate
6. the taxes back to the local taxing districts. We have heard
7. a lot of comment about the capturing of additional revenue and
8. abatements and the problem of the increased assessments, but
9. I would say to you that in many, many places the taxing
10. districts have used quite responsibly additional sources of
11. revenue and to mandate a...abatment would be nearly impossible
12. because it could not be engineered to fit all of the more than
13. six thousand taxing units. So, what this bill says is that
14. they may abate and, in fact, many school districts throughout
15. the State of Illinois have, in fact, already abated taxes. One
16. in my district that has a three million eight hundred thousand
17. dollar budget abated eight thousand dollars in taxes...eight
18. hundred thousand dollars in taxes this year. So, that is the
19. first proposal. The second is to give a three thousand dollar
20. Homestead Exemption to every owner of residential property in
21. the State of Illinois. It is clear by the legislation and
22. although one newspaper got confused with the...the Homestead
23. Exemption for senior citizens, this legislation applies to
24. every residential home owner in the State of Illinois and says
25. to the assessors around the State of Illinois, you shall reduce
26. the assessments by three thousand dollars any time there is
27. an increase in that property assessment. If your assessment
28. went up five hundred dollars last year, you got the full benefit.
29. If it were to go another twenty-five hundred dollars this year,
30. you would still have the full benefit. No tax increase up to
31. three thousand dollars increase in assessed valuation of your
32. property and I think that is the kind of tax relief we have
33. tried to engineer and develop tax programs in the State of Illinois

1. that will help those most in need and the people that we have
2. identified, I think, clearly are those residential home owners
3. who have been...have had increases in their residential
4. equalized assessed valuation and seen that go onto their tax
5. bills. This says you get the first three thousand dollars in
6. increase in value in your property absolutely free and for
7. almost every property owner in the State of Illinois it means
8. a tax freeze on their home for several years to come and I
9. move the adoption of Amendment No. 5.

10. PRESIDING OFFICER: (SENATOR SAVICKAS)

11. Is there further discussion? Senator Shapiro.

12. SENATOR SHAPIRO:

13. Mr. President, will the sponsor of the amendment yield
14. to a couple of questions?

15. PRESIDING OFFICER: (SENATOR SAVICKAS)

16. He indicates he will.

17. SENATOR SHAPIRO:

18. Senator Bruce, could you answer me, since this...on the
19. bottom of page 1 and the top of page 2, where the...it refers
20. to property that is classified, does this apply to a non-owner
21. occupied residence?

22. SENATOR BRUCE:

23. Well, Senator Shapiro, it does not. It would apply to
24. non-residential property in the County of Cook. Cook County
25. is the only county in the State of Illinois that presently
26. classifies property. They have Class I and Class II dwellings
27. and, as you know by newspaper articles that have been in the
28. paper for some time, the present assessor in Cook County was
29. unable to actually physically determine whether or not when
30. Senator Knuppel's amendment went on last year that this was
31. used as residential property. There was a question...it was
32. used to be owner occupied. It was changed to residential and
33. there...there is what is known as Class II property which

1. includes units up to six. Former Senator Hynes decided that
2. the only way that they could insure that each individual in
3. Cook County got the benefit of this proposal was to include those
4. people in the benefit and allow the fifteen hundred dollar
5. exemption. He is presently, I think, this legislation which
6. was prepared and sent to...to Springfield for our consideration
7. will clarify that what he is, in fact, doing is appropriate.
8. I...I might say, Senator, that also Senator...or Representative
9. Madigan's amendment last year also changed the complexion of
10. the bill to include condominium owners since they were clearly
11. owners, but under the original legislation is was not clear.
12. So, they are...they are, in fact, covered.

13. PRESIDING OFFICER: (SENATOR SAVICKAS)

14. Senator Shapiro.

15. SENATOR SHAPIRO:

16. Then what you are telling me that a dwelling, single family
17. dwelling, which is rented and not occupied by the owner receives
18. the Homestead Exemption. What we are doing is legalizing what
19. was being done up in Cook County illegally.

20. PRESIDING OFFICER: (SENATOR SAVICKAS)

21. Is that a question or a statement?

22. SENATOR SHAPIRO:

23. That's a question.

24. PRESIDING OFFICER: (SENATOR SAVICKAS)

25. Senator Bruce.

26. SENATOR BRUCE:

27. I don't think that I can judge the legality. The problem
28. is the assessor of Cook County does not...cannot physically go
29. out, as some of our assessors can in downstate, and see if a home
30. is...is occupied by the owner and all this says is, in fact,
31. that those people are eligible for the relief just as it is, in
32. fact, being done in Cook County.

33. PRESIDING OFFICER: (SENATOR SAVICKAS)

1. Senator Shapiro.

2. SENATOR SHAPIRO:

3. Wouldn't the proper thing to have done would be to let
4. this apply to downstate also, just to kind of equalize them
5. out and...and not just to Cook County?

6. PRESIDING OFFICER: (SENATOR SAVICKAS)

7. Would you repeat that, Senator Shapiro?

8. SENATOR SHAPIRO:

9. Yes, Senator Bruce, doesn't this discriminate against
10. downstate in that we are not allowing the same provision for
11. downstate counties?

12. PRESIDING OFFICER: (SENATOR SAVICKAS)

13. Senator Bruce.

14. SENATOR BRUCE:

15. Senator, it does not because we do not classify property
16. in Downstate Illinois and, as you know, in a classify...in a
17. county that classifies, there are differential rates that
18. apply in Cook County to these various dwellings and for them
19. to receive any benefit, there will be a need for a substantial
20. increase in their assessment. So, no, when you combine the
21. fact that it is classified property and the differential tax
22. rates which are applied, the benefits equal out between downstate
23. and Cook County.

24. PRESIDING OFFICER: (SENATOR SAVICKAS)

25. Senator Shapiro.

26. SENATOR SHAPIRO:

27. Well, it just appears to me, Mr. President, if I may speak
28. to the...to the amendment, that we are giving home owners and
29. people who own single apartment dwellings and apartment owners
30. of six units or less, whether they occupy the building or not,
31. a Homestead Exemption that is not given to the same class of
32. property owner downstate and I say this in spite of the fact that
33. Cook County does classify. To me, that makes no difference. In

1. other words, what I am saying is that it should apply uniformly
2. throughout the State and it does not and, furthermore, I'd
3. like to point out to everyone that this amendment on the abate-
4. ment or reduction of the levy which in turn would reduce the
5. taxes of the homeowner is permissive and not mandatory, as it
6. should be. Furthermore, when you consider this amendment, please
7. keep in mind, Ladies and Gentlemen, that for approximately sixty
8. to seventy percent of the taxpayers of this State, who reside
9. in Home Rule units, it does absolutely nothing and for this
10. reason, in a Home Rule unit, there is no limitation on the
11. tax rate and when that Home Rule unit presents its budget
12. to the county clerk for the spreading of the taxes, even though
13. the Homestead Exemption is included and it reduces the total
14. assessed valuation on the whole part or individually on the
15. homeowners' part, all that happens is that the county clerk
16. spreads the taxes on the basis of the budget and the amount
17. of money it needs to produce and to offset this, the rate goes
18. up. So, it's really null and void, as far as Home Rule units
19. are concerned. Those taxpayers will receive no benefit from
20. it at all. I'd also like to point out to you that in spite of
21. the fact that we passed a general Homestead Exemption two years
22. ago for fifteen hundred dollars, it has really done nothing to
23. keep Real Estate Taxes from going up drastically and this forth-
24. coming year is a good example. Granted, we gave everyone a
25. fifteen hundred dollar Homestead Exemption, provided they
26. apply for it, but at the same time, Real Estate Taxes are going
27. up as high as they have ever been and in a single year jump.
28. So, there is no justification to call this tax relief or even
29. tax limitation. The...really, the actual effect of the bill
30. is practically null. It won't help most of the real estate
31. homeowners throughout the State and I, personally, think, that
32. this amendment ought to be defeated and that we ought to
33. reconsider the Amendment No. 4 that was offered to 2563 in order

1. to provide some real tax limitations for our real estate tax-
2. payers throughout the State.

3. PRESIDING OFFICER: (SENATOR SAVICKAS)

4. Senator Maragos.

5. SENATOR MARAGOS:

6. Mr. President and members of the Senate, the only comment
7. I have to make which was in answer to the eloquent remarks of
8. the Minority Spokesman of the Revenue Committee was to say to
9. Senator McMillan that all you have to do is classify downstate
10. and you will have the same relief that you are complaining about
11. you do not get under this bill. I've stated many years that the
12. question of the...you take your property, your farm and your
13. agricultural interests who prevent you at this time, who do not
14. want classification downstate, you could do the same thing if
15. you think it's an injustice caused to the downstate taxpayer.

15. PRESIDING OFFICER: (SENATOR SAVICKAS)

16. Senator Netsch.

17. SENATOR NETSCH:

18. Thank you, Mr. President. The suggestion that there is
19. no help at all involved in this proposal eludes me entirely
20. because, as I understand it, the exemptions at the fifteen
21. hundred dollar level that was the bill that we passed several
22. years ago has already meant that eight hundred and twenty
23. million dollars worth of property has been...or of increased
24. evaluation has been exempt downstate, five hundred and ninety-
25. five million in Chicago. Now, that suggests to me two things.
26. One, that all of that increase in assessed valuation
27. would, in fact, have been subject to property taxation
28. at the existing levels, if it were not for the original
29. Homestead Exemption Bill that we passed two years ago. That,
30. it seems to me, suggests this is not a nothing bill, particularly
31. when those figures are to be doubled. I think the second thing
32. that it suggests is that, in fact, there is a limitation built into
33.

1. this bill. Again, that is all assessed valuation that would
2. have been subject to property taxation. The revenue therefrom
3. would have been available to units of local government without
4. the original form of this Homestead Exemption. If we double
5. that, we will, in effect, be doubling that amount of assessed
6. valuation that will be, in effect, removed from the property
7. tax rolls, removed from the property tax rate and therefore,
8. removed from governments' capacity to spend the revenues that
9. would otherwise be available as a result of that. I don't see
10. how you can suggest that there is not a limitation involved in
11. this kind of a proposal. In fact, one of the glories of this,
12. when we first passed it a couple of years ago, is that it does,
13. indeed, respond to the concern of taxpayers that there is no
14. end to that which is going to be subject to taxation, including
15. the inflated value of their homesteads, without any relief at
16. all in sight. We are not cutting back on existing government
17. services. We are not yanking money out of the hands of school
18. districts and other...park districts and other units of local
19. government, but what we are saying is that of that increase
20. that would normally come to you through your existing tax
21. structure, you are simply not going to get some of it. We are
22. going to remove that from your taxpaying...or taxspending
23. hands and allow it to, in effect, be a form of indirect tax
24. relief, certainly a limitation on growth. It seems to me that
25. it directs itself precisely to what all of us have indicated
26. and what the voters, I think, were indicating in supporting
27. the so-called Thompson Proposition, that they wanted some end
28. in sight to what government would continue to take away from
29. them, in this case, in the form of property taxation.

30. PRESIDING OFFICER: (SENATOR SAVICKAS)

31. Senator Schaffer.

32. SENATOR SCHAFFER:

33. Mr. President, if I understand Senator Netsch correctly,

1. what she just said is that this amendment isn't going to take
2. any money from the taxing bodies or cut any service, but some-
3. how it's going to provide tax relief. I'm not sure I follow
4. that. I think we have to bear in mind there are two facets
5. in the Property Tax that have to be controlled. One is the
6. assessed valuation and the other is the rate. This amendment
7. addresses assessed valuation. It does nothing for the rate.
8. Senator Netsch, I'm trying to explain to you why it doesn't do
9. what you think it does. That's simply this. If you take a little
10. bit off the assessment level and those taxing bodies such as
11. Home Rule units who have tax rate that they can raise at their
12. caprice, they just simply raise the rate and get it back with
13. a higher rate. Therefore, you provided no tax relief. Perhaps,
14. you shifted, in part, some of the burden from the homeowner to
15. the small businessman and to the large businesses around and
16. the other commercial property. I'm sure the business community
17. will be delighted to know they are being zonked again, but,
18. frankly, it doesn't accomplish what you think it will and there
19. even seems to be, at least on this side, some confusion as
20. to whether or not the people downstate have even been getting
21. the first fifteen hundred dollars. I...I find, to my amazement,
22. in some counties, evidently, you have to go in and apply for it
23. and I haven't heard about anybody having to apply for it and I'm
24. a little confused as to how the first fifteen hundred dollars
25. is being implemented, but, Senator Bruce, a question for the
26. sponsor, if I can. One comment, one, if you think three thousand
27. dollars is going to cover the assessment increases in my part
28. of the State, you haven't seen the assessment increases. We've
29. had increases in assessed valuation which in candor, the
30. assessors have done their job, honestly reflect increases in
31. property value that you'd need to put a twelve or fourteen
32. thousand dollar exemption in just to begin to control, but my
33. question is, since we appear to be giving Cook County, which

1. does classify and by the way, Senator Maragos, there are some
2. of us downstate that classification downstate isn't quite a
3. bugaboo to, are we not, in fact, giving, if you will, a homeowner
4. in suburban Cook County or Chicago twice the assessment break
5. as we are downstate with this proposal and if so, how is that
6. justified and if that is also so, how does this impact on the
7. School Aid Formula, if we are, in fact, going to double the
8. assessment reduction on the average homeowner in Cook County
9. as opposed to the homeowners downstate. I think there are some
10. of us downstate that, you know, have been running around for
11. years saying that we are being ripped off from our...our friends
12. from the shores of Lake Michigan and maybe we are a little
13. sensitive on that. Can you answer those two questions for
14. me, Sir?

