



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB3645

Introduced 2/17/2023, 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, 2023.

LRB103 27821 HLH 54199 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  
18 that has reserves of 60% or more of its operating budget at the  
19 end of the immediately preceding levy year, as determined by  
20 the State Board of Education, "educational limiting rate"  
21 means a fraction (i) the numerator of which is the district's  
22 last 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  
14 substantially 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                  (b-5) a list of each tax increment financing (TIF)  
20                  district in which the property is located and the dollar  
21                  amount of tax due that is allocable to the TIF district,

22                  (c) the total tax rate,

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

24                  (e) the amount by which the total tax and the tax  
25                  allocable to each taxing district differs from the  
26                  taxpayer's last prior tax bill, and.

1       (f) if the property is located in a school district that  
2       had its extension reduced by operation of the School District  
3       Extension Freeze Law because it retained reserves of 60% or  
4       more at the end of the immediately preceding levy year, then a  
5       separate statement setting forth the amount by which the  
6       extension for educational purposes was reduced.

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

10       In all counties the statement shall also provide:

11           (1) the property index number or other suitable  
12       description,

13           (2) the assessment of the property,

14           (3) the statutory amount of each homestead exemption  
15       applied to the property,

16           (4) the assessed value of the property after  
17       application of all homestead exemptions,

18           (5) the equalization factors imposed by the county and  
19       by the Department, and

20           (6) the equalized assessment resulting from the  
21       application of the equalization factors to the basic  
22       assessment.

23       In all counties which do not classify property for  
24       purposes of taxation, for property on which a single family  
25       residence is situated the statement shall also include a  
26       statement to reflect the fair cash value determined for the

1 property. In all counties which classify property for purposes  
2 of taxation in accordance with Section 4 of Article IX of the  
3 Illinois Constitution, for parcels of residential property in  
4 the lowest assessment classification the statement shall also  
5 include a statement to reflect the fair cash value determined  
6 for the property.

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

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

21 (Source: P.A. 100-621, eff. 7-20-18; 101-134, eff. 7-26-19.)

22 Section 99. Effective date. This Act takes effect July 1,  
23 2023.