

**HB2697**



**100TH GENERAL ASSEMBLY**

**State of Illinois**

**2017 and 2018**

**HB2697**

by Rep. William Davis

**SYNOPSIS AS INTRODUCED:**

35 ILCS 200/18-190  
105 ILCS 5/17-2

from Ch. 122, par. 17-2

Amends the School Code and the Property Tax Extension Limitation Law in the Property Tax Code. Provides that a tax levied for educational purposes for the 2017 levy year and all subsequent levy years by any school district subject to the Property Tax Extension Limitation Law may be extended at a rate exceeding the rate established for educational purposes by referendum or statute, provided that the rate does not cause the school district to exceed its limiting rate under the Property Tax Extension Limitation Law for that levy year. Effective immediately.

LRB100 09376 HLH 19538 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

**A BILL FOR**

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 Section 18-190 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 any other provision of law, the levies  
16 authorized by Sections 21-110 and 21-110.1 of the Illinois  
17 Pension Code shall not be considered new rates; however,  
18 nothing in this amendatory Act of the 98th General Assembly  
19 authorizes a taxing district to increase its limiting rate or  
20 its aggregate extension without first obtaining referendum  
21 approval as provided in this Section. Notwithstanding the  
22 provisions, requirements, or limitations of any other law, any  
23 tax levied for the 2005 levy year and all subsequent levy years

1 by any taxing district subject to this Law may be extended at a  
2 rate exceeding the rate established for that tax by referendum  
3 or statute, provided that the rate does not exceed the  
4 statutory ceiling above which the tax is not authorized to be  
5 further increased either by referendum or in any other manner,  
6 except that any tax levied for educational purposes for the  
7 2017 levy year and all subsequent levy years by any school  
8 district subject to this Law may be extended at a rate  
9 exceeding the rate established for educational purposes by  
10 referendum or statute, provided that the rate does not cause  
11 the school district to exceed its limiting rate for that levy  
12 year. Notwithstanding the provisions, requirements, or  
13 limitations of any other law, all taxing districts subject to  
14 this Law shall follow the provisions of this Section whenever  
15 seeking referenda approval after March 21, 2006 to (i) levy a  
16 new tax rate authorized by statute or (ii) increase the  
17 limiting rate applicable to the taxing district. All taxing  
18 districts subject to this Law are authorized to seek referendum  
19 approval of each proposition described and set forth in this  
20 Section.

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

24 Shall ... (insert legal name, number, if any, and  
25 county or counties of taxing district and geographic or  
26 other common name by which a school or community college

1 district is known and referred to), Illinois, be authorized  
2 to levy a new tax for ... purposes and have an additional  
3 tax of ...% of the equalized assessed value of the taxable  
4 property therein extended for such purposes?

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

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

9 Shall the limiting rate under the Property Tax  
10 Extension Limitation Law for ... (insert legal name,  
11 number, if any, and county or counties of taxing district  
12 and geographic or other common name by which a school or  
13 community college district is known and referred to),  
14 Illinois, be increased by an additional amount equal to  
15 ...% above the limiting rate for the purpose of...(insert  
16 purpose) for levy year ... (insert the most recent levy  
17 year for which the limiting rate of the taxing district is  
18 known at the time the submission of the proposition is  
19 initiated by the taxing district) and be equal to ...% of  
20 the equalized assessed value of the taxable property  
21 therein for levy year(s) (insert each levy year for which  
22 the increase will be applicable, which years must be  
23 consecutive and may not exceed 4)?

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

25 The ballot for any proposition submitted pursuant to this  
26 Section shall have printed thereon, but not as a part of the

1 proposition submitted, only the following supplemental  
2 information (which shall be supplied to the election authority  
3 by the taxing district) in substantially the following form:

4 (1) The approximate amount of taxes extendable at the  
5 most recently extended limiting rate is \$..., and the  
6 approximate amount of taxes extendable if the proposition  
7 is approved is \$....

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

14 (3) Based upon an average annual percentage increase  
15 (or decrease) in the market value of such property of %...  
16 (insert percentage equal to the average annual percentage  
17 increase or decrease for the prior 3 levy years, at the  
18 time the submission of the proposition is initiated by the  
19 taxing district, in the amount of (A) the equalized  
20 assessed value of the taxable property in the taxing  
21 district less (B) the new property included in the  
22 equalized assessed value), the approximate amount of the  
23 additional tax extendable against such property for the ...  
24 levy year is estimated to be \$... and for the ... levy year  
25 is estimated to be \$ ....