15. PRESIDING OFFICER: (SENATOR SAVICKAS)

16. Senator Bruce.

17. SENATOR BRUCE:

18. Well, I'm...I'm probably as sensitive to anybody to upstate-
19. downstate problems, Senator Schaffer, and I...I'm concerned
20. just as Senator Shapiro is about how downstate might be taken
21. to the cleaners on any particular piece of legislation, but
22. I would alert you to the fact that I tried to explain the fact
23. that there are classifications of property in Cook County and
24. in that lowest classification is a tax rate of sixteen percent.
25. Now, a homeowner in Cook County, to get the benefit of this
26. proposal is going to have to have his taxes raised eighteen
27. thousand dollars before he gets the benefit because, you see,
28. he's only assessed at sixteen percent. He's half your rate so,
29. to get the full benefit, he's got to be taxed twice as high as
30. you are and that's not going to happen in Cook County. You've
31. got...well, if your residential property in Cook County is
32. at sixteen percent, the only way you are going to get this
33. benefit, is to have your assessment raised eighteen thousand

1. dollars. If you are thirty-three percent, you get the full
2. benefit by raising your assessment nine thousand dollars.
3. Now, that's...that's the way it works out, guys. Sixteen
4. percent is nearly half of thirty-three, you just double the
5. exemption, you have given a downstater twice as much tax relief.
6. The way the bill is drafted, each person in every county in the
7. State of Illinois, where they classify or not classify, is
8. given identical tax relief and I'm as concerned about that
9. as anybody, but when we are only taxed at sixteen percent,
10. you have to double their exemption to get the same amount of
11. tax relief as a downstater does.

12. PRESIDING OFFICER: (SENATOR SAVICKAS)

13. Senator Schaffer.

14. SENATOR SCHAFFER:

15. Well, I can tell you from the reaction from some of my
16. colleagues on this side from suburban Cook, an eighteen
17. thousand dollar increase in assessed valuation of a home is
18. not that an unusual thing. I would suggest to you, Sir, you
19. might take a good look at that cleaning truck you are driving.
20. It may say City of Chicago on the side.

21. PRESIDING OFFICER: (SENATOR SAVICKAS)

22. Further discussions? Senator Wooten.

23. SENATOR WOOTEN:

24. Well, thank you, Mr. President. I rise in support of
25. this bill because it does two things with which we have some
26. familiarity enough which we have some knowledge. The difficulty
27. with the proposals that have been made in what has been,
28. admittedly, a hasty attempt to put something together to satisfy
29. the need to get back on the side of some kind of tax relief is
30. that nobody really knows what all those proposals would sort out
31. to. We just don't know. We obviously have a difference in
32. interpretation as to what this bill does vis-a-vis Chicago and
33. downstate. We feel fairly confident it's equal and we have

1. been surprised before, but I don't think we are going to be
2. surprised in this. The point is the single thing we ought
3. to be doing here, and perhaps the only thing, is to give to
4. local units of government the authority to abate their levy
5. at any time. Home Rule units have that authority now and
6. municipalities have that authority. I don't think, by
7. Statute, anybody else does. I...I can't be sure, but I
8. know that many taxing units say that once we have established
9. a levy, that's it. We are locked in. This makes clear that
10. they aren't, that they can abate and we expect that they
11. will. To try to mandate some kind of abatement, means tailor-
12. ing a bill to sixty-four hundred some local units of government,
13. all of which have quite a bit of difference and diversity
14. to deal with. Putting on the...doubling the Homestead
15. Exemption is an attempt to respond to the...to the hopes
16. that the Governor has raised. He is trying to lead people
17. to believe that we are going to have something substantial
18. coming out of this Session. The first proposed amendment
19. simply does not do that. This, I hope, will and it targets
20. it. It doesn't give the major benefit to the wealthiest land-
21. owner in the community. It targets it to those individual
22. homeowners, in particular, those on fixed incomes. I suggest
23. to you that the people back home in local government are not
24. thieves. They are responsible people. They find they have to
25. do difficult, responsible things in order to make government
26. work. We ought to address a very real problem in local govern-
27. ment and I tell you right up front, I don't know how. The
28. State takes far more money from the citizens of Illinois than
29. do local governments, but local governments are exposed. Those
30. bills are paid in lump sums. We extract ours every time they
31. buy something or we have their Income Tax withheld. People
32. get a refund, they actually feel grateful. We are the ones
33. that take the money and the Federal government does it in spades,

1. but local governments are exposed. That's where the money is
2. needed, not so much at the State and the Federal government
3. can do with a great deal of tax relief for its citizens. I
4. don't think it's a particularly noble thing for us to stand up
5. here. You witnessed what it took to get the Governor to abate
6. just one penny on food and sales, took an earthquake. We're
7. not suggesting we cut State taxes or limit State taxes. We're
8. putting the hammer on locals. I suggest that by giving them
9. the authority they will behave responsibly. They live next
10. door to these people that are having problems. We have had
11. some experience of the Homestead Exemption. We know that works.
12. By the way, you don't have to apply for it. It's automatic
13. all over the State and if your county clerk and assessors
14. aren't doing it, then they are breaking the law because it is
15. automatic. I think we ought to come back in the Spring and
16. deal with the problem of multipliers. That's where the problem
17. occurs. We've got to do something to see that internal multipliers
18. are applied in the county, thus negating the need of the State
19. multiplier or at least lessening its impact on those people
20. who...have been properly assessed. It's a technical, complicated
21. problem. We ought to get to it. For right now though, I think
22. these are two steps we ought to take and I hope we vote for this
23. in the Body.

24. PRESIDING OFFICER: (SENATOR SAVICKAS)

25. Senator Davidson.

26. SENATOR DAVIDSON:

27. Question to the sponsor.

28. PRESIDING OFFICER: (SENATOR SAVICKAS)

29. He indicates he will yield.

30. SENATOR DAVIDSON:

31. The immediate past speaker, Senator Wooten, said that this
32. allotment or this reduction in assessment was automatic and
33. there is nowhere in this bill that I see where it's automatic

1. and under the first fifteen hundred, it wasn't automatic and
2. that's what I'm concerned about. If we are going to say that
3. we are going to do it, then let's make sure that all the down-
4. state counties have that opportunity. Now, as I understand, the
5. assessor in Cook County automatically give it to everybody
6. without them applying, but I...at least I know in Sangamon
7. County, the property owner had to apply and if you didn't apply
8. by a certain date, too bad and I don't see that in this bill
9. and I don't see anything automatic and that's the biggest
10. thing wrong with this bill. If it's good for the goose, it's
11. good for the gander, let's make it apply to everybody automatic...
12. and not have them have to apply or give the assessor the option
13. of not giving it to them.

14. PRESIDING OFFICER: (SENATOR SAVICKAS)

15. Was that a question or a statement?

16. SENATOR DAVIDSON:

17. Both.

18. PRESIDING OFFICER: (SENATOR SAVICKAS)

19. Senator McMillan.

20. SENATOR DAVIDSON:

21. No, no. He hasn't answered that question about whether
22. it is or is not automatic.

23. PRESIDING OFFICER: (SENATOR SAVICKAS)

24. Oh, Senator Bruce.

25. SENATOR BRUCE:

26. Well, Senator Davidson, you didn't read the bill because
27. in the bill it does say the following: "The assessors may deter-
28. mine the eligibility of residential property to receive the
29. Homestead Exemption provided by this Section by application,
30. visual inspection, questionnaire or other reasonable means."
31. That's what's in there. Now, if your assessor didn't give it
32. to you, you ought to go down, grab him by the neck and shake
33. him until he does what every assessor in my district did.

1. We gave it automatically and that's what they did in my
2. district because I made sure that every one of my people got
3. this exemption and any assessor that tries to deny it to
4. people ought to be run out of town on a rail. Now, the
5. Cook County assessor gave it and every other assessor can
6. give it by just saying, "It's here," and they printed it on
7. my tax bill. I didn't have to go down. I didn't have to do
8. anything. He just took it off my tax bill and that's what they
9. all ought to do.

10. PRESIDING OFFICER: (SENATOR SAVICKAS)

11. Senator Davidson.

12. SENATOR DAVIDSON:

13. ...another little part of that same section you are
14. reading, it says questionnaires, other...such determination
15. shall be made in accordance with guidelines established by
16. the Department of Revenue. It's not automatic. The guidelines
17. are established by the Department of Revenue and all I'm
18. saying, if it's so damned important, then make it mandatory
19. in the amendment.

20. PRESIDING OFFICER: (SENATOR SAVICKAS)

21. Senator McMillan...Senator Bruce.

22. SENATOR BRUCE:

23. First of all, Senator Davidson, those regulations relate
24. to the fact that you cannot give this illegally. You cannot,
25. as assessor, go out and say, "Gee, I think everybody...we'll
26. just give it to them," and that's the regulations and by the
27. way, this bill was signed under Governor Jim Thompson. It's
28. his director. If he screwed the program up, go down to the
29. second floor and tell them to straighten it up. Those regulations
30. only say you've got to do it properly. It does not say that
31. you cannot give it in any reasonable way you want to.

32. PRESIDING OFFICER: (SENATOR SAVICKAS)

33. Senator McMillan.

1. SENATOR McMILLAN:

2. I won't question at all Senator Bruce's good intent. I
3. will state that he did misrepresent the fact when he said it
4. was automatic. That may have been your intent, but it was not
5. automatic and I think that should clearly be reflected. I stated
6. previously many of my objections to this bill, the fact,
7. primarily, that it is not a substantial limit. I object to
8. the fact that it allows a substantial shift in taxes and for
9. those people who have to pick up the extra burden, as they
10. did when we replaced the Corporate Personal Property Tax, it
11. certainly isn't relief. It's an additional tax. I would
12. continue to express that very clearly it discriminates against
13. downstate. It discriminates in two ways. One, because the
14. relief is double for Cook County. Yes, it may take a little
15. longer for the full relief to apply, but it's double there to
16. what it is downstate and second, that a lot more properties
17. come under the relief in Chicago than it does downstate and
18. that simply is not fair. The Constitution, Senator Maragos,
19. prohibits classification in certain counties. It just isn't
20. as simple as saying we want to classify in certain counties
21. and the Constitution, after all, does prevail. Probably the
22. most telling thing is, the most significant difference between
23. this kind of an approach and the kind of approach that we were
24. talking about earlier is whatever effect this bill would have
25. in those counties where it is made available immediately or
26. where citizens go in to get it, it applies once and the next
27. year you are right back up to the substantial increases that
28. you had. This does not provide any meaningful long-term
29. limits. If you want to vote for it, vote for it because of
30. what it is, but don't vote for it because it is providing any
31. meaningful long-term limits because it does not. When the
32. assessments jump again as they must in an inflationary economy
33. like we have, the tax bill is going to come along, the tax-

1. payer is going to be taken again and no limit will be there.

