

Legislative Report

BOMA/Suburban Chicago

July 27, 2018

MORE LEGISLATORS LEAVE OFFICE

Over the past two years, over 30 legislators have decided to resign, retire or take other jobs. Four more have been added this summer.

On July 2nd, Gov. Rauner announced that State Representative Patricia R. “Patti” Bellock was named director of the Illinois Department of Healthcare and Family Services (DHFS). Bellock had served in the General Assembly since 1999. Replacing her in the 47th House District seat is Deanne Mazzochi (R – Westmont), who currently serves as the Chairman of the College of DuPage (COD) Board of Trustees.

Representative Bob Pritchard resigned this summer as well. Pritchard will move on to be a trustee at Northern Illinois University. He is being replaced by Jeff Keicher (R – Sycamore) in the 70th House District seat, he runs his own State Farm Insurance agency.

Representative Silvana Tabares resigned her state house seat in June and was appointed on June 15th to be an alderwoman in the 23rd Ward in Chicago. On July 23rd, Celina Villanueva (D – Chicago) was appointed to the 21st House District seat. Villanueva is currently the NADP (New Americans Democracy Project) and Youth Engagement Manager at the Illinois Coalition for Immigrant and Refugee Rights.

State Senator Karen McConaughay announced that she will resign her 33rd District seat on September 3rd. Former St. Charles Mayor Don DeWitte has been selected to fill the 33rd District State Senate seat.

GOVERNOR RAUNER IN POLITICAL TROUBLE

[Rich Miller, Political Commentator](#)

DIFFICULT TO WATCH Not long after the March primary, a rumor began spreading through state political circles like wildfire that Gov. Bruce Rauner would drop out of the race and engineer the appointment of Cubs owner Todd Ricketts as his ballot replacement.

It seemed at the time like I couldn’t go more than an hour without somebody asking me about it. The rumor was obviously bogus, but a whole lot of people thought it was true, perhaps

because the very same Ricketts rumor circulated last fall when the governor's campaign organization didn't immediately begin circulating his nominating petitions.

The rumor probably gained so much currency because Rauner didn't (and still doesn't) seem to have his heart in this race. Firing his loyal staff a year ago after believing he lost the impasse war and replacing them with incompetent amateur ideologues who he had to fire weeks later, and then narrowly winning a Republican primary race against an unknown, underfunded opponent backed by the same people he brought in and then purged last year has taken an obvious toll on the man.

Not to mention that his poll numbers are a four-alarm dumpster fire and the personal wealth that got him elected in the first place and helped him strip seats from his nemesis House Speaker Michael Madigan two years ago looks like a child's piggy-bank when compared to JB Pritzker's fortune. I'd probably be bummed out, too.

I bring all this up because even though Gov. Rauner finally gave the House Republicans \$2 million the other day (belated and under-budget as the contribution was), the governor's campaign pulled all of its TV ads off the air this week, which has sparked all sorts of new speculation.

It doesn't help that this is the second time this month Rauner has gone "dark" on TV. He pulled his ads during the 4th of July holiday as well.

As before, the reasons given are benign. Nobody's really watching TV anyway. It's only July, so there's tons of time left to put a well-crafted message on the airwaves. New ads will be on the air very soon. Etc.

But just two weeks ago, Greg Hinz wrote in Crain's that his interview with Rauner's campaign manager was designed to "send a clear message to the troops: Keep fighting, because the race ain't over yet."

She made some excellent points in that interview, tops among them that Pritzker's opposition research file is so thick it makes War and Peace look like a comic book.

She also, I'm told, did an excellent job of firing up the troops at a fundraiser this week for a couple of Republican state legislators.

The problem isn't the staff. The problem wasn't the staff a year ago, either. The problem is the guy at the top who insists on doing stuff like attending a cash handout with reporters present. Or who one day is embracing the president and causing the media to highlight his newfound love for the White House, and then the next is announcing that he won't appear with the president during the guy's first official visit to Illinois because he was just in Granite City last

week and didn't feel the need to go back. Plus, he absolutely had to sign a bill in Peoria that passed the Senate 51-0.

