



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2123

Introduced 5/30/2005, by Sen. Don Harmon

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-125
35 ILCS 200/18-185
35 ILCS 200/18-190
35 ILCS 200/18-205
35 ILCS 200/18-230 rep.

Amends the Property Tax Extension Limitation Law of the Property Tax Code. Sets forth procedures for calculating the limiting rate after a rate increase or decrease has been approved by referendum. Sets forth procedures that taxing districts must follow when seeking referendum approval after April 5, 2005 to increase (i) the maximum authorized tax rate for any fund for which the taxing district is authorized by statute to levy taxes and which rate is limited by prior referendum or statutory authorization and which rate is authorized by statute to be increased for a limited or unlimited number of years by direct (and not back door) referendum, except for increases that require an equal corresponding tax rate decrease for another fund or (ii) the maximum extended tax rate applicable only to the next taxes to be either levied or extended for any fund notwithstanding the limiting rate that would otherwise be applicable for such taxing district, which maximum extended tax rate applicable to the next taxes shall not exceed the maximum authorized tax rate for such fund. Sets forth requirements for form of ballot propositions and referendum notices. Makes changes concerning referenda to increase the extension limitation. Repeals a Section concerning rate increase or decrease factors. Effective immediately.

LRB094 12610 BDD 47379 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Sections 18-125, 18-185, 18-190, and 18-205 as follows:

6 (35 ILCS 200/18-125)

7 Sec. 18-125. Rate limit referenda. Referenda initiated
8 under Section 18-120 shall be subject to the provisions and
9 limitations of the general election law.

10 The question of adopting maximum tax rate other than that
11 applicable shall be in substantially the following form:

12 -----

13 Shall the maximum tax rate for
14 the..... fund of.....

15 (identify taxing district) be YES

16 established, for the purpose of

17 (state purpose specified in

18 resolution of the corporate

19 authorities of taxing districts),

20 at..... percent

21 on the equalized assessed -----

22 value, as provided in (identify

23 resolution of the corporate

24 authorities of the taxing district),

25 instead of..... per

26 cent, the maximum rate otherwise NO

27 applicable to the next taxes to

28 be extended?

29 -----

30 The ballot shall have printed thereon, but not as a part of
31 the proposition submitted, an estimate of the approximate
32 amount extendable under the proposed rate and of the

1 approximate amount extendable under the current rate
2 applicable to the next taxes extended, such amounts being
3 computed upon the last known equalized assessed value. Any
4 error, miscalculation or inaccuracy in computing such amounts
5 shall not invalidate or affect the validity of any maximum tax
6 rate so adopted.

7 The ballot shall have printed thereon, but not as part of
8 the proposition submitted, an estimate of the approximate
9 amount to be levied upon a residence in the taxing district
10 with a market value of \$100,000 under the current rate and
11 under the proposed rate. The corporate authorities of the
12 taxing district shall make the estimate and shall certify the
13 amount to the election authority as part of the certification
14 of the proposition as required by the general election law. Any
15 error, miscalculation, or inaccuracy in computing the amounts
16 shall not invalidate or affect the validity of any maximum tax
17 rate so adopted.

18 If a majority of all ballots cast on the proposition are in
19 favor of the proposition, the maximum tax rate so established
20 shall become effective with the levy next following the
21 referendum. It is the duty of the county clerk to reduce, if
22 necessary, the amount of any taxes levied thereafter. Nothing
23 in this Section shall be construed as precluding the extension
24 of taxes at rates less than that authorized by the referendum.

25 (Source: P.A. 86-1253; 88-455.)

26 (35 ILCS 200/18-185)

27 Sec. 18-185. Short title; definitions. This Division 5 may
28 be cited as the Property Tax Extension Limitation Law. As used
29 in this Division 5:

30 "Consumer Price Index" means the Consumer Price Index for
31 All Urban Consumers for all items published by the United
32 States Department of Labor.

33 "Extension limitation" means (a) the lesser of 5% or the
34 percentage increase in the Consumer Price Index during the
35 12-month calendar year preceding the levy year or (b) the rate

1 of increase approved by voters under Section 18-205.

2 "Affected county" means a county of 3,000,000 or more
3 inhabitants or a county contiguous to a county of 3,000,000 or
4 more inhabitants.

