

79th GENERAL ASSEMBLY

REGULAR SESSION

MAY 13, 1976

1. PRESIDENT:

2. The hour of ten having arrived, the Senate will come
3. to order. Will our guests in the gallery please rise, for
4. the prayer by Father Hugh P. Cassidy, Blessed Sacrament
5. Church, Springfield, Illinois. Excuse me Father, it is not ten,
6. it is eleven, and it has arrived.

7. FATHER CASSIDY:

8. (Prayer by Father Cassidy)

9. PRESIDENT:

10. Reading of the Journal. Senator Chew.

11. SENATOR CHEW:

12. Mr. President, I move that reading and approval
13. of the Journal of Thursday, May 6th, 1976, Friday, May 7, 1976,
14. Tuesday, May 11th, 1976, and Wednesday, May 12th, 1966 be
15. postponed pending arrival of the printed Journal.

16. PRESIDENT:

17. That's '76, right Senator?

18. SENATOR CHEW:

19. '76..

20. PRESIDENT:

21. Yeah. You heard the motion. All in favor say Aye.
22. Opposed Nay. The Ayes have it. The motion carries. Committee
23. reports.

24. SECRETARY:

25. Senator Hynes, Chairman of Appropriation Committee reports
26. out the following bills: Senate Bills 1514, 1620, 1621, 1796,
27. and 1934, with the recommendation Do Pass as amended. House
28. Bill 3315, with the Recommendation Do Pass.

29. Senator Lane, Vice-Chairman of Insurance and License
30. Activities, reports out the following bills: Senate Bills 1567,
31. 1799, 1801, 1802, 1803, 1804, and 1806, with the recommendation
32. Do Pass. Senate Bills 1800...with...Senate Bill 1800, with
33. the recommendation Do Pass as amended. Senate Bills 1805 and 1807

1. with the recommendation Do Not Pass.

2. Senator Dougherty, Chairman of Local Government, reports
3. out the following Senate Bills: Senate Bill 1699, 1789, 1891,
4. with the recommendation Do Pass as amended.

5. Senator Carroll, Vice-Chairman of the Revenue Committee,
6. reports out Senate Bill 1725, with the recommendation Do Pass
7. and 1737 and 1918, with the recommendation Do Pass as amended.

8. PRESIDENT:

9. Senate Bills on 2nd reading. Senate Bill 1601, Senator
10. Netsch. Senate Bill 1603, Senator Bruce. Senate Bill 1604,
11. Senator Knuppel. Senate Bill 1607, Senator Rock. Senate Bill
12. 1608, Senator Knuppel. Senate Bill 1610, Senator Lane.
13. Senate Bill 1622, Senator Morris. Do you think 11:00 o'clock
14. is too early to start? Senate Bill 1741, Senator Merritt.
15. Pardon me. For what purpose does Senator Kenneth Hall arise?

16. SENATOR HALL:

17. I just want to say that a number of us have been in
18. committee meetings and it's just ending, the Education Committee
19. so there will be a number of Senators...return to the Floor
20. right away.

21. PRESIDENT:

22. Were you at the same meeting where they were?

23. SENATOR HALL:

24. I...I...

25. PRESIDENT:

26. It is ended?

27. SENATOR HALL:

28. It has ended.

29. PRESIDENT:

30. You are here.

31. SENATOR HALL:

32. I am here.

33. PRESIDENT:

34. Thank you.

1. SENATOR HALL:
2. They're on their way. I walk faster.
3. PRESIDENT:
4. Thank you. 1741, Senator Merritt. No? 1782, Senator...
5. Senator Don Moore. Yes, and 3 also? 1792, Senator Course.
6. 1795, Senator Kosinski. 8...Senate Bill 1861, Senator
7. Vadalabene. Read the bill.
8. SECRETARY:
9. 18...Senate Bill 18...
10. PRESIDENT:
11. Oh yes. Let the record show that this bill has already
12. been read a second time. Right. Any amendments? Are there
13. amendments, Mr. Secretary?
14. SECRETARY:
15. No. The bill was read a second time...
16. PRESIDENT:
17. Are there amendments? I know it's read a second time.
18. But it has been amended here? All right. Are there any further
19. amendments? Senator Weaver.
20. SENATOR WEAVER:
21. Senator Regner has an amendment, I think it's on the
22. Secretary's Desk but Senator Regner's on the phone. Can we hold
23. just one minute Mr. President?
24. PRESIDENT:
25. Take it out of the record. Senate Bill 1867, Senator Bruce.
26. House Bills on 2nd reading. House Bill 3062, Senator Fawell.
27. House Bill 3115, Senator McCarthy. Hold it. He's not here.
28. Yes Sir? Senate Bill 3156, Senator Bruce. 3357, Senator Bruce
29. is not here. The Senate will be at ease for ten minutes.
30. Committee...the Senate will come to order. Committee reports.
31. SECRETARY:
32. Rules Committee met on May the 13th, 1976 pursuant to notice.
33. The following members were present: Senators Partee, Rock, Donne-
34. wald, Harris, and Howard Mohr. By unanimous vote of the following...

1. the following bills were reported out of committee, ordered
2. read a first time, and referred to the Committee on Assignment
3. of Bills: Senate Bills 1663, 1723, 1751, 1900, 1901; House
4. Bills 3137, 3171, 3212, 3303, 3343, 3346, 3363, 3372, 3374, 3378,
5. 3380, 3384, 3385, 3389, 3392, 3405, 3410, 3414, 3492, 3536,
6. 3547, 3562, 3563, 3744, 3797, 3804, 3815, 3818, 3822, and 3844.
7. PRESIDENT:
8. ~~SENATE~~ The bills will be read a first time. Senate bills
9. 1st reading.
10. SECRETARY:
11. Senate Bill 1663.
12. (Secretary reads title of bill)
13. Senate Bill 1723.
14. (Secretary reads title of bill)
15. Senate Bill 1751.
16. (Secretary reads title of bill)
17. Senate Bill 1908.
18. (Secretary reads title of bill)
19. 1st reading of the foregoing bills.
20. PRESIDENT: ~~SENATE BILLS ON 1ST READING~~
21. House Bills on 1st reading.
22. SECRETARY:
23. House Bill 3137.
24. (Secretary reads title of bill)
25. House Bill 3171.
26. (Secretary reads title of bill)
27. House Bill 3212.
28. (Secretary reads title of bill)
29. House...
30. PRESIDENT:
31. One moment. For what purpose does Senator Rock arise?
32. SENATOR ROCK:
33. Inquiry of the Chair, Mr. President. I think because of the
34. procedure that we are following in this hopefully shortened Session,

1. some House Bills have come over and have not, in fact, been
2. picked up by a Senate sponsor. My suggestion, therefore, is
3. that those bills that are favorably reported out of the Rules
4. Committee, but do not, in fact, have a sponsor, not be read
5. a first time, but rather be shown on the Calendar, so that
6. we will afford the members an opportunity to pick up those bills.
7. We do, in fact, have a list of those that are sponsorless.

8. PRESIDENT:

9. Senator, ... Senator Rock, I think your idea is an excellent
10. one, however, we should probably have adopted that procedure
11. prior to reading of the bills because some of them already
12. without sponsors have, in fact, been read. If there's a way of
13. ...just one? Fine. Well, that there's just one has been read.
14. So we will, now, show...

15. SENATOR ROCK:

16. ...is the one...is the one that's been read, is that
17. an easement bill? Okay. Can somebody answer for me where
18. Lawrence County is?

19. PRESIDENT:

20. Yeah. Senator Bruce...

21. SENATOR BRUCE:

22. All right...Senator Bruce is the sponsor and then we've
23. obviated that problem.

24. PRESIDENT:

25. Fine. And the others without sponsors will not be read
26. a first time. They will be shown on the Calendar tomorrow
27. as House Bills on 1st reading which are without sponsors. The
28. ones that will be read today will be House Bills on 1st reading
29. which already have Senate sponsors.

30. SECRETARY:

31. House Bill 3303.

32. (Secretary reads title of bill)

33. House Bill 3343.

34. (Secretary reads title of bill)

1. House Bill 3346.
2. (Secretary reads title of bill)
3. House Bill 3363.
4. (Secretary reads title of bill)
5. House Bill 3372.
6. (Secretary reads title of bill)
7. PRESIDENT:
8. One moment, please. For what purpose does Senator
9. Graham arise?
10. SENATOR GRAHAM:
11. Mr. President, I don't know if you can hear or not,
12. but I can't.
13. PRESIDENT:
14. It is difficult, Senator, will the...will the members
15. be in their seats and all unauthorized persons please leave
16. the Floor. Thank you Senator. Continue, Mr. Secretary.
17. SECRETARY:
18. House Bill 3374.
19. (Secretary reads title of bill)
20. House Bill 3378.
21. (Secretary reads title of bill)
22. House Bill 3380.
23. (Secretary reads title of bill)
24. House Bill 3384.
25. (Secretary reads title of bill)
26. House Bill 3385.
27. (Secretary reads title of bill)
28. House Bill 3389.
29. (Secretary reads title of bill)
30. PRESIDENT:
31. Senator Donnewald.
32. SECRETARY:
33. House Bill 3392.
34. (Secretary reads title of bill)

1. House Bill 3405.
2. (Secretary reads title of bill)
3. House Bill 3410.
4. (Secretary reads title of bill)
5. House Bill 3414.
6. (Secretary reads title of bill)
7. House Bill 3492.
8. (Secretary reads title of bill)
9. House Bill 3536.
10. (Secretary reads title of bill)
11. House Bill 3547.
12. (Secretary reads title of bill)
13. House Bill 3562.
14. (Secretary reads title of bill)
15. House Bill 3563.
16. (Secretary reads title of bill)
17. House Bill 3744.
18. (Secretary reads title of bill)
19. House Bill 3797.
20. (Secretary reads title of bill)
21. House Bill 3804...House Bill 3815.
22. (Secretary reads title of bill)
23. House Bill 3818.
24. (Secretary reads title of bill)
25. House Bill 3822.
26. (Secretary reads title of bill)
27. House Bill 3844.
28. (Secretary reads title of bill)
29. 1st reading of the foregoing bills.
30. PRESIDING OFFICER: (SENATOR DONNEWALD)
31. Senator Lane, for what purpose do you arise?
32. SENATOR LANE:
33. Point of...point of personal privilege...

1. PRESIDING OFFICER: (SENATOR DONNEWALD)
2. State your point.
3. SENATOR LANE:
4. ...Mr. President. Seated in the Southeast...Southwest
5. gallery is a group from St. James School in Sauk Village. Would
6. you please stand up and be recognized by the Senate.
7. SECRETARY:
8. And also House Bill 3804.
9. (Secretary reads title of bill)
10. 1st reading of the bill.
11. PRESIDING OFFICER: (SENATOR DONNEWALD)
12. House Bills on 2nd reading. House Bill 3062. House Bill
13. ...House Bill 3115, Senator McCarthy. House Bills on 2nd.
14. Read the bill.
15. SECRETARY:
16. House Bill 3115 was read a 2nd time on February...January
17. the 14th, 1976.
18. PRESIDING OFFICER: (SENATOR DONNEWALD)
19. Senator McCarthy. Just a moment. Would the members please
20. be in their seats. Proceed.
21. SECRETARY:
22. Amendments No. 1 and 2 were adopted. Floor Amendment No. 3
23. offered by Senator Glass.
24. PRESIDING OFFICER: (SENATOR McCARTHY)
25. Just a minute. Senator McCarthy.
26. SENATOR McCARTHY:
27. Just...just so that my record...did we get 2 adopted and what
28. day was 2 adopted?
29. SECRETARY:
30. January the 14th, of '76.
31. SENATOR McCARTHY:
32. Oh, I thought that was the time Senator Soper wanted that
33. held and printed and...

1. SECRETARY: SENATOR McCARTHY:
2. Amendment No. 1 was adopted...
3. SENATOR McCARTHY:
4. Yes.
5. SECRETARY:
6. ...on January the 14th, 1976.
7. SENATOR McCARTHY:
8. Yes...Amendment No. 2.
9. SECRETARY:
10. Amendment No. 2 was a Committee Amendment No. 2 was
11. held and ordered printed.
12. SENATOR McCARTHY:
13. All right. So we're on Amendment 2.
14. SECRETARY:
15. No. 2. Right.
16. SENATOR McCARTHY:
17. All right. Now everybody's seen...had Amendment No. 2
18. for many months. Amendment No. 2, if there are no questions, I
19. move it be adopted.
20. PRESIDING OFFICER: (SENATOR DONNEWALD)
21. Is there discussion? Senator Glass.
22. SENATOR GLASS:
23. Thank you, Mr. President. Senator McCarthy, was that
24. the committee amendment?
25. PRESIDING OFFICER: (SENATOR DONNEWALD)
26. Senator McCarthy.
27. SENATOR McCARTHY:
28. Amendment...Amendment No. 2 was an amendment that was agreed
29. upon in committee. What it did was take out the second mortgages,
30. Senator Glass, it took out the second mortgages and reestablished
31. the maximum penalties.
32. PRESIDING OFFICER: (SENATOR DONNEWALD)
33. I'm advised that that was a Floor amendment, Senator.

1. SENATOR McCARTHY:
2. It is but...
3. PRESIDING OFFICER: (SENATOR DONNEWALD)
4. Introduced by you.
5. SENATOR McCARTHY:
6. That's correct.
7. PRESIDING OFFICER: (SENATOR DONNEWALD)
8. And would the caucus immediately behind Senator McCarthy
9. break up? Senator Glass, did you wish to proceed?
10. SENATOR GLASS:
11. No. I...that's all right. I have no objection.
12. PRESIDING OFFICER: (SENATOR DONNEWALD)
13. Is there further discussion? Senator Mitchler.
14. SENATOR MITCHLER:
15. Mr. President, I have three amendments on my desk, xeroxed
16. amendments. Could you just enlighten me, what Amendment
17. No. 1 is? Just give me an inkling of it so I can mark my
18. amendments.
19. PRESIDING OFFICER: (SENATOR DONNEWALD)
20. Senator McCarthy.
21. SENATOR McCARTHY:
22. Amendment No. 1 has been adopted, Senator. It was a rewrite
23. of the bill. It was a committee amendment. It was adopted in
24. January.
25. PRESIDING OFFICER: (SENATOR DONNEWALD)
26. Senator Mitchler.
27. SENATOR MITCHLER:
28. All right. That amendment is adopted. Now, what amendment
29. are we talking about now?
30. PRESIDING OFFICER: (SENATOR DONNEWALD)
31. Amendment No. 2.
32. SENATOR MITCHLER:
33. Is that printed also?

