

COMMITTEE REPORT

COMMITTEE: Legislative Committee
CHAIRPERSON: Don Zillig
DATE/TIME: August 17, 2016 @ 11:00 am
PRESENT:

Don Zillig Merri Berlage Brad Petersburg Steve McIntyre
 Terry Stoffregen Ron Smith Randy Jobgen

A quorum was established.

Other Board Members: None

Others: Senator Tim Bivins, Dan Burke, Gary Diedrick, Jean Dimke, Hal Gilpin, Melisa Hammer, Steve Keeffer, Craig Ketelson, Lisa McCarthy, Mark Moran, Dan Reimer, Representative Brian Stewart, Scott Toot, Sheriff Kevin Turner and Katherine Walker

1. Minutes Approval

- a) Brad Petersburg made a motion to approve the minutes from the May 18, 2016 Legislative Committee meeting. Seconded by Merri Berlage. Motion carried.

2. Citizens' Comments: None.

3. Opening Statements from Senator Bivins & Representative Stewart:

- a) State of Illinois Budget Concerns - Chairman Zillig welcomed Senator Bivins and Representative Stewart and gave them the opportunity to make opening statements. Senator Bivins told the committee that when he first took office in 2007 he felt the biggest problem for the State was the Budget. He said that this is still the biggest problem but said the problem has only gotten worse. Senator Bivins said the State is spending more money than it is taking in. The State owes about \$7 Billion in backlog bills. He advised that they (the Legislators) did pass a stop gap budget that will take the state to the end of the year and did approve funding for education and human resources. The solution per Senator Bivins is cutting spending, possibly raise taxes, possible fee increases and get rid of programs that don't work. Chairman Zillig asked if there was a light at the end of the tunnel. Senator Bivins advised that for a change you need to have some parity in how the State is represented. He advised we are pending \$ 30 million plus per day more than we have coming in and you can't continue doing so. Representative Stewart advised that Senator Bivins pretty much covered the situation in Springfield.
- b) MFT Funding - Merri Berlage asked concerning the Motor Fuel Tax (MFT) funding. Steve Keefer discussed the concerns with the delays in funding. Senator Bivins advised that Motor Fuel Tax (MFT) funding was included in the temporary budget and will be funded until the end of the calendar year. Representative Stewart said he didn't think that the MFT will increase and a question on the November ballot might help keep road funds being used for road funds and the funds would not be swept away to pay for things they weren't intended to. Chairman Zillig called for more oversight on spending of the MFT funds. He said the ICC (Illinois Commerce Commission) spent \$795,000 for new railroad crossing gates on two sets of tracks where there hadn't been any safety issues and thought the tax dollars could have been spent for more necessary county projects. He said he had sent two letters to Governor Rauner, copied both Bivins and Stewart, and had not received any replies.

