

HOUSE OF REPRESENTATIVES

SEVENTY-SEVENTH GENERAL ASSEMBLY

ONE HUNDRED FORTY-EIGHTH LEGISLATIVE DAY

JUNE 8, 1972

10:30 O'CLOCK A.M.

THE HONORABLE W. ROBERT BLAIR, SPEAKER

IN THE CHAIR



GENERAL ASSEMBLY
STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES

A roll call for attendance was taken and indicated that all were present with the exception of the following:

Representative J. Horace Gardner - death;

Representative Peter C. Granata - death in the family;

Representative Henry J. Klosak - illness;

Representative Michael H. McDermott - illness;

Representative Edward J. Shaw - death;

Representative John W. Thompson - no reason given.



GENERAL ASSEMBLY

STATE OF ILLINOIS

HOUSE OF REPRESENTATIVES

Doorkeeper: "All who are not entitled to the House Chamber, will you please retire to the Gallery? Thank you."

Hon. W. Robert Blair: "The House will be in order. The invocation this morning will be by Dr. Johnson."

Dr. John Johnson: "We pray. Lord of all Nations, Creator, Judge and Preserver of all people, hear us now as we ask for your providential care over the affairs of this Legislative Body. Always protect those liberties which are the very foundation of our Government. Teach us to value freedom highly. At the same time, never let us forget that freedom is never freedom from your rule, that freedom can so easily be turned into license, and that Government becomes degenerate when we forget the price of duty and devotion with which that liberty is maintained. Move us, our Heavenly Father, to prove our gratitude to You for all the blessings we enjoy in this State and Nation. Move us to seek the welfare of this Commonwealth to the best of our ability. And remind us, in the words of the Psalmist: 'Blessed are those whose strength is in Thee; no good thing does the Lord withhold from those who walk uprightly. O Lord of hosts, blessed is the man who who trusts in Thee'. Hear us and preserve us now for the sake of our Savior. Amen."

Hon. W. Robert Blair: "Roll Call for attendance. Those of you, who have ah.. Bills that ah.. you would like to have the Chair consider calling, if you would let us know that so that we can mark our calendar accordingly. Messages from the Senate."



Fredric B. Selcke: "A Message from the Senate by Mr. Wright, Secretary. Mr. Speaker - I am directed to inform the House of Representatives that the Senate has concurred with the House of Representatives in the passage of a Bill of the following title: House Bill 4426. Together with the following Amendment, in the adoption of which I am instructed to ask the concurrence of the House. Passed the Senate, as amended, June 7, 1972. Kenneth Wright, Secretary. Mr. Speaker - I am directed to inform the House of Representatives that the Senate has concurred with the House of Representatives in the passage of a Bill of the following title: House Bill 1954. Together with the following Amendment, in the adoption of which I am instructed to ask concurrence of the House. Action taken by the Senate, June 7, 1972. Kenneth Wright, Secretary. Mr. Speaker - I am directed to inform the House of Representatives that the Senate has concurred with the House of Representatives in the passage of a Bill of the following title: House Bill 2267. Together with the following Amendment, in the adoption of which I am instructed to ask the concurrence of the House. Passed the Senate, as amended, June 7, 1972. Kenneth Wright, Secretary. Mr. Speaker - I am directed to inform the House of Representatives that the Senate has concurred with the House of Representatives in the passage of a Bill of the following title: House Bill 3619. Together with the following Amendment, in the adoption of which I am instructed to ask concurrence of the House. Passed the Senate, as amended, June 7,



1972. Kenneth Wright, ah.. Secretary. Ah.. Mr. Speaker - I am directed to inform the House of Representatives that the Senate has concurred with the House in the passage of Bills of the following title: House Bill 2385, 2396, 2397, 2562, 2563, 2564, 2565, 3741, 4268, 4322, 4323, 4337, 4476, 4603. Passed by the Senate, June 7, 1972. Kenneth Wright, Secretary. Mr. Speaker - I am directed to inform the House of Representatives that the Senate has passed a Bill of the following title in the passage of which I am instructed to ask concurrence of the House: Senate Bill 1459. Passed the Senate, June 6, 1972. Kenneth Wright, Secretary. Mr. Speaker - I am directed to inform the House of Representatives that the Senate has passed Bills of the following title in the passage of which I am instructed to ask concurrence of the House: Senate Bill 1400, 1401, 1465, 1505, 1583, 1589, 1593, 1597. Passed the Senate, June 6, 1972. Kenneth Wright, Secretary. Mr. Speaker - I am directed to inform the House of Representatives that the Senate has passed Bills of the following title in the passage of which I am instructed to ask concurrence of the House. Senate Bill 1323, 1394, 1397, 1410, 1425, 1476, 1569, 1571, 1587, 1603. Passed the Senate, June 7, 1972. Kenneth Wright, Secretary."

Hon. W. Robert Blair: "Committee Reports."

Fredric B. Selcke: "Mr. Randolph, from the Committee on Revenue, to which House Bill 4681 was referred, reported the same back with the recommendation that the Bill do pass. Mr.



Randolph, from the Committee on Revenue, to which Senate Bills 841, 1440, 1445, 1577, 1578, 1579 and 1580 were referred, reported the same back with the recommendation that the Bills do pass. No further... No further Committee Reports."

Hon. W. Robert Blair: "Alright.. House Bills Second Reading. 4656."

Fredric B. Selcke: "House Bill 4656, a Bill for an Act in relation to the transfer of functions from the Auditor of Public Accounts to the State Comptroller. Second Reading of the Bill. No Committee Amendments."

Hon. W. Robert Blair: "Any Amendments from the floor? Third Reading. 4657."

Fredric B. Selcke: "House Bill 4657, a Bill for an Act to amend Sections 1, 2, 3, 4 and 5 of the Title of an Act that provides Law in relation to the Auditor of Public Accounts. Second Reading of the Bill. No Committee Amendments."

Hon. W. Robert Blair: "Any Amendments from the floor? Third Reading. 4658."

Fredric B. Selcke: "House Bill 4658, an Act relating to the State Comptroller. Second Reading of the Bill. No Committee Amendments."

Hon. W. Robert Blair: "Any Amendments from the floor? Third Reading. 4659."

Fredric B. Selcke: "House Bill 4659, a Bill for an Act to amend 'The Coal Mining Act'. Second Reading of the Bill. No Committee Amendments."

Hon. W. Robert Blair: "Any Amendments from the floor? Third



Reading. The ah.. gentleman from Cook, Mr. Hyde."

H. J. Hyde: "Ah.. Mr. Speaker and Ladies and Gentlemen of the House, ah.. so that we might ah.. save some time.... so that we might save some time and ah.. move along on the Calendar, ah.. it is proposed that I will move to suspend Rule 46 ah.. so that ah.. those Bills on the Calendar, listed as Second Reading - First Legislative Day, may have the status of Second Reading - Second Legislative Day. In other words, they may be considered as though they had passed the First Legislative Day and were on Second Reading for the purposes of Amendments. Ah.. this will help us ah.. ah.. move along on our Calendar. And so, Mr. Speaker, I now move that the provisions of Rule 46 be suspended for the purpose of considering all Bills on Second Reading - First Legislative Day as though they were Second Reading - Second Legislative Day."

Hon. W. Robert Blair: "The gentleman from Cook, Mr. Shea "

G. W. Shea: "Mr. Speaker, is that both Senate and House Bills or is that provision only being waived with regards to House Bills?"

Hon. W. Robert Blair: "House Bills. Alright.. Is there leave to have that done? Hearing no objection, then the provisions of Rule 46 will be waived. And, those Bills now will be considered on the order of Second Reading and we will be addressing ourselves to them as we move along. Alright.. We'll go to the order of ah.. Concurrences. House Bill 260. The gentleman from Cook, Mr. William Walsh."



W. D. Walsh: "Mr. Speaker, Ladies and Gentlemen of the House, House Bill 260 was amended in the Senate to provide for a situation in the Morton Junior College District in Cook County so that they could qualify for State Building Assistance. The Bill simply provides that, instead of having 2,000 full-time enrollment, that they have 2,000 full-time equivalent enrollment in order to qualify for this. As far as I know, the only Junior College District affected is Morton. And, Morton is locked into a situation where they ah.. the practical matter can't expand and can't get more enrollment than ah.. ah.. about the ah.. ah.. 2,000 full-time equivalent that they have. And, I urge that the House concur with ah.. Senate Amendment No. 1, to House Bill 260."

Hon. W. Robert Blair: "Is there discussion? The question is on the gentleman's motion that the House concur in Senate Amendment No. 1, to House Bill 260. All those in favor will vote 'aye', and the opposed 'no'. Have all voted who wished? The Clerk will take the record. Davis.. 'aye'. On this question, there are 121 'Ayes', and no 'Nays' and this Bill having received the Constitutional.... and this Amendment having received the Constitutional majority is hereby concurred in. Mann..'aye'. 774. The gentleman from Lake, Mr. Pierce, on Concurrence. Senate Amendment No. 1, to House Bill 774."

D. M. Pierce: "Ah.. Mr. Speaker, ah.. the ah.. the Senate Sponsor hasn't given me the Amendments. Will you take it out of the record one minute, please, while I check?"



Hon. W. Robert Blair: "They just move up the effective date. So... The gentleman from Lake, Mr. Pierce."

D. M. Pierce: "Mr. Speaker, having ah.. thoroughly studied this Amendment, I see it is technical in nature. And, therefore, ah.. I move that the House concur ah.. with ah.. Senate Amendment No. 1, to House Bill 774."

Hon. W. Robert Blair: "Any discussion? The question is on the concurrence of the House in Senate Amendment No. 1, to House Bill 774. The gentleman from Cook, Mr. Simmons."

A. E. Simmons: "Would the Sponsor tell us what the effective date will be on the new Amendment?"

D. M. Pierce: "Ah.. Ah.. Mr. Simmons, ah.. Section II makes the effective date October 1, 1972. And, it applies to the estates of decedents dying on or after that date. The Senate Amendment added a Section No. 2 to the Bill creating the effective date of October 1, 1972. That's the standard effective date."

A. E. Simmons: "Thank you."

Hon. W. Robert Blair: "The question is, 'shall the House concur in Senate Amendment No. 1, to House Bill 775..4?'. All those in favor will vote 'aye', and the opposed 'no'. Have all voted who wished? The Clerk will take the record. Maragos.. 'aye'. 133 'Ayes' and no 'Nays' and the House concurs in Senate Amendment No. 1, to House Bill 774. House Bill 775. The gentleman from Lake, Mr. Pierce."

D. M. Pierce: "Ah.. Mr. Speaker, House Bill 775 is a companion to House Bill 774. I'm glad to see this Bill over here be-



cause the last thing I knew, it was tabled in the Senate on May 4th, 1972. But, it was restored to the Calendar last week and the Senate had passed without my knowledge. So, I'm very happy today to find it here. All Amendment No. 1 does, Senate Amendment No. 1, to House Bill 775, is establish a Section II creating the standard effective date of October 1, 1972. And, I move, therefore, that the House concur in Senate Amendment No. 1, to House Bill 775."

Hon. W. Robert Blair: "Alright.. Is there discussion? The question is on the gentleman's motion to concur. All those in favor will vote 'aye', and the opposed 'no'. Have all voted who wished? The Clerk will take the record. On this question, there are 134 'Ayes' and no 'Nays' and this Bill.. and the House concurs in Senate Amendment No. 1, to House Bill 775. 1467. The gentleman from Whiteside, Mr. Miller."

K. W. Miller: "Mr. Speaker and ah.. Ladies and Gentlemen of the House, with regard to House Bill 146... 1467, the Senate added one Amendment. All this Amendment does is to change the effective date from December 31st, 1971 to a new effective date of October 1st, 1972. Very similar to the last two Bills that Representative Pierce had. And, Mr. Speaker, I move that the House concur in Amendment No. 1... Senate Amendment No. 1, to House Bill 1467."

Hon. W. Robert Blair: "The gentleman from Franklin, Mr. Hart."

R. O. Hart: "Ah.. would the Sponsor explain his Bill? I'm just looking at the Digest and it refers to 'sureties'. Now, what sureties are referred to? The sureties on his personal



bonds or sureties on a claim?"

K. W. Miller: "No. It's the.. The Bill is very simple. 'Whenever the principal maker of any note, bond, or bill or other instrument of writing shall die, if the creditor shall not within six months after the granting of a letter present the same to a Court for allowance'. That is the Bill."

R. O. Hart: "So, it would be sureties on the ah.. on the obligation, not on the personal representatives?"

K. W. Miller: "Right.. Right.."

R. O. Hart: "Thank you."

Hon. W. Rober Blair: "Further discussion? The question is on the gentleman's motion to concur in Senate Amendment No. 1, to House Bill 1467. All those in favor will vote 'aye', and the opposed 'no'. Have all voted who wished? The Clerk will take the record. Campbell.. 'aye'. House Bill 14... On this question, there are 133 'Ayes', and no 'Nays' and the House concurs in Senate Amendment No. 1, to House Bill 1467. 1468, the gentleman from Whiteside, Mr. Miller."

K. W. Miller: "Well, Mr. Speaker and Ladies and Gentlemen of the House, Senate Amendment No. 1, to House Bill 1468, is an identical Amendment with respect to changing the effective date to October 1st, 1972 rather than December 31st, 1971, as the Bill passed the House. And, Mr. Speaker, I move that the House concur in Senate Amendment No. 1, to House Bill 1468."

Hon. W. Robert Blair: "Is there discussion? The question is on the gentleman's motion to concur in Senate Amendment No. 1,



to House Bill 1468. All those in favor will vote 'aye', and the opposed 'no'. Have all voted who wished? The Clerk will take the record. On this question, there are 144 'Ayes', and no 'Nays' and the House concurs in Senate Amendment No. 1, to House Bill 1468. House Bill 1469. The gentleman from Whiteside, Mr. Miller."