5 "Taxing district" has the same meaning provided in Section
6 1-150, except as otherwise provided in this Section. For the
7 1991 through 1994 levy years only, "taxing district" includes
8 only each non-home rule taxing district having the majority of
9 its 1990 equalized assessed value within any county or counties
10 contiguous to a county with 3,000,000 or more inhabitants.
11 Beginning with the 1995 levy year, "taxing district" includes
12 only each non-home rule taxing district subject to this Law
13 before the 1995 levy year and each non-home rule taxing
14 district not subject to this Law before the 1995 levy year
15 having the majority of its 1994 equalized assessed value in an
16 affected county or counties. Beginning with the levy year in
17 which this Law becomes applicable to a taxing district as
18 provided in Section 18-213, "taxing district" also includes
19 those taxing districts made subject to this Law as provided in
20 Section 18-213.

21 "Aggregate extension" for taxing districts to which this
22 Law applied before the 1995 levy year means the annual
23 corporate extension for the taxing district and those special
24 purpose extensions that are made annually for the taxing
25 district, excluding special purpose extensions: (a) made for
26 the taxing district to pay interest or principal on general
27 obligation bonds that were approved by referendum; (b) made for
28 any taxing district to pay interest or principal on general
29 obligation bonds issued before October 1, 1991; (c) made for
30 any taxing district to pay interest or principal on bonds
31 issued to refund or continue to refund those bonds issued
32 before October 1, 1991; (d) made for any taxing district to pay
33 interest or principal on bonds issued to refund or continue to
34 refund bonds issued after October 1, 1991 that were approved by
35 referendum; (e) made for any taxing district to pay interest or
36 principal on revenue bonds issued before October 1, 1991 for

1 payment of which a property tax levy or the full faith and
2 credit of the unit of local government is pledged; however, a
3 tax for the payment of interest or principal on those bonds
4 shall be made only after the governing body of the unit of
5 local government finds that all other sources for payment are
6 insufficient to make those payments; (f) made for payments
7 under a building commission lease when the lease payments are
8 for the retirement of bonds issued by the commission before
9 October 1, 1991, to pay for the building project; (g) made for
10 payments due under installment contracts entered into before
11 October 1, 1991; (h) made for payments of principal and
12 interest on bonds issued under the Metropolitan Water
13 Reclamation District Act to finance construction projects
14 initiated before October 1, 1991; (i) made for payments of
15 principal and interest on limited bonds, as defined in Section
16 3 of the Local Government Debt Reform Act, in an amount not to
17 exceed the debt service extension base less the amount in items
18 (b), (c), (e), and (h) of this definition for non-referendum
19 obligations, except obligations initially issued pursuant to
20 referendum; (j) made for payments of principal and interest on
21 bonds issued under Section 15 of the Local Government Debt
22 Reform Act; (k) made by a school district that participates in
23 the Special Education District of Lake County, created by
24 special education joint agreement under Section 10-22.31 of the
25 School Code, for payment of the school district's share of the
26 amounts required to be contributed by the Special Education
27 District of Lake County to the Illinois Municipal Retirement
28 Fund under Article 7 of the Illinois Pension Code; the amount
29 of any extension under this item (k) shall be certified by the
30 school district to the county clerk; (l) made to fund expenses
31 of providing joint recreational programs for the handicapped
32 under Section 5-8 of the Park District Code or Section 11-95-14
33 of the Illinois Municipal Code; (m) made for temporary
34 relocation loan repayment purposes pursuant to Sections 2-3.77
35 and 17-2.2d of the School Code; ~~and~~ (n) made for payment of
36 principal and interest on any bonds issued under the authority

1 of Section 17-2.2d of the School Code; and (o) ~~(m)~~ made for
2 contributions to a firefighter's pension fund created under
3 Article 4 of the Illinois Pension Code, to the extent of the
4 amount certified under item (5) of Section 4-134 of the
5 Illinois Pension Code.

6 "Aggregate extension" for the taxing districts to which
7 this Law did not apply before the 1995 levy year (except taxing
8 districts subject to this Law in accordance with Section
9 18-213) means the annual corporate extension for the taxing
10 district and those special purpose extensions that are made
11 annually for the taxing district, excluding special purpose
12 extensions: (a) made for the taxing district to pay interest or
13 principal on general obligation bonds that were approved by
14 referendum; (b) made for any taxing district to pay interest or
15 principal on general obligation bonds issued before March 1,
16 1995; (c) made for any taxing district to pay interest or
17 principal on bonds issued to refund or continue to refund those
18 bonds issued before March 1, 1995; (d) made for any taxing
19 district to pay interest or principal on bonds issued to refund
20 or continue to refund bonds issued after March 1, 1995 that
21 were approved by referendum; (e) made for any taxing district
22 to pay interest or principal on revenue bonds issued before
23 March 1, 1995 for payment of which a property tax levy or the
24 full faith and credit of the unit of local government is
25 pledged; however, a tax for the payment of interest or
26 principal on those bonds shall be made only after the governing
27 body of the unit of local government finds that all other
28 sources for payment are insufficient to make those payments;
29 (f) made for payments under a building commission lease when
30 the lease payments are for the retirement of bonds issued by
31 the commission before March 1, 1995 to pay for the building
32 project; (g) made for payments due under installment contracts
33 entered into before March 1, 1995; (h) made for payments of
34 principal and interest on bonds issued under the Metropolitan
35 Water Reclamation District Act to finance construction
36 projects initiated before October 1, 1991; (h-4) made for

