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# COOK-WITTER REPORT

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## Winter Legislative Session Sizzles

**T**he 96th Illinois General Assembly, which included 16 lame duck members, crackled with productivity during its November and December veto session and an unprecedented eight-day January session. During typical veto sessions, lawmakers primarily respond to legislation the governor amended or vetoed following the spring legislative session. During recent veto sessions, legislative leaders have also allowed lawmakers to consider a limited number of other issues. This year, however, the scope and number of legislative issues considered during veto session was unlike any other.

While the overriding issue was the state's huge deficit and how to decrease costs and increase revenue, the legislature dealt with a variety of provocative topics. Lawmakers approved civil unions during its regularly scheduled fall veto session and continued to tackle major, controversial legislation during an historic, extended January session that barely adjourned before the new, 97th General Assembly was sworn in on January 12. The result was a relatively short but intense and productive session -- a mini-mega session if you will.

Two factors enabled these unusual sessions: lame duck members and timing. Since lame duck members were not returning to the 97th General Assembly, they were able to cast votes without retribution from the electorate. The particularly productive January session was partly thanks to an easing of vote requirements. Traditionally, most legislation (with an immediate effective date) that is considered after May 31 requires three-fifths, or a super majority, of the lawmakers to approve it in order to pass. However, once the New Year arrives, legislation (unless it is bonding legislation) only requires a simple majority to pass. As a result, issues that may not have passed during the veto session, were able to pass in January.

With the state's deficit approaching \$15 billion, Democratic legislative leaders were determined to push initiatives to increase revenues, decrease costs, and authorize bond borrowing to help pay the state's backlog of bills before the 96th General Assembly

adjourned. Lawmakers rejected one plan to hike the state's retail sales tax on cigarette packs by \$1.01 and direct some of that revenue to education funding. Another "sin tax" initiative would have permitted slot machines at race tracks and authorized new casinos, however the bill wasn't called in the House.

In the waning hours of the 96th Illinois General Assembly, lawmakers barely approved two of the most controversial bills: a state income tax hike and the abolishment of the state's death penalty. While Governor Pat Quinn signed the state income tax increase (House Bill 2505) into law the next day, he withheld action on HB 3539, which abolishes the death penalty, until further review.

Here is a summary of some the legislative actions taken during the fall veto session and January session of the 96th General Assembly:

### Civil Unions

Probably the biggest news from the veto session was the legislature's approval of Senate Bill 1716, the Religious Freedom Protection and Civil Union Act, which legalizes civil unions for opposite and same sex couples. Governor Quinn signed the legislation on January 31 and it takes effect on June 1. The law gives partners in a civil union "the same legal obligations, responsibilities, protections, and benefits afforded or recognized by the law of Illinois to spouses," according to the General Assembly's bill synopsis. Partners united by civil union will now be able to make health decisions for each other, visit one another in the hospital, and inherit their partner's property, among other state rights. Under the new law Illinois will recognize the marriages or civil unions of same-sex couples who were united in other states where those are legal. The law also provides ways to dissolve civil unions.

### Income Tax Hike

The tax hike (SB 2505) passed with only Democrats voting for it and the governor signed the bill the day after he received it. Although the governor only

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backed a one percent income tax hike during his gubernatorial campaign, he said he approved the larger tax increase because of the state's worsening financial condition.

The law, which is retroactive to January 1, 2011, raises the state income tax for individuals, estates and trusts from 3% to 5% until 2015, when it lowers to 3.75%. In 2025, it lowers again to 3.25%. The state income tax for corporations increases from 4.8% to 7% until 2015 when it lowers to 5.25%. In 2025 it lowers back to 4.8%. Some of the new money will go toward education and human services.

In an attempt to control state spending, the law includes a provision that would revert the personal and business state income tax rates to last year's levels if the state's expenditures increase more than two percent annually between fiscal year 2012 and fiscal year 2015.

Before approving the tax bill, the legislature defeated two related measures. Senate Bill 336 would have allowed the state to sell \$8.75 billion in bonds to raise money for unpaid bills and operating expenses. The other, SB 44, would have more than doubled the state income tax on cigarette packs (by a hike of \$1.01) and brought in an estimated \$377 million for education.

### Pensions

In an attempt to control state costs, lawmakers revised pension benefits for police officers and firefighters who are hired after January 1 of this year. Senate Bill 3538 increases their retirement age and changes the ways their pensions and cost of living increases are calculated, among other provisions. Governor Quinn signed the bill and it took effect January 1.