1. PRESIDING OFFICER: (SENATOR DONNEWALD)
2. Senator McCarthy.
3. SENATOR McCARTHY:
4. Yes, Sir. It was printed, I think, in February, and has
5. been distributed and been held.
6. SENATOR MITCHLER:
7. Thank you.
8. PRESIDING OFFICER: (SENATOR DONNEWALD)
9. Is there further discussion? The question is shall
10. Amendment No. 2 be adopted to House Bill 3115. All those in
11. favor indicate by saying Aye. Those opposed No. The Ayes have
12. it. The amendment is adopted. Are there further amendments
13. from the Floor? Senator McCarthy.
14. SECRETARY:
15. Amendment No. 3, offered by Senator McCarthy.
16. PRESIDING OFFICER: (SENATOR DONNEWALD)
17. Senator McCarthy.
18. SENATOR McCARTHY:
19. Yes, Mr. President and members of the Senate. Amendment
20. No. 3, which has been shown to the opposite side is merely some
21. clerical clean-up, is non-substantive...move its adoption
22. if there's no question about it.
23. PRESIDING OFFICER: (SENATOR DONNEWALD)
24. Is there further discussion? Senator Fawell.
25. SENATOR FAWELL:
26. Senator McCarthy, which one of the three amendments
27. which I ..two amendments I have on my desk, are you talking about,
28. this one?
29. PRESIDING OFFICER: (SENATOR DONNEWALD)
30. Just...just a moment. Seems to me there's an awful lot
31. of noise this morning. Would we...could we please have order.
32. Would the members be in their seats. Senator McCarthy, proceed.
33. SENATOR McCARTHY:
34. Senator, I'm afraid you don't have Amendment No. 3. If

1. you want me to hold that until after 4 and 5 that have been
2. distributed, have been adopted, it's all right. But it is
3. a non-substantive...it's just a little...but I'll hold that one
4. if you want to get into the ones that you have in front
5. of you. Or...

6. PRESIDING OFFICER: (SENATOR DONNEWALD)

7. Senator Fawell.

8. SENATOR McCARTHY:

9. ...we can put it on, I think it's in better form, but...

10. SENATOR FAWELL:

11. Well, what does it do? I...

12. PRESIDING OFFICER: (SENATOR DONNEWALD)

13. Senator McCarthy.

14. SENATOR McCARTHY:

15. It corrects typographical errors, is what it does.

16. PRESIDING OFFICER: (SENATOR DONNEWALD)

17. All right. The question is shall Amendment No. 3 be adopted
18. to House Bill 3115. All those in favor indicate by saying
19. Aye. Those opposed No. The Ayes have it. The...the amendment
20. is adopted. Are there further amendments from the Floor?

21. SECRETARY:

22. Amendment No. 4, offered by Senator Glass.

23. PRESIDING OFFICER: (SENATOR DONNEWALD)

24. Senator...Senator Glass.

25. SENATOR GLASS:

26. Thank you, Mr. President and Ladies and Gentlemen. Amendment
27. No. 4 does...does three things primarily. I think as the membership
28. is aware, this bill relates to residential mortgages and extends
29. the time and gives other rights to the mortgagee when that
30. mortgage is in default. One of the things that the bill does,
31. is require that there be a ninety day grace period after a notice
32. is given to the party in default before the foreclosure of
33. the mortgage can begin. Now, what the amendment does is to say

1. that that ninety day period remains but that any voluntary
2. grace period given the mortgagee is included in the ninety day
3. period. For example, let's suppose that your mortgage is in
4. default and the savings and loan or bank where you have the
5. mortgage says to you, "all right, we'll go along with you for
6. ...for thirty or forty-five days voluntarily and try to work
7. this thing out," and after that period is up, you're still
8. unable to pay the mortgage. This would permit notice
9. to be given to you and you would have another forty-five days
10. before the foreclosure action should begin, so that instead of
11. having ninety days after that occurred, the total of the forty-five
12. days that you had been voluntarily granted would be added on to
13. the other forty-five days and the ninety day grace period would
14. remain and it would still allow the savings and loans and banks
15. to try and work out voluntarily ways to...to make up any deficiencies.
16. So that is the first feature of the amendment. Secondly,
17. the amendment specifies a form of notice that must be given
18. to the party in default that is in conformity with the present
19. Federal requirement. It's a simpler notice than the bills
20. calls for now, but it does contain all the essential ingredients
21. that the party in default should...should be aware of. He should
22. know what the amount of the deficiency is, the date by which it
23. must be paid and all of the...those other factors. And without
24. this change, it would mean that the savings and loan would
25. have to send two notices to a defaulting party, one required
26. by Federal law, and...and one required by this bill. So, we're
27. saying simply let's send the one simpler notice that it is easier
28. to understand but contains the critical and important information.
29. The final feature of the amendment is...is this. Under the bill
30. right now any borrower may, who is in default, may defer his
31. delinquency and spread it over the life of the loan. So let's
32. suppose a borrower has been in default for four months, he may
33. elect to spread those four delinquent installments over the remainder

1. of the life of the loan. What we're saying with the amendment
2. is, number one, he should only do that if the reason he has not
3. paid is because of a hardship, a hardship resulting from
4. him being unemployed, and we're saying secondly by this amendment,
5. that the total amount which is...which he has to pay by reason
6. of that...that extension and spreading the delinquency over the
7. life of the loan cannot exceed the original amount of a loan.
8. Let's take for example, a mortgagee who is in default about
9. three months after the loan is taken out. If he was
10. allowed to spread his delinquency over the life of the loan,
11. he would, in fact, owe more than the original principal of
12. the loan. So we're placing a maximum limit on...on what any
13. borrower may extend his loan to...to be no greater than
14. the principal amount of the loan. The amount deferred when
15. added to the principal mortgage balance, is limited to the
16. extent that it cannot exceed the original amount of the loan.
17. That is in essence what the amendment does. I'd be glad
18. to answer any questions.

19. PRESIDING OFFICER: (SENATOR DONNEWALD)

20. Is there further discussion? Senator Rock.

21. SENATOR ROCK:

22. I...I don't know, Senator, will the Senator yield for a
23. question?

24. PRESIDING OFFICER: (SENATOR DONNEWALD)

25. He indicates he will.

26. SENATOR ROCK:

27. Does this amendment also cover the definition of...to whom
28. this will apply? In other words, I, as a borrower, have...there
29. has to be some other condition precedent, does there not?

30. PRESIDING OFFICER: (SENATOR DONNEWALD)

31. Senator Glass.

32. SENATOR GLASS:

33. With respect to the third condition, Senator Rock, that is

1. the right to...to defer monthly payments that are delinquent.
2. Anybody can't do that. It has to be someone who indeed has
3. a hardship, and we provide that a hardship means unemployment
4. of the residential mortgage or through involuntary termination
5. or interruption for more than thirty days of his employment due to a
6. strike or disability resulting from injury or illness. In other
7. words, we're not giving this right to everybody but only to
8. those that clearly have a need.

9. PRESIDING OFFICER: (SENATOR DONNEWALD)

10. Senator Rock.

11. SENATOR ROCK:

12. Well, thank you Mr. President, Senator Glass, members
13. of the Senate. I rise in support of Amendment No. 4. These
14. two bills are of some particular concern to people in my
15. community and I have worked long and hard as has Senator McCarthy
16. and Representative Leon with this subject. I think, however,
17. Amendment No. 4 is a salutary one because it does, in fact,
18. recognize that the lending institutions, at least in my
19. neighborhood and I know in other neighborhoods, do, in fact,
20. have a posture of voluntary forbearance and unless we recognize
21. that current policy by virtue of passage of this bill without
22. this kind of an amendment, we will in effect be shutting off
23. that policy. The policy is a good one. Many people have benefited
24. from it and I think we ought to recognize it, and for that reason
25. I will rise in support, and do rise in support of Amendment
26. No. 4.

27. PRESIDING OFFICER: (SENATOR DONNEWALD)

28. Senator Palmer.

29. SENATOR PALMER:

30. This bill, to extend a grace period, I believe is a
31. very good bill. However, to clog it up with an...with an amendment
32. to include voluntary extensions will probably kill this bill and
33. make it an...an impossible vehicle. Because voluntary extensions,

1. communications, and oral communications and discussions between
2. the parties, will create so many innumerable complications
3. and defenses and legal problems, that this bill will become
4. unworkable. I am for the bill. I like the bill. Just
5. like Senator Rock says, it does serve many people in his district,
6. in my district and probably in all districts in this State of
7. Illinois. However, why kill a bill with legal defenses that will
8. be raised, that...that will spoil the bill and possibly
9. some of our legislatures might look into it and probably not
10. vote for it because of this hanging participle, as I call it,
11. that may create a unworkable bill.

12. PRESIDING OFFICER: (SENATOR DONNEWALD)

13. Senator Merritt.

14. SENATOR MERRITT:

15. Mr. President and members of the Senate, I certainly rise
16. in support of this amendment. This is just another case of
17. these two bills coming over. All you have to do is examine
18. your Digest, find out they originated in the House nearly a
19. year ago, in June, 1975, and they arrived here in the Senate
20. before the end of our Session, where upon they sat until that
21. abbreviated Session in November came through committee in
22. a rather hurried way. I think all we have to do is examine
23. just exactly what's going in our foreclosures here in Illinois
24. as compared to other states in the nation. We're far below the
25. national average, although our unemployment during many of those
26. months was rising. We only have currently eight out of every
27. ten thousand loans, just eight, that end up in foreclosures.
28. I think the bills are totally unnecessary but if...but if it be
29. the will of this Body that they pass, then I think this amendment
30. is absolutely necessary to make at least a palatable bill
31. that both the borrower and the mortgage lenders, the S and L's,
32. the banks throughout Illinois can live with. I certainly
33. support the amendment.

1. PRESIDING OFFICER: (SENATOR DONNEWALD)
2. Is there further discussion? Senator Brady.
3. SENATOR BRADY:
4. Thank you, Mr. President and members of the Assembly.
5. I would like to point out to Senator Merritt to refresh his
6. memory a little bit that this bill did come over as a
7. committee bill, but was assigned to a subcommittee of which I
8. Chaired, and we held meetings this Summer where all interested
9. parties were notified. We worked long and diligently to try
10. to come out with the best bill that would serve both the
11. industry and the people who have mortgages in the State of
12. Illinois. There have been some technical corrections in
13. this bill. But the amendment as proposed by Senator Glass
14. goes well beyond technical considerations, I believe, and
15. changes around the notice provisions which would have given
16. extremely more careful attention to the...to the mortgage
17. holder as far as his default and as far as his foreclosures.
18. And I rise in opposition to this amendment because of its
19. all inclusiveness, although there are some good points, technical
20. points to the amendment, which I agree with.
21. PRESIDING OFFICER: (SENATOR DONNEWALD)
22. Is there further debate? Senator McCarthy. Well...the...
23. SENATOR MCCARTHY:
24. No...no, excuse me. I'm sorry.
25. PRESIDING OFFICER: (SENATOR DONNEWALD)
26. ...the...
27. SENATOR MCCARTHY:
28. Yes, just a comment. I think Senator Brady did make
29. a contribution here not only to the bill because he Chaired the
30. subcommittee, but also to enlighten this membership on the
31. effectiveness of the committee bill system. Here was a bill
32. that did come over to us late in June and it was properly
33. considered by a subcommittee, and now everyone has had an opportunity

1. to have input and we have accommodated ourselves through Amendment
2. No. 2, to the second mortgage people, accommodated ourselves
3. through Amendment No. 2 to...to the savings and loan people
4. insofar as the penalty are concerned. Senator Rock is
5. satisfied with this, which is Amendment No. 4. I'm not terribly
6. satisfied with it. And I'm going to vote against its adoption.
7. That is not, however, to say that...that the bill isn't making
8. some progress. I think we have to be realistic. We are
9. making progress on the bill, however, Senator Glass, am...I
10. have a question before...I'd just like to make a comment.
11. Does this not do away your amendment with the right of the
12. borrower to rewrite once every five years his unpaid obligation?

13. PRESIDING OFFICER: (SENATOR DONNEWALD)

14. Senator Glass.

15. SENATOR McCARTHY:

16. Doesn't this do away with that?

17. PRESIDING OFFICER: (SENATOR DONNEWALD)

18. Senator Glass.

19. SENATOR GLASS:

20. Senator McCarthy, it does not do away with that right of
21. the borrower but it...it restricts the right to situations
22. where the borrower has a...a need to do it, where he has a hardship
23. because of unemployment or a...or illness. In other words, it...it
24. no longer authorizes anybody to do that and...yeah, okay.

25. SENATOR McCARTHY:

26. The amendment was a little different, a little better
27. then when it was explained to me in the first instance. I thought
28. you were eliminating the five years altogether. Here you're
29. just allowing the five years if they meet the test of hardship
30. as narrowly defined in the Act. I just...just am not going
31. to jump off the Brooklyn Bridge if this amendment is adopted, but
32. I'm not going to support it. I would say this in response to
33. Senator Merritt, though, I just...just can't resent...resist

1. this Senator Merritt. You said that mortgage foreclosures
2. are at an all time low in Illinois, or words to that effect,
3. in comparison to the other states.

4. PRESIDING OFFICER: (SENATOR DONNEWALD)

5. Senator Merritt.

6. SENATOR MERRITT:

7. I...yes, Mr. President. I don't want to get into debate
8. with my learned legal colleague there. If I did make
9. such a statement, it's probably somewhat false as compared
10. to other states. I believe I said the national average
11. or I intended to say that which is higher than Illinois
12. currently at the double .008. I believe, which is eight out of
13. ten thousand.

14. PRESIDING OFFICER: (SENATOR DONNEWALD)

15. Senator McCarthy.

16. SENATOR MCCARTHY:

17. Yes. In other words, Senator Merritt said that Illinois'
18. rate of foreclosure is less than the national average.
19. I have to add to that that there was a recent announcement
20. that delinquencies on home mortgages are at a record level
21. but that announcement made by the savings and loan was that
22. that was good news, that the people were delinquent in their
23. loans. They said that that was good news because they had
24. confidence that they could always pick it up. Maybe they
25. were relying upon the passage of this bill, but now this amendment
26. restricts their...their limitations.

27. PRESIDING OFFICER: (SENATOR DONNEWALD)

28. Senator Fawell.

29. SENATOR FAWELL:

30. I have a question for Senator Glass.

31. PRESIDING OFFICER: (SENATOR DONNEWALD)

32. Senator Glass indicates he will respond.

33. SENATOR FAWELL:

1. As I read your amendment, Senator Glass, and compare
2. it to Amendment No. 1, which is now the bill, am I correct
3. in assuming that if you do have a election for a mode of
4. deferred payment, that the lending institution under your
5. amendment, unlike the bill in its amended form now,
6. would have the right to increase the interest rate.

