



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HOUSE JOINT RESOLUTION

CONSTITUTIONAL AMENDMENT

HC0037

Introduced , by Rep. John M. Cabello

SYNOPSIS AS INTRODUCED:

ILCON Art. IX, Sec. 12 new

Proposes to amend the Revenue Article of the Illinois Constitution. Creates the Taxpayer's Bill of Rights. Provides that the State, units of local government, and school districts must have referendum approval to: (1) enact a new tax, tax rate increase, valuation for assessment ratio increase for a property class, extend an expiring tax, or enact certain tax policy changes; or (2) incur certain obligations without adequate cash reserves. Contains provisions concerning emergency taxes. Contains provisions setting spending limits for the State, units of local government, and school districts. Effective upon being declared adopted.

LRB100 15130 AXK 29982 e

1 HOUSE JOINT RESOLUTION
2 CONSTITUTIONAL AMENDMENT

3 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
4 HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE
5 CONCURRING HEREIN, that there shall be submitted to the
6 electors of the State for adoption or rejection at the general
7 election next occurring at least 6 months after the adoption of
8 this resolution a proposition to amend the Illinois
9 Constitution by adding Section 12 to Article IX as follows:

10 ARTICLE IX
11 REVENUE

12 (ILCON Art. IX, Sec. 12 new)

13 SECTION 12. TAXPAYER'S BILL OF RIGHTS

14 (a) This Section shall be construed to reasonably restrain
15 the growth of government. All provisions are self-executing and
16 severable and supersede conflicting provisions of State and
17 local law. Other limits on revenue, spending, and debt incurred
18 by districts may be weakened only by future voter approval.
19 Individual or class action enforcement suits may be filed and
20 shall have the highest civil priority of resolution. Successful
21 plaintiffs are allowed costs and reasonable attorney fees, but
22 a district shall not be allowed those costs and fees unless the
23 suit against it is ruled frivolous. Revenue collected, kept, or

1 spent illegally since 4 full fiscal years before a suit is
2 filed shall be refunded with 10% annual simple interest from
3 the initial conduct. Subject to judicial review, districts may
4 use any reasonable method for refunds under this Section,
5 including temporary tax credits or rate reductions. Refunds
6 need not be proportional when prior payments are impractical to
7 identify or return. When annual district revenue is less than
8 annual payments on general obligation bonds, pensions, and
9 final court judgments against the district, subsections (b) and
10 (d) shall be suspended to provide for the deficiency.

11 (b) Beginning on January 1 of the first calendar year after
12 this Section takes effect, districts must have voter approval
13 in advance to:

14 (1) except as provided in subsection (a) or subsection
15 (c), enact any new tax or tax rate increase, extend an
16 expiring tax, or implement a tax policy change directly
17 causing a net tax revenue gain to any district; and

18 (2) except for refinancing indebtedness of the
19 district at a lower interest rate or adding new employees
20 to existing district pension plans, issue bonds or other
21 evidences of indebtedness that mature after the last day of
22 the fiscal year in which they are issued without adequate
23 present cash reserves pledged irrevocably and held for
24 payments in all future fiscal years.

25 (c) Notwithstanding the provisions of subsection (b), a
26 district may impose emergency taxes, subject to the following

1 conditions:

2 (1) in the case of emergency taxes imposed by the
3 State, a 2/3 majority of the members of each house of the
4 General Assembly must declare the emergency and impose the
5 tax by separate recorded roll call votes;

6 (2) in the case of emergency taxes imposed by a unit of
7 local government or school district, a 2/3 majority of the
8 governing body of the unit of local government or school
9 district must declare the emergency and impose the tax by
10 separate recorded roll call votes;

11 (3) emergency tax revenue shall be spent only after
12 emergency reserves are depleted and shall be refunded
13 within 180 days after the emergency ends if not spent on
14 the emergency;

15 (4) a tax not approved on the next election date 60
16 days or more after the declaration shall end with that
17 election month; and

18 (5) emergency property taxes are prohibited.

19 (d) Each district shall reserve 3% or more of its fiscal
20 year spending, excluding bonded debt service, to be used for
21 declared emergencies only. Unused reserves may be applied to
22 the next year's reserve.

23 (e) The maximum annual percentage change in State fiscal
24 year spending equals inflation plus the percentage change in
25 State population in the prior calendar year, adjusted for
26 revenue changes approved by voters after the effective date of

1 this Section. Population shall be determined by annual federal
2 census estimates, and such number shall be adjusted every
3 decade to match the federal census.