And his TV ads, before they were pulled off the air, had little rhyme or reason, which is often a sign that the candidate is directing things.

Don't get me wrong. A candidate should most definitely be involved with the message his or her campaign is sending. But for a man who has always been so obsessed with "telling our story," he sure is lousy at it – hence the latest poll which has his job approval rating at a mere 27 percent.

By comparison, George Ryan's job approval rating near the end of his first and only term was 23 percent – and he was under federal investigation. Ryan's disapproval rating at the time was 61 percent, just one point higher than Rauner's in the latest Morning Consult poll. There was never a question that Ryan could run again even if he wanted to because his numbers were so horrible. Yet, here we are.

And, no, I'm not gonna close the circle on this piece by saying the Ricketts trade might not have been such a bad idea after all. I'm a White Sox fan, after all. I have my limits. But if the governor wants to fire up the troops, he should fire up himself.

ILLINOIS REVENUE EXCEED FORECAST IN FY2018

[The Civic Federation](#)

The State of Illinois collected over \$900 million more in revenues than previously forecast in the budget year that just ended, resulting in a lower than expected year-end backlog of unpaid bills.

The State's general operating revenues for fiscal year 2018 were \$37.7 billion, according to a recent report by the General Assembly's Commission on Government Forecasting and Accountability (COGFA). The figure is \$921 million, or 2.5%, above the forecast of \$36.8 billion presented by the Governor's Office of Management and Budget (GOMB) in February.

The State also brought in more income taxes than expected, which has been attributed to federal tax changes. Corporate income taxes (net of amounts diverted to pay tax refunds) of \$2.0 billion exceeded projections by \$133 million, or 7.1%. Net individual income taxes of \$17.7 billion were \$115 million, or 0.7%, above GOMB's forecast.

Mainly because of income tax increases that took effect on July 1, 2017, General Funds revenues increased by \$9.3 billion, or 32.8%, in FY2018 from \$28.4 billion in FY2017. Individual income tax rates were raised to 4.95% from 3.75% and corporate income tax rates were raised to 7.0% from 5.25%.

The table shows General Funds revenues in FY2017 and FY2018. The FY2018 total includes \$802 million of fund reallocations and interfund borrowing. Federal revenues were depressed in FY2017 as the State's cash flow problems led to delayed payment of Medicaid bills.

State of Illinois General Funds Revenues: FY2017 to FY2018 (in \$ millions)				
	FY2017 Actual*	FY2018 Actual	\$ Difference	% Difference
State Sources				
<i>Net Individual Income Taxes</i>	\$ 12,567	\$ 17,725	\$ 5,158	41.0%
<i>Net Corporate Income Taxes</i>	\$ 1,206	\$ 2,017	\$ 811	67.2%
<i>Net Sales Taxes</i>	\$ 7,320	\$ 7,810	\$ 490	6.7%
<i>Public Utility Taxes</i>	\$ 884	\$ 896	\$ 12	1.4%
<i>Other Taxes and Fees</i>	\$ 2,378	\$ 2,505	\$ 127	5.3%
<i>Lottery</i>	\$ 720	\$ 719	\$ (1)	-0.1%
<i>Riverboat Gaming Taxes</i>	\$ 270	\$ 272	\$ 2	0.7%
<i>Other Transfers</i>	\$ 562	\$ 927	\$ 365	64.9%
Total State Source Revenues	\$ 25,907	\$ 32,871	\$ 6,964	26.9%
Federal Revenues**	\$ 2,483	\$ 4,032	\$ 1,549	62.4%
Fund Reallocations/Interfund Borrowing	\$ -	\$ 802	\$ 802	n/a
Total Revenues	\$ 28,390	\$ 37,705	\$ 9,315	32.8%
<small>*For purposes of comparability, FY2017 revenues include amounts transferred to the Fund for the Advancement of Education and Commitment to Human Services Fund and exclude amounts transferred to the Local Government Distributive Fund, Public Transportation Fund and Downstate Public Transportation Fund. **FY 2018 figures exclude \$1.206 billion of federal Medicaid reimbursements resulting from backlog borrowing in November 2017. Source: Illinois General Assembly, Commission on Government Forecasting and Accountability, <i>Monthly Briefing for the Month Ended: June 2018</i>, p. 7; Illinois State FY2019 Budget, p. 113; Civic Federation calculations.</small>				