- c) 911 Funding – Sheriff Kevin Turner addressed the funding issue and asked if there were plans to change how reimbursement is decided and that the Illinois State Police controls the disbursement. Steve McIntyre, Ron Smith and Kevin Turner discussed how funds are distributed based on the billing address on phone bills and the decrease of land lines. Stewart agreed that it is an issue that needs addressing. Dan Reimer said we went from over \$300,000 in funds to about \$100,000 as land lines decreased and cell phone usage increased. Reimer displayed a chart showing the changes in revenues due to various phone use changes. This issue was addressed in great details and future legislation to address this situation is necessary. Melisa Hammer, Jo Daviess County Treasurer discussed the issue as addressed by her office.
- d) Prevailing Wage - Prevailing wage guarantees wages to workers on projects paid for by federal or state funding. Many small counties including Jo Daviess would like to see a change whereas any projects costing less than \$20,000 would not be restricted by the “prevailing wage” factor. Stewart said that he submitted the same bill three years in a row and Speaker Madigan, leaves in to die in the rules committee. Chairman Zillig reported that various projects in the County can’t be completed because of prevailing wage. He also stated that more and more states continue to drop the prevailing wage issue. Steve McIntyre advised concerning a project that he was involved in that he would not have pursued if he had to use prevailing wages.
- e) Enterprise Zones – Merri Berlage said that Prairie Ridge applied for and received enterprise zone but because of prevailing wage chose not to use it.
- f) Consolidation Report – The committee discussed consolidating government bodies and townships. Brian Stewart said that consolidating townships in the suburbs is far different than doing the same in rural counties like Jo Daviess. He said that The Governor wants to put the consolidation in the hands of local government bodies and taxpayers should decide matters of consolidation. Dan Reimer explained that the county proposed consolidation but the majority were opposed to the consolidation and the project was dropped.
- g) HB696 – Brian Stewart voted against House Bill 696 because he knew it wasn’t going anywhere. He felt the reason the vote came up was that it would make the legislators vote one way or another and their vote could be used against them down the road.
- h) “But For” Clause Legislation - Lisa McCarthy, from the Tri-County Economic Development Association (TCEDA), discussed trying to change legislation to make Illinois more competitive to attract businesses and workers to the state. She advised that she had been working with Representative Stewart for two years in getting laws changed. Representative Stewart addressed the situation and the current laws regarding the “Edge Tax Credit Bill”, the “But For” Cause issue. He advised that the issue that employees must live in Illinois to receive benefits isn’t practical due to the work force available in bordering states (example East Dubuque/Dubuque). Representative Stewart said he will be introducing a bill next spring to address the situation and will be looking for support from the public. Representative Stewart advised that Speaker Madigan is very much the deciding person. The County Administrator, Dan Reimer, said the county is anticipating \$100,000 in lost intergovernmental revenue. He advised that a crucial source of income for the county

is new construction and without incentives it's difficult to attract construction projects. Chairman Zillig advised of the many jobs lost in East Dubuque with businesses moving to Dubuque due to incentives. Steve McIntyre asked Lisa McCarthy concerning the newly opened Thompson prison work force and McCarthy advised that due to housing, etc., the majority of the workers live in Clinton, Iowa. Part of the problem for building in Thompson is running water & sewage to possible building sites as the funding is there to do so. McIntyre also advised that real estate taxes in Illinois are higher than Iowa & Wisconsin.

- i) State Mandates - Chairman Zillig expressed his concerns when the state issues mandates but does not offer any funds to pay for the mandates. A few examples were given including examples made by Sheriff Turner. Sheriff Kevin Turner asked for support from Senator Bivins and Representative Stewart to increase the number of state troopers in service. He said he has noticed fewer numbers of troopers and said it causes investigations to be more difficult.
- j) DNR CWD Program - Merri Berlage advised that the Illinois Department of Natural Resources (DNR) spent \$1 million dollars to count deer but nothing is done about the problem (chronic wasting disease, etc.). Brian Stewart advised that he gets calls pro and con on the issue.
- k) Other items for discussion –
 - i. New Taxes - Brian Stewart said that there will be a lot of discussion about new taxes after the November election.. Rather than work to create more jobs and have more people paying into our state taxes, there will be talk about more taxing. Steve McIntyre asked about the possibility of taxing retirement income. Senator Bivins said there is talk about a tax but Illinois is already ranked as among the worst state to retire in so such a tax would probably not be a good idea.
 - ii. Property tax reduction for Veterans with a disability. There is question as to if this exemption has to be service related. Further inquiries will have to be made as to the bill and its' wording as there was some various views as to the content of the bills.
 - iii. Term Units - Don Zillig asked required concerning Term Limits and was advised that Speaker Madigan blocks any action on the issue.
 - iv. General Discussion - Steve McIntyre discussed volunteering issues. Brad Petersburg thanked both Brian Stewart and Tim Bivins for their support on conservation issues. (trails, etc.) Ron Smith discussed ongoing freight studies that are and have been made.

Chairman Zillig thanked Tim Bivins and Brian Stewart for taking the time out of their busy schedules to attend the meeting.

The next meeting of the Legislative Committee is scheduled for Wednesday, September 21, 2016, at 11:00 a.m.

Meeting adjourned at 12:35 p.m. following a motion made by Steve McIntyre seconded by Terry Stoffregen and motion carried.