4 The maximum annual percentage change in each local
5 district's fiscal year spending equals inflation in the prior
6 calendar year plus annual local growth, adjusted for revenue
7 changes approved by voters after the effective date of this
8 Section and reductions otherwise required under this Section.

9 The maximum annual percentage change in each district's
10 property tax revenue equals inflation in the prior calendar
11 year plus annual local growth, adjusted for property tax
12 revenue changes approved by voters after the effective date of
13 this Section and reductions otherwise required under this
14 Section.

15 If revenue from sources not excluded from fiscal year
16 spending exceeds these limits in dollars for that fiscal year,
17 the excess shall be refunded in the next fiscal year unless
18 voters approve a revenue change as an offset. Initial district
19 bases are current fiscal year spending and property taxes
20 collected in the first year after this Section takes effect.
21 Future creation of district bonded debt shall increase, and
22 retiring or refinancing district bonded debt shall lower,
23 fiscal year spending and property tax revenue by the annual
24 debt service so funded. Debt service changes, reductions,
25 refunds, and voter-approved revenue changes are dollar amounts
26 that are exceptions to, and not part of, any district base.

1 Voter-approved revenue changes do not require a tax rate
2 change.

3 (f) Referenda under this Section shall be decided at a
4 general or consolidated election.

5 At least 30 days before an election at which a referendum
6 under this Section will appear on the ballot, districts shall
7 mail at the least cost, and as a package where multiple
8 districts with referenda overlap, a notice addressed to "All
9 Registered Voters" at each address of one or more active
10 registered electors. The notice must contain the following
11 title:

12 "NOTICE OF ELECTION TO (INCREASE TAXES) (INCREASE
13 DEBT)."

14 In addition to the title, the notice shall include only the
15 following information:

16 (1) the election date, hours, ballot title, text, and
17 local election office address and telephone number;

18 (2) for proposed district tax or indebtedness
19 increases, the estimated or actual total of district fiscal
20 year spending for the current year and each of the past 4
21 years, and the overall percentage and dollar change;

22 (3) for the first full fiscal year of each proposed
23 district tax increase, district estimates of the maximum
24 dollar amount of each increase and of district fiscal year
25 spending without the increase;

26 (4) for proposed district indebtedness, its principal

1 amount and maximum annual and total district repayment
2 cost, and the principal balance of total current district
3 indebtedness and its maximum annual and remaining total
4 district repayment cost; and

5 (5) two summaries, up to 500 words each, one for and
6 one against the proposal, of written comments filed with
7 the election officer by 45 days before the election; no
8 summary shall mention names of persons or private groups,
9 nor any endorsements of or resolutions against the
10 proposal; petition representatives following these rules
11 shall write this summary for their petition; the election
12 officer shall maintain and accurately summarize all other
13 relevant written comments.

14 Except by later voter approval, if a tax increase or fiscal
15 year spending exceeds any estimate in item (3) of this
16 subsection for the same fiscal year, the tax increase is
17 thereafter reduced up to 100% in proportion to the combined
18 dollar excess, and the combined excess revenue refunded in the
19 next fiscal year.

20 (g) As used in this Section:

21 "District" means the State, any non-home rule unit of
22 local government, and any school district.

23 "Emergency" excludes economic conditions, revenue
24 shortfalls, or district salary or fringe benefit
25 increases.

26 "Fiscal year spending" means all district expenditures

1 and reserve increases except, as to both, those for refunds
2 made in the current or next fiscal year or those from
3 gifts, federal funds, collections for another government,
4 pension contributions by employees and pension fund
5 earnings, reserve transfers or expenditures, damage
6 awards, or property sales.

7 "Inflation" means the percentage change in the
8 Consumer Price Index for All Urban Consumers as issued by
9 the United States Department of Labor.

10 "Local growth" for a non-school district means a net
11 percentage change in actual value of all real property in a
12 district from construction of taxable real property
13 improvements, minus destruction of similar improvements,
14 and additions to, minus deletions from, taxable real
15 property. For a school district, it means the percentage
16 change in its student enrollment.

17 SCHEDULE

18 This Constitutional Amendment takes effect upon being
19 declared adopted in accordance with Section 7 of the Illinois
20 Constitutional Amendment Act.