1 stormwater management purposes by the Metropolitan Water
2 Reclamation District of Greater Chicago under Section 12 of the
3 Metropolitan Water Reclamation District Act; (i) made for
4 payments of principal and interest on limited bonds, as defined
5 in Section 3 of the Local Government Debt Reform Act, in an
6 amount not to exceed the debt service extension base less the
7 amount in items (b), (c), and (e) of this definition for
8 non-referendum obligations, except obligations initially
9 issued pursuant to referendum and bonds described in subsection
10 (h) of this definition; (j) made for payments of principal and
11 interest on bonds issued under Section 15 of the Local
12 Government Debt Reform Act; (k) made for payments of principal
13 and interest on bonds authorized by Public Act 88-503 and
14 issued under Section 20a of the Chicago Park District Act for
15 aquarium or museum projects; (l) made for payments of principal
16 and interest on bonds authorized by Public Act 87-1191 or
17 93-601 and (i) issued pursuant to Section 21.2 of the Cook
18 County Forest Preserve District Act, (ii) issued under Section
19 42 of the Cook County Forest Preserve District Act for
20 zoological park projects, or (iii) issued under Section 44.1 of
21 the Cook County Forest Preserve District Act for botanical
22 gardens projects; (m) made pursuant to Section 34-53.5 of the
23 School Code, whether levied annually or not; (n) made to fund
24 expenses of providing joint recreational programs for the
25 handicapped under Section 5-8 of the Park District Code or
26 Section 11-95-14 of the Illinois Municipal Code; (o) made by
27 the Chicago Park District for recreational programs for the
28 handicapped under subsection (c) of Section 7.06 of the Chicago
29 Park District Act; and (p) made for contributions to a
30 firefighter's pension fund created under Article 4 of the
31 Illinois Pension Code, to the extent of the amount certified
32 under item (5) of Section 4-134 of the Illinois Pension Code.

33 "Aggregate extension" for all taxing districts to which
34 this Law applies in accordance with Section 18-213, except for
35 those taxing districts subject to paragraph (2) of subsection
36 (e) of Section 18-213, means the annual corporate extension for

1 the taxing district and those special purpose extensions that
2 are made annually for the taxing district, excluding special
3 purpose extensions: (a) made for the taxing district to pay
4 interest or principal on general obligation bonds that were
5 approved by referendum; (b) made for any taxing district to pay
6 interest or principal on general obligation bonds issued before
7 the date on which the referendum making this Law applicable to
8 the taxing district is held; (c) made for any taxing district
9 to pay interest or principal on bonds issued to refund or
10 continue to refund those bonds issued before the date on which
11 the referendum making this Law applicable to the taxing
12 district is held; (d) made for any taxing district to pay
13 interest or principal on bonds issued to refund or continue to
14 refund bonds issued after the date on which the referendum
15 making this Law applicable to the taxing district is held if
16 the bonds were approved by referendum after the date on which
17 the referendum making this Law applicable to the taxing
18 district is held; (e) made for any taxing district to pay
19 interest or principal on revenue bonds issued before the date
20 on which the referendum making this Law applicable to the
21 taxing district is held for payment of which a property tax
22 levy or the full faith and credit of the unit of local
23 government is pledged; however, a tax for the payment of
24 interest or principal on those bonds shall be made only after
25 the governing body of the unit of local government finds that
26 all other sources for payment are insufficient to make those
27 payments; (f) made for payments under a building commission
28 lease when the lease payments are for the retirement of bonds
29 issued by the commission before the date on which the
30 referendum making this Law applicable to the taxing district is
31 held to pay for the building project; (g) made for payments due
32 under installment contracts entered into before the date on
33 which the referendum making this Law applicable to the taxing
34 district is held; (h) made for payments of principal and
35 interest on limited bonds, as defined in Section 3 of the Local
36 Government Debt Reform Act, in an amount not to exceed the debt