Both chambers also passed SB3514, which is aimed at helping the state make this fiscal year's pension obligations for state employees. The measure would let the state sell \$4 billion in bonds to raise money for those payments. The governor signed the bill and it became law on January 14.

### Gambling

During the veto session the Senate approved a measure to expand gambling in the state, but the House failed to consider it, so the measure died. Senate Bill 737 would have generated approximately \$1 billion by adding: a casino in Chicago; four river boats in Danville, Park City, South suburban Cook

County, and Rockford; increased gaming at river boats, and slot machines at horse racing tracks

### Eliminated Free Bus Rides for All Seniors

In another attempt to cut costs, legislators approved SB 3778 which will end a program begun by former governor Rod Blagojevich that provided free bus rides for senior citizens. Under this measure, only needy seniors will be able to get free rides. The governor signed the measure on February 14 and it became effective immediately.

### Medicaid Reform

The legislature approved numerous reforms of the state's Medicaid program which proponents say will save Illinois \$775 million in five years. Governor Quinn signed HB 5420 on January 25 and it became effective immediately.

The new law increases eligibility requirements for Medicaid programs, increases the ability of administrators to fight fraud, and allegedly saves money by placing about half of the state's Medicaid recipients into managed care health programs by 2015.

### Government Workers' Evaluations

Last summer, Governor Quinn used his amendatory veto power to change HB 5154, a bill that would have prohibited government workers' evaluations from being made public. He said the bill would have reversed his actions to make state government more transparent. Out of concern for public safety and the safety of law enforcement employees, he changed the bill so that only local and state law enforcement employees' evaluations would be closed records. However, the legislature overrode his change and passed the measure in its original form. The new law, which prevents disclosing public employees' performance evaluations, took effect on December 1, 2010.

### Workers' Compensation

Despite the work of special legislative committees designated to hold public hearings and research the possibility of reducing workers' compensation costs for employees, SB 1066 was not approved in January. Lawmakers are expected to continue working on workers' compensation reform this spring.

### Open Primaries

Governor Quinn also used his amendatory veto last summer to try to create open primaries. He inserted a clause into HB 4842 that would have allowed Illinoisans to vote in primary elections without stating

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their political party affiliation. The bill died during veto session because neither chamber acted upon it.

## State Workers Unionization

In recent years, there's been an increasing unionization of state workers with the result that in some units, there are no non-union employees left to supervise others. Senate Bill 3644 would have limited the types of state workers who can join unions by bar-

ring supervisors and executive office employees from them. But the measure passed only one chamber (the House) and therefore died.

## Tenaska

The so-called "Tenaska" project failed. Senate Bill 2485 was defeated in the Senate just hours before the 97th General Assembly was sworn in. That bill would have established a special electrical rate to fund and create an energy center in Taylorville, Illinois.



## In Memoriam

Springfield Mayor Tim Davlin died at his home in December. He has been replaced temporarily by Frank Edwards.



## COOK-WITTER REPORT to be sent electronically!!

Beginning this April, all "Cook-Witter Report" newsletters will be distributed via e-mail. Please send us your e-mail address at [cwreport@cook-witter.com](mailto:cwreport@cook-witter.com) as soon as possible to ensure your continued delivery of the newsletter.

Thank you.

## Transitions

**Richard Ingram**, who formerly headed the New Hampshire Retirement System, was named head of the Illinois Teachers' Retirement System (TRS) in January. Stan Rupnik had been the acting executive director and chief investment officer of TRS; he will remain as the chief investment officer.

Also in January, **Juleann Hornyak** retired as Clerk of the Illinois Supreme Court after 28 years. She was replaced by **Carolyn Taft Grosboll**, who was with the Springfield law firm of Giffin, Winning, Cohen and Bodewes and is the daughter of the late **Justin Taft, Jr.**, who also served as Illinois Supreme Court Clerk.

**Mica Matsoff** replaced **Ashley Cross** as Director of Communications for Governor Quinn in early January. Cross became the Chief of Staff at the Illinois Department of Juvenile Justice. Matsoff had been Quinn's campaign spokeswoman during his gubernatorial campaign last year.