K. W. Miller: "Well, Mr. Speaker, Ladies and Gentlemen of the House, with respect to House Bill 1469, Senate Amendment No. 1 does exactly the same thing as they did on the previous two Bills. In other words, the effective date is changed to October 1st, 1972. And, Mr. Speaker, I move that the House concur in Senate Amendment No. 1, to House Bill 1469."

Hon. W. Robert Blair: "Is there discussion? The question is on the gentleman's motion to concur in Senate Amendment No. 1, to House Bill 1469. All those in favor will vote 'aye', and the opposed 'no'. On this question, there are.... Or, take the record. On this question, there are 141 'Ayes', and no 'Nays' and the House concurs in Senate Amendment No. 1, to House Bill 1469. Now, in accordance with the previous announcement of some two days ago, the House will recess to a Committee of the Whole House as indicated on Page 2 of the Calendar ah.. concerning House Bill 4680. And, I ah.. appoint as Chairman of the Committee of the Whole, Representative Randolph. Ah.. it's anticipated that ah.. the Committee of the Whole will last ah.. not longer than one hour. And, we will be going right back into Session as soon as the Committee of the Whole on this Bill is concluded. The gentleman from



Union, Mr. Choate."

C. L. Choate: "Mr. Speaker, I would like to advise the Members on this side of the aisle that I have consulted with the Speaker and immediately after the Committee of the Whole is adjourned and the House comes back into Session, there will be a Democratic Conference. So, I would ask you to be prompt in returning to the floor of the House after the Committee Meeting of the Whole if you're not in attendance at that Committee Meeting."

Hon. W. Robert Blair: "The gentleman from Cook, Mr. Randolph."

RECESS AT 11:03 O'CLOCK A.M.



HOUSE OF REPRESENTATIVES

SEVENTY-SEVENTH GENERAL ASSEMBLY

ONE HUNDRED FORTY-EIGHTH LEGISLATIVE DAY

JUNE 8, 1972

REPRESENTATIVE PAUL J. RANDOLPH,

CHAIRMAN, COMMITTEE OF THE WHOLE



GENERAL ASSEMBLY
STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES

Paul J. Randolph: "The ah . . .the Committee of the Whole will please come to order. We have before the. . .we have before us House Bill 4680 which amends 'The Revenue Act', and limits the amount of taxes to be extended in 1973 and 1974 for each purpose or fund to amount extended in 1972, provides for a certain extension. Mr. Shea."

Gerald W. Shea: "Mr. Chairman, I'm wondering if you could make sure that copies of the bills are distributed to the members for the. . .to the best of my knowledge, we do not have copies of the bill."

Paul J. Randolph: "Ah, they are printed copies available and I have asked the page to distribute these copies to members on the floor. Mr. C. L. McCormick, you may proceed."

C. L. McCormick: "Mr. . . ."

Paul J. Randolph: "Mr. Lechowicz."

Thaddeus S. Lechowicz: "Thank you, Mr. Chairman. I was hoping I could have a little order to give to the sponsor of the bill the proper courtesy so we can hear the explanation of this bill and ask any questions if necessary."

Paul J. Randolph: "May we have order, please. Will the door-keeper please see that the House is and everything is quiet and everything is in order, Mr. McCormick, you may proceed."

C. L. McCormick: "Mr. Chairman and Ladies and Gentlemen of the House, House Bill 4680 is a very vital and important bill to every individual that owns property or owns anything in the State of Illinois. I would appreciate very much if you would get your bills out and if we could dis-



cuss it for a few minutes here this morning and possibly possibly we can do something for the people in the State of Illinois. . ."

Paul J. Randolph: "Ah, Mr. McCormick, just a second. Mr. Day."

Robert E. Day: "Now, Mr. Chairman, a point of parliamentary inquiry. I can't find a copy of this bill on my desk. I wonder, have they been put in the books or are they in the stack of papers that are on our desk?"

Paul J. Randolph: "Ah, they have page sent for the bill and they are supposed to be. . ."

C. L. McCormick: "The bills were distributed last, I believe the last of the week, or at least I had them on my desk Monday, but maybe they've been destroyed."

Paul J. Randolph: "The pages are supposed to be distributing the bills."

C. L. McCormick: "Well, may I go ahead and make a preliminary remark while you're waiting for your bills? No amendments yet. No, now, Mr. Chairman, first of all, I want to thank everyone in the House, that put their name on this bill as a co-sponsor. I especially want to thank Representative Epton, back here, because he helped me very much. I guess you'd call him my backdoor legal advisor back here. I appreciate Maurice Scott on the Taxpayers Federation for further help and I appreciate Representative Choate and his co-sponsorship of this bill and all of the rest of you people that sponsored it. Now, as you know, the people in



Illinois are very disturbed about property taxes. In the north end of the state, you have organizations like Tax for the City Federation that are pressuring for lower taxes. Downstate, we have our farmers organizations which our storekeepers, our individual home owners that are talking about the increase in real estate taxes. I have a letter from Peoria, where a lady and her husband said that they had retired some years ago and in the last four years, their taxes on their home has gone from \$456.00 to \$665.00 in this period of time. Now, every administration, whether it be Democrat or Republican, in the past has tried to do something about the tax structure in Illinois. If you remember, and Representative Choate specifically remembers, because he was in the leadership at that time, Governor Stratton come in with a proposition to increase the sales tax and give a portion of the tax to the municipalities. I remember very well what Representative Powell, Paul Powell said at that time. It took a long time for those people to go along with it because they didn't have any assurance that it'd do anything for the real estate tax payer in Illinois and they were assured by the Municipal League and by the Mayors of the State of Illinois that this money would be used to at least level off and hold real estate taxes at where they were. And everybody that knows anything about taxes in this House knows that every year thereafter, it came up, that Governor Kerner came in and increased the sales tax and the distributions in the State, but each and



every time he thought he was holding the line, but each and every time the real estates taxes went up and up and up. Governor Ogilvie comes in before the legislature and the people of Illinois and he comes before us with a with a bi-partisan recommendation on the income tax and we put it on and we distribute back what one-twelfth of the money, I guess I know too darn much about this bill, Clyde, don't you? All right. Now, I just talk that fast down home and I just can't make any difference when I get up here. But it's the people down home that we're trying to help, right?"

Voice: "You're in the city."

Clyde L. Choate: "Right."

C. L. McCormick: "All right. Besides, fellows, I'm not just a city man, I'm just a country boy. . . anyway. . . anyway what I'm trying to get at is each and every time we in the General Assembly and the administration, whether it be Democrat or Republican, has tried to help people on the real estate tax level, it has been almost a back fire, because each and every time local government, they use the money. I'm not saying it isn't for needed improvement, but each and every time you give a dollar more, they need a dollar and a half more. And each and every time it is available from some other source, they just add it on to the real estate. Now, whenever you get in Illinois where it is not even profitable for you to own real estate, where you can't even afford to own your own home because of the cost of the taxes on it, then it's time that we in the General



Assembly that are supposed to be representing each and every person in Illinois and not any particular group or section of the state, do something about it. Now, it takes three different segments of this state to do anything about it. It takes this House of Representatives, it takes the Senate and it takes the Governor of the State of Illinois, and I would like to tell you about this bill. This bill now, 4680, after January the 1st, 1973 and until January the 1st, 1975, no county clerk shall extend the property tax levy by a unit of local government or school districts in the amount that legally extended for the year 1972. Now, we have some limitations. They're the minimum qualifying rates are eliminated from it. The rates such as the Illinois Municipal League Retirement Fund is not limited by statute is exempted from it. I believe, for instance in Sangamon County where they didn't extend the rate in 1972, because they had extra money, they were exempted, because they might have to extend it. This bill, I think, needs some refinement, and I'm not going to tell you it doesn't and I want to tell you that we'll consider anything that it needs to make it a real freeze on taxes in the State of Illinois. Now, I would like also to read a statement here that I received just a few minutes ago. This is a statement of Governor Richard B. Ogilvie in support of House Bill 4680, to freeze property tax exemption. Since 1969, this administration has been dedicated to the reform of tax structure in the State of Illinois. Our objective has been



to ease the enormous burdens imposed, both by real property and personal property taxes. The income tax was a necessary step. I did not recommend this because it was an easy or popular expedient. I recommended the income tax because it was absolutely necessary as the first step towards a more equitable distribution of the tax burdens on the people of Illinois. With the monies generated by the income tax, we have only improved state services, but also increased dramatically the contributions of state government to local and higher education, mental health, law enforcement, and other vital activities of government. At the same time, we have virtually eliminated the personal property tax on most individuals by exemption of one household of furnishings and one automobile. In the coming days, it is my hope that the General Assembly will adopt a recommendation to the administration and exempt all farm machinery, equipment and inventory from the personal property tax roll. Meanwhile, I have urged the United States Supreme Court to reverse our Illinois Supreme Court and abolish all personal property taxes. . ."

Paul J. Randolph: "Just a second, Mr. McCormick."

C. L. McCormick: "Yes, sir."

Paul J. Randolph: "Representative B. B. Wolfe."

Bernard B. Wolfe: "Ah, Mr. Chairman, a point of order. I thought we were discussing House Bill 4680, that's not the program of the administration for the last three years. . ."

C. L. McCormick: "Well, . . ."



Paul J. Randolph: "The gentleman may proceed."

C. L. McCormick: ". . . During this administration, I'm getting to that, it takes a couple of words, you know, Representative Wolfe, you know, you're used to words, too. During this administration we have returned to local governments in Illinois the sum of \$536 million. This is in addition to the new funding that we have provided for our local schools which will total \$3,799,000,000.00. Our objections our objections have been to make it possible to reduce the real estate tax levy on the home owners of this state. And here's what I'm getting to. This has not occurred. This has not occurred. In fact, the real property levies have been increasing at such a rate that the burden on individual home owners is becoming intolerable. We can not delay any longer. We should act to stop the consistent increase in real estate taxes accordingly. I recommend that the General Assembly of Illinois enact House Bill 4680 represented by Representative McCormick. This will prohibit an increase by any local government, except in isolated emergency situations. This will freeze real estate tax levies at the present levels. I realize that the bill represents a new concept. I realize that its constitutionality must be tested and I urge the General Assembly to work closely with the Attorney General. I realize that there are problems in its application due to unforeseen circumstances and unusual situations. The sponsor has taken a count of four of these things. There will be equal opportunities. Now, this



is the key. There will be equal opportunities in the session and in future sessions later this year and next to handle any special problems that may arise. However, I am convinced that we must act and act now to put a stop to the rise in the property taxes. Passage of this bill is the first step. Now, I want you to know that I appreciate what George Dunne, the President of the County Board, has done in regard to this county general levy, I appreciate very much what the Mayor has done in his three per cent, I believe it is three per cent, am I right, ah, well, whatever it is. At any rate, it's a reduction in real estate taxes, so whenever the Mayor of the City of Chicago, the President of the largest county in the State of Illinois and the Governor of the State of Illinois all agree that there has got to be something done about the rising tax on real estate in the State of Illinois, I don't see how this legislature can fail to act. Now, Mr. Chairman, I would like to introduce Representative Epton, who worked very closely with me on this bill."

Paul J. Randolph: "Ah, Representative Epton, co-sponsor."

Bernard E. Epton: "Mr. Speaker. . ."

Paul J. Randolph: "Mr. Tipsword."

Rolland F. Tipsword: "Mr. . ."

Paul J. Randolph: "Mr. McCormick will return and be here for questions, so is that all right? Jack."

John Jerome Hill: "Ah, Mr. Speaker and Ladies and Gentlemen of the House, I don't want to talk, I want to ask a ques-



tion."

Paul J. Randolph: "Ah, may we hear from Mr. Epton and then I'll get back to you."

John Jerome Hill: "Well, I think Mr. McCormick was allowed to make a statement and I'd like to make one, too. It's not prepared, but it's relative to what he's talking about and. . ."

Paul J. Randolph: "All right, proceed."

John Jerome Hill: "I would like to say a few words."

Paul J. Randolph: "Proceed."

John Jerome Hill: "Now, Mr. McCormick, I am a co-sponsor of your piece of legislation. I think it's a very good piece of legislation. But then you quote a statement by Governor Ogilvie and I'd like to point out to you that even though he's saying that all these things are happening now, when the income tax bill was adopted in the State of Illinois, is when Governor Ogilvie should have put in that tax bill some rebating of property tax in our individual districts and at that time when the income tax bill passed, we were not allowed to amend that bill and I'd like to point that out to you, because if we were allowed to amend that bill, I'm sure that there would have been some rebate going to the local property tax payer. Now, for three years, these property tax payers have been paying a big burden of taxes, not only on the local level but on the state level. And if Ogilvie would have spoke up then, this would not have occurred for the last three years. And I'm real happy that he



has now become enlightened and has taken a side that I have stood for all of these years. Thank you."

Paul J. Randolph: "Thank you, Representative Hill."

C. L. McCormick: "There is no question about what you are saying except it has been the policy of every Governor, whether he is a Democrat or Republican, to leave this open."

Paul J. Randolph: "Ah, Mr. Epton."