Absent other changes, the additional revenues in FY2018 would be expected to permit the State to pay down more of its year-end obligations. Although the FY2019 budget included \$1.2 billion in supplemental appropriations for the previous fiscal year, most of the spending had already been accounted for in the projected backlog.

In April 2018 bond documents, GOMB estimated that the backlog would stand at \$7.7 billion at the end of FY2018. The actual backlog as measured by the Illinois Comptroller's Office was \$6.3 billion on June 29, the last business day of the fiscal year. The Comptroller's Office will have a more precise number later this month, when it releases the Debt Transparency Act report for June 2018.

ATTORNEY GENERAL RACE APPEARS TO FAVOR RAOUL

[Rich Miller](#)

How does this race look right now? As I've already told you, a recent Capitol Fax/We Ask America poll had Sen. Kwame Raoul leading Erika Harold by nine points, 44-35 with 21 percent

undecided. My pollster viewed those results as a sort of generic party matchup. But let's take a look at some of the crosstabs today.

Besides her fellow Republican Party members, Harold led in just a few demographics.

For instance, senior citizens 65 and up preferred Harold over Sen. Raoul 42-38, with 21 percent undecided. Downstaters backed her over Raoul 43-33. And suburban collar county voters narrowly supported her 42-40. The poll found that Gov. Bruce Rauner led in those demographics with two points among seniors and three points with Downstaters, but he trailed Democrat JB Pritzker in the collars by 5 points.

The African-American Raoul led the African-American Harold among whites by 1 point, 40-39 (Pritzker led Rauner by two among whites). Raoul led Harold with black voters by 53 points, 69-16 (Pritzker's margin was 50 points).

Eighty-one percent of Republicans supported Harold, while 13 percent were undecided and 6 percent said they backed Raoul. Seventy-nine percent of Democrats backed Raoul, while 16 percent were undecided and 5 percent backed the Republican Harold. So the hidden "slack" in the partisan results would seem to show that Raoul will benefit a bit more.

Among independent and third-party voters, Raoul led by 13 points, 38-25, with 37 percent undecided (Pritzker led Rauner by six with this group).

Raoul led Harold by two among male voters, 42-40 (Pritzker led by six). And he led her by 15 points among women, 46-31 (Pritzker led Rauner by 13).

Chicago resident Raoul led by 57 points in the city, 69-12 (Pritzker led by 40). And Raoul led Harold in suburban Cook County by 15, 45-30 (Pritzker led by nine). Raoul had a 30-point lead among union households, 56-26 (Pritzker led by 33), and held a 3-point, 42-39 lead among non-union households (Pritzker also led by three).

Raoul also led among voters aged 18-34 by 21 points, 50-29 (Pritzker led by 19). Raoul's lead among voters aged 35-49 was 19 points, 48-29 (Pritzker also led by 19). And Raoul led by 5 points with those aged 50-64, 43-38 (Pritzker led by 6).

Also, keep in mind that this poll was taken June 9-11. That's before President Trump's numbers precipitously declined during the immigrant family separation crisis at the southern border. The worse he does, the worse his party's candidates will likely do come November. But then, politics being politics, the president could also do something to help himself before November. The poll of 600 likely voters had a margin of error of +/-3.99 percent.

If Raoul avoids any major controversies, runs a decent campaign and raises enough money to compete, it sure looks like this race is his to lose. But, as always, this is politics. Stuff can change in a hurry.