7. PRESIDING OFFICER: (SENATOR DONNEWALD)

8. Senator Glass.

9. SENATOR GLASS:

10. I don't...don't believe that is the case. Can you tell
11. me what line you are looking at?

12. PRESIDING OFFICER: (SENATOR DONNEWALD)

13. Senator Fawell.

14. SENATOR FAWELL:

15. Referring to page three, subparagraph F of your amendment,
16. line eight, where it utilizes the words "at the current rate"
17. rather than the words "contract rate" which are in Amendment
18. No. 1 and would indicate mortgage contract, it would seem to
19. me, whereas your amendment seems to say that...that if the man
20. is going to elect to defer he is going to perhaps be faced
21. with an increase in the rate. Now that...I...I like your
22. amendment. I think it's reasonable. I would agree with Senator
23. Rock's comments, but I wonder if...if that is so if that might
24. not be a significant detriment.

25. PRESIDING OFFICER: (SENATOR ROCK)

26. Senator Glass.

27. SENATOR GLASS:

28. Senator Fawell, I see the words you're looking at, the
29. words "current rate." It has been my understanding that this
30. bill would not change the...that this bill would not change the in-
31. terest rate, but merely would spread those delinquent payments
32. over the entire life of the loan at the current rate of the
33. loan. Now, but I grant you that current rate may possibly be

1. interpreted to mean the...the current rate charged by that
2. lending institution. So, I would be certainly willing to
3. clarify that, but as I say, the...my reading of the bill
4. and the intention is that the interest rate changed, but
5. that the payments be spread over the life of the mortgage.

6. PRESIDING OFFICER: (SENATOR DONNEWALD)

7. Senator Palmer.

8. SENATOR PALMER:

9. A question of the...

10. PRESIDING OFFICER: (SENATOR DONNEWALD)

11. This is your second time...

12. SENATOR PALMER:

13. ...sponsor of the amendment...

14. PRESIDING OFFICER: (SENATOR DONNEWALD)

15. ...around, Senator.

16. SENATOR PALMER:

17. ...Senator Glass. Senator Glass, just for clarification
18. on your amendment, are you telling us that if the lending
19. institution granted a voluntary extension or did not proceed
20. with foreclosure or any notices for ninety days or...or for
21. eighty-nine days, they only give them...have to give them
22. one day notice?

23. PRESIDING OFFICER: (SENATOR DONNEWALD)

24. Senator Glass.

25. SENATOR GLASS:

26. Senator Palmer, I'm glad you asked that question, because
27. I didn't clarify it before. If, in the example you gave, where
28. a savings and loan voluntarily gave an individual eighty-nine
29. days without starting foreclosure and then sent a notice on
30. the ninetieth day or on the eighty-ninth day there would be another
31. fifteen day period allowed. The bill covers that and says that in
32. no event shall the notice period be...be less than fifteen days. So
33. that ...you couldn't send a notice one day and begin the suit
34. the next day.

1. PRESIDING OFFICER: (SENATOR DONNEWALD)
2. Senator Palmer.
3. SENATOR PALMER:
4. In other words, in all cases there must be a least
5. a fifteen day notice. However, if...if forty days
6. or fifty days that...all of these days must be subtracted.
7. Senator Glass, I wish you would clarify those, please. Anything,
8. in other words, that all other days are subtracted. Is that correct?
9. PRESIDING OFFICER: (SENATOR DONNEWALD)
10. Senator Glass.
11. SENATOR GLASS:
12. To clarify that...that is correct and let me, if I may,
13. Senator Palmer, again emphasize that this provision allows the
14. savings and loan or bank or other financial institution
15. to work with the mortgagor. To...to grant him voluntary
16. extensions and if this were not the situation, their practices
17. would be such that they would have to...to send out that notice
18. immediately upon default, I...and then there would be no
19. negotiations. So this allows the flexibility.
20. SENATOR PALMER:
21. All right, one more question and...
22. PRESIDING OFFICER: (SENATOR DONNEWALD)
23. One more question, Senator Palmer, you're on your second
24. time around.
25. SENATOR PALMER:
26. That's okay I believe. I've...some have been three times
27. around. Senator Glass,...
28. PRESIDING OFFICER: (SENATOR DONNEWALD)
29. Not on this bill.
30. SENATOR PALMER:
31. ...does your bill define what a voluntary extension is?
32. PRESIDING OFFICER: (SENATOR DONNEWALD)
33. Senator Glass.

1. SENATOR GLASS:

2. Well, I...I don't know that we define that. I think the
3. word voluntarily is pretty well self-explanatory and...I...I
4. think the section to look at, Senator, is Section 6E.
5. I think it's pretty well covered in there. The...the ninety...
6. the language is the ninety day forbearance relief granted by
7. this...no, excuse me, that's...yeah, 6D, pardon me. The ninety day...
8. the notice required for...for the provisions of this section
9. shall be mailed at least ninety days before commencement
10. proceedings for foreclosures such period to be reduced by the
11. number of days the residential mortgage obligation has been
12. delinquent or in default but in no event less than fifteen days.
13. So, I think that covers it.

14. PRESIDING OFFICER: (SENATOR DONNEWALD)

15. Is there further debate? The question is shall Amendment
16. No.4 be adopted. Those in favor indicate by saying Aye.
17. Those opposed No. The Ayes have it. The amendment is adopted.
18. Are there further amendments?

19. SECRETARY:

20. Amendment No. 5, offered by Senator Glass.

21. PRESIDING OFFICER: (SENATOR DONNEWALD)

22. Senator Glass.

23. SENATOR GLASS:

24. Thank you, Mr. President and Ladies and Gentlemen. Amendment
25. No. 5 is a simple amendment that would make it clear that
26. the bill does not apply to existing mortgages. That it...it does
27. apply only to mortgage contracts signed in the future. And I
28. think this is important because there are numerous mortgage
29. contracts outstanding now as to which there would be serious
30. doubt as to whether this new law applied. I...I personally
31. believe that the bill makes some substantive changes. That is
32. it does allow a rewriting of the...the mortgage loan period
33. and the amount because of the deferral provisions, and therefore,

1. this would, in my opinion, be an unconstitutional interference
2. with contracts that are now in existence without this amendment.
3. So, Amendment No. 5 would...would make it clear that the new law
4. would apply only to contracts executed in the future.

5. PRESIDING OFFICER: (SENATOR DONNEWALD)

6. Senator McCarthy. Senator Brady.

7. SENATOR BRADY:

8. Yes, Mr. President. I rise in opposition to this amendment.

9. It is a simple amendment which drastically changes, I think,
10. the intent of those that got together on the bill, and that is that
11. although there is some serious question whether it may be
12. constitutionally...it applies or not, I think it is of question
13. and not of definite distinction that it is. Those appearing
14. before the subcommittee were split on this and we felt that
15. because of the problems that the industry has had with some
16. outstanding existing mortgages, that it should be left as is
17. and state that it is not prospective but retrospective.
18. And so, therefore, I stand in opposition to this amendment.

19. PRESIDING OFFICER: (SENATOR DONNEWALD)

20. Is there further debate? Senator Rock.

21. SENATOR ROCK:

22. Thank you Mr. President and Ladies and Gentlemen of the
23. Senate. I rise in support of Amendment No. 5 and it seems to me that
24. all too often, stand here and attempt in one form or another
25. to abrogate existing contractual rights. I don't think
26. we can do that. I think it's patently unconstitutional and for
27. that reason, I would support, wholeheartedly, Amendment No. 5.

28. PRESIDING OFFICER: (SENATOR DONNEWALD)

29. Is there further debate? Senator Glass...roll call. Is there...
30. is there a roll call requested? All those in favor indicate by
31. saying Aye for the adoption of Amendment No.5. Those opposed.
32. Is...do I have a request for a roll call by five members?
33. We'll have a roll call. All those in favor of the adoption of

1. Amendment No. 5 to House Bill 3115 will indicate by voting Aye.
2. Those opposed vote No. The voting is open. Have all those
3. voted who wish? Take the record. On that question the Ayes are
4. 34, the Nays are 13, 2 Voting Present. Amendment No. 5 to
5. House Bill 3115 is adopted. Are there further amendments?
6. 3rd reading. House Bill 3116, Senator McCarthy. Read the bill.
7. SECRETARY:

8. House Bill 3116 was read a first time on January the 14th,
9. 1976.

10. PRESIDING OFFICER: (SENATOR DONNEWALD)

11. Just a moment. Could we have some order please?

12. Could we have some order? We have very little order is right
13. Senator. Proceed.

14. SECRETARY:

15. House Bill 3116 was read a first time on January the 14th,
16. 1976, and they had adopted Committee Amendment No. 1. There's
17. no further committee amendments and no Floor amendments up.

18. PRESIDING OFFICER: (SENATOR DONNEWALD)

19. Are there amendments from the Floor? 3rd reading.

20. House Bill 3156, Senator Bruce. Read the bill.

21. SECRETARY:

22. House Bill 3156.

23. (Secretary reads title of bill)

24. 2nd reading of the bill.

25. PRESIDING OFFICER: (SENATOR DONNEWALD)

26. Are there amendments from the Floor? 3rd reading.

27. House Bill 3357, Senator Bruce. Read the bill.

28. SECRETARY:

29. House Bill 3357.

30. (Secretary reads title of bill)

31. 2nd reading of the bill. No committee amendments.

32. PRESIDING OFFICER: (SENATOR DONNEWALD)

33. Are there amendments from the Floor? 3rd reading.

1. Are there any Senators here present that wish to move Senate
2. Bills on 2nd reading. You will now...if we have...do we have
3. leave to go to the order of 2nd reading, Senate Bills. Leave
4. is granted. Senate Bills on 2nd reading. Senator Merritt...
5. what bill is, it Senator?
6. SENATOR MERRITT:
7. Yes, Mr. President. Senate Bill 1741.
8. PRESIDING OFFICER: (SENATOR DONNEWALD)
9. Senate Bill 1741. Read the bill.
10. SECRETARY:
11. Senate Bill 1741.
12. (Secretary reads title of bill)
13. 2nd reading of the bill. Committee on Appropriations offers
14. one amendment.
15. PRESIDING OFFICER: (SENATOR DONNEWALD)
16. Senator Rock.
17. SENATOR MERRITT:
18. Mr. President...
19. SENATOR ROCK:
20. Thank you Mr. President. The Committee on Appropriations
21. offered Amendment No. 1 which cut ten thousand dollars from
22. this proposed appropriation. I would move the adoption of
23. Amendment No. 1.
24. PRESIDING OFFICER: (SENATOR DONNEWALD)
25. Senator Merritt.
26. SENATOR MERRITT:
27. Mr. President. First I must oppose the amendment as
28. Chairman of that fine permanent commission. It's accomplished
29. a great deal for the citizens of Illinois by approving legislation
30. in the past. In fact, the cut of ten thousand takes us down to less
31. than what we had in Fiscal Year 1976. I was disappointed
32. the day it was heard in Appropriations Committee because four
33. of our either present members or past of our commission, three

1. Democrats and one Republican, were also members of that
2. Appropriations Committee and were not present that day.
3. I'll leave it up to them as to what action they might like
4. to take on this. I must oppose it. I cannot move for its
5. adoption, but I am also a realist in the numbers game
6. that we have to play here from time to time and with that
7. I'll close my remarks.

8. PRESIDING OFFICER: (SENATOR DONNEWALD)

9. Senator Hynes.

10. SENATOR HYNES:

11. Well, I...I rise in support of the amendment. I think
12. it is very reasonable in light of the situation which we
13. find ourselves. And I might say that there are many members
14. that, with respect to this commission and a number of others,
15. have some question about whether commissions should continue
16. at all. So, that I...I would urge the support of the membership.

17. PRESIDING OFFICER: (SENATOR DONNEWALD)

18. Is there further debate? The question is shall Amendment
19. No. 1 to House Bill 1741 be adopted. Those in favor indicate
20. by saying Aye. Those opposed No. The Ayes have it. The
21. amendment is adopted. Are there further amendments from the Floor?
22. 3rd reading. Senator Don Moore, what...Senate Bill 1782. Read
23. the bill.

24. SECRETARY:

25. Senate Bill 1782 was read a second time on May the 6th, 1976.

26. PRESIDING OFFICER: (SENATOR DONNEWALD)

27. Senator Moore.

28. SECRETARY:

29. And amendments...Amendment No. 1 and 2 were adopted, and
30. we now have Floor Amendment No. 3, offered by Senator Don Moore.

31. PRESIDING OFFICER: (SENATOR DONNEWALD)

32. Senator Don Moore.

33. SENATOR MOORE:

1. Before we proceed with Amendment No. 3, Mr. President,
2. I have worked with Senator McCarthy and the staffs on both
3. sides and having voted on the prevailing side by which
4. Amendment No. 1 was adopted, I would move at this time
5. to reconsider the vote by which it was adopted.

6. PRESIDING OFFICER: (SENATOR DONNEWALD)

7. Senator Don Moore seeks to reconsider the vote by which
8. Amendment No. 1 was adopted to House Bill 1782. All those
9. in favor of that reconsideration indicate by saying Aye.
10. Those opposed No. The matter is reconsidered. Senator Don
11. A. Moore.

12. SENATOR MOORE:

13. I, now, move to Table Amendment No. 1 to Senate Bill
14. 1782.

15. PRESIDING OFFICER: (SENATOR DONNEWALD)

16. Senator Don Moore moves to Table Amendment No. 1 to
17. House Bill 178...Senate Bill, I'm sorry. Senate Bill...
18. the record will show Senate Bill 1782. All those in favor
19. of Tabling said amendment, indicate by saying Aye. Those opposed
20. No. The Ayes have it. The amendment is Tabled. Senator
21. Don Moore. Is adopted. Are there further amen.

22. SENATOR MOORE:

23. Mr. President, having voted on the prevailing side by which
24. Amendment No. 2 was adopted, I now move to reconsider the vote
25. by which that amendment was adopted.

26. PRESIDING OFFICER: (SENATOR DONNEWALD)

27. You've heard the motion. All those in favor indicate by saying
28. Aye. Those opposed No. The matter is reconsidered. Senator Moore.