1 service extension base less the amount in items (b), (c), and
2 (e) of this definition for non-referendum obligations, except
3 obligations initially issued pursuant to referendum; (i) made
4 for payments of principal and interest on bonds issued under
5 Section 15 of the Local Government Debt Reform Act; (j) made
6 for a qualified airport authority to pay interest or principal
7 on general obligation bonds issued for the purpose of paying
8 obligations due under, or financing airport facilities
9 required to be acquired, constructed, installed or equipped
10 pursuant to, contracts entered into before March 1, 1996 (but
11 not including any amendments to such a contract taking effect
12 on or after that date); (k) made to fund expenses of providing
13 joint recreational programs for the handicapped under Section
14 5-8 of the Park District Code or Section 11-95-14 of the
15 Illinois Municipal Code; and (l) made for contributions to a
16 firefighter's pension fund created under Article 4 of the
17 Illinois Pension Code, to the extent of the amount certified
18 under item (5) of Section 4-134 of the Illinois Pension Code.

19 "Aggregate extension" for all taxing districts to which
20 this Law applies in accordance with paragraph (2) of subsection
21 (e) of Section 18-213 means the annual corporate extension for
22 the taxing district and those special purpose extensions that
23 are made annually for the taxing district, excluding special
24 purpose extensions: (a) made for the taxing district to pay
25 interest or principal on general obligation bonds that were
26 approved by referendum; (b) made for any taxing district to pay
27 interest or principal on general obligation bonds issued before
28 the effective date of this amendatory Act of 1997; (c) made for
29 any taxing district to pay interest or principal on bonds
30 issued to refund or continue to refund those bonds issued
31 before the effective date of this amendatory Act of 1997; (d)
32 made for any taxing district to pay interest or principal on
33 bonds issued to refund or continue to refund bonds issued after
34 the effective date of this amendatory Act of 1997 if the bonds
35 were approved by referendum after the effective date of this
36 amendatory Act of 1997; (e) made for any taxing district to pay

1 interest or principal on revenue bonds issued before the
2 effective date of this amendatory Act of 1997 for payment of
3 which a property tax levy or the full faith and credit of the
4 unit of local government is pledged; however, a tax for the
5 payment of interest or principal on those bonds shall be made
6 only after the governing body of the unit of local government
7 finds that all other sources for payment are insufficient to
8 make those payments; (f) made for payments under a building
9 commission lease when the lease payments are for the retirement
10 of bonds issued by the commission before the effective date of
11 this amendatory Act of 1997 to pay for the building project;
12 (g) made for payments due under installment contracts entered
13 into before the effective date of this amendatory Act of 1997;
14 (h) made for payments of principal and interest on limited
15 bonds, as defined in Section 3 of the Local Government Debt
16 Reform Act, in an amount not to exceed the debt service
17 extension base less the amount in items (b), (c), and (e) of
18 this definition for non-referendum obligations, except
19 obligations initially issued pursuant to referendum; (i) made
20 for payments of principal and interest on bonds issued under
21 Section 15 of the Local Government Debt Reform Act; (j) made
22 for a qualified airport authority to pay interest or principal
23 on general obligation bonds issued for the purpose of paying
24 obligations due under, or financing airport facilities
25 required to be acquired, constructed, installed or equipped
26 pursuant to, contracts entered into before March 1, 1996 (but
27 not including any amendments to such a contract taking effect
28 on or after that date); (k) made to fund expenses of providing
29 joint recreational programs for the handicapped under Section
30 5-8 of the Park District Code or Section 11-95-14 of the
31 Illinois Municipal Code; and (l) made for contributions to a
32 firefighter's pension fund created under Article 4 of the
33 Illinois Pension Code, to the extent of the amount certified
34 under item (5) of Section 4-134 of the Illinois Pension Code.