2. PRESIDING OFFICER: (SENATOR SAVICKAS)

3. Senator Nimrod.

4. SENATOR NIMROD:

5. Thank you, Mr. President and Ladies and Gentlemen of the
6. Senate. It seems to me that we are hearing statements being
7. made on both sides of the aisle and looking at this bill which
8. is supposed to be so simple in defining it that we are certainly
9. not getting any facts. I hear...sit here an become rather
10. confused that...one denies it and one professes that it's there,
11. but when you...my interpretation in reading this bill has
12. certainly been stated by our Minority Leader and some of the
13. members on this side of the aisle and that is that there is
14. no limitation, that, in fact, we are not really addressing the
15. subject of what we came here to do, what this whole Session
16. was called about and why we are here in January. We were here
17. to put a tax limitation. We are not going to satisfy the people
18. back home. They are going to be looking for a limit on spending
19. and income and their money that's going to go into the pot.
20. The total dollars are still going to be the same. Local
21. government is in no way being harnessed in this particular
22. program. They are going to get the same dollars that they ask
23. for. There is no limit, as was said by Senator Schaffer, on
24. the rate. We find that the same number of dollars will go in
25. and all that happens is that the same amount of money that
26. they are going to request...be requesting is going to be spent.
27. That, in fact, is not tax limitation. That is not tax relief.
28. This is just kidding ourselves and I think that we are going to
29. be found out and instead of coming back here and being worried
30. about which of you are going to be left and which one of you
31. are not, they are going to get so upset with you that you are
32. going to find that a constitutional amendment is what you are
33. demanding by taking this approach. I think we are here...better

1. off to do nothing today than we are, in fact, going ahead and
2. taking and putting this kind of an amendment on and trying to
3. kid the public. It seems to me that this Homestead Exemption
4. that is being proposed is nothing but a round-about way of
5. saying that we came here and justified the few days that we were
6. here. I can't understand at all why we do not respond to what
7. is being indicated back home. Now, maybe those who have a
8. sure district don't have to be concerned and they continue...
9. think they can continue to fool the public. It's not going
10. to happen. You are going to be back here and you are going to
11. be faced again with this problem and this is a poor excuse for
12. supporting it. Now, I'm sure we are going to have to vote
13. for the bill, if the amendment ever gets on, but I'm one who
14. is not going to go back home and tell the public that I would
15. support something that's going to kid them and fool them and
16. not tell them the truth.

17. PRESIDING OFFICER: (SENATOR SAVICKAS)

18. Senator Egan.

19. SENATOR EGAN:

20. Thank you, Mr. President and members of the Senate. I...
21. I hate to take the time to talk about the obvious, but it...I
22. don't believe what I hear. I...it's astounding to me that...that
23. I have heard from Senator Shapiro, as well as Senator Schaffer,
24. that there is a discrimination against downstate homeowners and
25. in addition thereto, there is no relief, when, in fact, quite
26. the contrary is true. Thirty-three percent of three thousand
27. dollars is greater than sixteen percent of three thousand dollars
28. and that's the relief that this bill affords the downstate
29. homeowner, number one and number two, it's so obvious, I hate
30. to take your time to say that when you reduce the homeowner's
31. assessed valuation, he doesn't pay tax on that assessment. That
32. does not apply to business. This is a tax relief, simple, pure
33. tax relief for the homeowner. There's no discrimination and

1. if there is, it certainly does not mitigate against the down-
2. state homeowner. It mitigates against the Cook County homeowner
3. and simply that and nothing more.

4. PRESIDING OFFICER: (SENATOR SAVICKAS)

5. Senator Berning. Senator Rock...Senator Berning.

6. SENATOR BERNING:

7. Mr. President, thank you. I wanted to briefly comment on
8. a statement made by the Honorable Senator Maragos, who challenged
9. the other counties to classify and thereby come under the great
10. benefits that accrue to Cook County with its classification. I
11. simply want to point out to the members of the Body who may not
12. have taken the trouble to look into the pros and cons of
13. classification that unless your county has a vast industrial
14. and commercial base, classification is going to produce no
15. benefits whatsoever. Now, Cook County does have this huge
16. industrial and commercial base, so, in Cook County residential
17. real estate may be classed at sixteen percent, the industrial
18. properties assessed at forty or some forty-odd percent and by
19. then lumping them together and averaging, you come out with the
20. thirty-three and a third which is the State mandatory assessment
21. rate. Now, in my little county of Lake County, we assess
22. real estate...residential real estate at thirty-three and a
23. third. If we were to attempt to classify and go the same route
24. as Cook County with sixteen percent on residential, we do not
25. have the industrial base to shift the burden to in order to
26. come out then with an equalized county assessed valuation of
27. thirty-three and a third and thereby qualify under the Statute
28. as meeting the mandated average thirty-three and a third per-
29. cent. Senator Maragos, I thought it appropriate that you be
30. informed as to why, at least for one reason, some of us...some
31. of our counties, are in no position to classify and I can re-
32. iterate for you why it's a great burden for the citizens of
33. my county, who are divided by an imaginary line from Cook County,

1. and builders have built a house on the north side of the Lake
2. Cook Road identical to a house on the south side of the Lake
3. Cook Road and those then in Lake Cook at sixteen percent of
4. valuation and those on the Lake County side at thirty-three
5. percent have Real Estate Tax bills that are one hundred per-
6. cent higher in Lake County. This is why this great bonanza
7. here offered to the citizens. is of no such great inducement
8. to my citizens and to Senator Netsch, again with all due
9. respect, I believe you are misconstruing assessed valuation
10. rates and levy. I think you are not totally informed as to
11. what the differences are and our rates will offset any assessed
12. valuation lost through this. The tax bills will be just as
13. great or greater. Our valuation is going up at the rate of
14. ten to twenty-five percent a year. This will offer no real
15. benefit.

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19. (End of Reel #2)
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1. PRESIDING OFFICER: (SENATOR SAVICKAS)

2. Senator Maragos for the second time.

3. SENATOR MARAGOS:

4. All I want to say, Senator Berning, the Constitution does
5. not prevent any county over two hundred thousand or more to class-
6. ify, any excuses that you may use why you don't downstate, that's
7. your privilege, and nobody's saying that you should, but don't
8. cry when you don't get the benefits because you don't classify.
9. Thirdly, I'd like to say that you really do have the...classification
10. in many counties, and I think you would be the first to admit it.

11. PRESIDING OFFICER: (SENATOR SAVICKAS)

12. Senator McMillan, for the second time.

13. SENATOR MCMILLAN:

14. I apologize for talking a second time, but I...I think because
15. I, again, believe I think the press is smart enough and wise enough to
16. deal with this, that we ought to walk through an example to
17. show you that downstate is getting taken to the cleaners. Let's
18. take a sixty thousand dollar house in Cook, on the one hand, and
19. a sixty thousand dollar house downstate on the other. Write
20. it down on two sides of a piece of paper. In Cook County we assess
21. it at sixteen percent, if my math is correct, that means that the
22. beginning assessed evaluation would be ninety-six hundred dollars,
23. if we go over on the other side, it's twenty thousand dollars.
24. That's what we start out with. Now, we come along in a year, in
25. which we have a ten percent, which is conservative, a ten percent
26. assessed evaluation increase. All right, that adds nine hundred
27. and sixty dollars onto the downstate one, it would add two
28. thousand dollars onto the...excuse me, the nine hundred and sixty
29. dollars would be added onto the Cook County one, and you would
30. add two thousand dollars onto the downstate one. Okay, we have a
31. fifteen hundred dollar Homestead Exemption from that increase, that's
32. going to wipe-out that whole nine hundred and sixty dollars for
33. Cook County, which means their assessment would stay the same at

1. ninety-six hundred, it would wipe-out fifteen hundred dollars of
2. that two thousand dollar assessment downstate, but it...their assess-
3. ments would still increase five hundred, so theirs would be
4. twenty thousand five hundred. Okay, at the end of one year, downstate
5. it's going to be twenty thousand five hundred dollars on that sixty
6. thousand dollar house in Cook County, it's going to be ninety-
7. six hundred dollars on that sixty thousand dollar house. We
8. have a little left over in Cook County so next year we have another
9. additional ten percent increase. Okay, you go back in Cook County
10. to the ninety-six hundred dollars, a ten percent increase would
11. be nine hundred and sixty dollars, but they have five hundred
12. and forty dollars of benefit left over. So, you subtract five
13. hundred forty and nine hundred and sixty and yes they will get
14. a meager increase next year, of four hundred and twenty dollars.
15. That would make theirs ten thousand two hundred dollars on that
16. sixty thousand dollar property. Go over to the other column, the
17. ten percent increase would be an assessment increase of two thousand
18. fifty dollars. You add the two thousand fifty dollars onto the
19. twenty thousand five hundred, and you end up with an assessment
20. of twenty-two thousand five hundred and fifty. Don't tell me that
21. twenty-two thousand five hundred, fifty dollars, is not more than
22. twice as much as ten thousand two hundred dollars on the same value
23. property. Now, if you want to do it, fine, but don't say that it
24. doesn't benefit Cook County twice as much as it does downstate. The
25. facts simply do not bear that out.

26. PRESIDING OFFICER: (SENATOR SAVICKAS)

27. Is there further discussion? Senator Rock.

28. SENATOR ROCK:

29. Thank you, Mr. President, and Ladies and Gentlemen of the
30. Senate. I rise in support of Amendment No. 5, and for many reasons.
31. Not the least of which is when the Governor issued his special
32. call on that fateful Friday evening, to commence on that fateful
33. Saturday. Many of us worked long hard hours with the bureaucrats and

1. technicians, and technical people to try to see if, in fact,
2. there was some way we could accomplish what we all want to
3. accomplish, namely tax relief, property tax relief, and yet
4. not devastate the units of local government across this State.
5. Frankly, the prior amendment, the one that was negotiated long
6. and hard over the past couple of weeks, its effect, ultimate
7. effect would I suggest was and is unknown. We are dealing with
8. or would have been dealing with one thousand plus school
9. districts, ninety some home rule units, a hundred and two counties,
10. fourteen hundred municipalities. We had effectively delayed the
11. effective date as it applied to the City of Chicago, and as it
12. applied to the Cook County levy, insofar, as it related to Cook
13. County Hospital. The fact of the matter is, that I don't think
14. anybody disputed the fact that that kind of limitation would
15. have impaired if not voided the accessibility of those districts
16. to the financial market. There are a number of school districts
17. across this State, a number of municipalities, a number of counties,
18. that on a regular basis have to go to the financial market for
19. tax anticipation notes, in order to keep those districts running
20. in order to provide those services that the people demand, and
21. I suggest to you in these very precarious financial times, that
22. that kind of limitation would impair if not void that accessibility
23. and thus those districts would have been looking to the State and
24. indeed the accessibility to the market to the State itself, when
25. we go to the market in April, may well have been impaired. So,
26. what we're trying to do here, is afford everyone on a bi-partisan
27. basis the opportunity to provide meaningful property tax relief,
28. and we have done that simply by doubling the Homestead Exemption.
29. Additionally it was pretty widely thought that we had to afford to
30. the local districts the opportunity to abate, the Governor mentioned
31. that in his State of the State Message, and we agreed with that, and
32. that's what this amendment does. It seems to me if we want to get
33. the job done, and want to get out of here, Amendment No. 5 is a

1. reasonable, rational approach, I am reliably informed that the
2. Governor has indicated that he would look favorably upon it, and
3. I urge support for Amendment No. 5.

4. PRESIDING OFFICER: (SENATOR SAVICKAS)

5. Is there further discussion? If not, Senator Bruce may close
6. debate.

7. SENATOR BRUCE:

8. Thank you, Mr. President, and members of the Senate. Let me
9. just say that the bill, as it proposed to be amended, gives an
10. immediate three thousand dollar reduction in equalized assessed
11. valuation for all residential taxpayers, and this is a tax increase
12. or a tax savings to each taxpayer that continues every year. It
13. isn't something that goes away, someone says this is just one year's
14. relief, it isn't. Whatever you save in taxes this year is
15. the same you're going to save next year and the next year, and the
16. next year, and the next year, because the three thousand dollars is
17. always there and is always three thousand dollars less than you
18. would have had had the bill not been passed. We took off 1.4
19. billion dollars off equalized assessed valuation under the Hynes
20. Proposal, and for those of you that are concerned about the problems
21. with upstate and downstate, I would reiterate that that was a
22. savings to the local taxpayers in downstate of eight hundred and
23. twenty million dollars in equalized assessed valuation, and to
24. a Cook County taxpayer, five hundred and ninety-five million in
25. EAV. Now, that's how it broke down, that's own Department of Revenue
26. figures. If anyone's being taken advantage of, I don't know, and
27. I've been told that we made it too complicated a little while ago.
28. All you've got to say is the assessment must go up twice as high
29. in Cook County to get the same benefit that you get in downstate,
30. and that's...that's it. I have a couple of things that the Governor
31. said about the bill when he signed it on August the 1st of 1978.
32. A bill that gave the same fifteen hundred dollars, the Governor said
33. this bill offers tax relief, because it provides a check on revenue

1. growth, it addresses the real issue, government spending. On
2. page 2 the Governor thought it was such a good idea that he
3. increased it from the thousand dollars in the Hynes Bill to
4. fifteen hundred dollars, and stated the change will have three
5. consequences, the benefits to taxpayers will be increased, the
6. benefits will not depend on differing assessment practices
7. among the counties. Rejecting the argument that's been made here,
8. and those persons who have had their taxes increased in '79 because
9. of multpliers will recieve the same exemption. The Governor
10. contends that this bill will provide significant and automatic
11. tax relief to most homeowners. It will put a break on local
12. government spending at a time when there is serious concern about
13. rising taxes and spending, and significantly he concludes by
14. saying, and it will do so without creating a vast State bureaucracy
15. and without increasing State taxes to refund a rebate program. I
16. use this figure to tell you what you're doing for each taxpayer.
17. In his press release to..the same day, the Governor states, using
18. the State-wide average of seven dollars in taxes for each one
19. hundred dollars of assessed valuation, a homeowner would realize
20. a total savings of a hundred and five dollars in taxes he would
21. not have to pay, if his assessed valuation grew by the full fifteen
22. hundred dollars, during any period from the base year of 1977. With
23. a three thousand dollar increase you're giving them two hundred
24. and ten dollars, and that goes on every year, every year, every
25. year, and at the end of the time, of whatever we want to end time,
26. we have a significant increase. It took off a billion four already,
27. I think that this is the kind of tax relief we're talking about
28. to the homeowner who has seen his taxes go up and up and up. It
29. says we're giving three thousand dollars off the equalized assessed
30. valuation of your home, and I would move the adoption of Amendment
31. No. 5 to Senate...House Bill 2563.