29. SENATOR MOORE:

30. I, now, move to Table Amendment No. 2 to Senate Bill 1782.

31. PRESIDING OFFICER: (SENATOR DONNEWALD)

32. The motion is to Table Amendment No. 2 to Senate Bill
33. 1782. All those in favor indicate by saying Aye. Those opposed

1. No. The Ayes have it. The amendment is Tabled. Now, as to
2. Amendment No. 3. Senator Don Moore.

3. SENATOR MOORE:

4. Thank you, Mr. President. Amendment No. 3 does two things.
5. It takes the section of the original bill dealing with
6. food stamps and places it in the present food stamp section
7. of the Public Aid Code. The other thing it does, it makes
8. a violation of the Public Aid Code or the Food Stamp
9. Code, a Class A misdemeanor, but it also states that nothing
10. in this Act shall be construed to prevent or prohibit
11. the prosecution of such cases as theft under Section 16 - 1
12. of the Criminal Code. So, in effect, the State's Attorneys,
13. prosecuting officers would have the option of proceeding
14. as a Class A misdemeanor or if the value was in excess of
15. a hundred and fifty dollars, they could proceed as a Class A
16. misdemeanor or as a felony. This was one of the questions
17. that Senator Partee had. Rather than to make it mandatory
18. to proceed as a felony he thought the State's Attorneys
19. should have the authority. I'd be happy to answer any
20. questions. If not, I would move for the adoption of Amendment
21. No. 3 to Senate Bill 1782.

22. PRESIDING OFFICER: (SENATOR DONNEWALD)

23. Is there further discussion? The question is shall
24. Amendment No. 3 to Senate Bill 1782 be adopted. Those in favor
25. indicate by saying Aye. Those opposed. The Ayes have it.
26. The amendment is adopted. Are there further amendments? 3rd reading.
27. Senate Bill 1783, Senator Don Moore. Read the bill.

28. SECRETARY:

29. Senate Bill 1783.

30. (Secretary reads title of bill)

31. 2nd reading of the bill. No committee amendments. One Floor
32. amendment offered by Senator Don Moore.

33. PRESIDING OFFICER: (SENATOR ROCK)

1. Senator Moore.

2. SENATOR MOORE:

3. Thank you Mr. President and members of the Senate.

4. What this amendment does, it amends the decision section,
5. Section 11 - 8.6 of the Public Aid Code which states that
6. a decision by the Department on an appeal shall be given to
7. the interested parties within sixty days from the date of filing
8. the appeal unless additional time is required for the proper
9. disposition of the appeal. We, now, add this language, in which
10. case such additional time shall not exceed thirty days. It
11. is felt that for the...the recipients or the vendors appeal time
12. on ninety days, is more than adequate for the Department
13. to go ahead and rather than to leave the broad language in
14. stating that they can have such additional time as required
15. it was the feeling that they should be limited to that time
16. to an additional thirty days. I think it's a good amendment.
17. It will guarantee that there is prompt action taken on these
18. appeals by the Department of Public Aid and if there are no
19. questions, I would move for its adoption, Mr. President.

20. PRESIDING OFFICER: (SENATOR ROCK)

21. No. 3 or Senator
22. Is there any discussion? Senator Mohr has moved the
23. adoption of Amendment No. 1 to Senate Bill 1783. All those in
24. favor signify by saying Aye. All those opposed. The Ayes have
25. it. The amendment is adopted. Any further amendments? 3rd
26. reading. Senator Savickas, for what purpose do you arise?

26. SENATOR SAVICKAS:

27. Mr. President, I would ask leave to go out of order for
28. the purpose of resolutions.

29. PRESIDING OFFICER: (SENATOR ROCK)

30. Senator Savickas has requested that we move to the order
31. of business of resolutions. Is leave granted? So ordered.
32. Resolutions.

33. SECRETARY:

34. Senate Resolution 332, introduced by Senators Savickas,

1. Partee, Carroll, McCarthy, Bruce, Lemke, Daley, and others.
2. PRESIDING OFFICER: (SENATOR ROCK)
3. Senator Savickas, do you wish the resolution read?
4. SENATOR SAVICKAS:
5. Yes, please read it. I...I...
6. PRESIDING OFFICER: (SENATOR ROCK)
7. Yes. If we can have the attention of the membership.
8. This is a resolution that Senator Savickas asked for suspension
9. of the rules to take up yesterday. Leave was not granted.
10. He agreed to defer it until today. Read the resolution,
11. Mr. Secretary.
12. SECRETARY:
13. (Secretary reads SR 332)
14. PRESIDING OFFICER: (SENATOR ROCK)
15. Senator Savickas.
16. SENATOR SAVICKAS:
17. Yes, Mr. President and members of the Senate. As I
18. had stated yesterday, the concern...I'd like to move for
19. consent at this time to suspend the rules and have this bill
20. considered immediately.
21. PRESIDING OFFICER: (SENATOR ROCK)
22. Senator Savickas has moved...
23. SENATOR SAVICKAS:
24. ...resolution.
25. PRESIDING OFFICER: (SENATOR ROCK)
26. ...to suspend the rules for the immediate consideration
27. of Senate Resolution 332. To the motion. Senator Harris.
28. SENATOR HARRIS:
29. Well, I stated somewhat briefly yesterday, Mr. President,
30. that this is quite a complex matter and this motion ought to be
31. rejected and this resolution ought to go to the Committee on
32. Executive for it to have the kind of hearing that it really
33. deserves. I would suggest that the Department of Insurance,

1. there are some assumptions and some conclusions stated in this
2. resolution that I think ought to have the kind of full
3. ventilation that it...the complexity of the subject requires
4. so I would urge the membership to clearly respond to my suggestion and
5. affirmatively respond to my suggestion that this resolution be taken
6. up by the Committee on Executive.

7. PRESIDING OFFICER: (SENATOR ROCK)

8. SENATOR GLASS: THAT PARALLEL SERVICES BEING FOR SUSPENDED

9. SENATOR GLASS:

10. Oh, thank you, Mr. President. And I...I would also
11. like to...to point out to Senator Savickas and in...in almost by
12. way of inquiry in support of Senator Harris' point. There is
13. a subcommittee, I think you know, Senator Savickas, chaired
14. by Senator Bell, which has been extremely active and I'm wondering
15. if...if the purposes of this resolution haven't been served or
16. couldn't be served through that subcommittee rather than by
17. creating a new committee.

18. PRESIDING OFFICER: (SENATOR ROCK)

19. Senator Savickas.

20. SENATOR SAVICKAS:

21. Mr. President, I think we're on the motion...

22. PRESIDING OFFICER: (SENATOR ROCK)

23. The question before the Body is the motion to suspend the
24. rules.

25. SENATOR SAVICKAS:

26. ...and not on the bill... resolution.

27. PRESIDING OFFICER: (SENATOR ROCK)

28. That is...you are correct. Senator Bell.

29. SENATOR BELL:

30. Well, thank you Mr. President. My name having been brought
31. up and question asked in reference to this resolution by Senator
32. Glass, I think it deserves some comment on my part in reference
33. to the...

1. PRESIDING OFFICER: (SENATOR ROCK)
2. Senator Savickas, for what purpose do you arise?
3. SENATOR SAVICKAS:
4. Mr. President, I think we should address ourselves
5. to the motion before us, not to the content of the resolution.
6. PRESIDING OFFICER: (SENATOR ROCK)
7. Point is well taken.
8. SENATOR SAVICKAS:
9. We will get to that if the motion prevails.
10. PRESIDING OFFICER: (SENATOR ROCK)
11. The point is well taken, Senator. We are on a motion
12. to suspend the rules. Which if it prevails, will bring the
13. substance of the resolution before us. Senator Bell.
14. SENATOR BELL:
15. Well, I'd like to simply say that I would support
16. Senator Harris' motion.
17. PRESIDING OFFICER: (SENATOR ROCK)
18. Senator McCarthy.
19. SENATOR McCARTHY:
20. Reluctant, but yet I've been taught. I now move the
21. previous question.
22. PRESIDING OFFICER: (SENATOR ROCK)
23. Senator McCarthy has moved the previous question. All in
24. favor signify by saying Aye. All opposed. On that...on moving
25. the previous question...oh. The question before the Body is
26. the motion by Senator Savickas to suspend the rules for the
27. consideration of Senate Resolution 332. All those in favor
28. signify by saying Aye. Roll call has been requested. Those
29. in favor of the suspension of the rules will vote Aye. Those
30. opposed will vote Nay. The voting is open. Have all voted who
31. wish? Take the record. On that question, the Ayes are 33, the
32. Nays are 21, none Voting Present. The motion prevails. The
33. question...Senator Savickas.

1. SENATOR SAVICKAS:

2. Mr. President, at this point, I would make the proper
3. motion for the adoption of Resolution 332 and I would point
4. out there was some question raised as the need for this committee.
5. I would say that the need is very imperative at this point. The
6. insurance industry has been granted all...over fifty
7. percent increases in workman's compensation rates since 1975
8. of June. They are scheduled for another 23.8 percent hearing
9. set for June 1st of 1976. And I feel that in this time of
10. controversy over the concern of the rising rates in workman's
11. compensation insurance, the inability of some people to get
12. coverage, and the concern of our business community that we
13. should determine by the Senate if these rates are justifiable
14. and to have this committee of five people to be able to
15. sit in at these hearings, not just as spectators, but as
16. participants, and I would quote some concerns that have come
17. across our desks.

18. PRESIDING OFFICER: (SENATOR ROCK)

19. Senator Harris, for what purpose do you arise?

20. SENATOR HARRIS:

21. A point of order, Mr. President.

22. PRESIDING OFFICER: (SENATOR ROCK)

23. State your...

24. SENATOR HARRIS:

25. Many members do not have copies of the resolution. Since
26. the matter is before us, might we have the Pages distribute
27. copies of the resolution as quickly as possible, please?

28. PRESIDING OFFICER: (SENATOR ROCK)

29. I will...that's certainly reasonable. Will...it will be
30. done. Senator Savickas, ...pardon the interruption. Senator
31. Savickas.

32. SENATOR SAVICKAS:

33. Yes, Mr. President, the resolution is basically very simple. It

1. just calls upon five members of the Senate to be able to check
2. the insurance companies, purposes for raising their rates, to be
3. able to sit in at the hearings as a participant, not as a spectator,
4. to see if these rates are justifiable, and to report to the Senate.
5. Now, there is a serious question since our rates have risen
6. already over fifty percent, that in examination by the Industrial
7. Commission of over three thousand settlements, and half of these
8. involve injuries occurring after July 1st, '75, which was the
9. effective day of the improvement of benefits and the other half
10. occurring before the change, revealed that...that the average
11. difference per case was less than a hundred dollars on the
12. settlement or less than three percent and yet the rates were
13. increased fifty percent, and also the result obtained by the
14. commission in the examination of forty-five cases which did
15. involve trials rather than settlements, and in which arbitrators'
16. decisions were rendered, these cases came under the new changes
17. in the '75 law and the average of award of the arbitrator amounted
18. to four thousand three hundred and thirty-nine dollars per case
19. compared to four thousand thirty-four dollars per case in
20. injuries occurring prior to the new amendments. A seven percent
21. rise, and yet our insurance companies doing business here in the
22. State of Illinois are seeking another 23.8 percent increase in
23. premiums. I think it's going to be very important for us to
24. determine what is causing these raises. If it's compensation
25. law, if it's the business practices, their unsafe practices, or
26. if it's just the insurance industry arbitrarily raising these
27. rates without any facts or figures. We have in existence nine
28. months with the new law. There should be sufficient data
29. produced to at least allow this Senate Body to produce a meaning-
30. ful product of our discussions that will help all of the people,
31. whether it's the business people, or the working people in Illinois.
32. PRESIDING OFFICER: (SENATOR ROCK)
33. Senator Bell.

1. SENATOR BELL:

2. Well, thank you, Mr. President. Mr. President and members
3. of the Senate, approximately three or four months ago, I guess
4. more like four months ago, the Insurance Laws Study Commission,
5. chaired by Representative Bernard Epton, Chicago, assigned me as
6. a subcommittee chairman to investigate into the hold hearings and
7. investigate into the problems that have been forthcoming from the
8. insurance industry or through the insurance industry and into the
9. area of workman's compensation. I was privileged to have as a
10. member of that subcommittee Senator Bruce and Representatives
11. Schuneman and Mautino. In actuality, that subcommittee was broken
12. down to two Republicans and two Democrats. Mr. President and
13. members of the Senate, we held hearings in January, February,
14. March and one most recently in Alton, Illinois, the 26th of
15. April. The result, Mr. President, of those hearings has been
16. the public information that has drifted across this State as to
17. the impact of the workman's compensation laws, upon the laborers
18. that work in this State and the possibility of job reduction
19. or job loss. Now, it should be obvious to all the membership
20. here that when you're dealing with a field such as workman's
21. compensation that is funded...that is funded by the insurance
22. industry, that those people that are holding hearings or investi-
23. gating into the problems of workman's compensation, should also
24. have some background in reference to the insurance industry
25. and what problems may exist in that industry in the funding of
26. workman's compensation. They should also have some background
27. in reference to the labor laws. Consequently, as chairman of
28. that subcommittee that's been holding these investigations, I
29. have...I have invited and they have attended our hearings, the
30. legislative Committee on Labor and Industry, I believe is what
31. it's called. They have attended and played a role in our...in our
32. hearings. Now, the work of the subcommittee is not done, Mr. President

1. and members of the Senate. It's a continuing process of...of
2. trying to arrive at the problems that we have in this State.
3. There has been legislation that has been put into both the
4. Senate and the House in reference to workman's comp, and some of
5. that legislation is a direct spinoff as to our findings in
6. the subcommittee at this particular stage. I would encourage
7. the members of the Senate to continue to vest their trust
8. in the Insurance Laws Study Commission's subcommittee investigating
9. workman's compensation. I've certainly tried to treat it in a high,
10. even handed manner. I have not received any criticism
11. from my colleagues in the committee from either side of the aisle,
12. and I've...I had a...feel that...that we can ferret out the difficulties
13. that Senator Savickas is describing to us. Because I do, also,
14. feel that the insurance industry has some questions that must
15. be answered. Some of these questions have, in fact, been
16. perfunctorily answered at our hearings to this stage, and now will
17. be the process of the subcommittee to go on in and...and consult
18. and talk to the insurance industry as to find out why, just in fact,
19. there is a reduction of markets. So I would ask this General
20. Assembly to continue to vest trust in the mechanism that has
21. already been set up and is in process to ferret out these answers
22. and I assure you we are in an even handed manner trying to arrive
23. at that. Thank you, Mr. President.

