



## MEMORANDUM

**To:** CMAP Board and Regional Coordinating Committee

**From:** CMAP Staff

**Date:** June 5, 2013

**Re:** State Legislative Update

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### GENERAL ASSEMBLY RECAP

The spring session of the 98<sup>th</sup> Illinois General Assembly adjourned on May 31, 2013. Once again, the legislature failed to pass pension reform, and on Monday, Fitch Ratings [downgraded](#) Illinois' general obligation (GO) bond rating to an 'A-' with a Negative Rating Outlook. Legislators reached agreement on several items including a \$35.4 billion General Funds budget, the passage of one of the nation's most stringent hydraulic fracking laws, concealed-carry legislation that enables the state to comply with a federal court ruling, approval for the expansion of McCormick Place and construction of a basketball arena for DePaul University, and the go-ahead for the Illinois Tollway to complete the Elgin-O'Hare Western Access facility. Included in this memorandum is a review of the state budget, a synopsis of passed legislation that CMAP tracked, and a list of bills CMAP monitored that failed to advance through the legislative process.

### THE BUDGET

The State's overall fiscal insecurity and pension crisis created intense pressure around State budget negotiations. In January, [Moody's issued](#) a major credit downgrade for Illinois. Shortly thereafter the State postponed a \$500 million municipal-bond sale, which had been slated for school construction and transportation projects under the Illinois Jobs Now! capital program. By the end of April, the State's unpaid bills totaled close to [\\$5.5 billion](#), according to the State Comptroller's office.

In February, Governor Quinn proposed a \$35.6 billion FY 2014 General Funds budget, which proposed an additional five percent cut to state agencies, closing several prisons, and closing corporate tax loopholes. It also assumed projected revenue increases, primarily from the state income tax. The final General Funds budget of \$35.4 billion passed the General Assembly in a series of appropriations bills for agency operations, capital projects, supplemental appropriations, and re-appropriations (unspent funds from the previous years.) The following are appropriation bills that passed: House Bills [206](#), [207](#), [208](#), [213](#), [214](#), and [215](#); and Senate Bills [1329](#), [2555](#), and [2556](#)). The budget is still pending approval from the Governor. CMAP will

continue to monitor and analyze the budget's development over the summer and will present more in-depth analysis to the Board in August.

CMAP also monitored two state agency budgets: the Illinois Department of Transportation (IDOT) and the Department of Natural Resources (IDNR). The IDOT budget, which primarily includes revenue sources outside the General Fund, totals approximately \$5.2 billion ([HB215](#)). The appropriation includes \$6 million from the Road Fund for "metropolitan planning and research purposes," which is granted to the metropolitan planning organizations (MPO). Last year, CMAP received \$3.5 million from this line item.

The IDNR budget totals approximately \$266.4 million ([HB214](#)). The appropriation includes the \$33 million that was achieved in the sustainability package passed last year ([SB1566](#)), which increased a number of fees to help pay for operations and maintenance for Illinois State Parks and other IDNR operations.

Just days before adjournment, two bills were filed to address a new approach for transportation funding. The bills surfaced from a proposal being pursued by the Transportation for Illinois Coalition (TFIC). The proposal recommends swapping the existing motor fuel tax with a 9.5 percent wholesale tax on gasoline, as well as increases in vehicle registration fees. The bills are [HB3637](#) and [SB2589](#). CMAP is currently analyzing these proposals on their potential impacts for metropolitan Chicago as well as their alignment with our approved [principles for a new state capital program](#).

#### *Summary of Legislation that Passed*

CMAP staff tracked and reviewed a number of bills related to CMAP's 2013 [Legislative Principles](#) & [Agenda](#), as well as other issues impacting regional organizations, local governments, and other partners.

CMAP actively supported seven bills. Three of those bills, [HB1522](#) (County Stormwater Management), [SB494](#) (Counties Reduction-Efficiency) and [SB1341](#) (Parks and Open Space Grants), passed out of both chambers and will be sent to the Governor for consideration. [HJR9](#) (Toll Highway Expansion) was adopted by both chambers but requires no action by the Governor. The other three bills supported by CMAP were re-referred. These are the companion bills [HB2255](#) and [SB1244](#) (Lake County Affordable Housing) and [HB1549](#) (IDOT Performance Measures).

CMAP opposed two bills. [HB2433](#) (Increase Motor Fuel – No Use/ Occupation Tax) was re-referred to Rules and [HB2460](#) (Road Fund – Apportionment by District) never emerged from Rules.

Below is a list of bills CMAP monitored that passed both houses of the General Assembly. These will now be sent to the Governor for his consideration.

#### **PURSUE COORDINATED INVESTMENTS**

**Local Government Dissolution** [SB494](#) Thomas Cullerton (D-Villa Park) – CMAP SUPPORT - Establishes the process for DuPage County to propose the dissolution of a local government by

ordinance. The bill only applies to local governments that are entirely within DuPage County and the DuPage County Board Chair appoints a majority of its governing board. The bill excludes fire protection districts with more than three employees.

**Township Dissolution** [SB1585](#) Daniel Biss (D-Skokie) – Provides a process by which a coterminous township and municipality within a county under township organization could dissolve. Under the bill, upon petition of at least ten percent of registered voters in the township, a proposition to discontinue and abolish the township and transfer its responsibilities to the municipality would be put to a vote. If the proposition passes township wide, then the township would be abolished. All responsibilities and taxing authority of the township would be transferred to the municipality. In [this case](#), Evanston Township and the City of Evanston are coterminous and the city council acts as the township; services will be provided solely by the municipality.