Bernard E. Epton: "Thank you, Mr. Chairman. Members of the House. I don't think it's necessary for any of us to belabor any parts and aspects of this bill. Certainly none is intended. I think that everyone on both sides of the aisle, as evidenced by the co-sponsorship would indicate that this is something we're all in favor of. The fact that some individual municipalities have seen fit to curtail some of their expenditures is just not enough for the State of Illinois. Good intentions have led us down the wrong path for so many many years and it's to C. L. McCormick's credit that he took it upon himself to produce this bill. I don't think there are quite as many faults in it as C.L. would indicate. Obviously we are open to suggestions to amend this. But the fact is that we do have provision for at least four of the major possibilities. I would simply refer to perhaps the only editorial or comment I see in opposition to this bill. I think that that was perhaps misunderstood by the editorial writer which sometimes, unfortunately, happens so frequently. The fact is



that in every instance, we have made provisions for adequate funds to be provided, based on the previous budget of the municipality in question. I think there's nothing wrong for the State of Illinois through its legislature to state to its municipalities that you must live within your budget. This is what we're asking certainly for at least two years. In that period of two years, it will give us an opportunity to reevaluate, to understand the aspects of the legislation of the litigation concerning our financing of school districts. I would plea with all the members of the House to our quite confident as many of us here, to read this bill, to read it again, to see that it is very simple on its face and I join C. L. McCormick and his co-sponsors in asking that you vote for the passage of this bill. Thank you."

Paul J. Randolph: "Will you ah kindly keep the noise down, so we can, ah thank you. Mr. Maragos. Just a minute, Mr. ah. . ."

Samuel C. Maragos: "Mr. Speaker and Members of the Committee and ah I would like at this time to ask leave of the co-sponsors, the main co-sponsor of this legislation, some questions regarding same. First of all, I see that this amends Section 162 of 'The Revenue Act' dealing with real estate tax assessment, which is really 643 as expended and 6- ah, Section 643 on 'The Revenue Code', Chapter 120, has to do with real estate property assessment. Do you want to bring your expert along? I'd be glad to talk to Maurie Scott,



too. My question is this. It says here that the determination to be made by this bill says that the county clerk and you have to put on the county clerk as extended and Mr. Scott, if you want to answer for the gentleman, it is fine with me."

Bernard E. Epton: "Mr. Chairman. . ."

Samuel C. Maragos: "What will you please define for the members of the Committee what you mean by the term extension. What I personally know, but I think that it should be made clear that I want to ask the following questions after that."

Paul J. Randolph: "The first witness is Mr. Maurie W. Scott, Tax Payers Association of Illinois."

Maurie W. Scott: "Mr. Maragos and Mr. Chairman and Members of the Committee. In answer to Representative Maragos' question, Section 162 as it is now provides the limitation on the county clerk in extending levies. In other words, the County Clerk when he gets ready to extend and have the total aggregate evaluation will take and reach in his drawer and pull out a levy. And let's say the levy for the general fund of the City of Springfield. He will divide that, you see, by the total aggregate evaluation and get a rate and then he says, wait just a minute, is that subject to a rate limitation? And if it is and this division is over that, he'd have to skin it down and extend a tax against your property equivalent to the rate limit times its evaluation."



Samuel C. Maragos: "I'm aware of the process of extending, Mr. Scott, but is there a proper definition for the word extension in the statute. I don't remember if there is or not and I'm asking if there is when we use the word extending."

Maurie W. Scott: "There is no definition in 'The Revenue Code' of the word extension, but by case law there is."

Samuel C. Maragos: "All right, now, the reason that I'm bringing that up and there's nothing in this act that prevents the Department of Local Government Affairs from increasing equalization factors and in fact later on some later on comes inter play and still increases the tax bill and not doing the job that we intended to do under this bill, is that correct?"

Maurie W. Scott: "No, I couldn't quite agree with that, Representative Maragos, for the simple reason we do have the legislation that the legislature passed that says that the Department of Revenue will issue annual multipliers, like the beginning of the Butler bills and that can increase, but if a multiplier in your county or my county under this provision would increase fifty times, it couldn't automatically increase taxes because the county clerk in extending a levy outside these exemptions would be limited to the extension he made for that fund last year."

Samuel C. Maragos: "But the point, . . . I'm not saying, but is there any limitation on the Department of Local Government Affairs would not extend the equalization factor for



them not to extend, there's nothing in the statute that says they can not do it. That's what I'm asking, after the extension is made. . ."

Maurie W. Scott: "Well, . . ."

Samuel C. Maragos: ". . .by the county clerk or the county officials, what limitation is on the Department of Local Government Affairs to do this to not to increase the. . ."

Maurie W. Scott: "Well, no matter if they increase their value, it will not effect the extension of the county clerk for two years if you would pass this. If a million dollars were extended, the legal maximum extension for the city carpet fund in Springfield for last year, they are stuck for one million dollars for the next two extensions. So you see, increasing the evaluation and so forth would not effect that."

Samuel C. Maragos: "Excepting though, isn't it mandatory that they've got to take the equalization factor into account in any of their extension process, that's question I'm bringing back to you."

Maurie W. Scott: "Ah, if you did not have this legislation, the answer would be yes. But for two years they would go ahead with the equalizations and so forth, but when you go to the extensions, your limit would do it."

Samuel C. Maragos: "Now, one other question, I'm going to get another question on the floor. Ah, are there any other tax, could you give me an examples what the exemptions are and limitations which will not be applicable under this act



where a county body would come into. . . would you please explain this to me."

Maurie W. Scott: "Mr. Maragos, if I may, ah, I would like to tell you that I had a telephone call this morning from a taxpayer in this county with a tax bill on his home that had risen from somewhere around \$800.00 to \$1,250.00, on a home that is worth \$36,000.00, he paid \$18,000.00, his comment to me was this. It seems like we, the legislature and the Taxpayers Federation, knows more about taxing legislation as he said to treat alligator bites than we do in limiting property taxes from rising. So, that is the purpose of this bill. Now, let me point out the exemptions and examples, if I may."

Paul J. Randolph: "Would you make your statement at this time, Mr. Scott, and then we'll come back to the questions."

Maurie W. Scott: "All right. My statement is going to be mostly the exemptions. Number One, this limitation would not apply on any tax for which a minimum qualifying rate is prescribed to establish eligibility to receive state drafts. As you know at the present time, dual school districts must levy .87¢ most of them to get state grants for from the state on the equalization program. Ah school districts and elementary districts and a separate high school district. Unit districts must levy \$1.08. Road districts must levy 8¢ per \$100.00 evaluation to get state grants and motor fuel. Ah, townships and certain county and city must levy 10¢ per \$100.00 to general assistance



aid. Counties and hospital districts may levy 5¢ to get T.B. aid. Now, these will not be affected. If the evaluations go down or whatever happens to them, you may still levy these qualifying rates to get the state aid. That was done in the Butler bill. Number two, any tax which is not subject to limitation that specific statutes applicable to it. I can think of only two at the present time. For instance when a general obligation bond issue is voted and the bonds are issued, a schedule is filed with the county clerk and he reaches in the drawer and he says for that issue I must extend so many thousand or hundred dollars this year. That would not be affected. Ah, another one would be as the sponsor said the Illinois Municipal Retirement Fund for a few years ago, a few years ago the rate limitation was taken out of that statute, so the state tells the local government what its obligation is. Number Three, taxes of units of local governments and school districts treated after December 31, 1971, two examples come to my mind. For instance, up in Representative Miller's district, instead of having the dual districts, they recently voted to create a unit district, so that unit district would have the ample most rate limitations against its evaluation for its extension. A group of farmers are in the process now in one area of the county of forming a fire protection district, so if they vote it in, they will know those facts ahead of time. So that district will have the rate limitation times its valuation. Four, taxes for



funds which have been created by referendum held after December 31, 1971, and taxes for which this rate limit have been established by referendum held after December 31, 1971. I think if too, for example, the City of Decatur at the present time has been existence for years. But it might vote this year to levy the ambulance tax. There may be a need for it. A rate of a penny and a half. So, they have the penny and a half times the valuation. I'm thinking of a school district in the second part, a unit school district may increase its rate limitations from \$1.60 to \$2.00 per hundred dollars. People know that, they know the what will happen and so forth, so they will have the new rate times the valuation. Then there's the last five sentences, take into consideration what has happened in Peoria, what has happened in Sangamon County. Sangamon County used some surplus on hand plus the increase in the local Retailers' Occupational Tax, plus their receipts from the state income tax act for general fund purposes and did not have to levy a tax. So, when I get my bill, and got it the other day, there's no 10¢ per hundred dollars in any corporate fund. Now, next year because of using the surplus and so forth, they are going to need to levy a tax. And this is for this purpose. Now, I might say there might be one or two other, maybe three, if this may have to be amended to take care of something that has not been thought about. But my point to you is this, you are continuous legislative body, you are here today and every year and



you probably will be back in the fall and you can take care of such changes, at least for two years time, but I think this would be the greatest bonanza for the legislature to enact for the benefit of the taxpayers over the state who are screaming, screaming very much. Now, we read about in your area the northern part of the State in Cook County about tax rate limitations of \$10.00 and \$11.00. Yes, that seems terrible. But right here when I am paying a comparable tax at \$5.00 a hundred, that's \$4.88 a hundred, as you are paying those there because my home is assessed at 50% of actual value. Where you have a right in Cook County to tax high property and homes at 25% and 30% value. Now, I would like to also point out it's time to pause and reflect because we have before us the U.S. Supreme Court taking jurisdiction of the taxes appeal, the property taxes for schools. Is it constitutional or not? And if it not, then we will have to complete the revival lines, the property tax. And it is a difficult thing, with young people, too, with growing families building homes and paying property taxes of \$1,000.00 and \$1,200.00 and \$1,500.00 a year and that means that they're paying about \$100.00 a month. And may I close and point out that this is not the only state that is considering this. Indiana, and I'm reading from Commerce Clearing's little weekly of February 15, 1972. Indiana has a bill, House Bill 1004 and the assessed evaluation of the tax rate on real property would not increase by the taxing unit for a two year period. California, as



the sponsor said, has a whole new program and they're going to roll back the property tax by a tune of \$650 million for school purposes only. The State of Colorado has a bill before it which is A.C.R. 1002 to 1007 which would limit the property tax from real estate to 2% of the actual valuation. The State of Michigan even has a bill that says you and I, if we live there, could put improvements, additions on our house up to \$2,000.00 without increasing the valuation, so I think the bill is needed, I think it's a good bill and that's the end of my preliminary statement."

Paul J. Randolph: "Ah, thank you, Mr. Scott. There are six that would like to be recognized, I'll take them in order. Mr. Palmer."

Romie J. Palmer: "Mr. . . ."

Paul J. Randolph: "Mr. Minority Leader."

Clyde L. Choate: "Ah, Mr. Chairman, may I inquire, is there more witnesses?"

Paul J. Randolph: "There are two more witnesses, Mr. Dan Baldino of the Civic Federation and Dean Sears, Director, State Legislation."

Clyde L. Choate: "Are they appearing as proponents?"

Paul J. Randolph: "They're all proponents."

Clyde L. Choate: "Are there any opponents?"

Paul J. Randolph: "No opponents."

Clyde L. Choate: "Okay. I would suggest that we do allow the witnesses ample time to testify, however, I would also suggest that the membership be given ample time as far as



questioning is concerned."

Paul J. Randolph: "I agree. Mr. Palmer."

Romie J. Palmer: "Mr. . . ."

Paul J. Randolph: "Ah, would you like the witnesses to be called first and then I'll take you in order? All right, let's go to Mr. Dan Baldino from the Civic Federation."

Morris W. Scott: "Mr. Chairman, I'm sorry I took up so much time, but I thought I should clear up the exemptions."

Paul J. Randolph: "We'll call you back for questioning."

Clyde L. Choate: "Chairman. Chairman. Chairmen."

Paul J. Randolph: "Mr. Minority Leader."

Clyde L. Choate: "Mr. Chairman, I would request that the witnesses, if you're going straight through with the witnesses, I would request that the witnesses who have testified remain in attendance so that they can respond to questioning."

Paul J. Randolph: "They will stand by."

Clyde L. Choate: "I would also ah suggest Mr. Chairman that approximately 35 minutes of the hour of allotted time has gone and if we're going to have ah to run a little bit over time, that we have an understanding that we're going to run overtime so that the membership will be able to avail themselves on questioning and answering periods."

Paul J. Randolph: "They will. Thank you. Mr. Baldino."

Dan Baldino: "Mr. Chairman and Members of the Committee. I am pleased to appear before you today and to express the Civic Federations' support for House Bill 4680. This meas-



ure, as previously explained, would freeze property tax extensions this year for the years 1973 and 1974 at 1972 levels. The bill provides direct tangible release for the property tax fair. Granted, there are other approaches including types of tax credits and exemptions, but this bill goes beyond that. It is a guarantee to the taxpayer that the total tax burden shall be no higher during 1973 than 1974 than it was in 1972. In Cook County alone we have 520 taxing bodies. 28 of those taxing units are home rule government. I think it can be argued that they are probably excluded from the provisions of this bill. For example, legal argument on the other side that they are included within the terms and provisions of this bill. I would point out to you that in Cook County total 1971 extension of these 520 units were \$1.738 billion. And 60% of that tax burden or \$1,035,000,000.00 was levied by the seven major Chicago area government. No one is going to argue the property taxes are not too high. In 1971 within the City of Chicago, property taxes went up in terms of extension 18.6%. The rate went up 14%. Going back a few years in 1970, the extensions went up 9%, in 1969, they went up 11.6%, in 1968, they went up 9.6%. In the five year period, 1966 to 1971, extensions within the City of Chicago rose \$438 million or 73.5%. The rate went up \$2.42 or 44.6%. Likewise, we just completed a study of suburban Cook County. The 26 suburban Cook County home rule units municipalities show that their levies went up 16% in 1971 and all other suburban Cook



County cities and villages showed an increase of across the board of 10.4%. I would point out to the members from Cook County that this is on top of a Cook County suburban increase of 21.0% in 1969. The increase is 31% to 37% in two years. The Civic Federation would not argue that this measure would not create some hardships for local government. It's going to require belt tightening, it's going to require hostility, it's going to be a tough bullet to bite. But I would point out to you and I would remind you that the American taxpayer particularly the local property tax payer, has had to tighten his belt and has had to bite the bullet for the last three years, particularly since last August 15, when his income increases were cut measurably. In extreme cases of emergency, the General Assembly will meet during the next several years. They can correct any kinds of problems. We foresee two possible types of problems right off the bat. A school district, for example, which has massive enrollment increases, might need some corrective legislation. A sanitary district which is ordered by the pollution control board to put in pollution equipment might need some kind of help, but generally speaking, it'll simply require hostility. I would urge your support for the measure. It will provide welcome tax relief to the property tax payer and I thank you for appearing before you today."