LEGISLATIVE WATCH LIST

HB4569 ABOVEGROUND FUEL STORAGE (PARKHURST L) Amends the Gasoline Storage Act. Provides that each facility used for: (i) agricultural purposes at an agriculture site; (ii) refueling construction equipment at a construction site; or (iii) parking, operating, or maintaining a commercial vehicle fleet may store up to 12,000 gallons of any single type of fuel for dispensing in aboveground storage tanks that are constructed of steel, made vapor tight, and outside of buildings. Effective immediately.

House Committee Amendment No. 1 - Replaces everything after the enacting clause. Amends the Gasoline Storage Act. Provides that a facility used for: (i) agricultural purposes at an agricultural site; (ii) refueling construction equipment at a construction site; (iii) parking, operating, or maintaining a commercial vehicle fleet; or (iv) fueling at railway yards, may store an aggregate total of 12,000 gallons of fuel for dispensing in aboveground storage tanks, as long as the facility complies with all other requirements of the rules of the Office of the State Fire Marshal. Effective immediately.

Senate Floor Amendment No. 1 - Removes language concerning a facility used for fueling at railway yards from the bill.

Current Status: 6/29/2018 - Sent to the Governor

Recent Status: 5/31/2018 - Passed Both Houses
5/31/2018 - House Concurs

SB3215 PROP TX-SALE IN ERROR (BARICKMAN J) Amends the Property Tax Code. In provisions concerning sales in error, provides that, in cases where improvements upon the property sold have been substantially destroyed or rendered uninhabitable or otherwise unfit for occupancy, the court may order the holder of the certificate of purchase to assign the certificate to the county collector, upon request of the county collector. Provides that the county collector may further assign the certificate to the county, acting as trustee for taxing districts, or to a taxing district having an interest in the taxes sold. Provides that, if the certificate of purchase is assigned to the county delinquent tax agent because the improvements have been substantially destroyed or rendered uninhabitable or otherwise unfit for occupancy, then the county delinquent tax agent shall extend the redemption period by 36 months.

Senate Floor Amendment No. 1 - Makes changes to the introduced bill to provide that, if a certificate has been assigned to the county collector by court order, then the period of redemption shall be extended for a period of time designated by the holder of the certificate, which may not exceed 36 months from the date of the assignment to the collector (in the introduced bill, extended for 36 months).

Current Status: 6/26/2018 - Sent to the Governor

Recent Status: 5/28/2018 - Passed Both Houses
5/28/2018 - Third Reading - Short Debate - Passed 113-000-001

SB3394 PROF LICENSING-VARIOUS-MIN AGE (ALTHOFF P) Amends the Community Association Manager Licensing and Disciplinary Act, the Home Inspector License Act, and

the Real Estate License Act of 2000. Reduces the minimum age requirement for licensure as a community association manager, supervising community association manager, home inspector, broker, or managing broker to 18 years of age (rather than 21 years of age). Makes a conforming change. Effective immediately.

Senate Committee Amendment No. 1 - Replaces everything after the enacting clause. Reinserts the provisions of the introduced bill with the following changes: Removes the changes made to the Real Estate License Act of 2000 regarding the minimum age requirement for licensure as a broker or managing broker. Effective immediately.

Current Status: 6/22/2018 - Sent to the Governor

Recent Status: 5/25/2018 - Passed Both Houses

5/25/2018 - Third Reading - Short Debate - Passed 108-001-000

Notes: Make sure if this passes that we inform our members as all third-party managers have this license

SB3561 **BLDG COMMISSION-DESIGN-BUILD** (MUNOZ A) Amends the Public Building Commission Act. Changes various repeal dates from June 1, 2018 to June 1, 2023 in provisions concerning allowing public building commissions to use the design-build delivery method for public projects. Makes conforming changes.

Current Status: 6/27/2018 - Sent to the Governor

Recent Status: 5/29/2018 - Added Alternate Chief Co-Sponsor Rep. Carol Sente

5/29/2018 - Passed Both Houses