#### INVEST STRATEGICALLY IN TRANSPORTATION

**Elgin-O'Hare Authorization** [HJR9](#) Robert Rita (D-Blue Island) – CMAP SUPPORT - Authorizes the Tollway to build the Elgin- O'Hare Western Access project. The Toll Highway Act requires a joint resolution of the General Assembly before the Tollway can issue bonds for or begin constructing a new Tollway. The resolution also calls on the Tollway to minimize environmental impacts, accommodate alternative modes of transportation, support the involvement of diverse groups in the project and promote broader economic development in the corridor.

#### ACHIEVE GREATER LIVABILITY THROUGH LAND USE & HOUSING

**Urban Development Authority** [HB1295](#) Al Riley (D-Hazel Crest) – Expands the scope of activities for the Illinois Urban Development Authority to develop, operate, finance and maintain transportation facilities. The authority has the ability to issue revenue bonds for the implementation of redevelopment projects in Chicago-area communities. The Urban Development Authority was created in 2010, however, the board has yet to be established.

#### INCREASE COMMITMENT TO TRANSIT

**RTA Board Benefits** [HB140](#) Jack D. Franks (D-Woodstock) – Eliminates compensation and pension benefits for future RTA and service board members.

**Issues of Bonds** [HB1389](#) Arthur Turner (D-Chicago) – Allows the RTA to sell additional Working Cash Notes before July 1, 2016 (now 2014) that are over and above and in addition to the \$100,000,000 authorization. Working Cash Notes are essentially short-term (i.e. less than 24-month) loans to cover operating expenses.

#### EXPAND AND IMPROVE PARKS AND OPEN SPACE

**Parks and Open Space Grants** [SB1341](#) Kimberley Lightford (D-Chicago) – CMAP SUPPORT - Reduces the match requirement from 50 percent to ten percent for communities defined as "distressed" (defined in rules to be promulgated by the Department of Natural Resources) for the acquisition of open space lands and for capital development and improvement proposals approved for the State's Open Space Land Acquisition and Development (OSLAD) program.

**Parks and Open Space Grants** [SB1637](#) Dan Kotowski (D-Park Ridge) – Provides that at least 50 percent of any grant made to a unit of local government under the Open Space Lands Acquisition and Development (OSLAD) Act must be paid to the unit of local government at the time the Department awards the grant and that the remainder shall be distributed quarterly on a reimbursement basis.

#### **MANAGE AND CONSERVE WATER AND ENERGY**

**Water and Sewer Utilities** [HB1379](#) Brandon W. Phelps (D-Harrisburg) – Provides an alternative procedure that a large public utility may choose in establishing the ratemaking structure for a water or sewer utility. Current statute restricts the method of utility valuation, upon which a transaction price is determined, to original cost minus depreciation.

**Stormwater Management** [HB1522](#) Mike Fortner (R-West Chicago) – CMAP SUPPORT- Authorizes DuPage and Peoria Counties to consider the adoption of a stormwater utility in place of a property tax to fund flood control projects, construction of facilities and mandated water quality programs. The bill requires a two-year education process and County Board approval.

#### **PROMOTE LOCAL FOOD SYSTEMS**

**Urban Composting** [HB2335](#) Robyn Gabel (D-Evanston) – Allows urban and suburban farms to have a similar but limited exemption for composting on farms. The bill also gives suburban local governments the ability to pass stricter ordinances. It clarifies the amount (ten percent) that farms can bring in additives (food scrap, manure, and other non-landscape waste) for composting.

#### **BILLS THAT DID NOT PASS**

[HB67](#) Property Tax-Green Energy SSA  
[HB98](#) Pension CD-Reform State System  
[HB985](#) Road Fund- No Transfers  
[HB1037](#) County Farmland Preservation  
[HB1295](#) Illinois Urban Development Authority Act  
[HB1487](#) DOT Roads-Life Cycle Cost  
[HB1491](#) Township CD-Dissolution into Municipality  
[HB1549](#) Infrastructure Projects  
[HB2255](#) Counties CD-Affordable Housing  
[HB2433](#) Fuel-Increase MFT- No Use/OCC  
[HB2453](#) RTA Fare Increases  
[HB2460](#) Road Fund- Apportionment by District  
[HB2479](#) Forest Preserve District Board  
[HB2481](#) Local Government-Reduction Efficiency  
[HB2615](#) Hydraulic Fracturing Reg Act  
[HB2735](#) MWRD Charges for Service  
[HB2940](#) South Suburban Brownfields  
[HB3004](#) Property Tax-Green Energy SSA  
[HB3132](#) Design Build-Transportation

[HB3158](#) RTA Muni-Sequestration Taxes  
[HB3199](#) Public Hearing  
[HB3251](#) Local Government Unit Dissolution  
[SB29](#) Road Fund No Transfers  
[SB1244](#) Affordable Housing  
[SB1432](#) Tax Exempt-Local Property Rehab  
[SB1594](#) Transportation-RTA-CMAP-Merger  
[SB1647](#) Transportation-Design Build  
[SB2140](#) Motor Fuel Tax Fund Use  
[SB2387](#) RTA Chairman-Veto Power

ACTION REQUESTED: Informational