Paul J. Randolph: "All right, thank you, Mr. Baldino. Will you please stand by. Next witness, Dean M. Sears, Illinois



Agriculture Association."

Dean M. Sears: "Thank you, Mr. Chairman, Members of the Committee. I appreciate also this opportunity to appear before you today and I'll be very brief in my comments. We support the concept of this bill as we have supported other meaningful legislation to give relief to the over burdened property tax payer. Property taxes on farm, real estate and personal property continue to increase each year on farm property and to indicate to you the increase, I suppose it could be most vividly portrayed as the percentage of the farmer's net income. So very briefly here to cover some statistics with you, going back to 1960, the realized net income of farmers in Illinois amounted to \$589 million. The total property tax paid at that time by farmers was \$140 million, so this meant that as a percentage of realized net income, total property tax was 24% of the farmers' net income at that time. Moving ten years ahead to 1970, the realized net income of farm community was \$777 million, whereas the total property tax burden increased from \$140 million to \$261 million, so at that stage in 1970, property taxes amounted to 34% of the farmers' net income. Over one third. So, over this period of time, we've seen an increase in net income of 32%, but we've also seen an increase in property taxes of 86%, so I think this very vividly portrays the problem we have on our hands and the spiral can not be allowed to continue. So, we appreciate any legislation of this type to freeze the taxes, to give you as a



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legislature an opportunity to develop meaningful long term permanent legislation to keep the property taxes in line and we also see the side benefit here, the fact that many units of local government will need to take a more careful look at their spending and to economize where possible. Thank you very much."

Paul J. Randolph: "Ah, thank you, Mr. Sears, will you please stand by. Now, the, going down the list, the first one to comment, Representative Palmer."

Romie J. Palmer: "Mr. Chairman, I'd like to address my questions to Mr. Scott."

Paul J. Randolph: "Mr. Maurice Scott, will you please come forward."

Romie J. Palmer: "And I might say this my judgment, this is one of the most important pieces of legislation that this House shall have occasion to act upon. Mr. Scott, the bill reads pegs the extension to the year 1972. Is that correct?"

Maurice W. Scott: "That is right."

Romie J. Palmer: "Why, that will be extended in January, I believe, in 1973 in Cook. Am I correct on this? Cook County?"

Maurice W. Scott: "No, Cook County has already extended its taxes in 1972. You're, you're limited to the legal expense and for such purposes in the year 1972. That is to say for '72. . ."

Romie J. Palmer: "We're talking about calendar year, right?"

Maurice W. Scott: "Right."



Romie J. Palmer: "Now, that would be also applicable to downstate Illinois?"

Maurice W. Scott: "That is correct."

Romie J. Palmer: "All right. Does the county board or the board of supervisors have any statutory duty in connection with the extension of these taxes?"

Maurice W. Scott: "No, the County Board is the governing body of the body and makes these levies from which the extensions are made. In other words, the county board says for the General Fund, we would like to have \$1 million to file a levy with the County Clerk. Now, last year if only \$900,000.00 was presented for that county, I mean in 1972, then for the next two years, then \$900,000.00 would be the limit for the extension."

Romie J. Palmer: "All right. Number Three, question number three, would it apply to the county clerk of Cook County inasmuch as Cook County is a home rule county?"

Maurice W. Scott: "Now, that question was raised by Mr. Baldino. There are, there would be a dispute with legal monies on this, but it is my opinion as the bill is written, it would apply to home rule units."

Romie J. Palmer: "Thank you very much."

Paul J. Randolph: "Mr. B. B. Wolfe."

Bernard B. Wolfe: "Thank you, Mr. Chairman, I'm going to direct my questions to any of the gentlemen that testified for an answer. First a clarification on the extension for 1972. Ah, I believe we just received our 1971 tax bills



in Cook County and the first half was payable June the 1st and the second half of those tax bills will be payable September 1 of this year and that extension was an all time high extension. Now, you have just stated that the extensions for '72 have already been prepared, is this a fact, or are they working on these extensions at the present time?"

Maurice W. Scott: "As far as Cook County is concerned and in response to your question, the extension has been made. As far as my county has been concerned, the extensions have been made in '72. As far as Will, ah, St. Clair and some of the other counties, the extensions have not as yet been completed. Because there has been a lateness in the issuing of the multiplier."

Bernard B. Wolfe: "So, there are counties in the state that have not completed their '72 extensions."

Maurice W. Scott: "You're right."

Bernard B. Wolfe: "Is that correct? All right, the next point that I have is that this bill applies to all real property, industrial, commercial ah etc., homes, is that correct?"

Maurice W. Scott: "That is correct."

Bernard B. Wolfe: "What is the benefit to the home owner ah segment of our citizenry as compared to the industrial and commercial and income producing properties ah of the state?"

Maurice W. Scott: "Ah, I can't answer that, because I don't have a breakdown right now."



Bernard B. Wolfe: "Does the gentleman from Civic Federation have a . . ."

Paul J. Randolph: "Mr. Baldino."

Bernard B. Wolfe: ". . .breakdown?"

Dan Baldino: "I don't have a breakdown, but one very tangible aspect we'll have will be that any increased construction certainly commercial or otherwise will effectively work out because of its freeze to lower some of the existing tax of the home owners. In other words, any new property that goes up will be the subject of taxation and then will reduce the rate that you and I are presently paying. One of the other gentlemen, perhaps, can answer your percentages."

Paul J. Randolph: "Mr. Wolfe."

Bernard B. Wolfe: "All right, before they do, I'd like to ah I'd like to cite, there's already a movement through the state locally, not only to freeze ah the taxes, but to cut back the cut back on expenses which is a most important factor which this bill completely ignores to cut back on the expenses of the local units of government so that they can meet this so-called retention. Now, in the Sun Times on June the 7th, there was a comment made ah home owners gain is small in tax freeze, and they were quoting from a representative of the Civic Federation, if you'll wait one minute, I'll put my glasses on. For Chicagoans owning homes in excess of \$10,000.00, a savings of about \$9.00 is projected. For suburbanites, there is no projected



gain or loss. Meaningful tax relief will require the actual cutting of tax rates by a number of government agencies said Vern Kron, Director of the Civic Federation. Now, how does that relate to my question."

Dan Baldino: "Very simply. This bill is specifically points out that very thing. That editorial you're referring to did not relate to this bill at all. This bill doesn't rely on good government, it simply says that you must live within your budget, so in effect we're not saying please reduce your taxes, please reduce your expenditures, we're saying you have no alternative, because you're not getting any more money."

Paul J. Randolph: "All right, the next. . ."

Bernard B. Wolfe: "I'm not, Mr. Chairman. . ."

Paul J. Randolph: "Will you bring your questions to a close."

Bernard B. Wolfe: "I'd like to make a comment."

Paul J. Randolph: "Well will you state your question and then I'll give you an opportunity to make a comment later."

Bernard B. Wolfe: "All right, I think. . ."

Paul J. Randolph: "We have a long list."

Bernard B. Wolfe: "Yeah, this hasn't been answered. We're looking if we don't have the breakdown and we're looking ah to give tax relief to the homeowners of this state and that was the entire thrust of C. L. McCormick's opening statement, it was the thrust of the Governor's statement that the persons on the individual home owners must be relieved."



Dan Baldino: "I think you're in error, Representative Wolfe, the thrust of our statement was that taxes would be reduced. We didn't specify that any segment alone would be favored against one or the other. As it turns out, obviously, home owners will benefit greatly and they're the ones that we're mostly concerned with. But we're not pointing this toward one segment. We're pointing this against on behalf of all the people, whether it be industry or other home owners."

Bernard B. Wolfe: "All right, now, let's just . . .let's cut this thing down the middle and lay the cards out on the table, because these jokers in these bills come up after the tax and I'm going to cite a direct an actuality what happens to the income tax. Now, we were sold a bill of goods of that kind that the individuals in this state would be contributing approximately \$640 million under that formula and corporations were to be distributed \$320. . . ."

Paul J. Randolph: "Mr. Wolfe, ah. . ."

Bernard B. Wolfe: "This is related. . ."

Paul J. Randolph: "What is your question?"

Bernard B. Wolfe: "to. . ."

Paul J. Randolph: "Otherwise I'm going to have to move along, I have a long list of Representatives that would like to ask questions. Will you come to the. . .do you have another question?"

Bernard B. Wolfe: "I have the question that has not been answered yet and I want to know what benefits will be received by the home owners of this state and that represents about



five and a half million people living in about 2,400,000 homes in the State of Illinois, . . . and I'd like to have it as . . ."

Paul J. Randolph: "Mr. Epton."

Bernard B. Wolfe: ". . . answered by somebody who researched this . . ."

Paul J. Randolph: "Mr. Epton, will reply."

Bernard E. Epton: "Representative Wolfe, it's a very simple question. When you ask what benefits, if you're saying what percentages, obviously we don't have those figures here. When you say what benefits, the simple answer is considerable benefits. We are stopping, there can be no increase in your tax and my tax in any home owners tax. And con-, and that in itself answers your question for benefits. Now, in addition to that, it's quite possible by virtue of the tax that there is construction presently going on and that new construction will be assessed in tax, that there will be, therefore, a reduction in your tax and mine. It's a simple answer to a simple question."

Paul J. Randolph: "All right, I must go along to the next, Mr. John Alsup has been waiting a long time for. . . to be recognized. Mr. Alsup."

John W. Alsup: "I would like to ask C. L. a question."

Paul J. Randolph: "Mr. McCormick."

John W. Alsup: "C.L. I have a certain amount of apprehension about this. If you limit the extension, obviously the tax body can't extend anymore taxes and what they have been."



But let us assume the Supreme Court upholds some of the exemptions of personal property. Would you be willing to accept an amendment prepared by the Taxpayers Federation and I'll help with it and to present the shift of the burden from the personal property tax payers over to the real estate. In other words, where we limit in advance the rate on real estate as a result of exemptions from personal property."

C. L. McCormick: "As a result of your conversation and Representative Tipsword's conversation, the other day, Maurice Scott now is working on that type of amendment and we'll have it on second reading to present to you."

John W. Alsop: "Thank you."

Paul J. Randolph: "Mr. Scariano."

Anthony Scariano: "Mr. Chairman, I'd like these questions answered by anybody who feels qualified to do so. Ah, you are apparently limiting the public body in the next two years to the same expenditures that they had in the previous year. This seems to be a fair statement of what the bill does. Am I right?"

C. L. McCormick: "Not completely, no. The amount of the amount of the amount of real estate, property tax can be extended. It has nothing to do, Anthony, with the amount of the federal funds that are coming in. . ."

Anthony Scariano: "No, no, what I'm saying is if you levied a million dollars, I've got a statement from Maurice Scott which says that I'm right here, if you levied a million



dollars last year, you're limited to a million dollars in that next year."

C. L. McCormick: "That's right. That's right."

Anthony Scariano: "What guarantee is there in the bill that the prices that public bodies have to pay in the wages that they pay their employees are going to remain as stable as the money that they have to spend?"

C. L. McCormick: "Well, ah, I think that it kind of goes back to what the Mayor and what George Dunne has done in the city and the county. If they have to look their organization over, maybe they need to make some belt tightening in order to. . . and another thing, now, let me finish. Another thing. In the city, you're basically talking about schools, I guess, but in the city and the counties, we've had a lot of E.E.A. offers that have been given to them for the supplement that with federal payrolls. In addition to you, you know yourself that the Congress, the Democratic Congress and the Nixon Administration is going to give you the greatest H.E.W. money that you ever had for the school districts in your particular community, too."

Anthony Scariano: "But what do I tell the Brennan Township High School District which has an enrollment of several hundred kids a year and where the price to educate them is about \$1,400.00 or \$1,500.00 a year and that's a rapidly growing area. The whole suburban area of Cook County is growing with leaps and bounds, the principle industry. What do I tell the Brennan Township High School and what do



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I tell the Rich Township High School which goes on double shifts in December, because we don't have room enough for all these kids that are coming in?"

C. L. McCormick: "I will tell you, because you being on the School Problems Commission, you already know. That if you have a thousand kids in your school and next year you have fifteen hundred kids in your school and you can only extend a million dollars, that the state has to pick up the difference in the guarantee. Now, Anthony, you know that."

Anthony Scariano: "That is a very simple solution that C. L. McCormick has but it doesn't work that way and no member of the School Problems Commission here will tell you that it works that way."

C. L. McCormick: "It does down in Johnson County."

Anthony Scariano: "Well, you've got a misconception on how that school aid formula works, because that guarantee simply means that the state is going to guarantee, for instance, an expenditure of \$520.00 or whatever it happens to be with all of these different factors, but the cost of educating a high school kid now is about \$1,400.00 or \$1,500.00 or more."

C. L. McCormick: "And another thing I think Anthony that we might look at and I've not got any particular figures on your school, but in many of the schools in the State of Illinois, it's got to the point where the teaching in the school is the smallest. We've got more override in the school than we've got in the teaching. It's time we tight-



en the belt for a year and get it over."

Anthony Scariano: "Well, what I think you have to look at is the rapidly growing area of suburban Cook County and this bill is going to hurt every public body which is growing, those districts and suburbia, they're only school districts. But they're also municipalities and other taxing bodies which are taking on an added burden with all the people coming in to move in with all the expressways and toll ways coming in, Brennen Township now is probably the most rapidly growing area in all Cook County. But you can't tell me that by simply limiting the amount of money you're going to have to spend is going to put an end to their problems, and I think that's what you're holding out when you say. . ."

