1   AN ACT concerning taxes.

2   **Be it enacted by the People of the State of Illinois,**

3   **represented in the General Assembly:**

4   Section 1. This Amendatory Act shall be known as the PTELL

5   Required Referendum Procedures Act.

6   Section 3. Findings.

7   (a) Approximately 80% of the State's population lives in a

8   county in which the Property Tax Extension Limitation Law is

9   applicable. This Law has been in effect for over 13 years, and

10 the provisions of the Election Code, the Property Tax Code, and

11 the various local government statutes governing tax rate

12 increase referenda have not been updated to take into account

13 this Law.

14   (b) In many circumstances there is no easily understood

15 proposition that can be presented to a taxing district's voters

16 to authorize a tax rate increase. Both voters and local

17 government officials are confused and frustrated by referendum

18 propositions that do not accurately reflect the way the

19 Property Tax Extension Limitation Law works.

20   (c) This Amendatory Act requires the use of ballots that

21 accurately tell the voter what the result of approving the

22 proposition will be and requires all ballots and notices at tax

23 rate increase elections to contain meaningful and consistent

24 information about the impact of the referendum.

25   (d) This Amendatory Act impacts only elections held after

26 April 5, 2005. It does not change the way prior voted increases

27 were authorized. This Amendatory Act does not authorize any

28 non-referendum tax rate increases. Tax rate increases beyond

29 the limitations of the Property Tax Extension Limitation Law

30 must continue to be approved by referendum, and this Amendatory

31 Act applies only to taxing districts subject to the Property

32 Tax Extension Limitation Law.

1   Section 5. The Property Tax Code is amended by changing

2   Sections 18-190, 18-205, and 18-230 as follows:

3   (35 ILCS 200/18-190)

4   Sec. 18-190. Direct referendum; new rate or increased rate.

5   (a) If a new rate or a rate increase is authorized by

6   statute to be imposed without referendum or is subject to a

7   backdoor referendum, as defined in Section 28-2 of the Election

8   Code, the governing body of the affected taxing district before

9   levying the new rate or rate increase shall submit the new rate

10   or rate increase to direct referendum under the provisions of

11   Article 28 of the Election Code. Notwithstanding the

12   requirements of any other law, all taxing districts subject to

13   this Law shall follow the provisions of this Section whenever

14   seeking referendum approval after April 5, 2005 to increase (i)

15   the maximum authorized tax rate for any fund for which the

16   taxing district is authorized by statute to levy taxes and

17   which rate is limited by prior referendum or statutory

18   authorization and which rate is authorized by statute to be

19   increased for a limited or unlimited number of years by direct

20   (and not back door) referendum, except for increases that

21   require an equal corresponding tax rate decrease for another

22   fund or (ii) the maximum extended tax rate applicable only to

23   the next taxes to be either levied or extended for any fund

24   notwithstanding the limiting rate that would otherwise be

25   applicable for such taxing district, which maximum extended tax

26   rate applicable to the next taxes shall not exceed the tax rate

27   for such fund.

28   The proposition seeking to obtain such referendum approval

29   for the increase described in clause (i) shall be in

30   substantially the following form:

31   Shall the maximum tax rate for the ... fund of ...

32   [insert legal name, number, if any, and county or counties

33   of taxing district], Illinois, be increased for the ...

34   levy year[s] [and all subsequent levy years] to ...% of the

equalized assessed value of the taxable property therein
instead of ...%, the otherwise applicable maximum tax rate
for such fund?

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

The proposition seeking to obtain such referendum approval
for the increase described in clause (ii) shall be in
substantially the following form:

    Shall the maximum tax rate for the ... fund of ...
[insert legal name, number, if any, and county or counties
of taxing district], Illinois, for the ... levy year be
equal to ...% of the equalized assessed value of the
taxable property therein notwithstanding the otherwise
applicable limitations set forth in the Property Tax
Extension Limitation Law on such tax rate?

