



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB4997

by Rep. Fred Crespo

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/Art. 18 Div. 7 heading new  
35 ILCS 200/18-280 new  
35 ILCS 200/18-285 new  
35 ILCS 200/18-290 new  
35 ILCS 200/20-15

Amends the Property Tax Code. Creates the School District Extension Freeze Law. Provides that, if at the end of any levy year, a school district has reserves of 50% or more of its operating budget, then the school district's extension for all purposes may not exceed its extension for the previous levy year. Provides that, if the school district has reserves of 60% or more at the end of the immediately preceding levy year, then the district's extension shall be reduced by an amount equal to the difference between the district's reserve amount for the immediately preceding levy year and a reserve amount of 60% for that levy year. Effective July 1, 2019.

LRB100 16750 HLH 31890 b

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 adding  
5 Division 7 to Article 18 and by changing Section 20-15 as  
6 follows:

7 (35 ILCS 200/Art. 18 Div. 7 heading new)

8 Division 7. School District Extension Freeze Law

9 (35 ILCS 200/18-280 new)

10 Sec. 18-280. Short title. This Division 7 may be cited as  
11 the School District Extension Freeze Law.

12 (35 ILCS 200/18-285 new)

13 Sec. 18-285. Limitation.

14 (a) If, at the end of any levy year, any school district  
15 has reserves of 50% or more of its operating budget, as  
16 determined by the State Board of Education, then, for the next  
17 levy year, the county clerk shall extend a rate for that  
18 district for all purposes that is no greater than the  
19 educational limiting rate.

20 (b) Each school district shall transmit to the State Board  
21 of Education any information required by the State Board of

1 Education, by rule, for the purposes of making the  
2 determination required under this Section.

3 (c) In the case of a school district that is subject to  
4 both the Property Tax Extension Limitation Law and this Law,  
5 the provisions of the Property Tax Extension Limitation Law  
6 shall be suspended for that district for any levy year in which  
7 the district is subject to the educational limiting rate under  
8 this Division.

9 (d) For a school district that has reserves of 50% or more  
10 but not more than 60% of its operating budget at the end of the  
11 immediately preceding levy year, as determined by the State  
12 Board of Education, "educational limiting rate" means a  
13 fraction the numerator of which is the district's last  
14 preceding extension for all purposes and the denominator of  
15 which is the current year's equalized assessed value of all  
16 real property in the territory under the jurisdiction of the  
17 district during the prior levy year. For a school district that  
18 has reserves of 60% or more of its operating budget at the end  
19 of the immediately preceding levy year, as determined by the  
20 State Board of Education, "educational limiting rate" means a  
21 fraction (i) the numerator of which is the district's last  
22 preceding extension for all purposes minus the difference  
23 between the district's reserve amount for the immediately  
24 preceding levy year and a reserve amount of 60% for that levy  
25 year and (ii) the denominator of which is the current year's  
26 equalized assessed value of all real property in the territory

1 under the jurisdiction of the taxing district during the prior  
2 levy year. In either case, the denominator shall not include  
3 new property or the recovered tax increment value, as defined  
4 in the Property Tax Extension Limitation Law.

5 (35 ILCS 200/18-290 new)

6 Sec. 18-290. Referendum to increase the educational  
7 limiting rate. A school district may increase its educational  
8 limiting rate for one or more levy years if the district holds  
9 a referendum before the levy date for the first levy year at  
10 which a majority of voters voting on the issue approves the  
11 higher educational limiting rate. Referenda shall be conducted  
12 at a regularly scheduled election in accordance with the  
13 Election Code. The question shall be presented in substantially  
14 the following manner:

15 Shall the educational limiting rate for (school  
16 district) be increased from (applicable educational  
17 limiting rate) to (insert proposed educational limiting  
18 rate) for (insert each levy year for which the increased  
19 extension limitation will apply)?

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

21 If a majority of voters voting on the issue approves the  
22 adoption of the increase, the increase shall be applicable for  
23 each levy year specified.

24 (35 ILCS 200/20-15)

1           Sec. 20-15. Information on bill or separate statement.  
2           There shall be printed on each bill, or on a separate slip  
3           which shall be mailed with the bill:

4                   (a) a statement itemizing the rate at which taxes have  
5                   been extended for each of the taxing districts in the  
6                   county in whose district the property is located, and in  
7                   those counties utilizing electronic data processing  
8                   equipment the dollar amount of tax due from the person  
9                   assessed allocable to each of those taxing districts,  
10                  including a separate statement of the dollar amount of tax  
11                  due which is allocable to a tax levied under the Illinois  
12                  Local Library Act or to any other tax levied by a  
13                  municipality or township for public library purposes,

14                  (b) a separate statement for each of the taxing  
15                  districts of the dollar amount of tax due which is  
16                  allocable to a tax levied under the Illinois Pension Code  
17                  or to any other tax levied by a municipality or township  
18                  for public pension or retirement purposes,

19                  (c) the total tax rate,

20                  (d) the total amount of tax due, ~~and~~

21                  (e) the amount by which the total tax and the tax  
22                  allocable to each taxing district differs from the  
23                  taxpayer's last prior tax bill, and -

24                  (f) if the property is located in a school district  
25                  that had its extension reduced by operation of the School  
26                  District Extension Freeze Law because it retained reserves

1       of 60% or more at the end of the immediately preceding levy  
2       year, then a separate statement setting forth the amount by  
3       which the extension for educational purposes was reduced.

4       The county treasurer shall ensure that only those taxing  
5       districts in which a parcel of property is located shall be  
6       listed on the bill for that property.

7       In all counties the statement shall also provide:

8           (1) the property index number or other suitable  
9       description,

10          (2) the assessment of the property,

11          (3) the statutory amount of each homestead exemption  
12       applied to the property,

13          (4) the assessed value of the property after  
14       application of all homestead exemptions,

15          (5) the equalization factors imposed by the county and  
16       by the Department, and

17          (6) the equalized assessment resulting from the  
18       application of the equalization factors to the basic  
19       assessment.

20       In all counties which do not classify property for purposes  
21       of taxation, for property on which a single family residence is  
22       situated the statement shall also include a statement to  
23       reflect the fair cash value determined for the property. In all  
24       counties which classify property for purposes of taxation in  
25       accordance with Section 4 of Article IX of the Illinois  
26       Constitution, for parcels of residential property in the lowest

1 assessment classification the statement shall also include a  
2 statement to reflect the fair cash value determined for the  
3 property.

4 In all counties, the statement must include information  
5 that certain taxpayers may be eligible for tax exemptions,  
6 abatements, and other assistance programs and that, for more  
7 information, taxpayers should consult with the office of their  
8 township or county assessor and with the Illinois Department of  
9 Revenue.

10 In all counties, the statement shall include information  
11 that certain taxpayers may be eligible for the Senior Citizens  
12 and Persons with Disabilities Property Tax Relief Act and that  
13 applications are available from the Illinois Department on  
14 Aging.

15 In counties which use the estimated or accelerated billing  
16 methods, these statements shall only be provided with the final  
17 installment of taxes due. The provisions of this Section create  
18 a mandatory statutory duty. They are not merely directory or  
19 discretionary. The failure or neglect of the collector to mail  
20 the bill, or the failure of the taxpayer to receive the bill,  
21 shall not affect the validity of any tax, or the liability for  
22 the payment of any tax.

23 (Source: P.A. 98-93, eff. 7-16-13; 99-143, eff. 7-27-15.)

24 Section 99. Effective date. This Act takes effect July 1,  
25 2019.