35 "Debt service extension base" means an amount equal to that
36 portion of the extension for a taxing district for the 1994

1 levy year, or for those taxing districts subject to this Law in
2 accordance with Section 18-213, except for those subject to
3 paragraph (2) of subsection (e) of Section 18-213, for the levy
4 year in which the referendum making this Law applicable to the
5 taxing district is held, or for those taxing districts subject
6 to this Law in accordance with paragraph (2) of subsection (e)
7 of Section 18-213 for the 1996 levy year, constituting an
8 extension for payment of principal and interest on bonds issued
9 by the taxing district without referendum, but not including
10 excluded non-referendum bonds. For park districts (i) that were
11 first subject to this Law in 1991 or 1995 and (ii) whose
12 extension for the 1994 levy year for the payment of principal
13 and interest on bonds issued by the park district without
14 referendum (but not including excluded non-referendum bonds)
15 was less than 51% of the amount for the 1991 levy year
16 constituting an extension for payment of principal and interest
17 on bonds issued by the park district without referendum (but
18 not including excluded non-referendum bonds), "debt service
19 extension base" means an amount equal to that portion of the
20 extension for the 1991 levy year constituting an extension for
21 payment of principal and interest on bonds issued by the park
22 district without referendum (but not including excluded
23 non-referendum bonds). The debt service extension base may be
24 established or increased as provided under Section 18-212.
25 "Excluded non-referendum bonds" means (i) bonds authorized by
26 Public Act 88-503 and issued under Section 20a of the Chicago
27 Park District Act for aquarium and museum projects; (ii) bonds
28 issued under Section 15 of the Local Government Debt Reform
29 Act; or (iii) refunding obligations issued to refund or to
30 continue to refund obligations initially issued pursuant to
31 referendum.

32 "Special purpose extensions" include, but are not limited
33 to, extensions for levies made on an annual basis for
34 unemployment and workers' compensation, self-insurance,
35 contributions to pension plans, and extensions made pursuant to
36 Section 6-601 of the Illinois Highway Code for a road

1 district's permanent road fund whether levied annually or not.
2 The extension for a special service area is not included in the
3 aggregate extension.

4 "Aggregate extension base" means the taxing district's
5 last preceding aggregate extension as adjusted under Sections
6 18-215 through 18-230.

7 "Levy year" has the same meaning as "year" under Section
8 1-155.

9 "New property" means (i) the assessed value, after final
10 board of review or board of appeals action, of new improvements
11 or additions to existing improvements on any parcel of real
12 property that increase the assessed value of that real property
13 during the levy year multiplied by the equalization factor
14 issued by the Department under Section 17-30, (ii) the assessed
15 value, after final board of review or board of appeals action,
16 of real property not exempt from real estate taxation, which
17 real property was exempt from real estate taxation for any
18 portion of the immediately preceding levy year, multiplied by
19 the equalization factor issued by the Department under Section
20 17-30, and (iii) in counties that classify in accordance with
21 Section 4 of Article IX of the Illinois Constitution, an
22 incentive property's additional assessed value resulting from
23 a scheduled increase in the level of assessment as applied to
24 the first year final board of review market value. In addition,
25 the county clerk in a county containing a population of
26 3,000,000 or more shall include in the 1997 recovered tax
27 increment value for any school district, any recovered tax
28 increment value that was applicable to the 1995 tax year
29 calculations.

30 "Qualified airport authority" means an airport authority
31 organized under the Airport Authorities Act and located in a
32 county bordering on the State of Wisconsin and having a
33 population in excess of 200,000 and not greater than 500,000.

34 "Recovered tax increment value" means, except as otherwise
35 provided in this paragraph, the amount of the current year's
36 equalized assessed value, in the first year after a

1 municipality terminates the designation of an area as a
2 redevelopment project area previously established under the
3 Tax Increment Allocation Development Act in the Illinois
4 Municipal Code, previously established under the Industrial
5 Jobs Recovery Law in the Illinois Municipal Code, or previously
6 established under the Economic Development Area Tax Increment
7 Allocation Act, of each taxable lot, block, tract, or parcel of
8 real property in the redevelopment project area over and above
9 the initial equalized assessed value of each property in the
10 redevelopment project area. For the taxes which are extended
11 for the 1997 levy year, the recovered tax increment value for a
12 non-home rule taxing district that first became subject to this
13 Law for the 1995 levy year because a majority of its 1994
14 equalized assessed value was in an affected county or counties
15 shall be increased if a municipality terminated the designation
16 of an area in 1993 as a redevelopment project area previously
17 established under the Tax Increment Allocation Development Act
18 in the Illinois Municipal Code, previously established under
19 the Industrial Jobs Recovery Law in the Illinois Municipal
20 Code, or previously established under the Economic Development
21 Area Tax Increment Allocation Act, by an amount equal to the
22 1994 equalized assessed value of each taxable lot, block,
23 tract, or parcel of real property in the redevelopment project
24 area over and above the initial equalized assessed value of
25 each property in the redevelopment project area. In the first
26 year after a municipality removes a taxable lot, block, tract,
27 or parcel of real property from a redevelopment project area
28 established under the Tax Increment Allocation Development Act
29 in the Illinois Municipal Code, the Industrial Jobs Recovery
30 Law in the Illinois Municipal Code, or the Economic Development
31 Area Tax Increment Allocation Act, "recovered tax increment
32 value" means the amount of the current year's equalized
33 assessed value of each taxable lot, block, tract, or parcel of
34 real property removed from the redevelopment project area over
35 and above the initial equalized assessed value of that real
36 property before removal from the redevelopment project area.