32. PRESIDING OFFICER: (SENATOR BRUCE)

33. Senator Bruce moves the adoption of Amendment No. 5 to House

1. Bill 2563. Those in favor say Aye. Those opposed No. The Ayes
2. have it. Amendment No. 5 is adopted. There's been a roll call
3. requested. All those in favor will vote Aye. Those opposed
4. vote Nay. The voting is open. Have all voted who wish? Have all
5. voted who wish? Take the record. On that question, the Ayes
6. are 38, the Nays are 10. None Voting Present. Amendment No.
7. 5 to House Bill 2563 is adopted. 3rd reading. Is there more
8. amendments? For what purpose does Senator Wooten arise?

9. SENATOR WOOTEN:

10. Just...yes, I just briefly on a point of personal privilege.
11. Four years ago I was pleased to introduce to you my opponent, in
12. last years campaign. My opponent for this year is a close personal
13. friend, Randy Thomas. I'd like the Senate to greet him for me.

14. PRESIDING OFFICER: (SENATOR SAVICKAS)

15. Is there further amendments?

16. SECRETARY:

17. Amendment No. 6 offered by Senator Martin.

18. PRESIDING OFFICER: (SENATOR SAVICKAS)

19. Senator Martin withdrew Amendment No. 6. Are there further
20. amendments?

21. SECRETARY:

22. Amendment No. 6 offered by Senator Rupp and Geo-Karis.

23. PRESIDING OFFICER: (SENATOR SAVICKAS)

24. He withdraws the amendment. Are there further amendments?

25. SECRETARY:

26. Amendment No. 6 offered by Senator Berning.

27. PRESIDING OFFICER: (SENATOR SAVICKAS)

28. Senator Berning. Senator Berning withdraws his amendment.

29. SECRETARY:

30. Amendment No. 6 offered by Senator Nimrod.

31. PRESIDING OFFICER: (SENATOR SAVICKAS)

32. Senator Nimrod withdraws his amendment.

33. SECRETARY:

1. Amendment No. 6 offered by Senator Shapiro.

2. PRESIDING OFFICER: (SENATOR SAVICKAS)

3. Senator Shapiro. Senator Shapiro.

4. SENATOR SHAPIRO:

5. Well, Mr. President, and Ladies and Gentlemen of the Senate.

6. This amendment attempts to irradiate what we feel on this side
7. of the aisle is a great injustice to the homeowners throughout the
8. State. In view of the fact that the tax increases for homeowners
9. throughout the State is so great this year, ranging anywhere from
10. ten percent on up to forty, fifty, hundred, two hundred, three
11. hundred percent in some areas, that we felt that a greater increase
12. in the general Homestead Exemption would be more meaningful
13. to those taxpayers so that it would significantly reduce their
14. taxes. So, what the amendment does, is for '79 and subsequent
15. years, increase the general Homestead Exemption as is in the bill
16. now, the increase from fifteen hundred to forty-five hundred. In
17. other words, it adds another fifteen hundred dollars, and it also
18. clarifies in the case of land improved with an apartment building,
19. having six or fewer units that the building has to be occupied
20. by one or more of the owners as their principal dwelling place,
21. and that, that assessed...that the Equalized Assessed Valuation
22. on such property shall be...shall be subject to reduction by the
23. amount of one Homestead Exemption as provided in this section. Now,
24. I think Senator McMillan gave an excellent example of the Homestead
25. Exemption of fifteen hundred dollars. This one, this amendment
26. if enacted, in effect, would favor Cook County in this way, because
27. of the disparity between the assessment rates of sixteen and a
28. half percent and thirty-three and a third percent, equal homes,
29. assessed at equal figures, an example used is a home in Cook County
30. and in downstate Illinois that has a market value of sixty percent,
31. In downstate the assessed...equalized assessed valuation would be
32. twenty thousand, and that same house in Cook County would be valued
33. at ninety-six hundred. Assuming that we have a twenty percent

1. increase in the taxes, in downstate that would mean four thousand
2. dollars increase, and in Cook County it would only amount to nineteen
3. hundred and twenty dollars. Now, this exemption which calls for a
4. three thousand dollar increase in the Homestead Exemption, if you
5. deduct the three thousand from the four thousand increase in the
6. assessed valuation. In downstate Illinois it only cancels out
7. three-fourths of the increase, and there would be nothing left over
8. the following year, and if the taxes increased the same amount
9. that assessed valuation would go up four thousand dollars, but in
10. Cook County, because a twenty percent average increase amounts to
11. only nineteen, twenty...nineteen hundred and twenty dollars, that's
12. all that would be reduced and would leave over ten hundred and
13. eighty dollars for use next year. So, the Cook County homeowner
14. would benefit two years in a row, their taxes would not go up as
15. greatly as they would downstate. That's the amendment in a nutshell,
16. I would appreciate a favorable roll call.

17. PRESIDING OFFICER: (SENATOR SAVICKAS)

18. Miss Gail VanHorne of the Illinois Savings and Loan League,
19. request permission to take some still photographs. Is permission
20. granted? Leave is granted. Further discussion? Senator Schaffer.
21. SENATOR SCHAFFER:

22. Well, I obviously rise in support of this amendment. Some
23. of the objections I had to the amendment we just adopted were simply
24. that it didn't begin to cover the dramatic assessment increases
25. we've seen in my part of the State. Senator Bruce, I don't know
26. what's going on down...on in your part of the State or in the
27. City of Chicago, but I can tell you, that assessments have just run
28. amuck in suburbia. We've seen assessed valuations increase fifteen,
29. twenty percent a year, every year for the last few years. We've
30. seen certain areas increase in one year, sixty percent. We need
31. more than just the fifteen hundred dollars. It wasn't too many
32. weeks ago the Governor was being taken to task very seriously
33. about being a piker for only wanting to be...give the taxpayers a

1. penny's worth of relief. I hope that those people were so free
2. with that criticism don't put themselves, if you will, a similar
3. posture by opposing this amendment. If you're serious about
4. tax relief, a large part of the State needs this amendment and
5. needs it badly.

6. PRESIDING OFFICER: (SENATOR SAVICKAS)

7. Senator Geo-Karis.

8. SENATOR GEO-KARIS:

9. Mr. President, and Ladies and Gentlemen of the Senate. I think
10. this is probably the most meaningful amendment of the last two that
11. we...have come...because it not only provides the...the big cities
12. some relief, the people of bit cities, but also for those of us who
13. come from smaller counties. I think it's a very fair amendment,
14. I think forty-five hundred dollars Homestead Exemption is far more
15. realistic and certainly desired and needed, and I commend Senator
16. Shapiro for having the foresight to provide for it, and also to
17. provide for the Homestead...division in the apartment buildings
18. having six or fewer units, where one unit is used for Homestead
19. purposes and that unit would be subject to...given the benefit
20. of it. I think it's a good amendment, I hope that we can all
21. support it, because, at least, it has a little more meaning for tax
22. relief than anything we've passed before.

23. PRESIDING OFFICER: (SENATOR SAVICKAS)

24. Senator Netsch.

25. SENATOR NETSCH:

26. A question of the sponsor, please?

27. PRESIDING OFFICER: (SENATOR SAVICKAS)

28. He indicates he will yield.

29. SENATOR NETSCH:

30. I am reading this language for the first time that has to do
31. with the six or...six or fewer units in Cook County, and which
32. relates to our classification scheme. Could I ask you this. As
33. I read this amendment, we would have to know that is the assessing

1. officials would have to know whether, in fact, a three unit
2. building or four unit building or whatever, was occupied by
3. an owner. First question, is that information available on the
4. records that the assessor now has as far as you know, and secondly
5. what do you do about...sort of...I shouldn't say strange relation=
6. ships, but let's say a four flat is owned by John Doe, and John
7. Doe doesn't live there but his eighty-five year old mother lives
8. there, or his sister lives there, or his daughter lives there, and
9. so on, and so on, what...how are those things resolved by the
10. assessor on the basis of computer information? Obviously my question,
11. Senator Shapiro, is I...I think I happen to agree that...that this
12. ought to be limited to owner occupied. My understanding is, that
13. the reason why that was not done in Cook County is they just
14. don't know, and the only way they could find out would be to do
15. a survey of every piece of residential property that exists in the
16. county, which in itself would cost a bloody fortune, and they would
17. yes...they would have to do it on a recurring basis. So, I'm...
18. I really...it's...it's...I'm making a speech, but I am also asking
19. you a question, is there any information in the...the records of
20. the Assessor's Office which would make it possible for that
21. provision as you have written it to be complied with?

22. PRESIDING OFFICER: (SENATOR SAVICKAS)

23. Senator Shapiro.

24. SENATOR SHAPIRO:

25. Senator Netsch, to the best of the knowledge that has been
26. imparted to me just within the last few seconds, as you were
27. talking, there probably is not, but in downstate Illinois the
28. assessor runs an add in the newspaper that the person fills out
29. when they apply for the Homestead Exemption, they have to certify
30. when they sign it, that it is owner occupied. When it comes to the
31. point of if someone's mother lives in the unit or not, I think if
32. the mother or the relative is not an owner of the unit that they
33. would not qualify.

1. PRESIDING OFFICER: (SENATOR SAVICKAS)

2. Senator Netsch.

3. SENATOR NETSCH:

4. Well, I think I heard the answer to the question. I think
5. the problem is, that maybe in downstate counties it is possible
6. to do that, that is to send out the notices and if some-
7. one doesn't respond to follow it up and to keep them up to date,
8. and that sort of thing, but in Cook County you're talking about,
9. I'm not sure what the figure is, but over a million and a half
10. parcels of property, I believe, and people might get the notice
11. they might not respond, it might change within six months. It...
12. it...this is a very serious question. It's not just...I'm not just
13. trying to poke holes in your amendment, although I'm happy to
14. seize any opportunity to do that also, but it really is a serious
15. question, because the...I...I have discussed this, I was concerned
16. about this, frankly, and I raised some questions myself, and the
17. answers that I was given, the answer was that at the moment absent
18. an enormous expenditure, we haven't figured out how to do it.

19. PRESIDING OFFICER: (SENATOR SAVICKAS)

20. Senator Shapiro.

21. SENATOR SHAPIRO:

22. Senator Netsch, could I respond in this way. Since the
23. tax notices arrive on a timely basis, couldn't the county clerk
24. in Cook County just put the affidavit in with the tax notice, and
25. ask them to sign it and return it, that the unit is owner occupied,
26. and send it back and do it with the tax notice?

27. PRESIDING OFFICER: (SENATOR SAVICKAS)

28. Senator Netsch.

29. SENATOR NETSCH:

30. You...you mean with the tax bill, that's supposed to be paid
31. within ten days after it's received? Then...then if the application
32. is sent back in saying, hey, I'm an owner occupied, I'm entitled
33. to an exemption, then how...they've...miscomputed the entire valuation

1. base for the tax levy.

2. PRESIDING OFFICER: (SENATOR SAVICKAS)

3. Senator Shapiro.

4. SENATOR SHAPIRO:

5. You're right that would create a problem if the exemption had
6. been granted, and it was brought to my attention that it could be
7. done when the notices go out on the assessment, which go out to
8. each taxpayer.

