



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3314

Introduced 2/7/2012, by Sen. Don Harmon

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-190
35 ILCS 200/18-205

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that the approximate amount of the tax extendable, as stated on the referendum question submitted to impose a new or increased limiting rate or increase the extension limitation, shall be calculated (i) without regard to any property tax exemptions and (ii) using an equalized assessed value calculated by multiplying the percentage level of assessment prescribed for such property by statute or by ordinance of the county board by the most recent final equalization factor certified to the county clerk by the Department of Revenue at the time the taxing district initiates the submission of the proposition to the electors. Effective immediately.

LRB097 19252 HLH 64495 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT 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 18-190 and 18-205 as follows:

6 (35 ILCS 200/18-190)

7 Sec. 18-190. Direct referendum; new rate or increased
8 limiting rate.

9 (a) If a new rate is authorized by statute to be imposed
10 without referendum or is subject to a backdoor referendum, as
11 defined in Section 28-2 of the Election Code, the governing
12 body of the affected taxing district before levying the new
13 rate shall submit the new rate to direct referendum under the
14 provisions of this Section and of Article 28 of the Election
15 Code. Notwithstanding the provisions, requirements, or
16 limitations of any other law, any tax levied for the 2005 levy
17 year and all subsequent levy years by any taxing district
18 subject to this Law may be extended at a rate exceeding the
19 rate established for that tax by referendum or statute,
20 provided that the rate does not exceed the statutory ceiling
21 above which the tax is not authorized to be further increased
22 either by referendum or in any other manner. Notwithstanding
23 the provisions, requirements, or limitations of any other law,

1 all taxing districts subject to this Law shall follow the
2 provisions of this Section whenever seeking referenda approval
3 after March 21, 2006 to (i) levy a new tax rate authorized by
4 statute or (ii) increase the limiting rate applicable to the
5 taxing district. All taxing districts subject to this Law are
6 authorized to seek referendum approval of each proposition
7 described and set forth in this Section.

8 The proposition seeking to obtain referendum approval to
9 levy a new tax rate as authorized in clause (i) shall be in
10 substantially the following form:

11 Shall ... (insert legal name, number, if any, and
12 county or counties of taxing district and geographic or
13 other common name by which a school or community college
14 district is known and referred to), Illinois, be authorized
15 to levy a new tax for ... purposes and have an additional
16 tax of ...% of the equalized assessed value of the taxable
17 property therein extended for such purposes?

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

19 The proposition seeking to obtain referendum approval to
20 increase the limiting rate as authorized in clause (ii) shall
21 be in substantially the following form:

22 Shall the limiting rate under the Property Tax
23 Extension Limitation Law for ... (insert legal name,
24 number, if any, and county or counties of taxing district
25 and geographic or other common name by which a school or
26 community college district is known and referred to),

1 Illinois, be increased by an additional amount equal to
2 ...% above the limiting rate for the purpose of...(insert
3 purpose) for levy year ... (insert the most recent levy
4 year for which the limiting rate of the taxing district is
5 known at the time the submission of the proposition is
6 initiated by the taxing district) and be equal to ...% of
7 the equalized assessed value of the taxable property
8 therein for levy year(s) (insert each levy year for which
9 the increase will be applicable, which years must be
10 consecutive and may not exceed 4)?

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

12 The ballot for any proposition submitted pursuant to this
13 Section shall have printed thereon, but not as a part of the
14 proposition submitted, only the following supplemental
15 information (which shall be supplied to the election authority
16 by the taxing district) in substantially the following form:

17 (1) The approximate amount of taxes extendable at the
18 most recently extended limiting rate is \$..., and the
19 approximate amount of taxes extendable if the proposition
20 is approved is \$....

21 (2) For the ... (insert the first levy year for which
22 the new rate or increased limiting rate will be applicable)
23 levy year the approximate amount of the additional tax
24 extendable against property containing a single family
25 residence and having a fair market value at the time of the
26 referendum of \$100,000 is estimated to be \$....