24. PRESIDING OFFICER: (SENATOR ROCK)

25. Senator Graham.

26. SENATOR GRAHAM:

27. Mr. President and members of the Senate, I'm not quarreling
28. with the right of Senator Savickas to find out the answers. I'm
29. not quarreling with the fact that there probably is some irregularities.
30. But I am suggesting to you that perhaps we are once again getting
31. involved into what has been considered by the general public
32. as the old games of the General Assembly. That is when the potato
33. gets too hot, we form a committee to take it out into the

1. backwoods and cool it off. If that's what we're doing,
2. despite the fact that we should know if we don't that there
3. is a direct relationship between the business climate of
4. Illinois and the economy of this State, if we don't know that,
5. we don't deserve to be here. If we think by any stretch
6. of anyone's imagination that we're going to passify the requests
7. and demands of the people of Illinois that are being, in their
8. opinion at least, bludgeoned by the new workman unemployment
9. compensation bills. If we are saying to them, "now look,
10. we're going to plan the commission, they're going to report on
11. January the 10th, we're going to hold up all the workman's
12. comp and unemployment comp bills so this commission reports
13. back, then we're going to fiddle around, we're going to introduce
14. bills, then we're going to jack around and get them out of
15. Rules Committee, then finally, they go in that Committee on
16. Industrial Affairs, and we'll debate them, we'll bring them
17. out here and talk them to death, we'll get them over to the House
18. and they'll never survive Rules. Is that the game we're playing?
19. If that's the game we're playing, shame be upon us. The industry
20. and the economy of this State deserves better treatment than
21. jacking around by the members of the General Assembly, forming
22. commissions to do nothing. If the potato is too hot, get out
23. of the kitchen. I think this State deserves our earnest and
24. forthright consideration of this problem and deserves it now,
25. and if a commission wants to report back later, that's fine.
26. But if we're going to say to the sponsors of the bills who are
27. interested in solving this problem "look we can't hear your bills
28. till this commission comes back." We have done this State
29. a great disservice, greater than we did to them last year when
30. afflicted 234, 235, and 285 upon them. Let's don't do the same
31. thing again.

32. PRESIDING OFFICER: (SENATOR ROCK)

33. Senator Glass.

1. SENATOR GLASS:
2. Will the sponsor yield for a question, Mr. President?

3. PRESIDING OFFICER: (SENATOR ROCK)

4. Sponsor indicates he will yield.

5. SENATOR GLASS:

6. Senator Savickas, following up on Senator Graham's
7. comments with which I agree, and I certainly have no objection to...
8. to this resolution or the investigation you propose to conduct,
9. but will you tell us whether the...the bills that have been
10. let out of Rules Committee on workman's comp will be scheduled
11. for hearing this week?

12. PRESIDING OFFICER: (SENATOR ROCK)

13. Senator Savickas.

14. SENATOR SAVICKAS:

15. The bills on workman's comp that have been assigned to the
16. Labor Committee are scheduled for hearing on Wednesday, May
17. 26th at 9:00 a.m. in Room 212, and I think that the assumption
18. that we should have a hearing on bills before we know the total
19. concern on...on these rates is probably simplifying the matter
20. that...these are matters that I'm sure five members of this Senate
21. can address themselves to, sitting down with the insurance industry
22. and with the Department of Insurance, checking the facts out
23. and reporting to the Senate themselves without any great concern.

24. PRESIDING OFFICER: (SENATOR ROCK)

25. Senator Mitchler.

26. SENATOR MITCHLER:

27. Mr. President and members of the Senate, I have read the
28. resolutions proposed by Senator Savickas and all I can say is
29. I think it's demagoguery in its finest hour. I checked the sponsors
30. of this resolution and I find that they are all those Senators
31. who cast affirmative votes on the increases in workman's compensation
32. enacted in 1975. It sort of reminds me, when I read this resolution,
33. of a tom cat whose created a stink and then is trying to cover it
34. up with sand. You're trying to cover up something that you created

1. and you should have known. You're intelligent people. What
2. you were doing when you cast that affirmative vote, or were
3. you a puppet on a string? I'm serious about this because in
4. reading the second WHEREAS clause there, I notice you say
5. "WHEREAS, The premiums that businesses pay for insurance
6. coverage." I think that you should have said " that the consumer
7. will be required to pay for the products produced by business
8. and industry" and you should go further and say " the increases
9. in real estate taxes forced upon the taxpayer by the cost
10. for workman's compensation increased premiums on local units
11. of government." I site to you an incident up in the City of
12. Rockford when I visited with the manager of the Chamber
13. of Commerce there, Senator Hickey, where he pointed out that
14. the budget for workman's compensation in 1975 to the City of
15. Rockford was seventy-five thousand dollars, and in 1976 the
16. City of Rockford has in their budget three hundred thousand
17. dollars for workman's compensation increases.

18. PRESIDING OFFICER: (SENATOR ROCK)

19. Senator McCarthy, for what purpose do you arise?

20. SENATOR McCARTHY:

21. Just a point of order. We're...

22. PRESIDING OFFICER: (SENATOR ROCK)

23. State your point, Sir.

24. SENATOR McCARTHY:

25. We're on a resolution involving insurance rates. It is
26. a matter-of-fact that the City of Rockford is self-insured
27. and his comments are not germane because it is a self-insured
28. city.

29. PRESIDING OFFICER: (SENATOR ROCK)

30. Your point is well taken. Senator Mitchler.

31. SENATOR MITCHLER:

32. I take your remarks and I'm full aware that the City of
33. Rockford, the City of Aurora is...they are self-insured. But you
34. know...you know what...at what point over a certain amount they have

1. to protect themselves and that is what causes the amount in the
2. budget. Now, where is the taxpayer in the City of Rockford
3. going to get two hundred and twenty-five thousand dollars more
4. to pay for the increase in the cost of workman's compensation?
5. All right. Enough said on that. I've made my point. You've
6. made yours. I go down further here to the fourth WHEREAS clause.
7. "WHEREAS, Many of these rate increases have been granted with
8. little public input," I challenge that because the Department
9. of Insurance has already held public hearings on all rate increases
10. for workman's compensation premium increases. That's a function
11. of the Department of Insurance. They've already held this and
12. had the input.

13. PRESIDING OFFICER: (SENATOR ROCK)

14. Senator Savickas.

15. SENATOR MITCHELRL:

16. Now, what you're getting at goes back...

17. PRESIDING OFFICER: (SENATOR ROCK)

18. Excuse me, Senator. Senator Savickas, for what purpose
19. do you arise?

20. SENATOR SAVICKAS:

21. Well, I thought Senator Mitchler was finished and I was going
22. to answer some of his questions.

23. PRESIDING OFFICER: (SENATOR ROCK)

24. No, he's...

25. SENATOR SAVICKAS:

26. I assume those are questions.

27. PRESIDING OFFICER: (SENATOR ROCK)

28. No he's not finished yet even though his time is up.
29. Senator Mitchler.

30. SENATOR MITCHLER:

31. In summing up, Mr. President and members of the Senate,
32. all I...all I can say is that I concur what Senator Graham has
33. pointed out, that this is merely trying to come up a stink that
34. you created and you are that tom cat being very active. Thank you.

1. PRESIDING OFFICER: (SENATOR ROCK)
2. Senator Newhouse, for what purpose do you arise?
3. SENATOR NEWHOUSE:
4. Thank you, Mr. President. On a point of personal privilege.
5. I think...
6. PRESIDING OFFICER: (SENATOR ROCK)
7. State your point.
8. SENATOR NEWHOUSE:
9. ...this debate has gotten so heated it might be a good point
10. for a break here.
11. PRESIDING OFFICER: (SENATOR ROCK)
12. State your point, Sir.
13. SENATOR NEWHOUSE:
14. Over to my right in the gallery, Mr. President, is a group
15. of students from the Garrick-Morgan High School in Chicago, and
16. I wondered if we'd have them stand and be recognized here in the Senate
17. today.
18. PRESIDING OFFICER: (SENATOR ROCK)
19. Will our guests please stand. Senator McCarthy.
20. SENATOR McCARTHY:
21. Am I the last speaker that indicated?
22. PRESIDING OFFICER: (SENATOR ROCK)
23. You...you are not the last speaker.
24. SENATOR McCARTHY:
25. Well,...
26. PRESIDING OFFICER: (SENATOR ROCK)
27. There's...there's quite a list after you, Sir.
28. SENATOR McCARTHY:
29. I was going to waive if I was last.
30. PRESIDING OFFICER: (SENATOR ROCK)
31. You...you are not last. Of that I can assure you. We would
32. honor your waiver, however.
33. SENATOR McCARTHY:
34. Yeah. All right. I don't really believe that some of the

1. debate is worthy of remark. This resolution...worthy of reply.
2. The resolution speaks for itself and those of you that know
3. Caesar know that the opening line is "all Gaul is divided
4. into three parts." Everybody knows that in the field of
5. workman's compensation there are three parties. There's
6. the injured worker, there's his employer, and there's
7. the insurance carriers in specified areas, and rather than have
8. two parts considered, this is germane to bring in the third
9. party, and for the Labor and Commerce Committee to deliberate
10. intelligently on the proposed changes in the Act. They must
11. obtain this information and it is available. There have been
12. representations made by the Department of Insurance that they
13. will willingly accept this committee and willingly cooperate
14. with the committee and explain the basis for the rate increases
15. that have been granted as well as those that are applied for.
16. For the Legislature not to ascertain the fact is, I think, a
17. dereliction of its duty. This is a good type of resolution,
18. one where the five members on June 1st at the 23.6 percent
19. increase proposal at their hearings should occupy an official
20. status. I urge this resolution be adopted.

21. PRESIDING OFFICER: (SENATOR ROCK)

22. ~~SENATOR~~ Senator Nimrod.

23. SENATOR NIMROD:

24. Thank you, Mr. President. Fellow Senators, I...I take
25. no issue with this resolution in what it trying to do. In fact,
26. I want to commend Senator Savickas, but I do want to say one thing
27. about it and I think he's got it in the wrong place. I think
28. that what we have to do, Senator and fellow Senators, is to
29. ask the committee structure that exists within this Senate to
30. be working. Now, certainly Senator Savickas is Chairman of
31. Labor and Commerce. It seems to me that we involve five new
32. Senators into this picture and then we involve the Insurance
33. Commission and we involve the Labor Law Studies Commission and

1. we involve the others, we're going to have a Senate of a
2. Committee as the Whole. Now, I think what we have done
3. in the committee structure is to have certain Senators
4. be responsible for gathering all the information...as Senator
5. McCarthy has said and it's the responsibility of the Labor
6. and Commerce Committee to do this and I would think that
7. within our...within our committee that we certainly have the
8. opportunity to call in this committee which Senator Bell
9. subcommittee is headed and ask him to give us those reports
10. and that information. To take Senator McCarthy's recommendations
11. and say that those insurance companies that have that information
12. and those other agencies headed bring that information into
13. it. The Industrial Commission to bring their information into
14. it, and it belongs within the...within the committee and the
15. subcommittee to do this and hear the total picture together
16. rather than fragment it. So I would think that Senator Savickas,
17. that rather than present this resolution, you should set up
18. a subcommittee or call a meeting within our own group of
19. the Labor and Commerce Committee and let's resolve it there
20. where we have the total input and not have a fragmentation.
21. So, I think if you're real serious about wanting to do a service,
22. then certainly you ought to take the responsibility within...within
23. our own committee and do it that way and not pass the resolution
24. which is going to really divert and delay something. If you're
25. sincere about it, I would suggest that...that you accept the
26. suggestion which I'm making and do it within our own committee
27. and not through a resolution.

28. PRESIDING OFFICER: (SENATOR ROCK)

29. Senator Harber Hall.

30. SENATOR HALL:

31. I, too, rise to oppose this resolution, Mr. President.
32. In doing so, I have to recall that at the time shortly after
33. these bills were passed and began to take effect and the increases

1. began to be shown to the employers that have to pay these
2. costs. At the time I heard members of the Legislature who had
3. voted for the bills indicate that they thought they had made
4. a mistake they didn't realize what was in the bills. They didn't
5. realize all the excess benefits, unneeded benefits, unjustified
6. benefits that the bills contained and they were sorry they
7. had voted for them. I had one member of this Body who had
8. voted for the bills say it was the worst vote he had ever made
9. in the General Assembly and now when they start talking about
10. improved amendments to the law that we can pass here and now
11. in this Spring Session, then I reflect back to one
12. of the labor leaders in our great State, a man who I respect,
13. but a man who is so insistant upon making his mark and getting
14. these undue benefits for his people, I reflect what he says,
15. we will fight any changes to these laws in every way we can,
16. and I am convinced that this is one of the ways he meant to
17. delay, to procrastinate and to postpone the situation until
18. we drive businesses out of Illinois. He knows businesses
19. are hard-pressed. You should see some of the letters I have
20. received from people who are having to close their doors
21. because of these laws. Let's get on with the improved
22. legislation. Take your lumps for having passed 234, 235 and
23. 285, and let's improve them and let's try and do better in the
24. future.

25. PRESIDING OFFICER: (SENATOR ROCK)

26. Senator Morris.

27. SENATOR MORRIS:

28. Thank you. I find this rather interesting as...as a new
29. Senator. It seems like a couple weeks ago we had a vote on
30. something called Public Aid and one side of the aisle chose to make
31. it a very political issue. I've also noticed that there's been
32. a lot of concern, at least in my area, primarily by small
33. business people, about the tremendous increases they paid in

1. workman's comp rates, and it was amazing that a lot of those
2. increases came within thirty days of the time the legislation
3. was passed where someone would have to question about the
4. experience factor. And, I find that when we try to get information
5. to try to find out what the real problem may be that people
6. are apparently resisting it and I question whether people
7. on the other side of the aisle are serious about doing what
8. Senator Hall just said of correcting the legislation where
9. necessary, or whether they're looking to make a political
10. issue out of something and let people suffering be something
11. that is not important. Now, I think this resolution is a good
12. one. I think that the...should be approved unanimously
13. and we should get down to the business of gathering the information.
14. As a new Senator, I like to get as much information as I can
15. before I make a decision and I can't understand why anybody would
16. be hung up with explaining why their rates went up. I think that
17. it's time that a little sunshine in on the insurance companies
18. which have remained very silent on this issue. The malpractice
19. crisis, the doctors were here yesterday and once again there
20. was talk about the insurance rates. I think that maybe the
21. insurance industry has become an equal partner in liability
22. insurance, whether it be for doctors, or for businesses or
23. for people with homes and I think it's time that they come in
24. and answer to those of us who make the laws, why their rates
25. went up and give us the information so if and when changes
26. are made in these laws or the medical malpractice laws, we have
27. adequate information at our hand and I would hope this would
28. not be turned into a partisan matter and I would urge everyone
29. to vote "yes" on this resolution and let's get down to business.

30. PRESIDING OFFICER: (SENATOR ROCK)

31. Senator Wooten.

32. SENATOR WOOTEN:

33. Thank you Mr. President and colleagues. In speaking in

1. support of this resolution, I would just like to respond
2. to some points that have been made and I am one who is willing
3. to admit that the debate on these matters, particularly workman's
4. comp last time was cursory. As I recall the arguments during
5. debate were of a Pavlovian nature, the kind that you always
6. get when the subject is brought up and didn't proceed much beyond
7. that. This resolution seems to me to be extremely important.
8. We must examine this aspect...