9. SENATOR NETSCH:

10. I think that's only every four years, though. So, you know,
11. you're still...this may sound like nit picking, but it's a very
12. serious problem, and I think the idea that only owner occupied
13. get the advantage is sound, and that was really what everyone I
14. think sort of had in mind when Senator Hynes first proposed this,
15. and then he got on the other side of it and found out that he didn't
16. have any information that would enable him to do it that way, and
17. I'm sorry, I...my guess is, that as your amendment is written right
18. now, that part of it, it would in effect invalidate the entire
19. exemption for residents of Cook County and thank you very much
20. but no thanks, as a...as a Cook County taxpayer and representative.

21. PRESIDING OFFICER: (SENATOR SAVICKAS)

22. Could we have a little order back there, let's break up some
23. of those caucuses. Let's have...take our seats. Senator Rock.

24. SENATOR ROCK:

25. Thank you, Mr. President. A question of the sponsor, if he'll
26. yield?

27. PRESIDING OFFICER: (SENATOR SAVICKAS)

28. He will yield.

29. SENATOR ROCK:

30. Senator, there's some confusion over here, there were two
31. amendments relating to this that were submitted with your name.
32. This is the amendment that provides for a forty-five hundred dollar
33. Homestead Exemption across the State. Is that correct? And it also

1. provides for the...a definition or six or fewer unit clarification
2. in that it has to be owner occupied. Let me...let me suggest
3. that, frankly, I don't really understand the necessity for this
4. at this time for this reason. That you'll recall when we passed
5. this bill originally there was some concern with respect to the
6. assessment of property in Cook County. We have eight hundred and
7. fifty thousand single family dwellings in the County of Cook, and
8. over a million that are in class 2. Now, we do, in fact, classify and
9. within the class you can't discriminate, and that's the reason
10. that the assessor has seen fit, and I think rightfully so, to apply
11. the exemption to everyone in that class, but to call for this kind
12. of specificity it will require annually, this is an annual exemption,
13. so it will require annually, a physical inspection by the assessor
14. of Cook of over one million pieces of property, and I suggest to you,
15. and I just suggested to the assessor on the telephone, it's simply
16. impossible to do it. I...we're creating a monster here, and I don't
17. think that's the intent. I know you do not intend in anyway to
18. impair the rights of the Illinois citizens with respect to a rightful
19. exemption. This I suggest will definitely impair that right, and
20. I just...we...I would ask you to withdraw the amendment.

21. PRESIDING OFFICER: (SENATOR SAVICKAS)

22. Senator Carroll.

23. SENATOR CARROLL:

24. Thank you, Mr. President, and Ladies and Gentlemen of the Senate.
25. I find it interesting also that the sponsor of the amendments
26. suggestions and how it will operate seem to be as ill-conceived as
27. the drafting of the amendment itself. Clearly we now know that there
28. is no way physically possible that any assessor can, in fact, or
29. clerk, in fact, place this into existence. There is no way currently
30. that they will know which is owner occupied, the bills go out, you
31. can't bring them back, you can't...I think Senator Shapiro has now
32. agreed that it was a bad idea. I think the whole idea was a bad
33. idea. As Senator Rock indicated, one you cannot discriminate
against that class in Cook County, second, and I ask this of the

1. sponsor why are you trying to take away existing tax relief from
2. the citizens of my district? We have a substantial number of three
3. and six flats. This amendment denies them not only the three
4. thousand we just put in in the last amendment, but the existing
5. fifteen hundred if they, in fact, live in those buildings, because
6. you now...saying if you can prove you're an owner, then that one
7. flat, where now, the exemption extends to all of those buildings.
8. You are, in fact, denying existing relief, taking it away from the
9. citizens in my community as well as many others throughout the
10. State, and you're basing it on a new math apparently developed
11. by Professor McMillan, which, of course, if you look through the
12. figures, just doesn't hold true. Everyone knows the theory of
13. law, that property is unique, the same home is not the same value
14. in all of the areas of this State, but where you define the same
15. home and put it in different areas, and then find an assessment
16. then you could compute out this new math formula. What he fails
17. to recognize is, of course, the Department of Local Governmental
18. Affairs or its successor whomever that may be, having placed an
19. equalizer on all of these properties, and the mere shift of that
20. equalized rate last year, caused about eighty to a hundred dollars
21. of tax increase in Cook County to the average homeowner that was,
22. in fact, exempted from that increase because of the fifteen hundred
23. dollar Hynes Proposal of the year before. That mere shift in
24. equalizer alone, without any reassessment was enough to cause
25. each taxpayer to pay eighty to a hundred dollars more, if we did
26. not exempt it under the fifteen hundred dollar Homestead. I think
27. that clearly, Senator Shapiro, does not want to deny tax relief, does
28. not want to, in fact, force people to pay more in taxes, which
29. is what his amendment as it's now drafted will do, and I would think
30. Senator Shapiro you would be well advised to reconsider that.

31. PRESIDING OFFICER: (SENATOR SAVICKAS)

32. Senator Keats. That wasn't a question, Senator. No, it wasn't
33. a question. Senator Keats.

1. SENATOR KEATS:

2. Thank you, Mr. President, and Ladies and Gentlemen of the
3. Senate. I've been sitting here quietly listening to most of this
4. debate, most of it going in one ear and out the other cause it's just
5. a bunch of political garbage, but you know after awhile you can
6. only put up with so much of this. I am sitting here listening
7. to the Democrats sitting there saying Tom Hynes is too dumb to figure
8. out who lives in a building. Now, I know Tom Hynes you know
9. him much better than I do, but I'm going to defend Tom Hynes You
10. know I think he's smart enough that if we tell them that an owner
11. occupied building is the only one that gets this writeoff, that
12. Tom Hynes with about ten thousand Chicago Democrat Precinct Captain
13. Patronage workers working for him, can figure out some way to find
14. out whether they live there, and I'll tell you what it will be. You
15. send out an affidavit we've got a million lawyers on that side
16. of the aisle, and three or four good ones on this side, who can
17. tell you that if someone signs that affidavit that says they live
18. there, and they don't sign the affidavit they don't live there.
19. You know it doesn't take a lawyer to figure that out, what we're
20. seeing today is an example of the Democrat party, you don't want tax
21. relief. Now, if you're opposed to the silly amendment, say so,
22. don't come up with this legal mumbo jumbo garbage, when any logical
23. person who works at a honest job other than being a lawyer, can
24. read the amendment, and understand what's in it. If you are opposed
25. to tax limitations, say so, and if you're opposed to real tax cuts,
26. say so. Cut out all this garbage and absurd rhetoric where you're
27. trying to say that this or that doesn't work. You know we've read
28. the same amendment, and those of us who actually have worked in this
29. area do understand that it is possible to understand who...find out
30. who lives there by having them sign an affidavit. If they want the
31. tax break that we're offering, you know, they'll sign the affidavit,
32. and they'll send it back in so they get the tax break, and if they
33. know that they don't live there, and shouldn't be claiming it, then
they'll be careful not to sign the affidavit, or we'll have Bernie

1. Carey in Cook County sending them to jail. You know we've got
2. ways to do that. There's someone else who might like to send them
3. to jail, but I don't know if they will be at the time. Okay, so
4. what we're saying is, this is just mumbo jumbo, you can figure
5. it out, there are such things as affidavit and only a Chicago
6. Democrat lawyer wouldn't understand. Believe me someone's daughter,
7. someone's eighty-five year old mother does not happen to be the
8. same as the person who owns and pays for the building, and as
9. far as this taking away legitimate tax relief it is not doing
10. that. I suggest you...reread you'll realize that what it says
11. if you live there and you own it, you get forty-five hundred bucks,
12. if you don't live there and you own it you get three thousand. So,
13. cut out the mumbo jumbo, if you are opposed to it, stand up like
14. a regular decent individual and say I'm opposed to a real tax
15. cut, and if you are in favor of tax cuts, sit down and be quite
16. and vote on it so we can get this over to the House.

17. PRESIDING OFFICER: (SENATOR SAVICKAS)

18. Senator Egan.

19. SENATOR EGAN:

20. Thank you, Mr. President, and members of the Senate. Senator
21. Keats, I'm going to give it to you straight. My mother lives
22. in a five flat and the owner doesn't live in the building, you're
23. going to deny her some tax relief that will cause her...rent to
24. be raised because in the last quadrennial the owner raised the rent
25. based on the fact that the quadrennial assessment raised the tax
26. that was his excuse. Now, Senator Keats you don't want to hurt my
27. mother, do you? That's why I'm against the amendment.

28. PRESIDING OFFICER: (SENATOR SAVICKAS)

29. I understand Senator Egan is the landlord there. Senator
30. McMillan.

31. SENATOR MCMILLAN:

32. Mr. President, and members. I'm getting as tired of commenting
33. on this legislation as...as anybody. I would say the crux

1. of the problem is, the way Senator Egan would have it is, that
2. his mother would be entitled to this kind of relief, and if his...
3. if his mother happened to be so misfortunate as to be downstate she
4. would not, that's the crux of the problem. I want to correct
5. Senator Keats, and indicate that there are seven good lawyers on
6. this side. I don't know who you meant to exclude when you said there
7. were only three good ones, but we have seven. To respond to Senator
8. Carroll's point, that property is special, the problem is what
9. you've really contended is, property is special in Cook County, and
10. that's really what we...we object to. I think Senator Shapiro's
11. amendment brings some equity back to the bill, but it still does
12. not correct the inequity that would be leveled downstate on the
13. difference in the level of assessed valuation. It still does not
14. provide meaningful tax relief, and I do oppose it even though I
15. think it would begin to bring about somewhat a parity of the way
16. Chicago has to deal with its problems compared to downstate. Chicago
17. may be a big City, but it isn't any harder in a big city for the
18. assessment machinery to find out who lives where than it is downstate
19. after all they can apply their tax levy against the assessed
20. valuation and raise a huge monument of money, downstate it's a
21. problem cause we don't have that many taxpayers to rip-off to
22. put our assessor in business as you do up there.

23. PRESIDING OFFICER: (SENATOR SAVICKAS)

24. Senator Nimrod.

25. SENATOR NIMROD:

26. Thank you, Mr. President. I would like to call attention
27. to Senator Egan, and some of the others that might be involved
28. here that there are two ways, of course, that we already require
29. people to identify. Senator Netsch, I think if you will remember
30. that the Homestead Exemption, we require those who are sixty-five
31. or older to actually submit a form and confirm that they are the
32. owners of that particular home, and that they, in fact, reside there.
33. That's required of them, it seems to me there would be nothing to

1. require anyone else to do the same. Secondly, in Cook County
2. we do have a split tax bill and the first part of that tax bill
3. comes without any reference at all to acknowledge what the bill is
4. going to be, and you could, in fact, include a notice in that
5. first payment, and could be returned in time to make the difference
6. of determining whether or not there's an evaluation. So, the
7. hoax about being costs...or being involved here excessively
8. or determining it, is not there and Senator Bruce, I think pretty
9. clearly stated that this is up to the assessor to determine the
10. means and the method within the bill to determine that evaluation,
11. and I have enough confidence that with the things that I have just
12. mentioned now, and the things that are available to him certainly
13. he would be able to find some way of not arousing...having any
14. cost added to the bills of collecting, and the verification would
15. certainly depend on the individual, so I think this is a good
16. amendment, and I do think there are provisions for addressing
17. it.

18. PRESIDING OFFICER: (SENATOR SAVICKAS)

19. Senator Mitchler.

20. SENATOR MITCHLER:

21. Thank you, Mr. President, and members of the Senate. I'd
22. like to at this time, take the opportunity to introduce a former
23. State Representative from the forty-fifth legislative district
24. back then when it...1957 to 1962, it was Kane County only, and
25. that State Representative left in 1962 as a candidate for Congress
26. but didn't quite make it there, but decided to come back and
27. grace the halls of the House of Representatives in Springfield
28. once again, replacing Representative Kempiners who was elevated
29. to the Acting Director of the Department of Public Health. I'd
30. like to introduce you to Representative Robert F. Casey of Batavia,
31. Illinois of the 39th legislative district.

32. PRESIDING OFFICER: (SENATOR SAVICKAS)

33. Is there further discussion on the amendment? Senator Rock.

1. SENATOR ROCK:

2. Thank you, Mr. President, and Ladies and Gentlemen of
3. the Senate. I just simply think that we ought to at this
4. point, at least, reject Amendment No. 6. The administrative
5. difficulty that was confronting the County of Cook, caused
6. the assessor to apply this exemption across the class, called
7. Class 2 property in Cook County by ordinance. To suggest that
8. something other than that has to be done on an annual basis,
9. I simply don't think that people...realize the...the mammoth
10. undertaking that this would cause not only the Cook County
11. assessor but I suggest in every large municipality across the
12. State, Rockford, Peoria, they'd all have problems with this
13. because it would require essentially an annual inspection to
14. determine whether or not the owner is actually living in the
15. building. It's a policy judgment that was made by the assessor
16. and by the Cook County Board. It...it deprives the county
17. itself of money it might otherwise received and to foist this
18. administrative difficulty on...on the assessors across the
19. State just seems to me at this point to be unwarranted. I would
20. urge opposition to Amendment No. 6.

