



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

HB4118

Introduced 1/15/2004, by Sidney H. Mathias

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-2-9
65 ILCS 5/8-3-1

from Ch. 24, par. 8-2-9
from Ch. 24, par. 8-3-1

Amends the Illinois Municipal Code. Provides that the corporate authorities of a municipality shall ascertain the total amount budgeted for (now, the total amount of appropriations legally made or budgeted for) and any amount deemed necessary to defray additional expenses and liabilities for all corporate purposes to be provided for the tax levy for the next fiscal year (now, "of that year"). Provides that the corporate authorities shall institute levy collection by an ordinance specifying the amount and purpose of the sums to be levied (now, by an ordinance specifying in detail in the manner authorized for the annual appropriation ordinance or budget of the municipality, the purposes for which the appropriations, budgeting or such additional amounts deemed necessary have been made and the amount assignable for each purpose respectively). Provides that the corporate authorities of a municipality may make transfers of sums of money appropriated for one corporate object or purpose to another corporate object or purpose (now, may make transfers within any department or other separate agency of the municipal government only). Effective January 1, 2005.

LRB093 16676 MKM 42327 b

1 AN ACT in relation to municipalities.

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

4 Section 5. The Illinois Municipal Code is amended by changing
5 Sections 8-2-9 and 8-3-1 as follows:

6 (65 ILCS 5/8-2-9) (from Ch. 24, par. 8-2-9)

7 Sec. 8-2-9. In municipalities with less than 500,000
8 inhabitants, the corporate authorities shall pass an ordinance
9 within the first quarter of each fiscal year, to be termed the
10 annual appropriation ordinance. In this ordinance, the
11 corporate authorities (i) may appropriate sums of money deemed
12 necessary to defray all necessary expenses and liabilities of
13 the municipalities, including the amounts to be deposited in
14 the reserves provided for in the Illinois Pension Code and (ii)
15 shall specify the objects and purposes for which these
16 appropriations are made and the amount appropriated for each
17 object or purpose. Among the objects and purposes specified
18 shall be the reserves provided for in the Illinois Pension
19 Code. Except as otherwise provided, no further appropriations
20 shall be made at any other time within the same fiscal year,
21 unless a proposition to make each additional appropriation has
22 been first sanctioned by a petition signed by electors of the
23 municipality numbering more than 50% of the number of votes
24 cast for the candidates for mayor or president at the last
25 preceding general municipal election at which a mayor or
26 president was elected, by a petition signed by them, or by a
27 majority of those voting on the question at a regular election
28 or at an emergency referendum authorized in accordance with the
29 general election law. The corporate authorities may by
30 ordinance initiate the submission of the proposition. During
31 any fiscal year, the corporate authorities in municipalities
32 subject to this Section may adopt a supplemental appropriation

1 ordinance in an amount not in excess of the aggregate of any
2 additional revenue available to the municipality, or estimated
3 to be received by the municipality after the adoption of the
4 annual appropriation ordinance for that fiscal year, or from
5 fund balances available when the annual appropriation
6 ordinance was adopted but that were not appropriated at that
7 time. The provisions of this Section prohibiting further
8 appropriations without sanction by petition or election shall
9 not be applicable to the supplemental appropriation for that
10 fiscal year. The corporate authorities at any time, however, by
11 a two-thirds vote of all the members of the body, may make
12 transfers ~~within any department or other separate agency of the~~
13 ~~municipal government~~ of sums of money appropriated for one
14 corporate object or purpose to another corporate object or
15 purpose, but no appropriation for any object or purpose shall
16 thereby be reduced below an amount sufficient to cover all
17 obligations incurred or to be incurred against the
18 appropriation. Nothing in this Section shall deprive the
19 corporate authorities of the power to provide for and cause to
20 be paid from the funds of the municipality any charge imposed
21 by law without the action of the corporate authorities, the
22 payment of which is ordered by a court of competent
23 jurisdiction.