9. PRESIDING OFFICER: (SENATOR ROCK)

10. Senator Berning, for what purpose do you arise?

11. SENATOR BERNING:

12. Thank you, Mr. President. I have sat here now through
13. two speeches which would impune my own integrity and perhaps
14. that of many others. I beg to remind the last two speakers
15. that we did our level best to point out with facts and figures
16. what the impact was going to be. Now, to say that it was
17. Pavlovian and a lot of hot air is absolutely untrue and I personally
18. resent it.

19. PRESIDING OFFICER: (SENATOR ROCK)

20. Senator Wooten.

21. SENATOR WOOTEN:

22. I did not mention hot air. I did use the term...I did
23. use the term "Pavlovian" and I believe I said it struck me as
24. Pavlovian and indeed that was my impression. Proceed to the question
25. of the resolution. The importance of the resolution is that this
26. aspect of the problem must be carefully examined. Serious
27. questions have been raised about the behavior of the insurance
28. industry and I think we simply have to come to grips with the
29. matter. The two courses of action, passing this resolution and
30. dealing with the bills which are coming out of committee, perhaps,
31. are not mutually exclusive. I do not think that passing the
32. resolution forecloses any action on those bills. I am glad to
33. see that we're considering this kind of approach because the interest

1. goes beyond the membership of the Labor and Insurance
2. Committees. I think all of us are deeply involved. I believe
3. we are beginning to identify some of the actuarial problems,
4. and I want to state to the membership that I for one am
5. prepared to act on some corrective measures this year.
6. As we identify the actuarial problems, I think they ought to be
7. dealt with in legislation. I will not be a party to dis-
8. mantling workman's compensation. I believe of the Chamber's
9. resolve to address itself to the problems, we should take
10. every approach open to us. This is one and I heartily
11. endorse it.

12. PRESIDING OFFICER: (SENATOR ROCK)

13. Senator Soper.

14. SENATOR SOPER:

15. Thank you, Mr. President and members of the Senate. You know,
16. I think we're talking about nothing here. After all, Senator
17. Savickas is going to appoint three from his side of the aisles
18. that are on the committee that would handle this Labor and Commerce,
19. I think he calls it, or Labor and Industry at this time, and I
20. think, two that will be appointed on our side will be two
21. from the same committee appointed by...by...what, you want me
22. to say Harris? Okay I'll say Harris...Senator Harris, and
23. it'll be the minority spokesman and the majority spokesman
24. in each of that...in that committee, so if he wants to go another
25. way and do this thing and spend another dollar on this I don't think
26. we can avoid it. So I'll move the previous question.

27. PRESIDING OFFICER: (SENATOR ROCK)

28. Well, would you hold that a moment? There are five others
29. who have indicated they wish to be heard and they are already on the
30. list, and the practice in the past has been...Senator Bruce.

31. SENATOR BRUCE:

32. Yes, Mr. President and members of the Senate. One of the
33. facts that has been brought out or discussed here is how long
34. this committee will take to act. The resolution says by June 10th.

1. I, as one member who plan to support this resolution would hope
2. that their work would be done much before June 10th so that
3. this Body can take action. It is my belief that this resolution
4. is put to the Body in a manner of seriousness so that a problem
5. can be recognized and a solution made. The problem seems to be
6. in the subcommittee of which I serve of one of insurance
7. companies and actuaries, people with whom I work on the State
8. Employee Group Insurance Program and work with them very closely
9. and there seems to be three specific areas which actuaries and
10. insurance companies now have concern. One is in the death
11. benefits, and I would hope that the committee that is appointed
12. would take a very close look at the requirement that fifty
13. percent of salary for a minimum that has caused problems with
14. the insurance industry and with actuaries because they cannot
15. compute their potential loss, therefore, they include a huge
16. surplus to cover any potential catastrophic loss. In addition,
17. I think that we should reconsider our position on notice to the
18. employer. We used to give a forty-five day notice to employer.
19. That has been deleted. It is only a notice such that is not
20. prejudicial to the employer. That has been very broadly interpreted
21. in a short time and I think that we ought to reconsider our
22. position on that. Finally, I would say that we have allowed
23. workers to seek physical examinations from the doctor of their
24. own choice. I have no difficulty with that, but I think
25. in all due fairness, there might be some room for requiring a
26. company physical at some time in and about the time that notice
27. would be required to the employer so that the workers' actual
28. physical condition could be established. I think that's only fair
29. that those three changes be considered. There are several other
30. changes that ought to be considered by the subcommittee. There
31. are problems within the workman's compensation area. I don't
32. think anything anyone is going to dispute the reason for the
33. resolution, is the fact that a problem has come up. There are many

1. solutions. One solution is to study it by a five member
2. committee. Another solution is have a subcommittee of the
3. Insurance Laws Study Commission of which I was a member.
4. Another solution is to have the Senate Labor Committee have
5. hearings. All these solutions are responding to a problem
6. that we now recognize. The outcome can be, I think, one of
7. three things. One is that we change the system of workman's
8. compensation benefits and reduce those benefits to reduce
9. the cost. That is one potential finding. A second potential
10. finding is that the insurance practices and companies ought
11. to be regulated and their rates ought to be reviewed more
12. strictly. That's another potential finding. I think more
13. likely though, is the third one, and that is a combination
14. of some change in the structure, some change in the benefits,
15. and some regulation of insurance rates. And so with that in mind,
16. and hopeful that this resolution does proceed, I...I plan
17. to support it and hope that we can find a solution to
18. what we now find to be a problem.

19. PRESIDING OFFICER: (SENATOR ROCK)

20. Senator Schaffer.

21. SENATOR SCHAFFER:

22. A littler earlier in the debate, Senator McCarthy
23. suggested that Gaul was divided into three parts. I would
24. suggest to you that Gaul has been divided into four parts,
25. Senator, and that fourth part almost never receives any comment
26. from the Illinois Legislature. I refer to the legal fees involved
27. in workman's comp. A little earlier as Senator Savickas came
28. up with some interesting statistics predicting a...or projecting
29. a cost increase from the commission of four to seven percent
30. and from the insurance companies a fifty plus percent. It occurs
31. to me it is not impossible for one to conclude that the additional
32. percentages might be legal fees. And I wonder how one can
33. objectively look at this problem without looking at the fees
34. charged by those members of the...legal profession that specialize

1. in this area. I am told, I certainly don't believe it,
2. that some of the fees for this particular...in this particular
3. area are outrageous. Bordering on criminal. Now, I don't
4. believe that, but I have been told in many other areas
5. that fees are charged that are not perhaps in the public interest
6. and I wonder, Senator Savickas, whether you would be prepared
7. to amend this resolution to include legal fees because I do not
8. believe you can honestly look at the entire problem without
9. looking at those charges which I am told amount to a substantial
10. percentage of the total payout charges. Perhaps that is an
11. area that definitely merits your attention and the attention
12. of this committee to be appointed. Senator Savickas, would you
13. care to respond to that? Are we looking at part of the problem
14. or are we going to look at the entire problem?

15. PRESIDING OFFICER: (SENATOR ROCK)

16. Senator Savickas. Senator Bell, for what purpose do you arise?

17. SENATOR BELL:

18. Point of personal privilege.

19. PRESIDING OFFICER: (SENATOR ROCK)

20. State your point.

21. SENATOR BELL:

22. While Senator Savickas is considering his answer in that
23. question, I'd like to introduce to the Senate some constituents
24. of mine from Joliet that are in the back gallery to the
25. east from St. John's School, so if the members of the Senate
26. would recognize them.

27. PRESIDING OFFICER: (SENATOR ROCK)

28. Would our guests in the gallery please rise?

29. Senate...Senator Partee.

30. SENATOR PARTEE:

31. Just wanted the young people from St. John's School in Joliet
32. to know that a member of this Senate, Senator Donnewald, is a
33. graduate of St. John's in Joliet Grade School.

1. PRESIDING OFFICER: (SENATOR ROCK)

2. Senator Savickas.

3. SENATOR SAVICKAS:

4. Yes, Mr. President, members of the Senate, this is a very
5. valid question and I think that it probably could be addressed
6. to right in our Labor Committee on the workman comp bills
7. that will be heard there. It's my understanding that attorneys
8. charge twenty percent of the settlement. If this is too high,
9. we can probably, through the bills in the committee, amend
10. this figure to reflect a proper increase. I join with you,
11. Senator, that many instances attorneys seem to do better than
12. injured parties, and if this is proper, fine. Let's bring
13. this up in the committee with the bills that are there and we
14. can address ourselves right to it. I have no qualms about
15. supporting your position.

16. PRESIDING OFFICER: (SENATOR ROCK)

17. Senator Schaffer. Senator Schaffer.

18. SENATOR SCHAFFER:

19. Well, Senator, I...I don't think you really answered my
20. question. I...I would like to amend the resolution. I think
21. with that amendment on it I...I could honestly support it.
22. Although I suspect if we put that amendment on it would
23. then have a majority vote to send the resolution to Judiciary.
24. But, that might not happen. I would like to see an amendment
25. put on or a resolution...further resolution if you feel you
26. must proceed. If you don't...if you want your resolution through
27. today, I can understand that and you...you do appear to have the
28. votes. Perhaps a secondary resolution expanding the scope
29. of the committee would be in order. But I'd certainly be
30. willing to coauthor such a resolution with you, Senator.

31. PRESIDING OFFICER: (SENATOR ROCK)

32. Senator Lemke.

33. SENATOR LEMKE:

1. Mr. President and members of the Senate. We sat here...
2. we're talking about the rate increases. We have many inquiries
3. in my district from small businesses that have been canceled
4. and then...inadvertently had been thrown into assigned risk pools
5. and pay higher insurance premiums and the fees are tremendously
6. great, yet they have no losses but they still have to pay
7. the insurance premiums. The people that run small businesses
8. in this state have employees that work for them many years.
9. And they want to give these employees the benefits because these
10. people that started the small industry used to work for other
11. employers that didn't give them the benefits and that's why
12. they were...were resentful and went out on their own and started
13. their businesses. And you look around and you say industry is
14. running from the state because of insurance premiums. Well,
15. yesterday coming back on the airplane from the funeral,
16. I looked at the business section of the Daily News. And there are
17. three base Illinois corporations that are in the State of
18. Illinois that are doing business here, one of them in Belvidere,
19. Chrysler is bringing in and doing more business here and they're
20. going to put on another shift. Business is great. We look
21. at Northwest Industries, they're raising their dividends and
22. their profits. They made twenty-eight percent profit this year.
23. We look at Stone Container, they paid a forty percent dividend,
24. they paid a forty percent dividend to their stockholders, so business
25. is running from place where they're making profit, then that would
26. be foolish because they're not going to run. Business is going
27. to stay, because they're making money. The only businesses
28. that are running from the State of Illinois are businesses
29. that have been merged with out-of-state corporations. Out-of-
30. state corporations that give no concern about the State of
31. Illinois, they...they give concern about manufacturing their
32. products in other countries. They don't care about the American
33. labor force. They don't care about this and the insurance industry

1. had two rate increases since this had gone through which is...
2. there has been no public...public hearings...public hearing.
3. The public hasn't come in. These small businessmen haven't
4. been called in to ask why they've been cancelled. One guy
5. had a eight hundred dollar claim. His insurance was raised
6. from eight hundred dollars to twenty-three hundred dollars.
7. Then you saw the statistics from Senator Savickas on the amount
8. of claims. In the same number of cases at the Industrial Commission.
9. The awards are less because the arbitrators are awarding less.
10. They're going by what they should do and what they've been doing
11. all the time. The problem lies with the insurance industry.
12. The problem lies with the Chamber of Commerce. I sat here last
13. Session when these bills were up. I didn't hear the Chamber of
14. Commerce yell for small business...on their thing. I heard
15. the Chamber of Commerce come in here and yell for big business.
16. I heard the Manufacturers Association yell for big business.
17. Not for the little guy. Cause big businesses isn't taking these guys
18. up when they want to swallow them up. And they want to eliminate
19. small business. And when you say small business is being hurt,
20. sure it's being hurt. It's hurt...it's being hurt by a conspiracy
21. of insurance companies that have investments in big corporations.
22. Let's look at the books when they talk about insurance premiums.
23. Let's look at all the books. Let's look at the loss ratio book,
24. and let's look at the investment portfolio and yes, let's look
25. at that private book they put before the Board of Directors
26. in the insurance company, the one nobody sees and see what their
27. is. And see what their dividends are paid on that insurance
28. company's stock. This is where the problem is. If small
29. business is being forced out of business. It's because a conspiracy
30. maybe between the insurance industry and the large corporations.
31. And I urge a favorable vote for this resolution.

32. PRESIDING OFFICER: (SENATOR ROCK)

33. Senator Harris, did you wish recognition, Sir?

1. SENATOR HARRIS:

2. Yes, thank you, Mr. President. There were two points
3. that I wanted to make since this resolution is before us
4. and in some of the dialogue here, I've learned something that
5. troubled me a great deal when I looked at the resolution
6. on its face, but which has been forthcoming as a matter
7. of information by the sponsor of the resolution, Senator
8. Savickas, and that is that in one of his replies, my recollection
9. is, that the bills before his committee relating to amendments
10. to the Worker's Compensation Act and the Occupational Disease Act,
11. are set for next Wednesday. Is..is that not correct?

12. PRESIDING OFFICER: (SENATOR ROCK)

13. The...the 26th of May.

14. SENATOR HARRIS:

15. Okay. All right. A week from Wednesday then. All right.
16. Fine. The thing that troubled me a great deal about this resolution
17. was that its first interim report the committee is mandated
18. to be on June 10. Which if this resolution, or this committee
19. was going to be a means of delaying the deliberative process
20. on those bills I was troubled by it. Very candidly, I am satisfied
21. with the scheduling of the bills before Senator Savickas' committee.
22. I wish you would advance that hearing by a week, Mr. Chairman.
23. You've always been a...a very fair and certainly hard working
24. chairman and hard working member of this Body. I don't know why
25. it is necessary to wait until the 26th to begin the deliberative
26. process on those amendatory bills. I would...I would urge you
27. to consider the possibility of advancing that hearing date. And
28. let us get at the business. I think it's germane to that committee
29. hearing to get into that third element that Senator McCarthy
30. I think somewhat eloquently included in this now tripartite
31. equation rather than the old two sided equation. I think that is
32. a sound inclusion in what is our responsibilities. I would point out
33. there have been statements made here today that little public input

1. and this is contained in the body of the resolution, as a
2. matter-of-fact within the Insurance Code, worker's comp
3. insurance coverages and occupational disease insurance coverages
4. do require prior approval of the Department, and their
5. regular hearing process was observed. I think it is subjective
6. and not particularly conclusive that little public input was
7. involved. I'm troubled by that language of the resolution.
8. I happen to think that really one of the outstanding directors...
9. of the Department of Insurance in my twenty-two years
10. is the present director. Director Wilcox. He's administering
11. that Department and meeting the responsibilities of that Department
12. as well as any director I've ever experienced. If, in fact,
13. this resolution then is not going to be a reason for foot dragging
14. or taking up the amendatory bills that are before this...
15. before a committee of this Body then I'm not really troubled
16. by this resolution, and really have no objection to it, if, in fact,
17. you're sincere, Senator Savickas, in moving with dispatch
18. and care and deliberation on the amendatory bills before your
19. committee. Would you respond to that suggestion? It's not a
20. request, it's a suggestion to advance the hearing date of those
21. amendatory bills.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. Senator Savickas.