21. PRESIDING OFFICER: (SENATOR SAVICKAS)

22. Is there further discussion? Senator Netsch. Senator Shapiro
23. may close the debate.

24. SENATOR SHAPIRO:

25. Well, Mr. President, and Ladies and Gentlemen of the Senate.
26. What this amendment merely does is increase the general Homestead
27. Exemption and grants to downstate Illinois the same illegal
28. procedures that are going on in the County of Cook, and I would like
29. to point out to the rhetorical question that was raised that I was
30. attempting to take away something from homeowners...owners in
31. Cook County that own property in which they do not occupy, that
32. the present law says that the annual Homestead Exemption limited
33. is, excuse me, oh yes, I'm sorry, I was reading the wrong place. Homestead

1. property shall include residential property that is occupied
2. by the owner or owners thereof, as his or their principal
3. dwelling place. That's the law now, and it is not being followed
4. in the County of Cook, and to those who have raised the question
5. about the impossible administrative procedures, let me point out
6. to you what the existing law states in spite of this amendment.
7. In lieu of procedures for exemptions required elsewhere in this
8. act the assessor, county assessor, so on and so forth, may determine
9. the eligibility of residential property to receive the Homestead
10. Exemption provided by this section, by application, visual inspection,
11. questionnaire, or other reasonable methods. I see nothing wrong
12. with it. I would urge adoption of the amendment.

13. PRESIDING OFFICER: (SENATOR SAVICKAS)

14. Senator Shapiro moves the adoption of Amendment No. 6 to
15. House Bill 2563. All those in favor say Aye. All those opposed
16. say Nay. Senator. All those in favor will vote Aye. All those
17. opposed will vote Nay. The voting is open. Have all voted who
18. wish? Have all voted who wish? Take the record. On that
19. question, the Ayes are 24, the Nays are 26. None Voting Present.
20. Amendment No. 6, having failed to receive the majority is declared
21. failed. Are there further amendments?

22. SECRETARY:

23. Amendment No. 7 offered by Senator Bloom.

24. PRESIDING OFFICER: (SENATOR SAVICKAS)

25. Senator Bloom.

26. SENATOR BLOOM:

27. Thank you, Mr. President, and fellow Senators. This is a
28. very simple amendment. It changes the word may to shall, and it
29. says, that if...if a taxing district determines that a surplus
30. of funds is available as a result of the alleged corporate
31. replacement tax that passed last...Summer, it shall adopt a
32. resolution or ordinance reducing the levy. I think we ought to
33. mean what we say and say what we mean, and in the debates last
Summer...in the debates last Summer, this was one of the promises,

1. that you folks made, of course, when this comes in and, of course,
2. there might be an overtaxation, and, of course, these local taxing
3. districts would abate. I'd appreciate a favorable roll call.

4. PRESIDING OFFICER: (SENATOR SAVICKAS)

5. Is there further discussion? Senator Bruce.

6. SENATOR BRUCE:

7. Thank you, Mr...thank you, Mr. President, and members of the
8. Senate. I think that everyone would like to have a mandatory
9. abatement of taxes, and I have stated that last Fall when
10. we talked about the Corporate Personal Property Tax, and the
11. amount of money any taxing district might get from that, and whether
12. it ought to be treated as windfall or not. I am persuaded
13. in conversations with the Department of Revenue, and others that
14. there is no way, including in both our drafts, Speaker Redmond's draft,
15. other people, that there is anyway that you can amend or change
16. and make an abatement automatic in every district. There...the
17. problem that you find, Senator Bloom, is going to be the same one
18. that you have with the Governor's Proposal of a tax ceiling, is
19. that there are responsible taxing units and irresponsible taxing
20. units, and what you're going to do is harm those who have been the
21. most responsible by making them abate taxes. Let me give you one
22. example of why this won't work in some cases, and you are actually
23. adding to the burden of taxpayers in the district. In one of my
24. school...no Senator, it's true, you'll be surprised to find that
25. by abating taxes sometimes you can actually cost them more money.
26. I have one school district that is presently on tax anticipation
27. notes, they did not abate their taxes at all this year, and took
28. the additional Corporate Personal Property Tax they received and
29. are going to go on a cash basis, with no tans. That means they
30. can save the taxpayers the twelve percent they have been paying
31. to banks, and also put that money in the bank and get about twelve
32. percent. They went with the school board, they said look, we are
33. not going to abate taxes, this is what we are going to do. We're
going to put the money in the bank, get on a current baiss, and we

1. make a commitment to you as a...as a school board that we will
2. not include...increase your tax rates for three years, and the
3. people in the district bought it, they're realizing twenty-
4. four percent more money, it's nothing out of their pocket, they
5. stay at the same rate, they just take the Corporate Personal
6. Property Tax money and get them on a cash basis. There are other
7. taxing districts that have already abated taxes, and will find
8. themselves in serious difficulty if you start fooling around with
9. making them abate the Corporate Personal Property Tax. I'm just
10. saying it is a very good idea to be mandatory, the problem is when
11. you have six thousand four hundred taxing districts, it just not...
12. it cannot be applied to all of them uniformly. Some of them are
13. going to be harmed that have been very responsible, those that
14. have been irresponsible already have money in the bank, they've
15. taken from the taxpayers, they're not going to be harmed at all.

16. PRESIDING OFFICER: (SENATOR SAVICKAS)

17. Is there further discussion? Senator Rock.

18. SENATOR ROCK:

19. Thank you, Mr. President, and Ladies and Gentlemen of the
20. Senate. I, too, rise reluctantly in opposition to Amendment No. 7.
21. This was a subject of some long negotiation and, frankly, it
22. was pretty well agreed among the negotiators, both the technical
23. people from the Department of Revenue, and Local Government Affairs,
24. or what was formally Local Government Affairs, staff of both houses,
25. both sides of the aisle, that we really should not be mandating,
26. that there are some districts who currently do not have the
27. authority to abate and so we will suggest and provide them with
28. the authority to...to abate, but we really can't mandate because
29. there's no...one, there's no sanction and two there's no way
30. to monitor it. We are affording what I think responsible local
31. officials in the various districts, the authority to abate. I
32. think that's all we can do, I think that's all we should do. For
33. your information the County of Cook has already drawn the ordinance
to abate, and it will shortly be filed. I...I just think that to

1. try to mandate better than six thousand taxing districts
2. across this State, I don't think the Department of Revenue
3. would favor this, and I urge opposition to it.

4. PRESIDING OFFICER: (SENATOR SAVICKAS)

5. Is there further discussion? Senator Shapiro.

6. SENATOR SHAPIRO:

7. Well, Mr. President, and Ladies and Gentlemen of the Senate.
8. I think the argument for this amendment is very simple. If we
9. can give them to abate...the authority to abate on a permissive
10. basis, in other words, say that they can abate if they choose
11. to, and so that means to me that there must be a way that they
12. can abate, we ought to make it mandatory, because there is a
13. way or otherwise we would not make the provision permissive as it
14. is in the bill before us. I think the amendment is a good one and
15. should be adopted.

16. PRESIDING OFFICER: (SENATOR SAVICKAS)

17. Is there further discussion? If not, Senator Bloom may close
18. debate.

19. SENATOR BLOOM:

20. Thank you, Mr. President. In terms of monitoring I...one
21. assumes that your citizen watch dogs will be monitoring their
22. units of local government, that the situation described by Senator
23. Bruce in his district, that sounds like a sweet deal, it sounds
24. great, it reminds me of what I overheard Representative DiPrima
25. saying over in the House, saying don't worry it won't cost you
26. anything the government will pay for it. The point is...the point
27. is what is the language in the rest of this amendment here for,
28. if you follow the arguments in opposition. The language says that
29. upon determining, if they determine that there's a surplus they
30. may abate. All this amendment says is if they determine that
31. there's a surplus you shall abate, it's as simple as that, and I...
32. I have seen no argument advanced on the other side, and what we
33. all...let us mean what we say, and as we truly profess concern,
so let's limit the ability of government to put its hand in the

1. taxpayers' pocket. I'd urge a favorable roll call. Thank you,
2. very much.

3. PRESIDING OFFICER: (SENATOR SAVICKAS)

4. Senator Bloom moves the adoption of Amendment No. 7, to House
5. Bill 2563. All those in favor vote Aye. Those opposed vote
6. Nay. The voting is open. Have all voted who wish? Have all
7. voted who wish? Have all voted who wish? Take the record.
8. On that question, the Ayes are 26, the Nays are 23. None
9. Voting Present. Amendment No. 7 to House Bill 2563 is adopted.
10. Are there further amendments?

11. SECRETARY:

12. Amendment No. 8 offered by Senator Gitz.

13. PRESIDING OFFICER: (SENATOR SAVICKAS)

14. Senator Gitz.

15. SENATOR GITZ:

16. This will be withdrawn, this is going to be addressed as
17. a separate issue in a separate bill that will be introduced in
18. March.

19. PRESIDING OFFICER: (SENATOR SAVICKAS)

20. Senator Gitz withdraws Amendment No. 8. Are there further
21. amendments?

22. SECRETARY:

23. No further amendments.

24. PRESIDING OFFICER: (SENATOR SAVICKAS)

25. 3rd reading. Resolutions.

26. SECRETARY:

27. Senate Resolution 360, offered by Senator Martin, it's con-
28. gratulatory.

29. Senate Resolution 361, offered by Senators Maragos, Rock,
30. Nash, and others, it's congratulatory.

31. Senate Resolution 362, offered by Senators Rock, Nash, Nega,
32. and all members, it's congratulatory.

33. Senate Resolution 363, offered by Senators Rock, Nedza, Nash,
and all Senators, and it's congratulatory.

452563
Rec'd
1-23-80

1. PRESIDENT:

2. Consent Calendar.

3. PRESIDING OFFICER: (SENATOR BRUCE)

4. Messages from the House.

5. SECRETARY:

6. A Message from the House from Mr. O'Brien, Clerk.

7. Mr. President - I am directed to inform the Senate, the
8. House of Representatives has adopted the following Joint Resolution
9. in the adoption of which I am instructed to ask concurrence of the
10. Senate, to-wit:

11. House Joint Resolution 76, it's a congratulatory resolution,
12. Senator Rock is going to handle that.

13. PRESIDING OFFICER: (SENATOR BRUCE)

14. Resolutions Consent Calendar. Introduction of bills.

15. SECRETARY:

16. Senate Bill 1502, introduced by Senators Geo-Karis, Shapiro, and
17. Jeremiah Joyce.

18. (Secretary reads title of bill)

19. Senate Bill 1503, introduced by Senator DeAngelis.

20. (Secretary reads title of bill)

21. Senate Bill 1504, introduced by Senators Bowers, Egan, DeAngelis,
22. and Bloom.

23. (Secretary reads title of bill)

24. Senate Bill 1505, introduced by Senator Maitland.

25. (Secretary reads title of bill)

26. 1st reading of the bill...of the bills.

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. Rules Committee.

29. PRESIDENT:

30. On the Order of House Bills 3rd reading, House Bill 2563.
31. Senator Egan seeks leave of the Body to return the bill to the Order
32. of 2nd reading for the purpose of Tabling amendments. Is leave
33. granted? Leave is granted. Mr. Secretary, Amendment No. 2.
Senator Egan.

1. SENATOR EGAN:

2. Thank you, Mr. President, and members of the Senate. We
3. had not removed these amendments from the original bill, the
4. amendment that we adopted today strikes everything in the original
5. bill, and puts this bill in final shape. These two amendments
6. were never removed from the original bill, they have nothing
7. to do with the substance of the bill as it now stands, and I move
8. that...to Table Amendments No. 2 and 3.

9. PRESIDENT:

10. All right, Senator Egan's moved to reconsider the vote by
11. which Amendments No. 2 and No. 3 were adopted. All in favor
12. signify by saying Aye. All opposed. The Ayes have it. The
13. vote on Amendments 2 and 3 is reconsidered. Senator Egan now
14. moves to Table Amendment 2. All in favor signify by saying Aye.
15. All opposed. The Ayes have it, the amendment's Tabled. Senator
16. Egan now moves to Table Amendment No. 3. All in favor signify
17. by saying Aye. All opposed. The Ayes have it. So ordered.
18. Yes, state your point; Senator.