C. L. McCormick: "I didn't say it would put an end to their problems, I don't propose it to put an end to their problems, but I say I say that the taxing structure in the State of Illinois is hanging in balance with the schools and federal court action is coming up and I say that the individual property tax payer is whether he be a businessman or whether he be a home owner is at a point of confiscation right now and that the least that we can do is to stop everything for the year or two years that it's necessary and redo this thing when we come back here. And another thing, Anthony, I would be willing and happy to sit down with you and the people that we know know the school tax business and maybe there needs to be amendments for exceptional districts, like you're talking about. If it does,



I'd be glad to work it out."

Anthony Scariano: "I had a question of the Civic Federation and the Taxpayers Federation, ah, isn't the Taxpayers Federation and the Civic Federation composed almost entirely of business and income producing property owners and not home owners?"

Dan Baldino: "Yes."

Anthony Scariano: "And that's true of Mr. Scott's organization, too?"

Maurice W. Scott: "No, it is not entirely."

Anthony Scariano: "All right."

Maurice W. Scott: "In numbers, individual home owners make up the greater number. In the amount of budget, commercial and industrial pay a greater proportion."

Anthony Scariano: "Well, I'd like to have the breakdown from that ah from you, Maurice, because my impression has always been in the fifteen years I've been here that you are the voice of business and income producing property. I don't know of any homeowners that belong to your organization."

Maurice W. Scott: "I will be very glad to give it to you in response to your question, ah. . ."

Paul J. Randolph: "Mr. Scott, we must proceed with the other questions. I'm sure that you can give the gentlemen the information he requests."

Dan Baldino: "If I could simply respond, I certainly concur with Representative McCormick's response, and I should add that neither one of us represent any industry. I think that



what the point you raised, Representative Scariano, is certainly a valid one and it's a calculated risk in this bill and let there be no doubt about it. There are some affluent areas that will suffer. There are some growing areas that aren't so affluent that will suffer, but the fact remains that the people as a whole have asked us by virtue of their resistance to these increasing taxes and expenditures to take this course. As Representative McCormick indicated, I don't think Civic Federation notwithstanding or the Taxpayers Federation, if the crisis or the need is evident, then this legislation will see fit to rectify it, but I think that you'll agree. Certainly you know better than most of us that much of the money that goes to the Board of Education unfortunately turns out a product that doesn't fill us with pride and it may well be that this might be the caborus, the teacher school educators that were serious about this business."

Paul J. Randolph: "Mr. Tipsword."

Rollend F. Tipsword: "Mr. Chairman, I'd like to address my questions, if I might, to Mr. McCormick or anyone else that wishes to answer them, but first of all, to Representative McCormick. Representative McCormick, I want to congratulate you and to thank you on this bill. I had the pleasure of discussing this very same proposition with the ah Illinois Taxpayers Federation ah about six or eight months ago and they did the research on this that you have so very ably placed in this bill and I'm very happy for another



reason that this is in your hands. And I say this very sincerely, I think there are only a few members of this body who have the seniority and the confidence of the other members of this body to such an extent that they could afford to put this kind of a bill before the House and I think that you're one of those people that I wish that I were. And I'm very happy that you're handling this, because I think this bill therefore has a better chance of passage in this House. I would like to ask you just two or three questions if it is your intention that some of these things that I have in mind would happen if this bill were to pass. First of all, is it a portion of your intention in the presentation and hopefully the passage of this bill that we would cause all units of local government to reassess their spending policy in the light of this bill so that we might know if we could proceed in new and different directions thereafter?"

C. L. McCormick: "That is true."

Rolland F. Tipword: "Is it also your intention if this bill is passed that we of the state and in all of the agencies of the state would reassess our policy toward units of local government in providing state financing in the future as to where we are now providing the state financing also, whether we're doing it correctly and in the right areas or not?"

C. L. McCormick: "Yes, I think that's very important and I think it wouldn't be bad if this General Assembly, the lead-



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ership in the General Assembly would take a look in the next year, year and a half at the overall structure in the State of Illinois."

Rolland F. Tipword: "Even more hopefully and this was really the basic reason that I had inquired about this major, is it your intention that if this measure were to become law that we look at this as an opportunity, not just merely as a bonanza for the moment, but an opportunity for us to completely reform or look to the reformation of the tax structure of the State of Illinois. That is the whole purpose, I feel."

C. L. McCormick: "That is the whole purpose of the bill and to instill confidence in the taxpayer and the state that we are responsible and that we will look into it in light of the court decisions that we know are almost certain to come on the financing of the schools in the State of Illinois."

Rolland F. Tipword: "And I would ask you in addition and I'm sure that you would, would you not join with me and I'm sure many other members of this House that in those instances such as the districts discussed by Representative Scariano, the ah districts and problems that were mentioned by Mr. Baldino in his statement that we would during these two years address ourselves to trying to cure the problems, the immediate and short range problems that are cured by the passage of this bill for those districts."

C. L. McCormick: "Yes, sir, I think that a bill that wouldn't



do that or a sponsorship that wouldn't agree to that would not be worth listening to on this floor."

Rolland F. Tipsword: "You certainly don't look to this as a cure all, but merely more of a means toward an end."

C. L. McCormick: "Yes, it's just exactly like you're sick and you go to the doctor, he bends you over the desk and he gives you a shot in the rear and he gives you about ten more pills to take and whichever one helps you, that's the one we want to use and that's what this bill is."

Rolland F. Tipsword: "Well, Representative McCormick, I want to tell you that I'm very happy that I've been one of the very many members of this House that's joined in the co-sponsorship of this bill with you. I hope that we can get this bill passed. I think it gives not only an opportunity but an obligation to this body and to all of the executive branch of government and in addition, I think it should point very importantly toward a fourth group that has to act in this area that you didn't mention, but of course none other than the courts of this state, address themselves to meaningful tax reformation and to meaningful review of tax reformation laws in this State. It's very important that we change the tax structure of this state to such a degree that the taxpayers are all fairly and equally treated, and I think this bill of yours is a means to that end. I'm happy to note that you are willing to accept the amendment that Representative Alsop discussed. I think it is very necessary to this bill and to the taxpayers of this



state. And I hope we can all look forward to an elimination
someway of all of the personal property taxes of the state
which the Governor said the income tax gave him an oppor-
tunity to do. Regrettably, that bill is not here before us.
And I wish that it were. I thank you for presenting this
bill and I want to tell you that I pledge to you every
effort I can possibly make to make this bill effective,
not just as a stop gap measure or a bonanza for two years,
but something that we can get some real meaningful change
in our tax. . ."

Paul J. Randolph: "We must move along. Mr. Shea."

Gerald W. Shea: "C. L., the assessor in Cook County has in
the last year or so, particularly in two of the townships
we have up there, or quadrants, been doing a lot of reassess-
ing. Now, as the bill limits the dollar amount, it seems
to me we can not take advantage up there, at least, of two
things. One, the provision in the new constitution with
regards to classification and another one with regards to
growth and ah I think you're going to have to do something
in that area."

C. L. McCormick: "Ah, ah, Jerry, ah might I say here, this
would have nothing to do with the assessors going ahead and
bringing his job up to date. The only thing it would do is
erase the million bucks more in the assessments that would
just cause the person that is already on the rolls that is
not changed to have a small reduction in his taxes."

Gerald W. Shea: "Well, the reduction sheet bill wouldn't come



to the homeowner as much as it would to some of our big industrial and commercial properties, and that's what bothers me."

C. L. McCormick: "Well, possibly possibly by them being put on the rolls where they should be instead of where they were, we'll say, before, it would cause them to be paying taxes if they haven't been paying them before. See, they'd be extending the tax of that full rate that they could extend against them."

Gerald W. Shea: "All right, now, I have another problem with regards to county hospital and county hospital is one of the units up there that has a rate limitation on it. George Dunne has fought very hard to hold the line in county taxes and has come up with some programs such as our four payment bill that will save the taxing of some \$32 million up there, but because of the increased burden placed on county hospitals because of the unemployment situation up in Cook County and that, ah, I think we'd be limited there unfairly."

C. L. McCormick: "Ah, I would suggest that we get together and work this thing out if there is a real need, a real problem, we'd be glad to work that out. I don't think we should in any way, whether it's health or actual welfare of the people, involve put a squeeze to where they can't operate."

Gerald W. Shea: "In many other areas where local units of government have taken the initiative, I think it would be not a good policy to place limitations on their flexibility



and I I I. . ."

C. L. McCormick: "You take in Cook County, for instance, and I'm not an authority on Cook County, you know that. But now, you take at the millions of dollars that the Cook County has been allowed to Cook County from E.E.A., that's a tremendous amount. . ."

Gerald W. Shea: "I can't hear you, C.L."

C. L. McCormick: "I say you take if they would just take the tremendous amount of money that's been allocated not only to Cook County, but the other counties, Cook County and they were to funnel that E.E.A. money from the jobs that that is providing for people up there into the areas where they need additional help, they could do that without costing the county a nickel."

Gerald W. Shea: "Well, I think that my leaders up there, my elected officials, have taken that initiative."

C. L. McCormick: "Well, then, that's fine."

Gerald W. Shea: "The Mayor of the City has cut ten per cent and talking about cutting it. And the President of the County Board by resolution, froze taxes up there. I think that I think that when they take this local initiative, I don't want to be coming down here and start hamstringing them in other areas."

C. L. McCormick: "Well, I wouldn't want to hamstring anybody, I just think that the. . ."

Gerald W. Shea: "Well, the Mayor was the very first person that. . ."



C. L. McCormick: ". . .I read where he said the property tax is absolutely more than the people can bear and . . ."

Gerald W. Shea: "And he's done something about it, C.L."

C. L. McCormick: "Then I think everybody in the state should follow his lead."

Paul J. Randolph: "Ah, the next question, Mr. Hart."

Richard O. Hart: "Ah, C. L., ah, I see nothing in this bill which would give any enforcement or enforceability on the tax payers and I'm wondering what would you do or what would the taxpayers do if the county clerk duressed or urged on by County Board just said well, we'll go ahead and levy more than we did last year anyway. What are we going to do about that?"

C. L. McCormick: "Well, now, I think that the Revenue Article, the same remedies you have now, you have the same remedies, you stand to protest. Or the State's Attorney could go in like they're doing now on the personal property tax and ask that he do his job and. . ."

Richard O. Hart: "Now, you know as well as I do that those are not practical remedies ah paying under protest, the only ones that can do that are the ones that are either lawyers or can hire a lawyer or something or have enough involved to make it worthwhile for him. Ah, would you accept an amendment to this bill which would give some teeth to it which would provide that in the event that the county clerk did in fact extend more than last year, regardless of the provisions of this act, that he would be liable



on a bond to any taxpayer for all expenses, court costs and legal fees as a result incurred by any taxpayer in the collection of the amount to which he was damaged by the payer to follow this act."

Morris W. Scott: "Ah, Dick, we don't think that we really need that, however, we certainly see the point of your remarks and the sponsor, the principal sponsor of the bill would be happy to discuss it as it presently obviously there are certain things going on downstate that for example, in Cook County you don't need a lawyer to file it under protest. Ah, downstate I thought you didn't either. But the fact is that if you and the co-sponsor felt that there is some area that the public needed greater protection, it certainly would be very easy to add it to this bill."

Richard O. Hart: "Well, nobody needs a lawyer to file it under protest, it's just for the fact that you just can't do it without one, because paying under protest on real estate taxes, for instances, requires by statute that you come at once with an itemization of reasons therefore and it would get involved and. . ."

Morris W. Scott: "Yeah, but Dick, look at if you had a situation where the clerk did that wrongfully, he wouldn't be doing it to one individual, he would be doing it for a group and include industry as well as a group of homeowners and therefore this is the protection we felt they had, as you can well point out. If you would like to add some more teeth to it and ah include the municipalities, I'm sure the



sponsor will consider it with you and perhaps we can do it by agreement and forget it."

Richard O. Hart: "Well, the principal sponsor and I are from the same district and ah I think he would agree with me that sometimes the county officials pay more attention to his local county board than he does for his legislators and ah I think we could put something in here to that regard for some real protection for the taxpayer in the event that the county clerk does not follow the law which in many instances he does not by way of either extending more than authorized rates, extending illegal rates or other as directed by the county board. Ah, then, . . ."

Paul J. Randolph: "Do you have a further question, Mr. Hart?"

Richard O. Hart: "Yes, I do, ah, what are we going to do in the instances where the legislature this session either has or does mandate increases in the extensions or the tax rates of certain local taxing districts?"

C. L. McCormick: "Where, where have we done that, Dick?"

Richard O. Hart: "Well, we just increased the State's Attorneys salaries the other day and we could there are some bills hanging around which are going to increase the salary of the other county officials and the . . . we have we have ah. . . the bill that passed out of the Senate ah I think yesterday which aids to increase the levy for sanitary districts and so forth by one per cent or one cent, I think it was, but in those instances, I think we're going to have a conflict in the laws passed by the General Assembly and I'm



wondering if there shouldn't be an exception placed in the act to exclude areas of increase mandated by this legislative body of this session?"

Bernard E. Epton: "This is one of the exceptions that Representative McCormick and Mr. Scott discussed. To the best of our knowledge, anything that the legislature has done that has mandated has not been excessive. We didn't think it would require it. But it may well be that if it should come to pass, I think that one of two things would happen. Either the legislature sitting here would have to realize that they would be putting a considerable burden on a particular municipality and if they see fit to do so for what virtue of way and what have you, they would let it go that way. On the other side of the coin, if it were a burden, and if the legislature felt that it was one that should be passed, then we would have to make an exception to this."