26 (4) If the proposition is approved, the aggregate

1 extension for ... (insert each levy year for which the  
2 increase will apply) will be determined by the limiting  
3 rate set forth in the proposition, rather than the  
4 otherwise applicable limiting rate calculated under the  
5 provisions of the Property Tax Extension Limitation Law  
6 (commonly known as the Property Tax Cap Law).

7 The approximate amount of taxes extendable shown in paragraph  
8 (1) shall be computed upon the last known equalized assessed  
9 value of taxable property in the taxing district (at the time  
10 the submission of the proposition is initiated by the taxing  
11 district). Paragraph (3) shall be included only if the  
12 increased limiting rate will be applicable for more than one  
13 levy year and shall list each levy year for which the increased  
14 limiting rate will be applicable. The additional tax shown for  
15 each levy year shall be the approximate dollar amount of the  
16 increase over the amount of the most recently completed  
17 extension at the time the submission of the proposition is  
18 initiated by the taxing district. The approximate amount of the  
19 additional taxes extendable shown in paragraphs (2) and (3)  
20 shall be calculated by multiplying \$100,000 (the fair market  
21 value of the property without regard to any property tax  
22 exemptions) by (i) the percentage level of assessment  
23 prescribed for that property by statute, or by ordinance of the  
24 county board in counties that classify property for purposes of  
25 taxation in accordance with Section 4 of Article IX of the  
26 Illinois Constitution; (ii) the most recent final equalization

1 factor certified to the county clerk by the Department of  
2 Revenue at the time the taxing district initiates the  
3 submission of the proposition to the electors; and (iii) either  
4 the new rate or the amount by which the limiting rate is to be  
5 increased. This amendatory Act of the 97th General Assembly is  
6 intended to clarify the existing requirements of this Section,  
7 and shall not be construed to validate any prior non-compliant  
8 referendum language. Paragraph (4) shall be included if the  
9 proposition concerns a limiting rate increase but shall not be  
10 included if the proposition concerns a new rate. Any notice  
11 required to be published in connection with the submission of  
12 the proposition shall also contain this supplemental  
13 information and shall not contain any other supplemental  
14 information regarding the proposition. Any error,  
15 miscalculation, or inaccuracy in computing any amount set forth  
16 on the ballot and in the notice that is not deliberate shall  
17 not invalidate or affect the validity of any proposition  
18 approved. Notice of the referendum shall be published and  
19 posted as otherwise required by law, and the submission of the  
20 proposition shall be initiated as provided by law.

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

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

26 (B) if the proposition provides for a new tax rate, the

1 taxing district is authorized to levy a tax after the  
2 canvass of the results of the referendum by the election  
3 authority for the purposes for which the tax is authorized;

4 (C) a limiting rate increase shall be first effective  
5 for the levy year in which the limiting rate increase is  
6 approved, provided that the taxing district may elect to  
7 have a limiting rate increase be effective for the levy  
8 year prior to the levy year in which the limiting rate  
9 increase is approved unless the extension of taxes for the  
10 prior levy year occurs 30 days or less after the canvass of  
11 the results of the referendum by the election authority in  
12 any county in which the taxing district is located;

13 (D) in order for the limiting rate increase to be first  
14 effective for the levy year prior to the levy year of the  
15 referendum, the taxing district must certify its election  
16 to have the limiting rate increase be effective for the  
17 prior levy year to the clerk of each county in which the  
18 taxing district is located not more than 2 days after the  
19 date the results of the referendum are canvassed by the  
20 election authority; and

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

25 Rates required to extend taxes on levies subject to a  
26 backdoor referendum in each year there is a levy are not new



1 rates or rate increases under this Section if a levy has been  
2 made for the fund in one or more of the preceding 3 levy years.  
3 Changes made by this amendatory Act of 1997 to this Section in  
4 reference to rates required to extend taxes on levies subject  
5 to a backdoor referendum in each year there is a levy are  
6 declarative of existing law and not a new enactment.

7 (b) Whenever other applicable law authorizes a taxing  
8 district subject to the limitation with respect to its  
9 aggregate extension provided for in this Law to issue bonds or  
10 other obligations either without referendum or subject to  
11 backdoor referendum, the taxing district may elect for each  
12 separate bond issuance to submit the question of the issuance  
13 of the bonds or obligations directly to the voters of the  
14 taxing district, and if the referendum passes the taxing  
15 district is not required to comply with any backdoor referendum  
16 procedures or requirements set forth in the other applicable  
17 law. The direct referendum shall be initiated by ordinance or  
18 resolution of the governing body of the taxing district, and  
19 the question shall be certified to the proper election  
20 authorities in accordance with the provisions of the Election  
21 Code.

22 (Source: P.A. 97-1087, eff. 8-24-12; 98-1088, eff. 8-26-14.)