19. SENATOR GEO-KARIS:

20. Mr. President, is Amendment 1 then the bill, if I understand
21. it correctly?

22. PRESIDENT:

23. No.

24. SENATOR GEO-KARIS:

25. Is it Amendment 5, that's the bill then?

26. PRESIDENT:

27. Amendment 5 is the bill, yes.

28. SENATOR GEO-KARIS:

29. To 2563? Thank you.

30. PRESIDENT:

31. Correct. Senator Schaffer.

32. SENATOR SCHAFFER:

33. Excuse me, while we're standing at leave, I'd ask to be added
as a co-sponsor to Senate Bill 1473.

*HB 2563
3rd reading
1-23-80*

1. PRESIDENT:

2. All right. Amendments 2 and 3 having been Tabled,
3. 3rd reading. All right. On the Order of House Bills 3rd
4. reading, House Bill 2563. Read the bill, Mr. Secretary.

5. SECRETARY:

6. House Bill 2563.
7. (Secretary reads title of bill)
8. 3rd reading of the bill.

9. PRESIDENT:

10. Senator Egan.

11. SENATOR EGAN:

12. Yes, thank you, Mr. President and members of the Senate.
13. Being not sesquipedalian or pedantic or being loquacious, I'm
14. going to cut it short by saying that the time is right and I
15. suggest the bill to your favorable consideration. Thank you.

16. PRESIDENT:

17. Further discussion? Senator Geo-Karis.

18. SENATOR GEO-KARIS:

19. Mr. President and Ladies and Gentlemen of the Senate.
20. This is a case where it's a terrible bill, but it's better than
21. nothing and I am going to vote for it.

22. PRESIDENT:

23. Further discussion? Senator Schaffer.

24. SENATOR SCHAFFER:

25. Well, this Legislature is really getting a reputation of
26. being penny-ante when it comes to tax relief. We had the
27. Sales Tax thing and this is the Property Tax...equivalent of
28. the one cent Sales Tax. It's just penny-ante. I'm going to
29. vote for it too, because I think the average taxpayer is going
30. to get just about enough money to buy a used shotgun and go
31. looking for the people that are doing it to him.

32. PRESIDENT:

33. Further discussion? Senator DeAngelis.

1. SENATOR DeANGELIS:

2. Thank you, Mr. President. Last November, with the political
3. philosophical naiveness of a new-comer, I voted for a one cent
4. reduction in the Sales Tax on food and drugs, thinking it was,
5. in fact, tax relief. As it was, the cost of implementation of
6. that form or tax relief far exceeded the tax relief itself and
7. we perpetrated a political hoax on the people of Illinois and
8. only one member of this august Body had enough foresight to
9. see what that hoax was. Today we are asked to participate in
10. another political hoax. There is only one group who will
11. benefit from this bill and that is those paying taxes to a
12. unit of local government that is at maximum rate whose assessed
13. valuation has not exceeded fifteen hundred dollars. Well, I
14. can tell you right now that in the Tenth District that represents
15. absolutely no one and in the hundred and two counties in Illinois
16. it represents no one in ninety-seven of those counties. Someone
17. just said this is doing something is better than doing nothing.
18. Well, I would submit to you, as a rational man, I would
19. buy that theory except that we can do something and that is
20. don't pass this bill and let's come up with a bill that, in
21. fact, offers the people of the State of Illinois what they,
22. in fact, sent us down here for. Thank you.

23. PRESIDENT:

24. Further discussion? Senator Mitchler.

25. SENATOR MITCHLER:

26. Mr. President and members of the Senate, since we've got
27. all the amendments on this bill and it's right at the passage
28. stage, in the interim, we had a little recess...I had a number
29. of the House members ask me and several of the Senators were
30. discussing back and forth exactly what the bill does and how
31. it affects and trying to throw together and I didn't know how
32. to do it and I went to my file and I had a little note there
33. that comes in handy sometimes and maybe this is how you'd

1. explain it to your House members when the ask you what happened
2. over here. Tell them we don't know what we did. We won't say
3. what we did. Why? Because we cannot do what we did. It cannot
4. be done. If it could be done, it would not be wise to do it.
5. If it were wise to do it, it is not the proper way to do it.
6. Thank you.

7. PRESIDENT:

8. Further discussion? Senator McMillan.

9. SENATOR McMILLAN:

10. Mr. President and members of the Senate, I'll...I'll
11. try to be as brief as I can. I heard some reference a little
12. bit ago to the arguments we have made on this side of the
13. aisle that it's a bill that's unfair to downstate in comparison
14. with Chicago. I would merely say, contrary to the comments,
15. there ain't no new math involved. It's pretty clear. Look
16. at the figures that's there. We don't argue with the fact
17. that the relief is available downstate. What we argue with
18. the fact is that we get taxed twice as much. That's not fair
19. and that's what we object to. I oppose this bill primarily
20. because it is not tax limitation. It is not needed tax relief.
21. The taxpayer got taken again. There are going to be some
22. mighty big tax increases this summer and fall. They are going
23. to come. Assessments went way up and contrary to provisions
24. in this bill which allow for abatement or require abatement, if
25. there is a surplus which really doesn't do much and which we
26. are not that concerned about. An awful lot of those districts,
27. and I'm sure there are a lot of districts that did a good job,
28. and an awful lot of those districts went ahead and levied huge
29. amounts, they're going to get additional money from the Corporate
30. Personal Property Tax Replacement, they went ahead and kept the
31. levy high and there are going to be some mighty big tax bills
32. coming out and when those tax bills come, when the people who
33. get them feel the pain or for those that got double increases

1. because they are also going to get a shift to take care of
2. the exemption in this particular bill, I would just say don't
3. blame the assessor. That poor soul is doing his job, trying
4. to assess property fairly and at the right level. Don't blame
5. the Department of Revenue which brings you a multiplier. Don't
6. blame the Republicans on this side of the aisle. Not one of
7. them voted against the tax limitation package that we had
8. earlier today, but instead, the pressure should be applied
9. at those maybe relatively few local government officials that
10. haven't been prudent and haven't been responsible and I think
11. you can blame it on the architects of this particular bill
12. and those who defeated tax limitation. That's where the blame
13. should lie. There was a stage play that a lot of us saw a
14. lot of times back in the bicentennial year and several years
15. before it. It's called "1776". There's a little provision
16. in there where they are standing around and they are talking
17. and they are arguing and they are bickering and they are
18. trying to write the Declaration of Independence and the problem
19. is a few of them are afraid they are going to offend the King
20. because they are declaring independence and at one point, some-
21. body stood up and said, "Damn it, this is a revolution. We've
22. got to offend somebody." Yesterday we had representatives of
23. local units of government down here saying they were offended.
24. Well, I'm here to say, you may want to ignore what the taxpayers
25. say, but the taxpayer has had it up to his ears and the tax-
26. payer is tired of governments spending more and therefore, taking
27. more than it needs or the people want to give them. It's time
28. we had the guts to offend somebody other than the taxpayer.
29. It's time for us to provide some meaningful relief. I had a
30. call yesterday from a local unit of government. One of my
31. campaign workers is president of a school board. He said to
32. me that the school was really going to be in a bind. They need-
33. ed an increase of 16.3 percent or 14.3 or whatever because they

1. were really in a problem and they thought our bill would hurt
2. them and I said, "you're really...tell me why you need more
3. increase in funds than incomes increasing." He said, "Well, the
4. people in our district are clamoring for all these programs,"
5. and I said, "Well, if that's the case, the people in your
6. district will be very willing to vote for the referendum that
7. we have provided to allow for an increase in taxes," and as
8. usual, there was a very dull, dead silence on the other end
9. because they don't want to give the people a chance to vote.
10. I'm afraid a bill that some of us are a little scared of is
11. going to come. The Totten Proposition is going to be coming
12. and I, for one, am going to support it. It doesn't do anything
13. except say that the people are finally going to have a chance
14. to vote on putting some real rigid limits on the ability of
15. local government to tax and I would merely say, when that
16. comes up, yeah, maybe you can kill that too, because you have
17. got the votes to do it, but if that one ever gets out to the
18. taxpayer, the taxpayer is going to speak and he's going to
19. say he's been offended long enough.

20. PRESIDENT:

21. Further discussion? Senator Buzbee.

22. SENATOR BUZBEE:

23. Thank you, Mr. President. I have been gone the last day
24. and a half due to illness in the family and came in just in time
25. to cast a vote which I had called for last week in a public state-
26. ment, saying that I favored mandatory abatement. At that same
27. time when I made that statement, I also said that it seemed to
28. me that any kind of...what we do with Property Tax this year is
29. not going to be particularly significant, although I did also
30. at the same time, say that I favored increasing the Homestead
31. Exemption. Unbeknownst to me, when I made that statement, there
32. were some forces at work trying to write such an amendment and,
33. in fact, we have it in front of us now. The fact of the matter

1. is there's has been a lot of press comment in the last several
2. days and rightfully so, I think, concerning about...instead of
3. Band-aid approaches that it's time that the General Assembly
4. start talking about a rewrite, a complete rewrite of the
5. financing structure of local governments in this State. I
6. have called for such a rewrite a long time ago. I think, as
7. a matter of fact, as early as 1972, when I first ran for the
8. Senate and what that rewrite that I have called for consists
9. of is eliminate the financing of schools from the Property
10. Tax. Now, there have been some politicians in this State
11. who have gone down the tubes, of course, my present Congress-
12. man being one of those, having been defeated in the Gubern-
13. atorial race in 1972, because he advocated exactly that same
14. thing. When he said I want to eliminate the funding of
15. schools from Property Tax and put that funding burden onto
16. the State Income Tax. Unfortunately, the press at that time
17. picked up the headline that Paul Simon advocates increasing
18. the Income Tax without bothering to say except in some cases...
19. in one case, anyhow, a press report that I read in the thirteenth
20. paragraph. They said he said he would only do this after he
21. had eliminated the funding of schools from...from Property
22. Taxes and therefore, in most of our districts, lower our
23. Property Taxes by some seventy percent. I think the time has
24. come...I don't mean today, but this year that we start address-
25. ing such a subject as that. I entered a bill last spring in
26. this General Assembly. It now resides in Senator Berman's com-
27. mittee and he has agreed to hold hearings on it on the idea of
28. perhaps eliminating completely from Property Taxes the financing
29. of schools which would mean an immediate reduction of seventy
30. percent in our Property Taxes. It would also mean an increase
31. in Income Taxes, the State Income Tax, no question about it.
32. I think the time has come forus to bite the bullet. However, in the interim,
33. it is obviously too late for any tax bills that are coming out

1. this year. So, in the interim, I think that what we have
2. before us is a...is a good Band-aid approach and then by next
3. year, if we really wanted to, we could rewrite the taxing
4. structure of...of Real Estate Taxes by eliminating seventy
5. percent of those taxes for the financing of schools. I
6. intend to talk to Senator Berman and ask for hearings on that
7. bill and let's see where the ball...let's see who wants to
8. bite the bullet at that time. In the meantime, I'm going
9. to vote for this Band-aid.

10. PRESIDENT:

11. Further discussion? Senator Grotberg.

12. SENATOR GROTEBERG:

13. Thank you, Mr. President and fellow Senators. Somebody
14. walked by my desk and...asked me if I were going to make a
15. comment on this being the last game in town and the only
16. chance to vote and, of course, it is. We find ourself in the
17. same spot we were several weeks ago, where there was some good
18. debate about some very worthwhile things. You know, we darn
19. near got tax relief out of this dialogue in the last couple
20. days. We almost got reduction in assessments. We almost got
21. everything we talked about and the facts are, we got nothing.
22. We are going to get increased taxes, just like we did for that
23. penny reduction on the groceries. Every grocery store's costs
24. have gone up and their prices have gone up. The cost of this
25. bill won't change the cost of local government at all. Sitting
26. where I do, in the Spokesman of...the Minority Spokesman for
27. local government in the State of Illinois, I have always prided
28. myself on local government being the strongest and closest to
29. the people. I was ready to defend them, but on the basis of
30. what the people want, I was prepared to vote and did vote and
31. support Dr. Shapiro's amendment and Mr. McMillan's amendment
32. and I suggest to you that we have made a mistake, Ladies and
33. Gentlemen of the Senate, by not putting some kind of a lid on

1. that portion of government that we can control and asking the
2. people to put a noose around our necks which is coming up in
3. some form of the Totten Amendment and Proposition 13, sure as
4. God made green apples. The same thing we are talking about
5. will wind up in the Constitution in granite where it takes five
6. years to change it. We have been down here every month for
7. eighteen months. We could change anything we want to next
8. month. You can put some pretty stiff stuff in the Statutes
9. and fix it up later, but Heaven help us all when it all hits
10. the Constitution and I'm going to start supporting that stronger
11. than ever and probably wind up supporting this piecemeal approach
12. and explaining to my voters once again why sometimes when the
13. final vote on 3rd reading comes in the Senate of Illinois, you
14. are caught between the rock and a hard place and nobody gets
15. help. Thank you.