Richard O. Hart: "Well, when would you contemplate that we would do that?"

Bernard E. Epton: "Well, if we felt that it was one that should be passed, then we would have to make an exception, and as I said, in the past we have not to the best of our knowledge passed any burdens that we can't live with henceforth. Assuming the passage of this bill, I would say we would have to do it simultaneously. For example, if we passed a bill a week after this bill were passed and we put a burden on a municipality, we would at that time have to exempt that municipality, allow them to increase the levy



by the extent of what we added."

Richard O. Hart: "Well, don't you think it would be proper then, on second reading, to just put an extension here in a general way to say an exception for where increases were mandated by the legislature. I'm thinking, Bernie, for instance, in Saline County, which is in C. L. and my district, ah they're claiming that as of July the 1st, they're actually going to be broke, they're going to have to shut the court house down and so forth. Now, I don't know whether they're going to do it. I doubt it, but on the other hand, under those situations, if we authorized the increases in ah in county official salaries and so forth which are borne by the local people, I think that we ought to at least protect ourselves by an exception in this bill to allow them to extend additional amounts to pay those things which we require them to pay during this same session which we're putting the limit on their amount and the ability to pay it."

Bernard E. Epton: "I think it's a reasonable request and I certainly would recommend it and consider it."

Paul J. Randolph: "Mr. McCormick, will take that under consideration."

Richard O. Hart: "Also one other thing I'd like to ask maybe Mr. Scott. Ah, how do you guide this bill with the ah the now I presume legal homestead exemption which will not be extended legally until next year?"

Morris W. Scott: "Well, I. . ."



Richard O. Hart: "Well, I don't mean extended legal, I mean which would not be deducted legally until next year. In other words, if I read you right here, next year eh if all the counties give credit for the homestead exemptions and in our area, there's a whole lot of elderly people, and eh homestead exemption is a lot of money on the tax rolls in Franklin and some of the other small counties in southern Illinois. Now, I don't want to play tricks on the rest of the homeowners and the rest of the tax payers by saying with this bill that your tax bills are not going to go up next year, but then coming in with a substantial increase to offset the deduction which was which would occur by reason of the enactment of the homestead exemption. So would it be proper to also amend this bill to eh limit the extension reduced by the amount of the homestead exemption overall so that the other taxpayers would not get an increase eh eh contrary to what has been promised them."

Maurice W. Scott: "Well, mypoint is on that, you might have one or two counties, and I think you have mentioned one in the state of Illinois where there would be no increase in value and by applying the homestead to the extension next spring would reduce the value then that county or government having the same extension the year before could increase the rate, and you are right in that sense and maybe you should consider such a situation."

Richard O. Hart: "Well, . . ."

Maurice W. Scott: "Those examples, however, will be isolated,



they would happen in probably one or two counties."

Richard O. Hart: "Well, if they're only one or two, they both happen to be in my district and I am concerned about it, because of the of the I mean, I just don't want to ah to say to the taxpayers that we're doing something for you and in this bill and then come out next Spring when the bills come out and they'll get an increase in their taxes and they look at C. L. and me and. . ."

Paul J. Randolph: "Mr. Hart, I must move along now. Mr. Art Simmons for the next question."

Arthur E. Simmons: "Ah, Mr. Chairman, my question was of Morris Scott, it was the same question just answered, so I believe I got what I wanted."

Paul J. Randolph: "All. . ."

Arthur E. Simmons: "Regarding the homestead exemption."

Paul J. Randolph: "Representative John Matijevich."

John S. Matijevich: "Ah, C. L., I think ah I talked to you the other day and said I uphold heartedly the endorsement of this legislation and I wanted my name to be listed as a co-sponsor. I would call it a meritorious moratorium and I would think we in government ought to follow ah what we're saying that the private sector ought to do. Ah, however, there's one thing that bothers me, C.L. and that's this. And I remember some years ago when we passed the state income tax and I think you gave that tear jerking speech ah said well, . . ."

Paul J. Randolph: "Will the members please hold their voices



to a . . ."

John S. Matijevich: "I think you gave that speech that said if you're going to vote for appropriations, you also ought to vote for the money so that we can have the money to operate state government. I think if we want to be truthful and not behypocrites, we also ought to say that if we are going to limit taxes, we also have to ah put a lid on the spending. Now, my question is this, C.L., do you think that we in state government are good example to the local government when we say that in one year this year we are going to increase the budget by \$2 billion and not increase taxes? Do you think that we are telling the local government, well, don't raise taxes in also cut your spending, ah, are we good examples ourselves?"

C. L. McCormick: "Well, we in the State of Illinois has never been in my lifetime a very good example to local governments as far as spending is concerned, but I do believe this that this is going to really focus the attention on all taxing bodies, state and county and municipalities, to where we're all going to have to look at it a little bit differently this coming year and the next year."

John S. Matijevich: "Well, I'm glad to hear that, C.L., because it's really a revert of the position that I have seen this legislature take because I think that the people in local government and the taxpayers, I think what they'd like to see and maybe we ought to have it as a bill, I don't know, but I'm sure that everybody would scream about



it. But maybe we ought to put a limit on how much state government can spend for the year to year. Maybe there ought to be a percentage of increase."

C. L. McCormick: "I would say that possibly by this bill is successful and goes through the House to the Senate, the Governor signs it and it becomes law in January, maybe we should start considering a limit on the expenditures of state government."

Paul J. Randolph: "Further questions, Mr. Matijevich."

John S. Matijevich: "No, I was only going to say, C.L., the only thing that bothered me a little bit is the letter you had from the Governor ah because I haven't heard the word austerity in some time and I don't think he's been a good example either in being austerity as he said he would, . . ."

Paul J. Randolph: "Ah, Mr. Matijevich, we must proceed. . ."

John S. Matijevich: "Well, I think this all relates and I wanted to reiterate, because we're going to back to what happened to state income tax and you recall, C.L., . . ."

Paul J. Randolph: "Ah, we must move on. Mr. Borchers."

Webber Borchers: "Mr. Speaker, Fellow Members of the House, ah I'd like to ask Mr. McCormick a question. Frankly, I've asked heard asked so many of the questions that I've had in mind that there's really not much that has not been covered. But I'd like to give an example in Macon County in view of the government. Ah, that started off a few years ago to the budget of \$40,000.00 and ah two employees they had in the unit and a secretary. They now have as I



recollect, in a few years, nine employees and it's a half a million dollars purse. It's been the building of an empire. I don't know about the rest of the state, but what do you think this will do in relation to controls, the avid purchasing of things and this type of activity?"

C. L. McCormick: "That's the purpose of it to do that so that local governmental units can all of the sudden stop and see that they get a reasonably good eight hours work a day and whether their program is really workable or not. Now, I I being from the farm and everybody here knows, and this is a simple fact and it's not a Democrat or Republican affair, let me say this, there's something about government, I don't care whether it's a school district or whether it is your relief office or whether it's the legislature or any place else, if you give them \$1,000.00 a year to operate on, then next year you give them \$10,000.00 a year, they will continue to keep asking for more. It's just one of those things. You're from the country, it's just like feeding a fat hog. When you get him to 200 pounds, he eats more than he needed before and you get him to 250, he eats more than he did before, there's no end to what you can feed to bureaucratic government and that's the reason for this bill, if you stop and reevaluate ourselves."

Webber Borchers: "Ah, Mr. Speaker, if I could make just one a couple of comments, ah, . . . about this bill. I'm more than happy to be a co-sponsor with C. L. McCormick on this bill. I have been watching at the state level in my own



local level the growth of the municipalities and counties and townships of bureaucracy and I think this is one of the greatest things we have. I personally don't believe that the people are demanding all the services that the office would indicate. . ."

C. L. McCormick: "Well, . . ."

Webber Borchers: ". . .about our own experience, we just used to with our own tax paying and our own problems and property. We used to pay our taxes in June. About seven, eight years ago, a matter of ten years ago, Decatur it became necessary for us to pay our taxes in June and September. I'm telling you for the last few years, we've had to pay our taxes due in September and on personal property ah just before they were to be sold for taxes to pay the taxes just as far as we would have had to redeem . . ."

Paul J. Randolph: "Mr. Borchers, we must move on with other questions. Mr. Robert Day, next."

Robert G. Day: "Ah, C.L., I just wonder would you care to comment on a question as to whether or not this bill would have a tendency to decrease governmental services at the local level?"

C. L. McCormick: "I don't believe that it would. I don't believe that it would. I think that it might increase the services, because I think it will serve notice on every local governmental unit like we need to do to every state unit the first of the year, in the time that they perform those services for the people instead of spending all their



time in the coffee shops and over around the corner at the drug store drinking their coffee and smoking their cigarettes. I think it'll improve service, because it'll show the people that we're, where the people that are now paying the bill are interested in what's going on in the county clerk's office and the Sheriff's Office or the Mayor's Office or the City Clerk and Treasurer's Office. I think it'll service as a notice to the people of Illinois are willing to pay, but they're not willing to just continue to be broke all the time in order to have a bureaucracy formed either in the county or any other level of government."

Robert G. Day: "Well, assuming that there is one local government that is not bureaucratic that is efficiently operated, do you think it would tend to ah curtail services on that part of the local government?"

C. L. McCormick: "No, sir, I don't think if he's that efficient, if he's that honest, if he's that intent on doing a good job that he'll do like you do with your money, he will make it work."

Robert G. Day: "One other question. Do you think that this bill will tend to increase revenue sharing between the state and local government?"

C. L. McCormick: "I don't think there's any question that it may do that and I also think that the local governments before this year is over and I think that the Democrats on this side of the aisle know it and I think the Republicans



know it that Mills, Mills revenue sharing program is going to be enacted into law this year and it's going to be another bonanza for local government like the income tax was and I think that that you've got that to consider as to further monies coming, too."

Robert G. Day: "Thank you."

Paul J. Randolph: "For the next question, a fifteen second question, Mr. Roscoe Cunningham."

Roscoe D. Cunningham: "That's impossible. Mr. Chairman, I wanted to ask Mr. Scott a couple of questions, if I might, please."

Paul J. Randolph: "Mr. Scott."

Roscoe D. Cunningham: "Mr. Scott, would you agree that if this bill goes through, it we are all for it, because it is political suicide not to be for it, but would you agree that if it goes through, and the local unit cost of operations continue to rise, that the demand upon this bill for more contributions from the state to the local unit will become irresistible and we'll have to raise taxes on the state level to fulfill that demand either by the sales or income tax increase?"

Morris W. Scott: "No, Representative Cunningham, I would not because there's a limitation on the application of this bill for a two year period. If it were for a longer period or if it were permanent, I would agree with you and say yes to your question."

Roscoe D. Cunningham: "But philosophically would there be



any objection to an immediate rule here before this body that we would not increase state income or sales tax? Otherwise, we might be engaging in public deception as to the tax relief involved. Would your organization support such a ban on an increase by income or sales tax in this state?"

Morris W. Scott: "We certainly would. And in fact I think that it's time to pause and reflect for a year or at least two and have such a ban."

Roscoe D. Cunningham: "And finally, would you agree that the most meaningful of all taxes reform is a reduction in the state and local government. . ."

Paul J. Randolph: "Just a second. Pardon me a second. Mr. Choate."

Morris W. Scott: "My answer would be yes."

Clyde L. Choate: "Mr. Chairman, this is a fairly important issue, I think and I would ask you to rap that gavel occasionally and get a little order in this House."

Paul J. Randolph: "Would you please hold your voices to a minimum. May we have it quiet on the floor of the House. Are you through, Mr. Cunningham? The next question comes from Representative Krause."

James G. Krause: "Ah, I'd like to address my questions to Morris Scott. I'll make this very short, Morris. Morris, I I know that you've worked very hard on this bill and there's a couple of things that bother me about it. Ah, and a couple of my questions have been answered and one of



them was the new construction that would automatically increase the assessment of any improved land or properties which then would result in a tax decrease for the rest of the people, including the improvement in the tax decrease. Now, when when a new home is built and under the next two years if we pass this legislation, a new home would be built and the new home would then be also shared in the lower tax amount, although the assessment would be a normal assessment for that new home."

Morris W. Scott: "Correct."

James G. Krause: "The buyer of that house then has to escrow his one year's tax in advance when he buys this house."

Morris W. Scott: "Ah, when he's buying on a mortgage, he has to escrow a year in advance."

James G. Krause: "Now, the thing that worries me here Morris is that when this two year period ends, the assessment is up, the tax rate has been lowered because more money can come in than the amount that is established. At the end of the two years, the guy that bought that house is not only going to have a bigger tax bill at the end of the two years because the county clerk would then be able to levy the rates, even if they were at the top limit, he would levy the top limit on the tax rate, he's going to have an increased tax bill at the end of that two years, plus he's going to have a lump sum of money to be deposited with the mortgage company to cover the next year's taxes. Now, did you did you think about this when . . ."



Morris W. Scott: "Yes, I thought about it the bill has been explained by the sponsor is a moratorium. You and I would have the same situation, too, with your and my homes if we're paying mortgages, etc. The same thing happens regardless of whether you have this bill or not. Young people paying so much and escrow taxes are called in and told studied until June or July 1, your payments increase 15 or 20 dollars because of increased taxes that we foresee the next year. Yes, I did think of it."

James G. Krause: "Yes, but Morris, that wouldn't apply. That would apply under existing loan. Right now it would apply that the payment on the loan would go up, but under what would happen here on a new house not only would his tax bill go up, not only would his payments go up, but also, he'll have to put in a lump sum of money. At one time, so you're going three ways. And this is going to happen to us when every member of this House runs again. Now, we're going to go home and we're going to say to the people, we've done a great job and helped hold the tax money down and in fact it could result in the tax decrease if we have enough construction and so on in our county, boy, this is going to look great to all of our people. But, two years from now when we run again, Morris, this really concerns me, because our people, especially the ones that are building new houses and moving into the county are going to get that three way hit all at one time. We ought to consider something here and I don't know these answers. I don't



know how to control that situation."