23 Section 10. The School Code is amended by changing Section  
24 17-2 as follows:

1 (105 ILCS 5/17-2) (from Ch. 122, par. 17-2)

2 Sec. 17-2. Tax levies; purposes; rates. Except as otherwise  
3 provided in Articles 12 and 13 of this Act, and except as  
4 provided in Section 17-2.2e of this Act, the following maximum  
5 rates shall apply to all taxes levied after August 10, 1965, in  
6 districts having a population of less than 500,000 inhabitants,  
7 including those districts organized under Article 11 of the  
8 School Code. The school board of any district having a  
9 population of less than 500,000 inhabitants may levy a tax  
10 annually, at not to exceed the maximum rates and for the  
11 specified purposes, upon all the taxable property of the  
12 district at the value, as equalized or assessed by the  
13 Department of Revenue as follows:

14 (1) districts maintaining only grades 1 through 8, .92%  
15 for educational purposes and .25% for operations and  
16 maintenance purposes;

17 (2) districts maintaining only grades 9 through 12,  
18 .92% for educational purposes and .25% for operations and  
19 maintenance purposes;

20 (3) districts maintaining grades 1 through 12, 1.63%  
21 for the 1985-86 school year, 1.68% for the 1986-87 school  
22 year, 1.75% for the 1987-88 school year and 1.84% for the  
23 1988-89 school year and thereafter for educational  
24 purposes and .405% for the 1989-90 school year, .435% for  
25 the 1990-91 school year, .465% for the 1991-92 school year,  
26 and .50% for the 1992-93 school year and thereafter for

1 operations and maintenance purposes;

2 (4) all districts, 0.75% for capital improvement  
3 purposes (which is in addition to the levy for operations  
4 and maintenance purposes), which tax is to be levied,  
5 accumulated for not more than 6 years, and spent for  
6 capital improvement purposes (including but not limited to  
7 the construction of a new school building or buildings or  
8 the purchase of school grounds on which any new school  
9 building is to be constructed or located, or both) only in  
10 accordance with Section 17-2.3 of this Act;

11 (5) districts maintaining only grades 1 through 8, .12%  
12 for transportation purposes, provided that districts  
13 maintaining only grades kindergarten through 8 which have  
14 an enrollment of at least 2600 students may levy, subject  
15 to Section 17-2.2, at not to exceed a maximum rate of .20%  
16 for transportation purposes for any school year in which  
17 the number of students requiring transportation in the  
18 district exceeds by at least 2% the number of students  
19 requiring transportation in the district during the  
20 preceding school year, as verified in the district's claim  
21 for pupil transportation and reimbursement and as  
22 certified by the State Board of Education to the county  
23 clerk of the county in which such district is located not  
24 later than November 15 following the submission of such  
25 claim; districts maintaining only grades 9 through 12, .12%  
26 for transportation purposes; and districts maintaining

1 grades 1 through 12, .14% for the 1985-86 school year, .16%  
2 for the 1986-87 school year, .18% for the 1987-88 school  
3 year and .20% for the 1988-89 school year and thereafter,  
4 for transportation purposes;

5 (6) districts providing summer classes, .15% for  
6 educational purposes, subject to Section 17-2.1 of this  
7 Act.

8 Notwithstanding any other provision of law, a tax levied  
9 for educational purposes for the 2017 levy year and all  
10 subsequent levy years by any school district subject to the  
11 Property Tax Extension Limitation Law in the Property Tax Code  
12 may be extended at a rate exceeding the rate established for  
13 educational purposes by referendum or statute, provided that  
14 the rate does not cause the school district to exceed its  
15 limiting rate under the Property Tax Extension Limitation Law  
16 for that levy year.

17 Whenever any special charter school district operating  
18 grades 1 through 12, has organized or shall organize under the  
19 general school law, the district so organized may continue to  
20 levy taxes at not to exceed the rate at which taxes were last  
21 actually extended by the special charter district, except that  
22 if such rate at which taxes were last actually extended by such  
23 special charter district was less than the maximum rate for  
24 districts maintaining grades 1 through 12 authorized under this  
25 Section, such special charter district nevertheless may levy  
26 taxes at a rate not to exceed the maximum rate for districts

1 maintaining grades 1 through 12 authorized under this Section,  
2 and except that if any such district maintains only grades 1  
3 through 8, the board may levy, for educational purposes, at a  
4 rate not to exceed the maximum rate for elementary districts  
5 authorized under this Section.

6 Maximum rates before or after established in excess of  
7 those prescribed shall not be affected by the amendatory Act of  
8 1965.

9 (Source: P.A. 99-908, eff. 12-16-16.)

10 Section 99. Effective date. This Act takes effect upon  
11 becoming law.