1 Except as otherwise provided in this Section, "limiting
2 rate" means a fraction the numerator of which is the last
3 preceding aggregate extension base times an amount equal to one
4 plus the extension limitation defined in this Section and the
5 denominator of which is the current year's equalized assessed
6 value of all real property in the territory under the
7 jurisdiction of the taxing district during the prior levy year.
8 For those taxing districts that reduced their aggregate
9 extension for the last preceding levy year, the highest
10 aggregate extension in any of the last 3 preceding levy years
11 shall be used for the purpose of computing the limiting rate.
12 The denominator shall not include new property. The denominator
13 shall not include the recovered tax increment value. When a new
14 rate or a rate increase or decrease has been approved by
15 referendum and is first effective for the current levy year,
16 the limiting rate shall be increased by the amount of the new
17 rate or the rate increase or shall be reduced by the amount of
18 the rate decrease, as the case may be. The rate increase or
19 decrease shall be the difference between the rate set forth in
20 the increase or decrease proposition and the rate extended for
21 the prior levy year for the fund set forth in the proposition.
22 If the aggregate tax rate extended for those funds that made up
23 the aggregate extension for a taxing district that approved a
24 new rate or a rate increase pursuant to clause (i) of
25 subsection (a) of Section 18-190 is less than the limiting rate
26 for the first year for which the new rate or rate increase is
27 effective, the limiting rate may be increased for the next 2
28 levy years or until the limiting rate for the prior levy year
29 is equal to the aggregate tax rate extended for those funds
30 that made up the aggregate extension for the prior levy year,
31 whichever is earlier. The amount of the increase in the
32 limiting rate shall be the difference between the limiting rate
33 for the prior levy year and the aggregate tax rate extended for
34 those funds that made up the aggregate extension for the prior
35 levy year. No further adjustments shall be made as a result of
36 the approval of a new rate or a rate increase.

1 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
2 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.
3 7-1-04; 93-690, eff. 7-1-04; 93-1049, eff. 11-17-04; revised
4 12-14-04.)

5 (35 ILCS 200/18-190)

6 Sec. 18-190. Direct referendum; new rate or increased rate.

7 (a) If a new rate or a rate increase is authorized by
8 statute to be imposed without referendum or is subject to a
9 backdoor referendum, as defined in Section 28-2 of the Election
10 Code, the governing body of the affected taxing district before
11 levying the new rate or rate increase shall submit the new rate
12 or rate increase to direct referendum under the provisions of
13 Article 28 of the Election Code. Notwithstanding the
14 requirements of any other law, all taxing districts subject to
15 this Law shall follow the provisions of this Section whenever
16 seeking referendum approval after April 5, 2005 to increase (i)
17 the maximum authorized tax rate for any fund for which the
18 taxing district is authorized by statute to levy taxes and
19 which rate is limited by prior referendum or statutory
20 authorization and which rate is authorized by statute to be
21 increased for a limited or unlimited number of years by direct
22 (and not back door) referendum, except for increases that
23 require an equal corresponding tax rate decrease for another
24 fund or (ii) the maximum extended tax rate applicable only to
25 the next taxes to be either levied or extended for any fund
26 notwithstanding the limiting rate that would otherwise be
27 applicable for such taxing district, which maximum extended tax
28 rate applicable to the next taxes shall not exceed the maximum
29 authorized tax rate for such fund.

30 The proposition seeking to obtain such referendum approval
31 for the increase described in clause (i) shall be in
32 substantially the following form:

33 Shall the maximum tax rate for the ... fund of ...
34 [insert legal name, number, if any, and county or counties
35 of taxing district], Illinois, be increased for the ...

1 levy year[s] [and all subsequent levy years] to ...% of the
2 equalized assessed value of the taxable property therein
3 instead of ...%, the otherwise applicable maximum tax rate
4 for such fund?