24 At least 10 days before the adoption of the annual
25 appropriation ordinance, the corporate authorities of
26 municipalities over 2,000 in population shall make the proposed
27 appropriation ordinance or a formally prepared appropriation
28 or budget document upon which the annual appropriation
29 ordinance will be based conveniently available to public
30 inspection. In addition, the corporate authorities shall hold
31 at least one public hearing on that proposed appropriation
32 ordinance. Notice of this hearing shall be given publication in
33 one or more newspapers published in the municipality or, if
34 there is none published in the municipality, in a newspaper
35 published in the county and having general circulation in the
36 municipality at least 10 days before the time of the public

1 hearing. The notice shall state the time and place of the
2 hearing and the place where copies of the proposed
3 appropriation ordinance or formally prepared appropriation or
4 budget document will be accessible for examination. The annual
5 appropriation ordinance may be adopted at the same meeting at
6 which the public hearing is held or at any time after that
7 public hearing.

8 After the public hearing and before final action is taken
9 on the appropriation ordinance, the corporate authorities may
10 revise, alter, increase, or decrease the items contained in the
11 ordinance.

12 Notwithstanding any above provision of this Section, any
13 municipality in which Article 5 becomes effective after the
14 annual appropriation ordinance has been passed for the current
15 fiscal year may amend the appropriation ordinance in any manner
16 necessary to make Article 5 fully operative in that
17 municipality for that fiscal year. No amendment shall be
18 construed, however, to affect any tax levy made on the basis of
19 the original appropriation ordinance.

20 This Section does not apply to municipalities operating
21 under special charters.

22 (Source: P.A. 86-1470; 87-365.)

23 (65 ILCS 5/8-3-1) (from Ch. 24, par. 8-3-1)

24 Sec. 8-3-1. The corporate authorities may levy and collect
25 taxes for corporate purposes. They shall do this in the
26 following manner:

27 On or before the last Tuesday in December in each year, the
28 corporate authorities shall ascertain the total amount ~~of~~
29 ~~appropriations legally made or~~ budgeted for and any amount
30 deemed necessary to defray additional expenses and liabilities
31 for all corporate purposes to be provided for by the tax levy
32 for the next fiscal year ~~of that year~~. Then, by an ordinance
33 specifying the amount and purpose of the sums to be levied ~~in~~
34 ~~detail in the manner authorized for the annual appropriation~~
35 ~~ordinance or budget of the municipality, the purposes for which~~

1 ~~the appropriations, budgeting or such additional amounts~~
2 ~~deemed necessary have been made and the amount assignable for~~
3 ~~each purpose respectively,~~ the corporate authorities shall
4 levy upon all property subject to taxation within the
5 municipality as that property is assessed and equalized for
6 state and county purposes for the current year.

7 A certified copy of this ordinance shall be filed with the
8 county clerk of the proper county. He shall ascertain the rate
9 per cent which, upon the value of all property subject to
10 taxation within the municipality, as that property is assessed
11 or equalized by the Department of Revenue, will produce a net
12 amount of not less than the total amount so directed to be
13 levied. The county clerk shall extend this tax in a separate
14 column upon the books of the collector of state and county
15 taxes within the municipality.

16 However, in ascertaining the rate per cent in
17 municipalities having a population of 500,000 or more, the
18 county clerk shall not add to the amount of the tax so levied
19 for any purpose any amount to cover the loss and cost of
20 collecting the tax, except in the case of amounts levied for
21 the payment of bonded indebtedness, or interest thereon, and in
22 the case of amounts levied for the purposes of pension funds.

23 Where the corporate limits of a municipality lie partly in
24 2 or more counties, the corporate authorities shall ascertain
25 the total amount of all taxable property lying within the
26 corporate limits of that municipality in each county, as the
27 property is assessed or equalized by the Department of Revenue
28 for the current year, and shall certify the amount of taxable
29 property in each county within that municipality under the seal
30 of the municipality, to the county clerk of the county where
31 the seat of government of the municipality is situated. That
32 county clerk shall ascertain the rate per cent which, upon the
33 total valuation of all property subject to taxation within that
34 municipality, ascertained as provided in this Section, will
35 produce a net amount not less than the total amount directed to
36 be levied. As soon as that rate per cent is ascertained, that

1 clerk shall certify the rate per cent under his signature and
2 seal of office to the county clerk of each other county wherein
3 a portion of that municipality is situated. A county clerk to
4 whom a rate per cent is certified shall extend the tax in a
5 separate column upon the books of the collector of state and
6 county taxes for his county against all property in his county
7 within the limits of that municipality.