1 (3) Based upon an average annual percentage increase
2 (or decrease) in the market value of such property of %...
3 (insert percentage equal to the average annual percentage
4 increase or decrease for the prior 3 levy years, at the
5 time the submission of the proposition is initiated by the
6 taxing district, in the amount of (A) the equalized
7 assessed value of the taxable property in the taxing
8 district less (B) the new property included in the
9 equalized assessed value), the approximate amount of the
10 additional tax extendable against such property for the ...
11 levy year is estimated to be \$... and for the ... levy year
12 is estimated to be \$

13 (4) If the proposition is approved, the aggregate
14 extension for ... (insert each levy year for which the
15 increase will apply) will be determined by the limiting
16 rate set forth in the proposition, rather than the
17 otherwise applicable limiting rate calculated under the
18 provisions of the Property Tax Extension Limitation Law
19 (commonly known as the Property Tax Cap Law).

20 The approximate amount of taxes extendable shown in paragraph
21 (1) shall be computed upon the last known equalized assessed
22 value of taxable property in the taxing district (at the time
23 the submission of the proposition is initiated by the taxing
24 district). Paragraph (3) shall be included only if the
25 increased limiting rate will be applicable for more than one
26 levy year and shall list each levy year for which the increased

1 limiting rate will be applicable. The additional tax shown for
2 each levy year shall be the approximate dollar amount of the
3 increase over the amount of the most recently completed
4 extension at the time the submission of the proposition is
5 initiated by the taxing district. The approximate amount of the
6 additional taxes extendable shown in paragraphs (2) and (3)
7 shall be calculated (i) without regard to any property tax
8 exemptions and (ii) using an equalized assessed value
9 calculated by multiplying ~~based upon~~ the percentage level of
10 assessment prescribed for such property by statute or by
11 ordinance of the county board in counties which classify
12 property for purposes of taxation in accordance with Section 4
13 of Article IX of the Constitution by the most recent final
14 equalization factor certified to the county clerk by the
15 Department of Revenue at the time the taxing district initiates
16 the submission of the proposition to the electors. Paragraph
17 (4) shall be included if the proposition concerns a limiting
18 rate increase but shall not be included if the proposition
19 concerns a new rate. Any notice required to be published in
20 connection with the submission of the proposition shall also
21 contain this supplemental information and shall not contain any
22 other supplemental information regarding the proposition. Any
23 error, miscalculation, or inaccuracy in computing any amount
24 set forth on the ballot and in the notice that is not
25 deliberate shall not invalidate or affect the validity of any
26 proposition approved. Notice of the referendum shall be

1 published and posted as otherwise required by law, and the
2 submission of the proposition shall be initiated as provided by
3 law.

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

7 (A) a new tax rate shall be first effective for the
8 levy year in which the new rate is approved;

9 (B) if the proposition provides for a new tax rate, the
10 taxing district is authorized to levy a tax after the
11 canvass of the results of the referendum by the election
12 authority for the purposes for which the tax is authorized;

13 (C) a limiting rate increase shall be first effective
14 for the levy year in which the limiting rate increase is
15 approved, provided that the taxing district may elect to
16 have a limiting rate increase be effective for the levy
17 year prior to the levy year in which the limiting rate
18 increase is approved unless the extension of taxes for the
19 prior levy year occurs 30 days or less after the canvass of
20 the results of the referendum by the election authority in
21 any county in which the taxing district is located;

22 (D) in order for the limiting rate increase to be first
23 effective for the levy year prior to the levy year of the
24 referendum, the taxing district must certify its election
25 to have the limiting rate increase be effective for the
26 prior levy year to the clerk of each county in which the

1 taxing district is located not more than 2 days after the
2 date the results of the referendum are canvassed by the
3 election authority; and

4 (E) if the proposition provides for a limiting rate
5 increase, the increase may be effective regardless of
6 whether the proposition is approved before or after the
7 taxing district adopts or files its levy for any levy year.

8 Rates required to extend taxes on levies subject to a
9 backdoor referendum in each year there is a levy are not new
10 rates or rate increases under this Section if a levy has been
11 made for the fund in one or more of the preceding 3 levy years.
12 Changes made by this amendatory Act of 1997 to this Section in
13 reference to rates required to extend taxes on levies subject
14 to a backdoor referendum in each year there is a levy are
15 declarative of existing law and not a new enactment.

16 (b) Whenever other applicable law authorizes a taxing
17 district subject to the limitation with respect to its
18 aggregate extension provided for in this Law to issue bonds or
19 other obligations either without referendum or subject to
20 backdoor referendum, the taxing district may elect for each
21 separate bond issuance to submit the question of the issuance
22 of the bonds or obligations directly to the voters of the
23 taxing district, and if the referendum passes the taxing
24 district is not required to comply with any backdoor referendum
25 procedures or requirements set forth in the other applicable
26 law. The direct referendum shall be initiated by ordinance or

1 resolution of the governing body of the taxing district, and
2 the question shall be certified to the proper election
3 authorities in accordance with the provisions of the Election
4 Code.