Morris W. Scott: "Well, ah, that is why I call it moratorium while if it did pass, we certainly, if that is a problem and in certain instances it would, a year from today we can come up with something. The legislature is here. The thing I'm not worrying so much about you fine gentlemen and my friends running two years from now as I am about you running this fall. Of course, we're all concerned about that."

James G. Krause: "All right, Morris, I just want to get this one clarified. The assessment are not frozen under this bill are they? All right, now the practice of the ah quadrennial assessment or the quarterly assessment will continue, maybe annually and maybe every four years."

Morris W. Scott: "The assessment will continue in over the past few years there has been a definite increase in the assessment, at least in my particular county, the assessed evaluation of the property slowly increases. Then we come along with a multiplier which I realize won't apply the next two years. But this assessment base will be gradually increasing over the next two years, although the amount of your taxes is going to remain permanent. Now, I can foresee and this I think again we have to do something about it I can foresee the assessor's Office increasing these assessments. Then when this bill would expire, this would terminate, our assessment has risen, maybe in the meantime we've had a decrease in the revenue because of new constru-



ction. All of the sudden, we're going to get hit with an increase in rates and an increase in assessment all at one time. Now, I think we have to do something in the field of stopping the increase of the assessment, otherwise the pressure to increase all units of local government are going to get a big chunk of dough all at one time at the end of this and the taxpayers are going to get hit like hell. Representative Krause, there is no one more knowledgeable than you are in government assessment. I think you've hit on top of them and that's part of the reason for this. Also, to focus attention as you point out on the assessment picture."

James G. Krause: "That's all I have, thank you."

Paul J. Randolph: "All right. Mr. Maragos, questions?"

Samuel C. Maragos: "Ah, Mr. Scott, if I may please. Morry, when I was interrupted in my questioning earlier, that's why I asked the Chairman to ask two more questions. Won't this create in the County of Cook inequities because of the fact that there's been two quadrant years, because in a quadrant year rather than the four year basis and also another county, but I'm ah only familiar with Cook County assessment. Wouldn't this create some inequities and anticipation assessments that would avail and for the fact that they still have to keep the rate and assessment down even though it may backfire on the assessments for the townships which would be involved for spending for '72 and '73, for instance? Would be to effect, this does not say so in



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so many words."

Morris W. Scott: "I really don't think so, I think you will continue to have what improvement and there are performing the study for Cook County now, the assessors did it and I certainly am on an advisory committee and so forth. I think that will continue as it is at the present time."

Samuel C. Maragos: "Ah, the next question is the ah what arises here is one of the taxing bodies that is involved in the extension by the County Clerk does not need this money. Is there anything that prevents the County Clerk from rising up and saying they need more money. Say they need money for education in Chicago needs more money and ah say the Sanitary District another public body needs less money, so this is following the year. Do the County Clerk out of this extension? That's why I ask you earlier to what extend you could give. . ."

Morris W. Scott: "Yes."

Samuel C. Maragos: "Well, say, whether then they could raise the money due to the Board of Education's fund the other, they could not do it?"

Morris W. Scott: "They could not."

Samuel C. Maragos: "No, let's look at the inequities that could arise. Is there anything that could be done by amendments?"

Morris W. Scott: "Yeah."

Samuel C. Maragos: "Any problems here where the greater needs are and the priority. . ."



Morris W. Scott: "I think such things as Representative Scariano mentioned for a school district and the sponsor said he would take part in that and I think an amendments should be worked out in that situation. One of them, and there are two or three more that have been mentioned."

Paul J. Randolph: "Ah, Representative Jones for question."

J. David Jones: "This is to C. L. McCormick. C. L., you know I was your seat mate when I was President of the legislature and from you I learned many things. I also learned that one of them was that you have a keen sense of realizing the public need and finding a way to respond to it. And you would you say that this bill, 4680, is the one single best thing we can do in this session?"

C. L. McCormick: "Well, I think there's no question about it."

J. David Jones: "I as I go about my district, I find the frustration among the taxpayers in some areas are organized and in official groups to do to see that something is done in the appropriate manner. I'm also proud in Sangamon County, though, that our the Sangamon County is one if not the only county in the state that took its income tax money and did not levy a tax for corporate purposes. But I have in my hand a letter that civilizes this whole problem. This is from a lady that is 84 years old, she has worked until she was 79 and no longer able to work. She's asking for some help to raise her Social Security income, because that is all she's got so she can pay her taxes. And she's paid taxes on this property for 62 years and she says now we need



your help because I'm no longer able to make these payments. And I think that this bill is one solution that is being demanded by the taxpayers, not only in this district, but throughout the whole county and I commend you for sponsoring it and I'm happy to be a co-sponsor."

C. L. McCormick: "Thank you."

Paul J. Randolph: "Ah, are you through, Mr. Jones? Mr. Jaffe for a question."

Aaron Jaffe: "C. L., just a short question. Ah one thing that bothers me is one of the extensions, number three, which says that the taxes of units of local government school districts created after the December 31, 1971 and the thing that bothers me is that if we have an unincorporated area suddenly incorporates or suppose you have two school districts presently go together or suppose you had a township that is divided, ah wouldn't they be able to levy as much money as they really wanted to in this act would not include them."

C. L. McCormick: "Ah, no, no, ah they would be able to levy ah Morris, ah, they would be able to levy only statutory tax rate would be, you see. In other words, ah, they wouldn't just have a lid off, they'd have to leave the qualifying rate that the state had for that particular time of the district or if it was a city or village, the scale rate like we had under the old jacket, not the not the statutory rate, that's the word, I think. It would take the lid off them."



Answer: "There would be some protection with regard to that."

C. L. McCormick: "Yes, yes, sir."

Paul J. Randolph: "All right, Representative Glass for a question."

Bradley M. Glass: "Ah, thank you, Mr. Chairman, I'd like to ask Mr. Scott a couple of questions."

Paul J. Randolph: "Mr. Scott."

Bradley M. Glass: "Morris, with reference to the exceptions, the City of Chicago have any specific limit on its tax rates?"

Morris W. Scott: "As of today, without the passage of this bill, the City of Chicago is a home rule unit. Therefore, without this bill, it is up to the corporate body what property taxes they levy for the first time. Now for the since I believe 1951 even before the new constitution, the City Corporate Fund of Chicago did not have a rate limitation. The other funds had rates or amounts."

Bradley M. Glass: "Well, if the court rates does not have a limit, then wouldn't Chicago fall under the second exception whether it was a home rule unit or not?"

Morris W. Scott: "I am of the opinion that under the second exception the City of Chicago General Fund would not come under the provisions of this bill. Just the general fund."

Bradley M. Glass: "Well, that it would be possible for the City to increase that general fund without limitation and of course as we know some of those monies could be



shared with the Chicago schools or whatever the. . ."

Morris W. Scott: "No, they couldn't be shared with the Chicago schools, that would be one government levying to for the benefit of another one and that would be illegal. But in part answer to your question, the council far as the City of Chicago is concerned in the general funds have already according to what I read in the papers this week, put a limitation or moratorium on this general fund."

Bradley M. Glass: "Well, I understand that but of course as we know we can use the income tax for the benefit of the schools and to get to the point I was then getting at, it just seems to me and maybe you'd want to comment on it a little further that we have carved the City of Chicago out as an exception as to this as freeze that would apply to all other units of local government."

Morris W. Scott: "I wouldn't say that all of the city of Chicago, I would say the general fund."

Bradley M. Glass: "Well, I have another question. Of course, home rule units as if you are correct that this limit does affect them, that this bill applies to them, as and their rates would be limited also, they of course have the power to levy other types of practices which school districts and non-home rule units do not have. Is that a fair situation to freeze for two years?"

Morris W. Scott: "Well, as, you're correct in that a home rule unit whether it be a home rule city or county can levy other taxes, other non-property taxes with certain



limitations that is true, but I mean if we are to give the property tax payer a moratorium or some relief, you have to take just property taxes into consideration without going into the non-property taxes."

Bradley M. Glass: "Well, I have one final question. Of course, you know today, throughout Illinois, ah the assessed evaluation per student in school districts varies from something under \$6,000.00 to over \$300,000.00 per student in average daily attendance. Now, ah likewise the amounts the amount of money spent by each school district throughout the state differs ah and of course the ah the tax rates in these various districts differ and in my opinion many there are many districts school districts in the areas of the state where property taxes have been kept low and I go so far to say that there are some islands of ah industrial property where the real estate tax payers get a free ride by comparison to some of their neighboring districts. Ah, and it seems to me those people would be frozen and those would be frozen too. Therefore, wouldn't it make sense to not have this freeze apply where real estate tax rates are all city low rather than treating everyone the same when you know that in some areas real estate tax payers are paying far more than their share by comparison."

Morris W. Scott: "It would merit any argument, but how in God's name do you do it, I don't know."

Paul J. Randolph: "Ah, Representative Harber Hall."

Harber H. Hall: "Ah, I have a question for Mr. Scott."



Paul J. Randolph: "Mr. Scott."

Harber H. Hall: "Ah, Morris, ah, this this bill for two years will freeze the tax levy from all the districts."

Morris W. Scott: "Freeze extension, not the levy."

Harber H. Hall: "The extension. Ah, those those districts and those units who have no freezing or who have a ceiling that they're levying under, ah in view of this legislation, are they likely to ah ah put on unusually high levies in order to bring them higher than they did this year but enough to carry them over?"

Morris W. Scott: "No, ah, in answer to your question, Representative Hall, you see the night, you can't do anything about the levies that are to be extended in 1972. If it doesn't say levies for '72, it says you're limited to the extension in '72. Those levies were filed last fall. All of them in September but counties, which filed in December, so those are fixed, so now in 1973, if X government increases its levy way up here, it won't do any good because it'll be limited to the extension made in '72."

Harber H. Hall: "There aren't any of them that are not yet they had the all levy for '72 processed to. . ."

Morris W. Scott: "That is right. The levies are in the County Clerk's Office, ah although the process of extension is delayed because of ways to multipliers and such things."

Harber H. Hall: "Thank you."

Paul J. Randolph: "Ah, Representative Berman, who do you direct your question to?"



Arthur L. Berman: "Mr. Scott."

Paul J. Randolph: "Mr. Scott, please."

Arthur L. Berman: "If I may as I am a home owner of the City of Chicago, under the projected policies of the assessor of Cook County, what I believe he's trying to end has in fact increased assessments of many ah ah industrial areas, commercial areas, ah and taken a second look at some of the depressed areas. . ."

Paul J. Randolph: "May we have a little quiet, please."

Arthur L. Berman: ". . .some of the depressed areas of the City to try to seek to cut assessments in some of those areas, so that we find that projection wise, businesses industries would get higher assessments. What effect would this bill have on my tax bill as a home owner in the next two years?"

Morris W. Scott: "Based on your on what you say where they have been in higher assessments on certain industrial and other property and even with additions and so forth would mean that your rate would go down."

Arthur L. Berman: "Now, what would be the situation of the Chicago Board of Education with the factual situation that I have given you within their taxing limitations? What would be their revenue projections under the limitations of this bill?"

Morris W. Scott: "It would mean that the Chicago Board of Education would be limited for the extensions in '73 and '74 to that maximum extension the County Clerk made in 1972."



Arthur L. Berman: "And one other question. What about local government bodies that have entered into or very probably going to have to enter into labor contracts situations where increases of wages of working people will be allowed, say within guidelines 5.5% for example. What when will be the net effect? Won't that result in a decrease of services in order to pay for these increases in salaries?"

Morris W. Scott: "Not necessarily, it's just like the Taxpayers Federation says my salary this year and next will stay at what it's been for the last three years. My expenses have gone up. That doesn't mean that I have provided less services for my people or less services to the citizens of this community. It does mean that I cut out some of the non-essential spending that I could get along without and I think that the same would apply to government. This is only a moratorium for two years and you're here every year and if something doesn't work the first year, you can amend it so that it would apply to the times."

Arthur L. Berman: "Morry, have you given any thought and I'd really appreciate any suggestions along this line, that those of us and all of us are concerned with let us say the quality of education. How where do we or could we build in ah some kind of safeguard that some of the mandated programs, such as special education, for example, that are going to require additional funds in our school system. Ah, those worthwhile projects won't go down the drain in view of having some meet the salary demands of the existing per-



sonnel forces. How can we address ourselves to those problems?"

Morris W. Scott: "I think the answers are that those special and I make have taught school for thirteen years in this county and I know the problems of education and elsewhere. I also know that some of the expenditures in education are not justifiable, but to answer your question, I think these things are going to have to become a greater burden on the state, a greater burden other than property tax er revenue."

Arthur L. Berman: "Thank You."

Paul J. Randolph: "Ah, Representative Juckett."

Robert S. Juckett: "Mr. Chairman, I guess Morry could answer the question just as well as anyone else."

Paul J. Randolph: "Mr. Scott."

Robert S. Juckett: "Morry, I think the purposes of the bill are fine. I think the first paragraph of the bill is tremendous, but I'm a little disturbed by the limitations which you have in there, ah. . ."

Paul J. Randolph: "Just a minute please. May we have a little more order, please. Must have it quiet, this is a very important measure we're working on."

Roberts. Juckett: "I can understand limitation number one for the qualifying rate, however on limitation number two, do you have at your command now the list of taxes which are not subject to limitation?"

Morris W. Scott: "To my understanding there is only one that I know of and that's the corporate property tax rate in the



City of Chicago. But there are two more ah the general obligation bond schedule, in other words, the county clerk looks in his file and he says sees that the schedule, I must extend for this district for the general bonds, \$14 million. He must extend that. The other one is the Illinois Municipal Retirement Fund. There's no limitation on the tax, because the state and the local government must spend up to them and property taxes to meet its commitment.

