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1 HOUSE JOINT RESOLUTION

2 WHEREAS, The COVID-19 pandemic has created a crisis more
3 sudden and far more dramatic than any previously in history;
4 and

5 WHEREAS, In a period of just a year, the COVID-19 pandemic
6 has infected more than 25 million people and caused the death
7 of more than 450,000 people in the United States; and

8 WHEREAS, The COVID-19 pandemic has forced state and local
9 governments to shut down businesses for weeks, even months, to
10 protect everyone's health, with tens of millions of people
11 losing their jobs within a period of weeks and millions more
12 underemployed; and

13 WHEREAS, The COVID-19 pandemic continues to constitute an
14 emergency that places essential workers at high risk for
15 contracting the virus; public sector employees, such as first
16 responders, public health staff, sanitation workers, and
17 safety net enrollment staff, are among the many public
18 employees saving lives, keeping communities safe, and ensuring
19 that families have access to healthcare and food and roofs
20 over their heads; and

21 WHEREAS, State and local governments are facing staggering

1 budget shortfalls as economic contraction has reduced nearly
2 all forms of government revenues, with the prospect of severe
3 cuts to public services, painful layoffs, and austerity
4 measures on the horizon that will disproportionately impact
5 Black, Brown, and Indigenous workers and communities; and

6 WHEREAS, State and local governments are unable to predict
7 the true scale of declining revenues as costs rise sharply
8 from business closings and rampant unemployment; and

9 WHEREAS, The public health and economic crises caused by
10 the pandemic demand a robust safety net and the expansion of
11 public services; and

12 WHEREAS, The imposition of austerity measures and service
13 cuts will not only greatly increase the suffering of
14 communities and families but it will also prolong our recovery
15 and roll back advances we have made in creating more equitable
16 communities for residents; and

17 WHEREAS, The recovery from the COVID-19 pandemic will be
18 uneven and disastrous without reprioritization of our local
19 budget; and

20 WHEREAS, State and local governments across the country
21 pay an estimated \$160 billion annually in interest payments on

1 public debt, hindering governments' ability to provide
2 critical services and meet community needs; and

3 WHEREAS, Illinois spent \$1.7 billion on interest payments
4 on debt during the last fiscal year; and

5 WHEREAS, These high-interest payments that are intended to
6 compensate creditors for the risk that borrowers will default
7 on their debts have become a major drain on public budgets; and

8 WHEREAS, The risk of state and local governments and
9 government agencies defaulting on their debts is virtually
10 nonexistent because debt payments take priority over almost
11 all other government expenses, and history shows that
12 municipal borrower default rates are less than 0.2 percent;
13 and

14 WHEREAS, Despite these extremely rare defaults, credit
15 rating agencies give municipal borrowers lower credit ratings
16 than corporations with riskier credit profiles, thereby
17 forcing them to pay unreasonably high interest rates; and

18 WHEREAS, Credit rating agencies give municipal borrowers
19 with larger concentrations of people of color lower credit
20 ratings; and

1 WHEREAS, The Wall Street banks that underwrite the
2 municipal bonds have rigged the rules to maximize profits; and

3 WHEREAS, Wall Street banks have a long history of
4 targeting municipal borrowers with fraudulent practices and
5 predatory forms of debt, of repeatedly breaking federal and
6 state antitrust and securities laws, and of defrauding
7 municipal borrowers with misleading information to pad their
8 own bottom line; and

9 WHEREAS, Many of the bondholders profiting off the
10 interest from municipal bonds are the same wealthy investors
11 who do not pay their fair share in taxes; therefore, be it

12 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
13 HUNDRED SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE
14 SENATE CONCURRING HEREIN, that the Governor's Office of
15 Management and Budget is urged to enter into conversations
16 with the financial institutions that serve as bond
17 underwriters for the State and demand that they offer the
18 State long-term loans with terms of up to 30 years to meet all
19 of its borrowing needs without charging any interest or fees;
20 and be it further

21 RESOLVED, That we urge the Federal Reserve Bank of the
22 United States to offer long-term loans with terms of up to 30

1 years to meet all of the borrowing needs of all state and local
2 governments and government units in the United States without
3 charging them any interest or fees.