5 (Source: P.A. 96-764, eff. 8-25-09.)

6 (35 ILCS 200/18-205)

7 Sec. 18-205. Referendum to increase the extension
8 limitation. A taxing district is limited to an extension
9 limitation of 5% or the percentage increase in the Consumer
10 Price Index during the 12-month calendar year preceding the
11 levy year, whichever is less. A taxing district may increase
12 its extension limitation for one or more levy years if that
13 taxing district holds a referendum before the levy date for the
14 first levy year at which a majority of voters voting on the
15 issue approves adoption of a higher extension limitation.
16 Referenda shall be conducted at a regularly scheduled election
17 in accordance with the Election Code. The question shall be
18 presented in substantially the following manner for all
19 elections held after March 21, 2006:

20 Shall the extension limitation under the Property Tax
21 Extension Limitation Law for (insert the legal name,
22 number, if any, and county or counties of the taxing
23 district and geographic or other common name by which a
24 school or community college district is known and referred
25 to), Illinois, be increased from the lesser of 5% or the

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

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

6 If a majority of voters voting on the issue approves the
7 adoption of the increase, the increase shall be applicable for
8 each levy year specified.

9 The ballot for any question submitted pursuant to this
10 Section shall have printed thereon, but not as a part of the
11 question submitted, only the following supplemental
12 information (which shall be supplied to the election authority
13 by the taxing district) in substantially the following form:

14 (1) For the (insert the first levy year for which the
15 increased extension limitation will be applicable) levy
16 year the approximate amount of the additional tax
17 extendable against property containing a single family
18 residence and having a fair market value at the time of the
19 referendum of \$100,000 is estimated to be \$....

20 (2) Based upon an average annual percentage increase
21 (or decrease) in the market value of such property of ...%
22 (insert percentage equal to the average annual percentage
23 increase or decrease for the prior 3 levy years, at the
24 time the submission of the question is initiated by the
25 taxing district, in the amount of (A) the equalized
26 assessed value of the taxable property in the taxing

1 district less (B) the new property included in the
2 equalized assessed value), the approximate amount of the
3 additional tax extendable against such property for the ...
4 levy year is estimated to be \$... and for the ... levy year
5 is estimated to be \$....

6 Paragraph (2) shall be included only if the increased
7 extension limitation will be applicable for more than one year
8 and shall list each levy year for which the increased extension
9 limitation will be applicable. The additional tax shown for
10 each levy year shall be the approximate dollar amount of the
11 increase over the amount of the most recently completed
12 extension at the time the submission of the question is
13 initiated by the taxing district. The approximate amount of the
14 additional tax extendable shall be calculated by using (A) the
15 lesser of 5% or the percentage increase in the Consumer Price
16 Index for the prior levy year (or an estimate of the percentage
17 increase for the prior levy year if the increase is unavailable
18 at the time the submission of the question is initiated by the
19 taxing district), (B) the percentage increase proposed in the
20 question, and (C) the last known equalized assessed value and
21 aggregate extension base of the taxing district at the time the
22 submission of the question is initiated by the taxing district.
23 The approximate amount of the tax extendable shown in
24 paragraphs (1) and (2) shall be calculated (i) without regard
25 to any property tax exemptions and (ii) using an equalized
26 assessed value calculated by multiplying ~~based upon~~ the

1 percentage level of assessment prescribed for such property by
2 statute or by ordinance of the county board in counties which
3 classify property for purposes of taxation in accordance with
4 Section 4 of Article IX of the Constitution by the most recent
5 final equalization factor certified to the county clerk by the
6 Department of Revenue at the time the taxing district initiates
7 the submission of the proposition to the electors. Any notice
8 required to be published in connection with the submission of
9 the question shall also contain this supplemental information
10 and shall not contain any other supplemental information. Any
11 error, miscalculation, or inaccuracy in computing any amount
12 set forth on the ballot or in the notice that is not deliberate
13 shall not invalidate or affect the validity of any proposition
14 approved. Notice of the referendum shall be published and
15 posted as otherwise required by law, and the submission of the
16 question shall be initiated as provided by law.

17 (Source: P.A. 94-976, eff. 6-30-06.)

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