Robert S. Juckett: "Would it be possible for these units of local government and school districts to use the G.O. bonding to pay for normal expenditures?"

Morris W. Scott: "No, ah, of course anything is possible, but they'd be cut up so quickly that they could drown in a foot of water for the simple reason that the diversion of that caption in the past has many cases where people went to jail for doing this."

Robert S. Juckett: "But the City of Chicago's general fund would not be subject to this bill?"

Morris W. Scott: "Yes."

Robert S. Juckett: "Okay, now, item number. . ."

Morris W. Scott: "Now, let me say one thing, general fund for the City of Chicago is only one time. The City of Chicago may levy many other funds which would be subject to this. . ."

Robert S. Juckett: "But this is the general property tax rate which has grown so rapidly in the City of Chicago, is that correct?"



Morris W. Scott: "Well, it has grown rapidly since 1955 and in being fair, some downstate have grown, too."

Robert S. Juckett: "Now, on limitation number three, you say taxes of units of local government and school districts created after December 31, 1971, now is all of this state now represented by units of local government and units of school districts. So then what we're talking about as I read this is let's say in my area of suburban Cook County if the school districts stay as they are, we would be limited."

Morris W. Scott: "Right."

Robert S. Juckett: "But if they became a unit district, then there would be no limitation whatsoever on their spending."

Morris W. Scott: "Now, wait just a minute there. There would be a limitation. For example, if two school districts formed a unit district in your county automatically you would have a base limitation of the education fund of \$1.60 so you'd apply \$1.60 against the valuation and that's the maximum extension. . ."

Robert S. Juckett: "And how would that compare with what their rate limitation is now?"

Morris W. Scott: "It probably would be less, because an even the qualifying rate of .87¢ for the educational fund of a of a elementary added to that of a high school would be oh more a little bit more than \$1.60."

Robert S. Juckett: "And then if they did become a unit dis-



trict, they would then qualify for more state aid and I'm told that it would be approximately \$100 million more from the State of Illinois if these school districts, these machine units, . . ."

Morris W. Scott: "That is right. That is right."

Robert S. Juckett: "So it could. . ."

Morris W. Scott: "It could qualify for more, I don't know how much."

Robert S. Juckett: "Right."

Morris W. Scott: "Now, let me know in answer to your question. You want to also take into consideration, for instance, the creation of a special district either a park district or a fire section district, if that's voted in, the people want it and so forth, then they go to the statute for their base rate times the valuation for their taxes."

Robert S. Juckett: "But they would not have been ah limited by this bill."

Morris W. Scott: "That is right, because the people voted to do it and they shouldn't be limited."

Robert S. Juckett: "And this would be for incorporation of the cities and villages."

Morris W. Scott: "That is correct."

Robert S. Juckett: "Now, all right, when you get to city limitation number four, ah why are you cutting that off on December 31 of 1971?"

Morris W. Scott: "Well, this is. . ."



Robert S. Juckett: "Rather than '72?"

Morris W. Scott: "Well, because of for example, in 1972 which we're in right now, there will be proposals that various districts in existence might want to mix with the people. There are quite a few municipalities that have written to me about ambulance service, what can they do? So, they're submitting the people whether the people would approve the levy of 0.15% for ambulance services, so if they do at the present year, they have should have that extended next year and the following year. I'm also thinking for example, as Springfield School District, unit school district would submit a referendum to the people to increase the educational fund rate from \$1.60 to \$2.00, the people approve it, they should then have that extended. In other words, we limit it to this so if things are happening this year they should be allowed to go on with it in 1973 and 1974."

Robert S. Juckett: "In other words, this is a unit a local unit or school district or city or village were to by referendum increase the rate, then this bill would have no limitation on them."

Morris W. Scott: "That is correct and my our theory in thinking is that the people need to know this when they vote and the fact would be put out to them."

Robert S. Juckett: "Now, suppose the referendum, that were adopted in '72, if this bill had been effective. Now, I'm asking you for conjecture and I know this is going to be



very difficult. Do you think that if the people knew that this was the law and that a referendum was exempt, do you in your opinion think that it would effect any referendum?"

Morris W. Scott: "My interest, no, because the referendum carrying today had to carry first base on the fact that education of the people, and if you cant carry that, you can't carry a referendum, either with or without this bill."

Paul J. Randolph: "Ah, Mr. Henss with questions. No questions. No, Mr. Clabaugh, did you. . ."

Charles W. Clabaugh: "Yes, Mr. Speaker, I would like to to ask Mr. Scott one question."

Paul J. Randolph: "Mr. Scott, for a question."

Charles W. Clabaugh: "You made a statement a moment ago that I question that's a pretty risky business with you, I know in the tax field."

Morris W. Scott: "No, it isn't."

Charles W. Clabaugh: ". . .but did not we pass a bill a matter of one or two years ago that if there is a consolidation of school districts, let's assume four elementary districts and in a one high school district, that the rate of tax of educational relief in that new district could be equal to the sum of the rate in the high school and the highest underlying elementary school?"

Morris W. Scott: "I apologize to you, you're exactly right in that thing. The point that I was trying to get over is that there the new district does have limitations, you go to the statute to see what it is and you're exactly



right in this case."

Charles W. Clabaugh: "Thank you."

Paul J. Randolph: "Ah, Mr. Hunsicker."

Carl T. Hunsicker: "Mr. Speaker, Members of the House, I am a co-sponsor on this bill and I think it's a step in the right direction. And I've listened with interest to the questions that were being asked and I've got one question and it's open to anybody that wants to answer it and that's this. How can local taxes be held at the current rate so long in the General Assembly while local governments spend more money for such things as local official salary increases, voting registration and all kinds of individual elections to different boards and what have you that we mandate for our local government by a vote. I think that when we as a body start mandating legislation for local governments to depend on, the people stop voting tax increases upon themselves, then and only then will real estate taxes stabilize and come down."

Paul J. Randolph: "Ah, Mr. O'Brien."

George M. O'Brien: "Ah, Mr. Chairman, I'd like to ask Mr. Scott a question."

Paul J. Randolph: "Mr. Scott."

George M. O'Brien: "Mr. Scott, as the representative of the Taxpayers Federation here concerning this, I want to ask you a question. Would you agree with the moratorium on not only the real estate tax, but on the sales tax and on the state income tax?"



Morris W. Scott: "I think a few minutes ago I said yes. I think the people are in the mood where they like the General Assembly to give them a chance to pause and refresh."

George M. O'Brien: "And even though we have an increase in the state budget, you concede that if there is any deficiency, you feel that it should be compensated with tightening of expenses rather than the appropriation of funds, additional need of funds."

Morris W. Scott: "Representing the people in my thinking, the answer is you betcha. And in fact if there is needed funds where would you, if it need be where would you request or advise that there be a limit to taxation? Well, this being a difficult question, I'll give you a quick answer and an overall answer to that. First of all, if it's immediately, enforcing the property tax, this bill gives a referendum, that isn't how. I think and this is my personal opinion, as far as the future of the state is concerned, the state will rely and will have to rely more and more upon the income tax, but it has its drawbacks, too, like all taxes, I've said many times, there is only one fair tax and that's the tax on hair oil."

George M. O'Brien: "Well, didn't you say that there need be a tax on the state revenue from one source or another tax, that the increase should come from an increase in the income tax, state income tax."

Morris W. Scott: "My answer would be that it probably is where it is going to have to come from, yes."



Paul J. Randolph: "Ah, Representative Gibbs."

W. Joseph Gibbs: "Mr. Scott, I don't know, maybe you have answered this before, but I have two short questions. One, of course, would be concerning the ambulance service which is a very which is in very dire need around our county here. Did you say that this bill would exempt actions by which would require referendum?"

Morris W. Scott: "That is right."

W. Joseph Gibbs: "And they could increase, sir?"

Morris W. Scott: "That is right."

W. Joseph Gibbs: "The other question I have is is it true that the 102 counties could do exactly the same thing that this bill is attempting to do? The Board of Supervisors of each county?"

Morris W. Scott: "Ah, the Board could only do it as a taxable funds under its jurisdiction. The County Boards could not do a thing without the funds under the various school districts jurisdiction."

W. Joseph Gibbs: "Well, . . ."

Morris W. Scott: "It, or the funds under county or townships or road districts or special districts."

W. Joseph Gibbs: "Couldn't they do it within their own counties, though?"

Morris W. Scott: "In their own county, they could. Belleville, and who Belleville and Representative Krause will verify this is a home rule unit, but Belleville passed an ordinance for this year, and I believe next year, they want to



keep the present tax rate limitations on their property tax fund even though they are a home rule unit."

W. Joseph Gibbs: "Well, don't you believe that since this is such a local problem that it would be better for the Board of each county to do this?"

Morris W. Scott: "Oh, yes. But my answer is they've had over 100 years and haven't done it. In other words, this is only a moratorium for a two year period. And you as a continuous legislator can change it any time you see fit."

W. Joseph Gibbs: "But they do have the authority, but you don't think they will because of the fact that they have not in the past, right?"

Morris W. Scott: "No, because even if it's you and I on those boards the pressures that you're subject to within the right of limitations, you're subject to those pressures."

W. Joseph Gibbs: "Thank you."

Paul J. Randolph: "Mr. Shea."

Gerald W. Shea: "Mr. Scott, you were asked a question with regards to the property tax with particular emphasis on the Chicago and I'm wondering if you're familiar with an article that came out in Fortune Magazine called 'Fortune View Point'? And it talks about the property tax on a \$20,000.00 home in 1972 and it lists 15 major metropolitan areas ah going from Newark with the average tax scheme \$1,452.00 down to Philadelphia with a \$539.00 tax and it goes on down to where Chicago is the thirteenth city of these fifteen areas where the property taxes is \$437.00.



Are you familiar with that?"

Morris W. Scott: "I read that, yes."

Gerald W. Shea: "So that proportionately in many areas, I know we feel taxes are high, but compared to other parts of the country, our taxes are somewhat lower, is that correct?"

Morris W. Scott: "That is true. Representative Shea, I think I believe you were absent from the floor but I pointed out on a home owner with the high tax rates in Cook County, \$9.00, \$10.00, \$11.00. You get terrific headlines about that, but I on my home in the County of Sangamon in the City of Springfield, pay just as high a tax, because sir you have a right by classification to assess homes at a lower level. Let's say it's at a 25% level. I'm my new home at 50% level, so at a rate close to \$5.00, my taxes are just as high as on the home owner in your area."

Gerald W. Shea: "In other words, some are probably just a little higher with the rate in the city is about \$7.00 something."

Morris W. Scott: "Yeah, but I'm talking about is the yes ah huh, . . ."

Gerald W. Shea: "So, if you've got over a \$4.00 rate at 50% and we've got a \$7.00 plus rate and 25%, the total dollars you pay are going to be higher, is that right?"

Morris W. Scott: "That is right and comparable in that and I would be paying close to a \$10.00 rate compared to your \$7.00 rate."



Gerald W. Shea: "Thank you."

Paul J. Randolph: "Mr. Hall."

Harber H. Hall: "Ah.. Mr. Chairman, Ladies and Gentlemen of the Committee of the Whole, having listened to this unique and outstanding piece of Legislation now for over an hour, I now move that the Committee of the Whole do now arise."

Paul J. Randolph: "It's been moved by Representative Hall that the Committee of the Whole do now arise, all those in favor say 'Aye', so ordered."

ADJOURNMENT AT 1:10 O'CLOCK P.M.

6/8/72
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RETURN AT 1:10 O'CLOCK P.M.

Hon. W. Robert Blair: Resolutions. Adjournment Resolution."

Fredric B. Selcke: "House Joint Resolution 140, Hyde. 'RESOLVED BY THE HOUSE OF REPRESENTATIVES, SEVENTY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, the Senate concurring herein, that when the House adjourns on Thursday, June the 8th, 1972, it stand adjourned until Tuesday, June 13, 1972 at 11:00 A.M. and when the Senate adjourns on Thursday, June the 8th, 1972, it stand adjourned until Tuesday, June 13, 1972 at 11:00 A.M.'."

Hon. W. Robert Blair: "The gentleman from ah.. The gentleman from Cook, Mr. Hyde."

H. J. Hyde: "Mr. Speaker, Ladies and Gentlemen of the House, House Joint Resolution 140 is the Adjournment Resolution. And, it provides that when we adjourn today which we're going to do almost instantly, we will return on Tuesday, June 13th at 11:00 A.M., so that is when we will come back. I move ah.. adoption of House Joint Resolution 140, Mr. Speaker."

Hon. W. Robert Blair: "Alright.. All those in favor of the Joint Resolution say 'Aye', the opposed 'no', the 'Ayes' have it and the Adjournment Resolution is adopted. The gentleman from Union, Mr. Choate."

C. L. Choate: "Ah.. Mr. Speaker, I neglected when I was talking to you to find out the number of the Room where the Democratic Conference will be held. Is 212 available?"



Hon. W. Robert Blair: "Yes, it's available."

C. L. Choate: "Then, I would ask, Mr. Speaker, that immediately upon adjournment of the House, which will be in just a few seconds as I understand, that the I would ask the Democratic Members to come to Room M212, Room 212 for the purpose of a very short Democratic Conference. Room 212."

Hon. W. Robert Blair: "Okay. The gentleman from ah.. Cook, Mr. Hyde."

H. J. Hyde: "Mr. Speaker and Ladies and Gentlemen of the House, I now move that this House stand adjourned until the hour of 11:00 A.M. next Tuesday."

Hon. W. Robert Blair: "All those in favor say 'Aye', the opposed 'no', the 'ayes' have it and the House stands adjourned."

ADJOURNMENT AT 1:17 O'CLOCK P.M.

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