In mid December, then Illinois Treasurer-elect **Dan Rutherford** chose **Kyle Ham** to be his Chief of Staff. Ham, who was president of Peoria NEXT, began serving in that capacity on Jan. 10, when Rutherford and other Illinois officials were inaugurated.

In December, **Governor Patrick Quinn** appointed **Jack Lavin**, former Chief Operating Officer, as his Chief of Staff. **Michelle Sadler**, who previously held that position, returned to her former position as Secretary of the Illinois Department of Human Services.

**Gus Behnke** was named as the Acting Executive Director of the Capital Development Board by the governor in December. He replaced **Jim Riemer**, who retired at the end of 2010. Behnke had been the Board's Chief Fiscal Officer.

In mid December **Norine Hammond** was chosen to replace Republican State Rep. **Rich Myers**, who died that month. She had been his Legislative Aid since 1999 and is from Macomb.



## 97<sup>th</sup> Illinois General Assembly - 2011 Calendar

*ALL session dates and deadlines are subject to change at ANY time!*

### January

12 – Noon – 97<sup>th</sup> GA Inaugural  
 13 – Both 97<sup>th</sup> GA - Organizational Session  
 17 – *Martin Luther King Jr. Day\**  
 19 – Senate Perfunctory  
 21 – House Perfunctory  
 25 – House Perfunctory  
 26 – Senate Perfunctory  
 28 – House Perfunctory  
 31 – House Perfunctory

### February

1 – House Session (Senate Canceled)  
 2 – Both Session  
 3 – Senate Session; House Perfunctory  
 4 – House Perfunctory; **Hse LRB Deadline**  
 7 – House Perfunctory  
 8 – Both Session  
 9 – Both Session  
 10 – Both Session; **Sen Intro Deadline**  
 11 – *Lincoln's Birthday\**  
 15 – Both Session  
 16 – Both Session;  
     Governor's Budget Address - tentative  
 17 – Both Session  
 21 – *President's Day \**  
 22 – House Session; Consolidated Primary  
 23 – House Session; Senate Perfunctory  
 24 – House Session; **Hse Intro Deadline**

### March

1 – Both Session  
 2 – Both Session  
 3 – Both Session  
 8 – Both Session  
 9 – Both Session  
 10 – Both Session  
 14 – Senate Session (in pm)  
 15 – Both Session  
 16 – Both Session  
 17 – Both Session; **Hse Comm Deadline;**  
     **Sen Comm Deadline**  
 23 – Senate Perfunctory  
 29 – Both Session  
 30 – Both Session  
 31 – Both Session

### April

1 – Both Session  
 5 – House Session; Consolidated General Election  
 6 – Both Session  
 7 – Both Session  
 8 – Both Session  
 11 – Both Session  
 12 – Both Session  
 13 – Both Session  
 14 – Both Session  
 15 – Both Session; **Hse 3<sup>rd</sup> Reading Deadline - HBs**  
     **Sen 3<sup>rd</sup> Reading Deadline - SBs**  
 16 thru 25<sup>th</sup> – Spring Break  
 26 – House Session  
 27 – House Session; Senate Perfunctory  
 28 – House Session  
 29 – House Session

### May

3 – Both Session  
 4 – Both Session  
 5 – Both Session  
 6 – Both Session  
 9 – Senate Perfunctory  
 10 – Both Session  
 11 – Both Session  
 12 – Both Session  
 13 – Both Session; **Hse Committee Deadline - SBs**  
     **Sen Committee Deadline - HBs**  
 15 – Both Session  
 16 – Both Session  
 17 – Both Session  
 18 – Both Session  
 19 – Both Session  
 20 – Both Session  
 21 – Both Session  
 22 – Both Session  
 23 – Both Session  
 24 – Both Session  
 25 – Both Session  
 26 – Both Session  
 27 – Both Session; **Hse 3<sup>rd</sup> Reading Deadline - SBs**  
     **Sen 3<sup>rd</sup> Reading Deadline - HBs**  
 28 – Both Session  
 29 – House Session  
 30 – *Both Session; Memorial Day \**  
 31 – Both Session; **Tentative Adjournment ?**

*\* State Holiday All House & Senate deadline dates are for substantive (non-appropriation) bills only.*

**Correction:** *In the December, 2010 Cook-Witter Report, we stated that “nearly 100,000” people were killed by the Chicago Fire of 1871. One hundred thousand became homeless, while at least three hundred were killed. We apologize for the error.*



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