24. SENATOR SAVICKAS:

25. Yes, Mr. President and Senator Harris, our first thought
26. was to try to hold them next week. We checked with Mr. O'Keefe,
27. it was a problem on scheduling, problem with some of the members.
28. I will sit down again with them to try to work it out if possible.
29. There...there was no...no magic date. It was just a problem
30. of scheduling. I hope that, and I understand now your...your comments
31. are in complete agreement with the concept that we have had
32. in creating this resolution was that to go along...get everything...
33. try to get as much information as we can while we are working on

1. this subject. The date, I'm sure if any of our fellows find
2. out between...before June 10th, information can be given
3. to each and every Senator whatever they find. The hearings
4. can progress independently of the resolution. It's not...they're
5. not tied in together. It's something that I felt that we should
6. all be aware of and I hope that our committee and the Senate
7. itself can resolve some of these major issues of concern
8. for all of the people of Illinois, and I appreciate your support
9. of the resolution.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. Senator Harris.

12. SENATOR HARRIS:

13. Well, I...I do believe we've got the skill and the
14. talent to work out scheduling problems, and I would just
15. sincerely urge you to try and advance that first hearing
16. by one week. But I...I with...with your commitment to at least
17. make a conscientious effort to do so, I will join you in the support
18. of this resolution.

19. PRESIDING OFFICER: (SENATOR BRUCE)

20. Senator Palmer.

21. SENATOR PALMER:

22. Well, in view of what Senator Harris just said, I would
23. suggest that we have a roll call but I originally rose to
24. answer Senator Schaffer on his unfounded statements about the
25. exorbitant fees charged by attorneys, and to...but there is...there is
26. a point that he did bring out. The fees that are charged
27. by attorneys are approved by the Industrial Commission. They are
28. of record. They cannot go above twenty percent and as a matter-of-
29. fact, Senator Schaffer, if there's a total loss of a limb, there
30. are no fees at all. This is controlled. This is of record.
31. And if Senator Schaffer would...has injected something that this Body
32. may have overlooked with some of the rhetoric. The resolution
33. is really asking for disclosure. We would like to know why

1. ...why the insurance industry has collected seventy million
2. dollars of premiums on malpractice, paid out twelve million
3. dollars in awards and they're asking for two hundred...
4. two hundred and seventy percent increase. That's the kind of
5. disclosure we want. Why. Also as Senator Savickas has...has...
6. this is the subject matter here, has stated that on the workman's
7. compensation awards...
8. PRESIDING OFFICER: (SENATOR BRUCE)
9. One moment Senator Palmer.
10. SENATOR PALMER:
11. ...the...the increase is so minimal...
12. PRESIDING OFFICER: (SENATOR BRUCE)
13. ...one moment Senator Palmer.
14. SENATOR PALMER:
15. ...why are they...
16. PRESIDING OFFICER: (SENATOR BRUCE)
17. For what purpose does Senator Ozinga arise?
18. SENATOR OZINGA:
19. Point of order.
20. PRESIDING OFFICER: (SENATOR BRUCE)
21. State your point.
22. SENATOR OZINGA:
23. Six members ago...six members ago Senator Soper
24. made a motion that was being held for five members, and that
25. motion was the previous question.
26. PRESIDING OFFICER: (SENATOR BRUCE)
27. Senator Palmer, will you close please.
28. SENATOR PALMER:
29. I...I was just wondering why we have so many of our members
30. rising in defense of the greatest industry this country that probably
31. has more money than the government. Let us listen to some of the
32. wise statements of Senator Lemke. Let's take care of the little
33. fellow. Let's...let's protect them and all we are asking by this
34. resolution is a disclosure as why you are charging this high

1. premium, and I move for the roll call on this resolution.

2. PRESIDING OFFICER: (SENATOR BRUCE)

3. Well, may we have some order, Gentlemen? On the list
4. was Senator Partee and I would hope that Senator Soper
5. would hold his motion. He was on the list when I arrived
6. at the podium. Senator Partee is recognized.

7. SENATOR PARTEE:

8. Thank you, Senator Soper and thank you, Mr. President.

9. I had hoped that this resolution would not have evoked as much
10. emotion that it has. I'd hoped that it would not be a party
11. line kind of vote and Senator Harris has very courageously
12. and I think very wisely and sagaciously expressed himself as
13. being supportive of the resolution. It's really a matter
14. that relates to people and although labor has been mentioned
15. and business has been mentioned and governmental entities
16. have been mentioned and consumers have been mentioned, of all
17. of them I suppose the greatest impact is on the consumer.
18. One of the things that has troubled many of us is a fact
19. that during the meetings between business and labor trying
20. to reach some concensus and accord on possible alterations
21. of this law, a new element has been introduced. We've had,
22. as you say, Senator Graham, the agreed bill process for a long time
23. around here, but there's no recollection of anybody ever being
24. involved except labor and industry. The thing that surprised
25. everybody in these hearings was the inordinate, pushy, demanding
26. role that the insurance industry took in what ordinarily should have been
27. hearings that did not concern them. We wondered why the insurance
28. industry took the leader even supplanting and preceding business
29. in the discussions, and we saw what the rates were and how high
30. they have gone, it became apparent to some of us that there was
31. something wrong with these insurance rates. Now, I have the
32. highest respect for Director Wilcox. In my judgment he is one
33. of the finest directors of that or any other department that I have

1. seen in my twenty years in government. But the fact of the
2. matter is these rather outrageous increases which have been
3. bottomed on no experience ought to be taken into account and
4. carefully looked at. We need an actuary to work with this
5. committee to make the determination as to whether or not these
6. are legitimate increases or whether or not it does not amount
7. to a rip-off. Now, I certainly think that there are some
8. alterations which ought to be made in this law. I would suggest
9. to you that these bills which were in the Rules Committee have
10. been discharged by the Rules Committee with the votes of
11. the majority party. We brought them out of the Rules Committee,
12. brought them to the Floor because we did want them considered.
13. We did want to look at the possibilities of altering them in the
14. interest of both business and labor and government and finally,
15. the consumer. This should not be a partisan issue. This should
16. be an issue to which we all seriously address ourselves to do
17. something for people. And I, for one, think that this is the
18. vehicle by which this examination and consideration ought to be
19. made. I know that there is an insurance law study commission,
20. but many of the people involved in that commission or interested
21. in insurance in one way or the other, I think we ought to get
22. away from that and get a commission for this specific purpose
23. with an actuary to find out about these rates because this, of
24. course, can make a great deal of difference in the final analysis
25. of the resolution of this Hydra headed problem. Thank you.

26. PRESIDING OFFICER: (SENATOR BRUCE)

27. The question is on the adoption of the resolution, Senate
28. Resolution 332. Those in favor vote Aye. Those opposed vote Nay.
29. The voting is open. Have all voted who wish? Take the record.
30. On that question the Ayes are 51, the Nays are 4, 2 Voting Present.
31. Senate Resolution 332, having received a majority vote, is declared
32. adopted. Resolutions.

33. SECRETARY:

1. Senate Resolution...Senate Resolution 333, introduced
2. by Senators Weaver and Mitchler. It's congratulatory.

3. PRESIDING OFFICER: (SENATOR BRUCE)

4. Senator Weaver, congratulatory resolution. Senator
5. Weaver makes...Senator Weaver moves for the suspension of the
6. rules for the immediate consideration and adoption of resolution...
7. Senate Resolution 332. Is there objection? Leave is granted.
8. The rules are suspended...On the motion to adopt.. All Senators
9. to be shown as sponsors, Senator Weaver? All Senators
10. to be shown as cosponsors. All in favor say Aye. All opposed
11. Nay. The Ayes have it. The resolution is adopted.

12. SECRETARY:

13. Senate Resolution 334, introduced by Senator Howard Mohr.
14. It's congratulatory.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Senator Howard Mohr on the Floor? Would someone wish to move
17. that? Senator Mohr asks leave of the Body for the immediate
18. consideration and adoption of the resolution. Is there leave?
19. Leave is granted. On the...on the adoption, Senator Mohr moves
20. the adoption of the resolution. All in favor say Aye. Opposed
21. Nay. The Ayes have it. The resolution is adopted.

22. SECRETARY:

23. Senate Resolution 335, introduced by Senators Lane, Savickas,
24. McCarthy, and Partee. It's congratulatory.

25. PRESIDING OFFICER: (SENATOR BRUCE)

26. Senator Lane on the Floor or...yes. Senator Lane.

27. SENATOR LANE:

28. I ask for the suspension of the rule...rules for the
29. immediate consideration...

30. PRESIDING OFFICER: (SENATOR BRUCE)

31. Senator Lane asks leave for the suspension of the rules
32. for the immediate consideration and adoption of the amendment...
33. of the resolution. Is there leave? Leave is granted. On the

1. adoption. Senator Lane moves the adoption of the resolution. All
2. in favor say Aye. Opposed Nay. The Ayes have it. The resolution
3. is adopted.

4. SECRETARY:

5. Senate Resolution 336, introduced by the same sponsors.

6. PRESIDING OFFICER: (SENATOR BRUCE)

7. Senator Lane makes...asks leave for the suspension of the rules
8. and immediate consideration and adoption of the resolution. Is
9. there leave? Leave is granted. On the adoption. Senator
10. Lane moves the adoption of the resolution. All in favor say
11. Aye. Opposed Nay. The Ayes have it. The resolution is adopted.

12. SECRETARY:

13. Senate Resolution 337, introduced by the same sponsors
14. and it's congratulatory.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Same motions by Senator Lane on the adoption. All in favor
17. say Aye. Opposed Nay. The Ayes have it. The resolution
18. is adopted. Introduction of bills. For what purpose does Senator
19. Mitchler arise? Mitchler. Senator Mitchler.

20. SENATOR MITCHLER:

21. Mr. President, I would rise on a point of personal privilege.

22. PRESIDING OFFICER: (SENATOR BRUCE)

23. State your point.

24. SENATOR MITCHLER:

25. In the President's gallery, the attractive lady with the
26. little red hat, Eileen Johnson, I would ask that she rise, and be
27. recognized, but before we recognize Miss Johnson, I point out
28. that this Saturday she, again, is sponsoring an environmental
29. cruise on Lake Michigan, departing from the Windella Boat Dock
30. at 10...at 8:45 A.M., returning about 3:30 P.M. Very distinguished
31. guests will be aboard and it is a very interesting cruise that
32. she is sponsoring to enlighten people with some of the problems
33. and how they're being corrected with the involvement of Lake
34. Michigan. Miss Johnson, would you please stand and be recognized by

1. the Senate.

2. PRESIDING OFFICER: (SENATOR BRUCE)

3. Please stand and be recognized. Introductions.

4. SECRETARY:

5. Senate Bill...

6. PRESIDING OFFICER: (SENATOR BRUCE)

7. For what purpose Senator...for what purpose Senator

8. Daley arise?

9. SENATOR DALEY:

10. Mr. President, on a point of personal privilege.

11. PRESIDING OFFICER: (SENATOR BRUCE)

12. State your point.

13. SENATOR DALEY:

14. I would like to introduce a group of students from St.

15. Gabriel School from the 23rd district, as well as from the

16. 11th ward, a great grammar school and a fine community in my

17. district. I'd ask them to stand up and rise.

18. PRESIDING OFFICER: (SENATOR BRUCE)

19. Would they please stand and be recognized. For what purpose

20. does Senator Egan...I would...I would remind the members of the

21. Senate that we are conducting business and we will...we have not

22. concluded. We've gotten to the order of resolutions because

23. the resolution of Senator Savickas. We will revert to the order

24. of 3rd reading and they are bills of some importance that are

25. coming up and I would want you not to leave the Floor unappraised

26. of that fact. Senator Egan.

27. SENATOR EGAN:

28. Thank you, Mr. President. I would like to move to discharge

29. the committee on Pensions and Personnel from two Senate Bills...

30. PRESIDING OFFICER: (SENATOR BRUCE)

31. Could you hold that until we get to the order of motions.

32. We are on introduction. I would like to get that order of business

33. concluded. We'll take motions at the end of the day. Senator Philip,

1. could you...hold your announcement until such time as
2. we are on the order of motions and announcements? Senator
3. Weaver, would that be...introduction.
4. SECRETARY:
5. Senate Bill 1943 and 1944.
6. PRESIDING OFFICER: (SENATOR BRUCE)
7. Rules Committee.
8. SECRETARY:
9. Senate Bill 1945, introduced by the Committee on Revenue.
10. (Secretary reads title of bill)
11. 1st reading of the bill.
12. PRESIDING OFFICER: (SENATOR BRUCE)
13. Rules Committee. Assignment of Bills.
14. SECRETARY:
15. Senate Bill 1946.
16. PRESIDING OFFICER: (SENATOR BRUCE)
17. Rules Committee. Senate Bills, 3rd reading. Senate Bills,
18. 3rd reading. Page three of your Calendar, Senate Bill 1590,
19. Senator Vadalabene. Read the bill, Mr. Secretary.
20. SECRETARY:
21. Senate Bill 19...1590.
22. (Secretary reads title of bill)
23. 3rd reading of the bill.
24. PRESIDING OFFICER: (SENATOR BRUCE)
25. Gentlemen, alert your attention. We have reverted to the
26. order of Senate Bills, 3rd reading. Senator Vadalabene is
27. recognized.
28. SENATOR VADALABENE:
29. Yes, thank you, Mr. President and members of the Senate. Senate
30. Bill 1590 creates a metropolitan exposition auditorium office
31. and building fund as a special fund in the State Treasury. It
32. provides a mechanism for the transfer of revenue from the Metropolitan
33. Fair and Exposition Authority Reconstruction Fund created by the
34. Act. The transfer will involve only excess revenue still left in

5/13/76
3rd reading

1. the reconstruction fund after all bond payments obligated under
2. the fund are paid each year and I would appreciate a favorable
3. vote.