5 The votes must be recorded as "Yes" or "No".

6 The proposition seeking to obtain such referendum approval
7 for the increase described in clause (ii) shall be in
8 substantially the following form:

9 Shall the maximum tax rate for the ... fund of ...
10 [insert legal name, number, if any, and county or counties
11 of taxing district], Illinois, for the ... levy year be
12 equal to ...% of the equalized assessed value of the
13 taxable property therein notwithstanding the otherwise
14 applicable limitations set forth in the Property Tax
15 Extension Limitation Law on such tax rate?

16 The votes must be recorded as "Yes" or "No".

17 The ballot for any proposition submitted pursuant to this
18 Section shall have printed thereon, but not as a part of the
19 proposition submitted, only the following supplemental
20 information; provided, however, that any error, miscalculation
21 or inaccuracy in computing any amount set forth on the ballot
22 shall not invalidate or affect the validity of any proposition
23 approved:

24 (1) if the taxing district is a school district or a
25 community college district, the geographic or other common
26 name by which the district is known and referred to;

27 (2) the amount, if any, of the proposed increase in the
28 maximum authorized tax rate for the fund referred to in the
29 proposition;

30 (3) the rate at which taxes for the fund was most
31 recently extended (at the time the submission of the
32 proposition is initiated by the taxing district);

33 (4) the amount by which the proposed rate for the fund
34 exceeds the most recently extended rate for the fund;

35 (5) the dollar amount of the last known aggregate
36 extension base of the taxing district (at the time the

1 submission of the proposition is initiated by the taxing
2 district);

3 (6) the estimated dollar amount of the aggregate
4 extension base of the taxing district if the proposition is
5 approved, such amount computed by multiplying the amount of
6 the last known equalized assessed value of the taxing
7 district at the time the submission of the proposition is
8 initiated by the taxing district by the amount from
9 paragraph (4) and adding the product to the amount from
10 paragraph (5);

11 (7) the percentage increase proposed in the aggregate
12 extension base of the taxing district based on the dollar
13 amount of the last known aggregate extension base of the
14 taxing district and the estimated dollar amount of the
15 aggregate extension base of the taxing district if the
16 proposition is approved; and

17 (8) an estimate of the approximate amount of taxes
18 extendable against property containing a single family
19 residence and having a fair market value of \$100,000 at the
20 most recent rate extended for the fund and at the proposed
21 increased rate.

22 Any notice required to be published in connection with the
23 submission of the proposition shall also contain this
24 supplemental information and shall not contain any other
25 supplemental information regarding the proposition. Notice of
26 the referendum shall be published and posted as otherwise
27 required by law, and the submission of the proposition shall be
28 initiated as provided by law.

29 If a majority of all ballots cast on the proposition are in
30 favor of the proposition, the following provisions shall be
31 applicable to the extension of taxes for the taxing district:

32 (A) the tax rate approved at the referendum may be
33 effective for the extension of taxes occurring more than 30
34 days after the canvass of the results of the referendum by
35 the taxing district and shall not be effective for any tax
36 year for which the extension of taxes occurs 30 days or

1 less after such canvass in any county in which the taxing
2 district is located;

3 (B) if the proposition provides for an increase in the
4 maximum authorized tax rate, the new maximum authorized tax
5 rate for the fund shall be the rate set forth in the
6 proposition for the levy years set forth therein regardless
7 of whether the proposition is approved before or after the
8 taxing district adopts or files its levy for any levy year
9 set forth in the proposition;

10 (C) if the proposition does not provide for an increase
11 in the maximum authorized tax rate, but provides for an
12 increase in the maximum extended tax rate for a single levy
13 year, the maximum authorized tax rate for the fund shall
14 not be affected, but the rate extended for the fund shall
15 be equal to the rate set forth in the proposition for the
16 levy year set forth in the proposition regardless of
17 whether the proposition is approved before or after the
18 taxing district adopts or files its levy for that levy
19 year.

20 Rates required to extend taxes on levies subject to a
21 backdoor referendum in each year there is a levy are not new
22 rates or rate increases under this Section if a levy has been
23 made for the fund in one or more of the preceding 3 levy years.
24 Changes made by this amendatory Act of 1997 to this Section in
25 reference to rates required to extend taxes on levies subject
26 to a backdoor referendum in each year there is a levy are
27 declarative of existing law and not a new enactment.

28 (b) Whenever other applicable law authorizes a taxing
29 district subject to the limitation with respect to its
30 aggregate extension provided for in this Law to issue bonds or
31 other obligations either without referendum or subject to
32 backdoor referendum, the taxing district may elect for each
33 separate bond issuance to submit the question of the issuance
34 of the bonds or obligations directly to the voters of the
35 taxing district, and if the referendum passes the taxing
36 district is not required to comply with any backdoor referendum

1 procedures or requirements set forth in the other applicable
2 law. The direct referendum shall be initiated by ordinance or
3 resolution of the governing body of the taxing district, and
4 the question shall be certified to the proper election
5 authorities in accordance with the provisions of the Election
6 Code.

