



Legislative Report

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2019: Capital Bill; A Full Tank or Empty Promise

INAUGURALS HAVE BEEN HELD, leaders have been chosen and committees have been selected. With that the 101st General Assembly is ready to get down to work and with the current expectations for the volume of items on the agenda it's not a moment too soon.

By all accounts this year could be incredibly busy as Governor Pritzker has laid out an aggressive set of priorities and should have the votes in the legislative branch to pass much of what he is seeking. From a raise in the minimum wage, legalizing the sale of marijuana, and boosting early childhood school funding to name a few this year will not see a lack of big ticket items being pushed by Governor Pritzker. But not all his top priorities will come easily despite super majorities in both chambers.

One of the Governor's top priorities is passage of a Capital bill, similar to any governor before him. There are few bills which induce the kind of broad support among legislators, the press and the public than bills for capital projects. Yet, there is a very good reason that such a universally well received initiative happens so seldom. Capital bills have to be paid for and finding the revenue is what stands between it and any Governor desk. Several ideas have been floated both publicly and privately. Towards the end of last year there was a movement to pass a gas tax increase during the lame duck session in early January. Although the idea of using the lame duck fizzled before 2019 began, conversations around a gas tax increase have shifted from 'if they will' to 'how much should the increase be.'

Sources close to discussions have stated a .30 cent increase might be able to pass both chambers, but several legislators have mentioned in private that Illinois would need a far higher amount to fully fund a capital bill. Some saying the amount would need to be closer to .80 cents. And while a .80 cent gas tax increase might fully fund a capital bill it would face a difficult time trying to pass the General Assembly. Which means, depending on the level of the increase, other sources of revenue will likely be needed. Especially with the transportation lockbox to be considered as any non-transportation projects would need a separate source of revenue from a gas tax.

As we all know revenue sources don't grow on trees and a secondary one will be especially hard to come by when you consider that according to a report by the Governor's Office of Management and Budget they are anticipating Illinois to have a deficit of around \$2.15 billion dollars for 2019. That deficit will need to be closed somehow and any new revenue source would likely have to be split between filling this gap and any non-transportation projects. The Governor is scheduled to present his Budget Address on February 20th before the General Assembly so until he outlines his budget approach many of these questions will have to wait before they are answered. Because of this it is highly likely that the budget and the capital bill will have to be crafted in conjunction with one another increasing the difficulty of both.

Which isn't to say there won't be a capital bill. The last time talks around a capital bill reached this level of intensity was under Governor Quinn and the General Assembly was able to push one through at that time. Yet, the notion that one is inevitable is not accurately taking into account the difficulties that such a bill will face. Not only on its own merits but from the many political games that are sure to be played as the process moves along. With all of the items on Governor Pritzker's list, some will have the ability to pass and others will stall. Wither or not expectations for a Capital bill end up being fulfilled or winding up empty we might not know until May.



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