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**Ryan's $ 12 billion plan;**

**Hikes in fees, liquor tax to fund roads and transit**

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Staff reporters

SPRINGFIELD-Gov. Ryan offered Tuesday to solve nearly all of the state's public works needs in one $ 12 billion swoop, even if it means calling into question his record as a fiscal conservative.

The massive building plan Ryan outlined to the General Assembly would pay for new lanes on congested Interstate 80 in the south suburbs, a stronger Lake Michigan shoreline, refurbished Chicago Transit Authority lines and new license plates for Illinois drivers.

And that barely scraped the surface of a lengthy list Ryan displayed for the first time and will use repeatedly during the next three weeks to sell state legislators on $ 621.8 million in proposed tax and fee increases.

"This program will power a gigantic economic engine that will bring jobs and hope to every section of our state," Ryan told a joint session of the General Assembly.

While the list of projects that would be funded by the program is not complete, Ryan confirmed that $ 75 million would be included to buy land for a south suburban airport. Ryan said he did not consult with Mayor Daley before adding that to the plan but said he did not think it would be a deal-breaker.

"If that breaks the deal, then it's not a very good deal," he said.

The "Illinois FIRST" -- Fund for Infrastructure, Roads, Schools and Transit -- plan is predicated on a series of tax and fee increases. The biggest hike, opposed by Secretary of State Jesse White, would double the $ 48 annual license sticker fee, costing a two-car family nearly $ 100 more a year.

Ryan also proposes a 15 percent license fee increase on owners of large trucks, which an Illinois Transportation Association official said the trucking industry could live with.

Further, Ryan would hike the $ 13 vehicle title fee charged when a car or truck changes hands by $ 37, making it $ 50.

And yet more money would be raised through an increase in taxes on beer, wine and hard liquor -- which Ryan pledged to leave alone during his campaign for governor.

Peppered by reporters' questions about the apparent flip-flop on the liquor tax, Ryan turned defiant.

"I don't know how many times you want me to say it. I've changed my mind. Right or wrong, I've done it, OK? And that's the way it is," he said.

Pressed further, Ryan refused to be pinned down on a pledge not to raise other taxes during the remainder of his term.

"You want me to now make another commitment so you can come back in another year or two and beat me over the head if I have to change my mind? I have nothing to say. I'm not going to answer the question. I have no reason to at this point," he said.

As soon as Ryan proposed increasing taxes on drinkers, the liquor industry mobilized to block the first tax increase on beer, wine and hard liquor in three decades.

"We are very disappointed that Gov. Ryan has moved away from his campaign promise of not raising taxes," said Fred Meister, president of the Distilled Spirits Council of the United States.

Ryan's aides estimated the increase on beer would amount to 5.5 cents per six-pack. The beer industry estimates Illinoisans consume an average of 20.1 gallons of beer per year, or about 33 six-packs. Based on that level of consumption, the yearly tax increase would be about $ 1.81.

"Paying an extra penny for a mixed drink, or a glass of wine or a bottle of beer, is not going to be a burden on anyone," Ryan said.

In an unusual show of unity, the governor was accompanied by all four legislative leaders at a press conference following his speech to the Legislature.

"I support the program; I'm for the program, said House Speaker Michael J. Madigan (D-Chicago), prompting Ryan to say: "That's all I want to hear."

Senate President James "Pate" Philip (R-Wood Dale), who praised Ryan for having the "courage" to float the plan, suggested lowering license fees on cars and increasing license fees for truckers.

"Quite frankly, trucks do more damage to highways than anybody. . . . I'm not too happy about that," Philip said.

Mayor Daley lavished praise on the program.

"It's the first time in eight years that we finally have some type of program in rebuilding Illinois from southern Illinois to northern Illinois," he said.