7 (Source: P.A. 88-455; 88-670, eff. 12-2-94; 89-385, eff.
8 8-18-95; 89-718, eff. 3-7-97.)

9 (35 ILCS 200/18-205)

10 Sec. 18-205. Referendum to increase the extension
11 limitation. A taxing district is limited to an extension
12 limitation ~~increase~~ of 5% or the percentage increase in the
13 Consumer Price Index during the 12-month calendar year
14 preceding the levy year, whichever is less. A taxing district
15 may increase its extension limitation for one or more levy
16 years ~~a current levy year~~ if that taxing district holds a
17 referendum before the levy date for the first levy year at
18 which a majority of voters voting on the issue approves
19 adoption of a higher extension limitation. Referenda shall be
20 conducted at a regularly scheduled election in accordance with
21 the Election Code ~~provided that notice of the referendum, if~~
22 ~~held before July 1, 1999, has been given in accordance with the~~
23 ~~provisions of Section 12-5 of the Election Code in effect at~~
24 ~~the time of the bond referendum, at least 10 and not more than~~
25 ~~45 days before the date of the election, notwithstanding the~~
26 ~~time for publication otherwise imposed by Section 12-5. Notices~~
27 ~~required in connection with the submission of public questions~~
28 ~~on or after July 1, 1999 shall be as set forth in Section 12-5~~
29 ~~of the Election Code.~~ The question shall be presented in
30 substantially the following manner:

31 Shall the extension limitation under the Property Tax
32 Extension Limitation Law for (insert the legal name,
33 number, if any, and the county or counties of the taxing
34 district), Illinois be increased from the lesser of 5% or
35 the percentage increase in the Consumer Price Index over

1 the prior levy year to (insert the percentage of the
 2 proposed increase) % per year for (insert each levy year
 3 for which the increased extension limitation will apply)?

4 The votes must be recorded as "Yes" or "No".

5 _____

6 ~~Shall the extension limitation~~
 7 ~~under the Property Tax Extension~~
 8 ~~Limitation Law for ... (taxing _____ YES~~
 9 ~~district name)... be increased from~~
 10 ~~... (the lesser of 5% or the increase _____~~
 11 ~~in the Consumer Price Index over the~~
 12 ~~prior levy year)...% to ... (percentage _____ NO~~
 13 ~~of proposed increase)...% for the~~
 14 ~~... (levy year)... levy year?~~

15 _____

16 If a majority of voters voting on the issue approves the
 17 adoption of the increase, the increase shall be applicable for
 18 each ~~the~~ levy year specified.

19 The ballot for any proposition submitted pursuant to this
 20 Section shall have printed thereon, but not as a part of the
 21 proposition submitted, only the following supplemental
 22 information; provided, however, that any error, miscalculation
 23 or inaccuracy in computing any amount set forth on the ballot
 24 shall not invalidate or affect the validity of any proposition
 25 approved:

26 (1) if the taxing district is a school district or a
 27 community college district, the geographic or other common
 28 name by which the district is known and referred to; and

29 (2) an estimate of the approximate amount of additional
 30 taxes extendable for the first levy year against property
 31 containing a single family residence and having a fair
 32 market value of \$100,000, calculated by using (A) the
 33 lesser of 5% or the percentage increase in the Consumer
 34 Price Index for the prior levy year (or an estimate of the
 35 percentage increase for the prior levy year if the increase
 36 is unavailable at the time that the submission of the

1 question is initiated by the taxing district), (B) the
2 percentage increase proposed in the question, and (C) the
3 last known equalized assessed value and aggregate
4 extension base of the taxing district at the time that the
5 submission of the question is initiated by the taxing
6 district.

7 Any notice required to be published in connection with the
8 submission of the proposition shall also contain this
9 supplemental information and shall not contain any other
10 supplemental information regarding the proposition. Notice of
11 the referendum shall be published and posted as otherwise
12 required by law, and the submission of the proposition shall be
13 initiated as provided by law.

14 (Source: P.A. 90-812, eff. 1-26-99; 91-57, eff. 6-30-99.)

15 (35 ILCS 200/18-230 rep.)

16 Section 10. The Property Tax Code is amended by repealing
17 Section 18-230.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.