4. PRESIDING OFFICER: (SENATOR BRUCE)

5. Is there further discussion? The question is shall
6. Senate Bill 1590 pass. Those in favor vote Aye. Those opposed
7. vote Nay. The voting is open. Have all voted who wish?
8. Have all voted who wish? Take the record. On that question
9. the Ayes are 46, the Nays are 5, 1 Voting Present. Senate Bill
10. 1590, having received a constitutional majority is declared
11. passed. Senate Bill 1591.

12. SECRETARY:

13. Senate Bill 1591.

14. (Secretary reads title of bill)

15. 3rd reading of the bill.

16. PRESIDING OFFICER: (SENATOR BRUCE)

17. Senator Vadalabene.

18. SENATOR VADALABENE:

19. Yes, thank you, Mr. President. Senate Bill 1590...

20. PRESIDING OFFICER: (SENATOR BRUCE)

21. Excuse me Senator Vadalabene. I think we're reflecting
22. the wrong number on the board.

23. SENATOR VADALABENE:

24. 1591.

25. PRESIDING OFFICER: (SENATOR BRUCE)

26. Senator Vadalabene.

27. SENATOR VADALABENE:

28. Yes, thank you, Mr. President and members of the Senate.

29. Senate Bill 1591 addresses itself to the bill, Senate Bill 166,
30. the Metro East Act, which was adopted by the General Assembly
31. in the Fall of 1974. After an amendment in the Spring of '75
32. a suit was brought in the Illinois Supreme Court challenging the
33. constitutionality of Senate Bill 166. The purpose of Senate Bill

SB. 1591
5/13/76
3rd Reading

1. 1591 is to recreate the funding sources approved by the General
2. Assembly with Senate Bill 166 and to avoid having to require
3. a test suit before the Supreme Court before bonds can be sold.
4. And I would appreciate a favorable vote.

5. PRESIDING OFFICER: (SENATOR BRUCE)

6. Is there further debate? Senator Mitchler.

7. SENATOR MITCHLER:

8. Mr. President, I'd like to ask to be shown as a cosponsor
9. of Senate Bill 1591 and also 1590.

10. PRESIDING OFFICER: (SENATOR BRUCE)

11. Is there leave? Leave is granted. Senator Merritt.

12. SENATOR MERRITT:

13. Mr. President and members of the Senate. I would like
14. to ask the same leave on 1590 and 1591.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Is there leave? Leave is granted. Is there further debate
17. on 1591? The question is shall Senate Bill 1591 pass. Those in
18. favor vote Aye. Those opposed vote Nay. The voting is open.
19. Have all voted who wish? Take the record. On that question
20. the Ayes are 50, the Nays are 2, 2 Voting Present. Senate Bill
21. 1591 having received a constitutional majority is declared passed.

22. Are there other bills on...on 3rd reading that sponsors would wish
23. to call? Senator Kosinski. What bill?

24. SENATOR KOSINSKI:

25. Mr....1880.

26. PRESIDING OFFICER: (SENATOR BRUCE)

27. Senate Bill 1880. Mr. Secretary, please read the bill.

28. SECRETARY:

29. Senate Bill 1880.

30. (Secretary reads title of bill)

31. 3rd reading of the bill.

32. PRESIDING OFFICER: (SENATOR BRUCE)

33. Senator Kosinski.

1. SENATOR KOSINSKI:

2. Mr. President and members of the Senate. Senate Bill
3. 1880 seeks to transfer funds to pay the bonuses of World
4. War II and the Korean bonus veterans. It's a transfer of
5. twenty-six thousand dollars, nine thousand four hundred dollars
6. is transferred from the prisoners of war bonus and sixteen thousand
7. six hundred for the educational...from the educational opportunities
8. for children of certain World War I and World War II veterans.
9. This is a very...the dillies...there's outstanding payments
10. of approximately sixteen thousand dollars which needs to be...

11. PRESIDING OFFICER: (SENATOR BRUCE)

12. Is there further debate? The question is shall Senate
13. Bill 1880 pass. Those in favor vote Aye. Those opposed vote
14. Nay. The voting is open. Have all voted who wish? Take the
15. record. On that question the Ayes are 56, the Nays are none,
16. none Voting Present. Senate Bill 1880 having a constitutional
17. majority is declared passed. Further bills on Senate...on 3rd
18. reading. Senator D'Arco.

19. SENATOR D'ARCO:

20. 1606.

21. PRESIDING OFFICER: (SENATOR BRUCE)

22. Senate Bill 1606. Mr. Secretary, please read the bill.

23. SECRETARY:

24. Senate Bill 1606.

25. (Secretary reads title of bill)

26. 3rd reading of the bill.

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. Senator D'Arco.

29. SENATOR D'ARCO:

30. This...this is the annual appropriation for the Dangerous
31. Drug Commission. It's about 3.5 million over last year's appropriation
32. because there was a transfer of function from the IDAT program.
33. The Dangerous Drug Commission is consolidating all the drug abuse clinics

1. into one umbrella agency and in actually in operations for
2. the combined total of the appropriations for both agencies it
3. is about five hundred thousand less, and I would ask for
4. a favorable vote.

5. PRESIDING OFFICER: (SENATOR BRUCE)

6. Is there further debate? Senator Berning.

7. SENATOR BERNING:

8. Just one question, please. This is a commission, however,
9. this has ordinary and contingent expenses. This normally to me
10. means there is provision for compensation increases to employees.
11. Is that or is that not the case?

12. PRESIDING OFFICER: (SENATOR BRUCE)

13. Senator D'Arco.

14. SENATOR D'ARCO:

15. You know, Senator, I try to anticipate your questions
16. so I've been trying to get to the director on the phone, but
17. it's my impression that there probably is a two percent increase
18. in here.

19. PRESIDING OFFICER: (SENATOR BRUCE)

20. Senator Berning, further questions? Is there further debate?
21. the question is shall Senate Bill 1606 pass. Those in favor vote
22. Aye. Those opposed vote Nay. The voting is open. Have all
23. voted who wish? Take the record. On that question the Ayes are
24. 48, the Nays are 2, 4 Voting Present. Senate Bill 1606 having
25. received a constitutional majority is declared passed. Further
26. bills on 3rd reading. Are there any bills on House Bills, 3rd?
27. Senator Netsch. 3365. Read the bill, Mr. Secretary.

28. SECRETARY:

29. House Bill 3365.

30. (Secretary reads title of bill)

31. 3rd reading of the bill.

32. PRESIDING OFFICER: (SENATOR BRUCE)

33. Senator Netsch.

1. SENATOR NETSCH:

2. Thank you, Mr. President. This bill relates to the
3. current fiscal year and it is basically a transfer bill.
4. What it does is to shift around Federal funds and General
5. Revenue Funds with the end result that we will be using
6. four hundred and eighty-nine thousand six hundred dollars
7. less of General Revenue Funds and using six hundred
8. ninety-two thousand three hundred and eighty-two thousand
9. dollars additional of Federal funds. There is no implication
10. at all except a positive one in terms of the General Revenue
11. Fund of the State. It was passed out of the committee by a vote
12. of nineteen to nothing and unless there are questions, I would
13. suggest we have a roll call.

14. PRESIDING OFFICER: (SENATOR BRUCE)

15. Is there...is there debate? The question is shall
16. House Bill 3365 pass. Those in favor vote Aye. Those opposed
17. vote Nay. The voting is open. Have all voted who wish? Take
18. the record. On that question the Ayes are 50, the Nays are 1,
19. none Voting Present. House Bill 3365 having received a
20. constitutional majority is declared passed. Communications.

21. SECRETARY:

22. Communications to the Secretary.

23. Pursuant to Senate Resolution 332, I hereby make the
24. following appointments to the Special Committee on Insurance
25. Practices: Senators McCarthy, Lane, D'Arco, Regner, and Mitchler.
26. Signed, Cecil Partee, President of the Senate.

27. PRESIDING OFFICER: (SENATOR BRUCE)

28. Any further business to come before the Senate? Senator
29. Egan had a motion.

30. SENATOR EGAN:

31. Thank you, Mr. President. I would at this time like to
32. move to discharge the Committee on Pensions and Personnel from
33. its consideration of Senate Bill 1664, Senate Bill 1665, so

1. that they can be placed on the Calendar for deliberation.
2. I have had the permission of every member of the committee
3. and I'm sure the leadership on both sides would...would agree
4. and I ask for that motion. I make that motion, Mr. President.
5. PRESIDING OFFICER: (SENATOR BRUCE)

6. Senator Egan moves to discharge the Senate Committee on
7. Pensions and Personnel from further consideration of Senate
8. Bills 1664 and 1665 and have them placed on the order
9. of 2nd reading. Heard the motion. All in favor say Aye.
10. Opposed Nay. The Ayes have it. The motion prevails.
11. The bill will be placed on the order of 2nd reading. Senator
12. Nudelman.

13. SENATOR NUDELMAN:

14. Thank you, Mr. President. I have a similar motion.
15. I recently put in two bills...companion bills, one of which was
16. assigned to Revenue and the other inadvertently to Pensions. The
17. matter has been discussed with the Chairman of Pensions and
18. the members of the committee and I...I move you, Mr. President,
19. that Senate Bill 1854 be...that the Committee on Pensions be
20. discharged from consideration of Senate Bill 1854 and that it be
21. assigned to the Committee on Revenue where Senate Bill 15...1853
22. presently resides.

23. PRESIDING OFFICER: (SENATOR BRUCE)

24. Senator Nudelman moves that the Committee on Pensions and
25. Personnel be discharged from further consideration of Senate
26. Bill 1854 and the bill be rereferred to the Committee on Revenue.
27. Heard the motion. All in favor say Aye. Opposed Nay. The Ayes have
28. it. The bill is so rereferred. For what purpose does Senator
29. Rock arise?

30. SENATOR ROCK:

31. Thank you, Mr. President. For the purpose of a motion. Earlier
32. today, House Bill 3410 and 3380 were picked up by Senator Savickas.
33. He wishes not to pick those up; so I would like the Journal

1. to reflect and the Secretary's records to reflect that
2. Senator Palmer will be the Senate sponsor of House Bill 3410
3. and 3380.

4. PRESIDING OFFICER: (SENATOR BRUCE)

5. Is there leave? Leave is granted. Senator Philip.

6. SENATOR PHILIP:

7. Thank you, Mr. President. I just would like to make
8. an announcement. As you know, we have an annual softball
9. game coming up, versus the House. We haven't got it a definite
10. date on it, probably either June 2nd or 9th, but we do have
11. our first practice coming up which is May 19th at 5:00 to 8:00
12. p.m. at diamond number eight at Lincoln Park. So I hope that
13. all the softball players will bring their equipment down next
14. week and start to get in shape. Thank you.

15. PRESIDING OFFICER: (SENATOR BRUCE)

16. Senator Newhouse.

17. SENATOR NEWHOUSE:

18. Thank you, Mr. President. Yesterday we had an informal
19. meeting of the Pensions Committee at...in which we agreed to
20. discharge the bills that were just previously commented on.
21. I'm afraid there's is a necessity, however, for a meeting. There
22. are two bills left in so I would like the Pension Committee members
23. to be aware. There will be posted...there will be a meeting
24. possibly next week. Thank you, Mr. President.

25. PRESIDING OFFICER: (SENATOR BRUCE)

26. Senator Weaver.

27. SENATOR WEAVER:

28. Thank you, Mr. President. There will be a Republican
29. caucus immediately after adjournment in Room 400.

30. PRESIDING OFFICER: (SENATOR BRUCE)

31. Senator Rock.

32. SENATOR ROCK:

33. In just responding to Senator Philip, the 19th of

1. May, I wonder, we do, in fact, have to make arrangements
2. with the Park District, if the President of the Park District
3. will pay attention. I wonder if we can get a different night.
4. There are a number of us going to be attending a dinner that's
5. being held in Chicago that evening.

6. PRESIDING OFFICER: (SENATOR BRUCE)

7. You...why don't you two confer about the date and if
8. the 19th doesn't work out, we can find another date, I'm sure,
9. with the President of the Park District. Senator ParTEE.

10. SENATOR PARTEE:

11. Thank you, Mr. President. For the purpose of an
12. announcement with reference to the schedule. As the Calendar
13. shows, we will be coming into Session Tuesday at noon. There
14. will be a Perfunctory Session tomorrow at 1:00 o'clock.
15. At 9:00 o'clock tomorrow morning, there will be a meeting of
16. the Appropriations Committee. To my knowledge, that is the
17. only committee that will be meeting tomorrow and it will be
18. meeting commencing at 9:00 and there will be a Perfunctory Session
19. at 1:00. Hopefully, we could read in the results of the
20. committee hearing at that time.

21. PRESIDING OFFICER: (SENATOR BRUCE)

22. are Senator Knuppel. I would like to

23. SENATOR KNUPPEL:

24. Just a reminder that there's an Agricultural Committee meeting
25. at 2:30 in Room 400, I think it is. Yeah. 400.

26. PRESIDING OFFICER: (SENATOR BRUCE)

27. Senator Carroll.

28. SENATOR CARROLL:

29. Thank you, Mr. President. Senator Hynes had been the chief
30. sponsor of Senate Bill 1678. He has asked me to take over chief
31. sponsorship of that bill. I would ask leave of the Chamber
32. that I be substitute of the chief sponsor of Senate Bill 1678.

33. PRESIDING OFFICER: (SENATOR BRUCE)

1. Would you...167...

2. SENATOR CARROLL:

3. 8.

4. PRESIDING OFFICER: (SENATOR BRUCE)

5. Is there leave to show Senator Carroll as the chief sponsor
6. on Senate Bill 1678? Leave is granted. Is there further
7. business to come before the Senate? Senator Partee moves
8. that the Senate stand adjourned until 1:00 p.m. tomorrow,
9. and thereafter until noon Tuesday...Tuesday, May the 18th,
10. at the hour of 12:00 noon. All in favor say Aye. Senator
11. Vadalabene. All in favor say Aye. All opposed Nay. The Ayes
12. have it. Senate stands adjourned until 1:00 p.m. tomorrow.
13. Announcements from Senator Vadalabene.

14. SENATOR VADALABENE:

15. Yes, Executive Committee on Appointments will meet in
16. Room 212, I'd say within fifteen minutes. Fifteen to twenty
17. minutes.

18. PRESIDING OFFICER: (SENATOR BRUCE)

19. Some of us were thinking we would get tickets to some of
20. those exposition halls you were building, Senator.

21. SENATOR VADALABENE:

22. Just write in.

23.

24.

25.

26.

27.

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