16. PRESIDENT:

17. Further discussion. Senator Wooten.

18. SENATOR WOOTEN:

19. Thank you, Mr. President. We have been involved in trying
20. to salvage something real out of a press campaign these last
21. few days. If you recall, and I think many of us commented on
22. it when we talked about the Chicago school bailout, the Governor
23. linked that with tax limitation in his address, knowing full
24. well the press, particularly downstate, would talk about tax
25. limitation and forego discussion of the Chicago problem, but
26. then, his enthusiasm got the better of him and we are faced
27. with the problem of having to do something real. I'd like to
28. respond in a way to a couple of previous speakers. Senator
29. Grotberg, I really don't think there was a question of tax
30. relief at all in this Session. We talked about tax limitation
31. and if you have heard some of the testimony that we faced in
32. the Executive Committee, talking about Representative Totten's
33. bill, wherever tax limitations have been applied, they have

1. resulted in higher taxes, assured steady rise of taxes. Now,
2. I sometimes feel I'm more conservative than some of my colleagues
3. across the aisle because people define conservative a lot of
4. ways. Some say conservative means my money stays in my pocket,
5. regardless. I rather think that I'm conservative in the sense
6. that I believe that the government closest to the people ought
7. to be responsive to them and I just have a dislike and distaste
8. for putting shackles or limits of any kind on local government.
9. It's fairly easy for people to take care of that issue at the
10. local level. The only real tax relief we have addressed, and
11. I want to put in a good word for it right now, is the Sales
12. Tax relief. I'm not embarrassed about the difficulty it has
13. caused. If you recall, that point was made on the Floor and
14. I told the grocers in our area, you're...you're going to face
15. the problem of the transition. When we get to the second penny,
16. you'll find it a lot easier to deal with and they will. That
17. was the only real tax relief we have had and one of the few
18. real forms of tax relief that was proposed. Our problem,
19. Ladies and Gentlemen, is that when I said the press is not
20. competent to report this, it's because...not that the people
21. in the press aren't competent. The limitations of the form,
22. it's something I understand. I have been in it most of my life.
23. The limitations of the form are such that what Senator McMillan
24. does with a caress and the Governor does with a bludgeon, you
25. get a headline across and that's what is conveyed and I simply
26. tell you that where we are dealing, the area we are dealing...in
27. deserves more than headline treatment, but that's what it is
28. going to get. Tax limitation sounds great. You don't get into
29. the ramifications of what it generates later on and time and
30. again, we come up with these issues where we do something that
31. sounds good right now in the press and the ramifications later
32. on can be pretty bad. That's why we are slow and we should be
33. slow, but because of the situation we are in, we are all

1. politicians, the headlines are going to proceed. We have to
2. come out of here with something. The Governor has raised the
3. ante. We have to do something and the choice is between doing
4. something responsible and irresponsible. Now, I think that
5. what we have done...it's true, we're not really sure exactly
6. how this is going to translate into the actions of local
7. government, but we have at least a pretty good idea and we had
8. no idea what would be done with the limitation program. As I
9. said before, absolutely, taxes are going to go up. One of the
10. things that will not be reported in the press is what would have
11. happened had we passed the Governor's program, this year and in
12. years to come. We are only dealing with what is right in
13. front of us and since we must face that political reality, and
14. back off a little bit from statesmanship in the process, then
15. I think we can only do those things that we really have some
16. basis of belief...in which we have some basis of belief that
17. they will truly work and the two elements in this, I think,
18. are reasonable and we can try it and they will produce targeted
19. tax relief. I think there...there are things I said in the
20. beginning, I could support something in this fashion. It
21. enables us to do something real. It has the double benefit
22. of sounding good in the press. There will be a lot of beating
23. of drums about how much better the other would have been. I
24. don't believe that's the case at all, but I hope we would give
25. wide-spread support to this bill.

26. PRESIDENT:

27. Further discussion? Senator Johns.

28. SENATOR JOHNS:

29. Just a brief word, Mr. President. We are talking about
30. tax relief and we know it's needed, but, as I have sat here
31. for the last nine years and watched this General Assembly act,
32. I find that the cause of cost to local government is often right
33. here in this General Assembly. We pass laws that mandate that

1. counties and local governments do so and so and we don't give
2. them the...the money to do it with. If we really wanted relief
3. for the people, I think that we ought to start cutting back on
4. the garbage and the legislation that we pass out of here telling
5. them what to do, but not giving them the money to do it and
6. that's the way I feel about tax relief.

7. PRESIDENT:

8. Further discussion? Senator Bruce.

9. SENATOR BRUCE:

10. Thank you, Mr. President and members of the Senate. I
11. have listened with interest to all the comments about what
12. this bill does not do. Well, to Senator DeAngelis, it...I don't
13. care who lives in the Tenth District and how much money they
14. are making and what their house is assessed at. They get
15. three thousand dollars off the assessment. It applies there.
16. That's where it applies. It applies in every Home Rule unit
17. because every Home Rule unit is going to have to back off the
18. assessment of every home three thousand dollars. That's how
19. it applies. It applies in those ninety-seven counties you
20. mentioned because every homeowner is going to get three
21. thousand dollars off their equalized assessed valuation. That's
22. how it applies. Now, maybe the taxing bodies are going to go
23. out and take that away from the taxpayer. I don't know, but
24. I'll tell you this. The same thing will happen...those same
25. people that you are so worried about taking this away from
26. the taxpayer, are the same people you wanted to entrust with
27. that 9.3 ceiling. Those same people the Governor called the
28. robbers of the State of Illinois were going to do that too, or
29. were they not going to do it if we put a ceiling? Well, I
30. think that both cases prevail and that is the three thousand
31. dollars will be taken into consideration by every taxing
32. unit, whether it be a Home Rule unit or the Tenth District
33. and every county in the State of Illinois and if they don't,

1. the taxpayers have a right to go to those elected officials
2. and to complain. Now, we changed the may to shall and I don't
3. know whether that's a wise thing. We are going to pass it out
4. of here with shall. I don't know what that means. All it
5. says is that they shall find there is a surplus and make a
6. rebate. It doesn't say they shall rebate the surplus. It just
7. says they shall find the surplus and shall rebate taxes and I
8. think they qualify if they rebate one dollar of taxes and so
9. why we have made a great deal about the may and shall, I'm not
10. sure that there's going to be a great physical difference in
11. what we have accomplished. Finally, let me go through it with
12. Senator McMillan...my math on how we get the same benefit for
13. downstate as we do for Cook County, Senator, in your example,
14. the only way you can increase the taxes by the amount you
15. assumed is that the taxes would have gone up five times the
16. rate. Let's take your sixty thousand dollar home. To get the
17. full benefit in Cook County, that house that goes to sixty...
18. sixty-nine thousand dollars means a nine thousand dollar
19. increase in their assessment at six...sixty thousand
20. dollars the home was at an equalized assessed at sixteen
21. percent is worth eleven five at the sixty-nine thousand. At
22. sixty thousand, it's worth ten thousand. There they get the
23. fifteen hundred dollar benefit, full benefit. Let's take that
24. same sixty thousand dollar home downstate. Sixty thousand dollar
25. home, we increase the assessment to six thousand four hundred...
26. sixty-four thousand five hundred dollars. A forty-five hundred
27. dollar difference, half that of the nine thousand. You take
28. the thirty-three percent times the sixty-four five, you get
29. twenty-one thousand five hundred and you take the thirty-
30. three times the sixty thousand and you get a four thousand five
31. hundred dollar difference. See, Senator McMillan, the only way
32. they can get the additional nine thousand is to have doubled
33. the value of their home and I want to point out that all these

1. figures are before we put on the multiplier in Cook County
2. which is automatically 1.4 which increases their effective
3. tax rate, not from sixteen percent, to twenty-two percent. So,
4. downstate does get more than their fair share of tax relief
5. under this legislation. It applies State-wide. It applies
6. in Home Rule unit. It applies to the rich. It applies to the
7. poor districts, everyone is going to get three thousand dollars
8. off their equalized assessed valuation. We have talked about
9. the homeowner and the problems they have had. This is a
10. relief where its properly put to the homeowners of the State of
11. Illinois.

12. PRESIDENT:

13. Further discussion? Senator DeAngelis.

14. SENATOR DeANGELIS:

15. Mr. President, I apologize for standing up, but I would
16. like to answer something that the happy warrior of the class
17. warfare group, Senator Bruce, has said. Senator Bruce, being
18. more involved in government for longer periods than I have been,
19. knows full well that most units of government levy by dollars,
20. not by rates and I still stand by the statement that the
21. only people that would benefit are those people who are at
22. maximum rate whose assessed valuation has increased less
23. than fifteen hundred dollars.

24. PRESIDENT:

25. All right. Any further discussion? Senator Egan may
26. close.

27. SENATOR EGAN:

28. Thank you, Mr. President, members of the Senate. My
29. college professor used to say...my English teacher, that the
30. trouble in the world is not what people don't know, it's what
31. they do know that just ain't so. Now, I have heard an awful
32. lot of things today about this bill as it's structured presently
33. that just ain't so. No matter how you structure your mirrors,

1. Senator McMillan, you can't hide the fact that a three thousand
2. dollar reduction in assessed valuation is real property relief
3. for every homeowner in Illinois. That is simply the fact and
4. there's nothing you can say to change it. The proof is in the
5. pudding and we'll see in the future, but as of today, it's the
6. best relief that's been proposed in this Body. I ask for your
7. favorable consideration.

8. PRESIDENT:

9. The question is shall House Bill 2563 pass. Those in favor
10. will vote Aye. Those opposed will vote Nay. The voting is
11. open. Have all voted who wish? Have all voted who wish?
12. Have all voted who wish? Take the record. On that question
13. the Ayes are 46. The Nays are 6. None Voting Present. House
14. Bill 2563, having received a constitutional majority, is
15. declared passed. Go to the Order of Resolutions. The Resolutions
16. Consent Calendar has been distributed. There were four...five
17. additional resolutions, all congratulatory, 360, by Senator
18. Martin, 361, Senator Maragos, 362, 363, and HJR 76 by Senator
19. Rock. Any objection been filed, Mr. Secretary?

20. SECRETARY:

21. No objections have been filed, Mr. President.

22. PRESIDENT:

23. All right, if not, Senator Bruce moves that Senate
24. Resolution 352, 353, 354, 355, 356, 357, 358, 359, 360, 361,
25. 362, 363 and HJR 76 be adopted. All in favor signify by saying
26. Aye. All opposed. The Ayes have it. The resolutions are
27. adopted. Resolutions.

28. SECRETARY:

29. Senate Joint Resolution No. 80 offered by Senator Nimrod.

30. PRESIDENT:

31. Executive. All right. Resolutions.

32. SECRETARY:

33. Senate Joint Resolution No. 79 offered by Senator Bruce.

1. (Secretary reads SJR No. 79)

2. PRESIDENT:

3. This is the Adjournment Resolution, Senator...offered by
4. Senator Bruce, calling for us...when the House finishes today
5. and I would remind you that the...the bill as amended is on
6. its way to the House and we have to wait for the House to react,
7. but this resolution will call for us to return on March 5th,
8. at the hour of noon for the purpose of the Governor's Budget
9. Message. Senator Bruce moves to suspend the rules for the
10. immediate consideration and adoption of Senate Joint Resolution
11. 79. All in favor signify by saying Aye. All opposed. The
12. Ayes have it. The rules are suspended. Senator Bruce now moves
13. the adoption of Senate Joint Resolution 79. All in favor
14. signify by saying Aye. All opposed. The Ayes have it. The
15. resolution is adopted. All right. The Regular Session will
16. stand in recess until the call of the Chair. We will just have
17. to await House action on our 2563, so we'll just stand in
18. recess until the call of the Chair.

19. (Recess)

20. (After Recess)

21.

22. PRESIDENT:

23. Pursuant to the recess, the Senate will come to order.
24. Introduction of bills.

25. SECRETARY:

26. Senate Bill 1506, introduced by Senator Moore.

27. (Secretary reads title of bill)

28. 1st reading of the bill.

29. PRESIDENT:

30. Rules Committee. Any further business to come before the
31. Senate in its Regular Session? If not, Senator Shapiro moves that
32. pursuant to the Adjournment Resolution, the Senate will stand ad-
33. journed until Wednesday, March 5, at the hour of noon. Senate
stands adjourned.