8 But in municipalities with 500,000 or more inhabitants, the
9 aggregate amount of taxes so levied exclusive of the amount
10 levied for the payment of bonded indebtedness, or interest
11 thereon, and exclusive of taxes levied for the payment of
12 judgments, for which a special tax is authorized by law, and
13 exclusive of the amounts levied for the purposes of pension
14 funds, working cash fund, public library, municipal
15 tuberculosis sanitarium, the propagation and preservation of
16 community trees, and exclusive of taxes levied pursuant to
17 Section 19 of the Illinois Emergency Services and Disaster
18 Agency Act of 1975 and for the general assistance for needy
19 persons lawfully resident therein, shall not exceed the
20 estimated amount of taxes to be levied for each year for the
21 purposes specified in Sections 8-2-2 through 8-2-5 and set
22 forth in its annual appropriation ordinance and in any
23 supplemental appropriation ordinance authorized by law for
24 that year.

25 In municipalities with less than 500,000 inhabitants, the
26 aggregate amount of taxes so levied for any one year, exclusive
27 of the amount levied for the payment of bonded indebtedness, or
28 interest thereon, and exclusive of taxes levied pursuant to
29 Section 13 of the Illinois Civil Defense Act of 1951 and
30 exclusive of taxes authorized by this Code or other Acts which
31 by their terms provide that those taxes shall be in addition to
32 taxes for general purposes authorized under this Section, shall
33 not exceed the rate of .25%, or the rate limit in effect on
34 July 1, 1967, whichever is greater, and on a permanent basis,
35 upon the aggregate valuation of all property within the
36 municipality subject to taxation therein, as the property is

1 equalized or assessed by the Department of Revenue for the
2 current year. However, if the maximum rate of such municipality
3 for general corporate purposes is less than .20% on July 1,
4 1967, the corporate authorities may, without referendum,
5 increase such maximum rate not to exceed .25%; but such maximum
6 rate shall not be raised by more than 1/2 of such increase in
7 any one year.

8 However, if the corporate authorities of a municipality
9 with less than 500,000 inhabitants desire to levy in any one
10 year more than .25%, or the rate limit in effect on July 1,
11 1967, whichever is greater, and on a permanent basis, but not
12 more than .4375% for general corporate purposes, exclusive of
13 the amount levied for the payment of bonded indebtedness, or
14 interest thereon, and exclusive of taxes authorized by this
15 Code or other Acts which by their terms provide that those
16 taxes shall be in addition to taxes for general purposes
17 authorized under this Section the corporate authorities, by
18 ordinance, stating the per cent so desired, may order a
19 proposition for the additional amount to be submitted to the
20 electors of that municipality at any election. The clerk shall
21 certify the proposition to the proper election authority who
22 shall submit the question to the electors at such election. If
23 a majority of the votes cast on the proposition are in favor of
24 the proposition, the corporate authorities of that
25 municipality may levy annually for general corporate purposes,
26 exclusive of the amount levied for the payment of bonded
27 indebtedness, or interest thereon, and exclusive of taxes
28 authorized by this Code or other Acts which by their terms
29 provide that those taxes are in addition to taxes for general
30 purposes authorized under this Section a tax in excess of .25%,
31 or the rate in effect on July 1, 1967, whichever is greater,
32 and on a permanent basis, but not exceeding the per cent
33 mentioned in the proposition.

34 Any municipality voting after August 1, 1969, to increase
35 its rate limitation for general corporate purposes under this
36 Section shall establish such increased rate limitation on an

1 ongoing basis unless otherwise changed by referendum.

2 In municipalities that are not home rule units, any funds
3 on hand at the end of the fiscal year, which funds are not
4 pledged for or allocated to a particular purpose, may by action
5 of the corporate authorities be transferred to the capital
6 improvement fund and accumulated therein, but the total amount
7 accumulated in such fund may not exceed 3% of the aggregate
8 assessed valuation of all taxable property in the municipality.
9 (Source: P.A. 87-17.)

10 Section 99. Effective date. This Act takes effect January
11 1, 2005.