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

The ballot for any proposition submitted pursuant to this
Section shall have printed thereon, but not as a part of the
proposition submitted, the following information; provided,
however, that any error, miscalculation or inaccuracy in
computing any amount set forth on the ballot shall not
invalidate or affect the validity of any proposition approved:

        (1) if the taxing district is a school district or a
    community college district, the geographic or other common
    name by which the district is known and referred to;

        (2) the amount, if any, of the proposed increase in the
    maximum authorized tax rate for the fund referred to in the
    proposition;

        (3) the rate at which taxes for the fund was most
    recently extended (at the time the submission of the
    proposition is initiated by the taxing district);

        (4) the amount by which the proposed rate for the fund
    exceeds the most recently extended rate for the fund;

        (5) the dollar amount of the last known aggregate
    extension base of the taxing district (at the time the
    submission of the proposition is initiated by the taxing
    district);

1   (6) the estimated dollar amount of the aggregate
2   extension base of the taxing district if the proposition is
3   approved, such amount computed by multiplying the amount of
4   the last known equalized assessed value of the taxing
5   district at the time the submission of the proposition is
6   initiated by the taxing district by the amount from
7   paragraph (4) and adding the product to the amount from
8   paragraph (5); and
9   (7) the percentage increase proposed in the aggregate
10   extension base of the taxing district based on the dollar
11   amount of the last known aggregate extension base of the
12   taxing district and the estimated dollar amount of the
13   aggregate extension base of the taxing district if the
14   proposition is approved.
15 Any notice required to be published in connection with the
16 submission of the proposition shall also contain this
17 information and shall not be required to contain any other
18 information. 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) the tax rate approved at the referendum may be
25   effective for the extension of taxes accruing more than 30
26   days after the canvass of the results of the referendum by
27   the taxing district and shall not be effective for the
28   extension of taxes occurring 30 days or less after such
29   canvass;
30   (B) if the proposition provides for an increase in the
31   maximum authorized tax rate, (i) the new maximum authorized
32   tax rate for the fund shall be the rate set forth in the
33   proposition for the levy years set forth therein regardless
34   of whether the proposition is approved before or after the
35   taxing district adopts or files its levy for any levy year
36   set forth in the proposition; and (ii) the aggregate

1   extension base of the taxing district shall be adjusted as
2   a result of the approval of the proposition as set forth in
3   Section 18-230;

4   (C) if the proposition does not provide for an increase
5   in the maximum authorized tax rate, but provides for an
6   increase in the maximum extended tax rate for a single levy
7   year, (A) the maximum authorized tax rate for the fund
8   shall not be affected, but the rate extended for the fund
9   shall be equal to the rate set forth in the proposition for
10   the levy year set forth in the proposition regardless of
11   whether the proposition is approved before or after the
12   taxing district adopts or files its levy for that levy
13   year; and (B) the aggregate extension base of the taxing
14   district shall be adjusted as a result of the approval of
15   the proposition as set forth in Section 18-230.

16   Rates required to extend taxes for a fund ~~on levies subject~~
17 ~~to a backdoor referendum in each year there is a levy~~ are not
18 new rates or rate increases under this Section if a levy has
19 been made for the fund in one or more of the preceding 3 levy
20 years prior to this law becoming applicable to the taxing
21 district. ~~Changes made by this amendatory Act of 1997 to this~~
22 ~~Section in reference to rates required to extend taxes on~~
23 ~~levies subject to a backdoor referendum in each year there is a~~
24 ~~levy are declarative of existing law and not a new enactment.~~

25   (b) Whenever other applicable law authorizes a taxing
26 district subject to the limitation with respect to its
27 aggregate extension provided for in this Law to issue bonds or
28 other obligations either without referendum or subject to
29 backdoor referendum, the taxing district may elect for each
30 separate bond issuance to submit the question of the issuance
31 of the bonds or obligations directly to the voters of the
32 taxing district, and if the referendum passes the taxing
33 district is not required to comply with any backdoor referendum
34 procedures or requirements set forth in the other applicable
35 law. The direct referendum shall be initiated by ordinance or
36 resolution of the governing body of the taxing district, and

1   the question shall be certified to the proper election
2   authorities in accordance with the provisions of the Election
3   Code.
4   (Source: P.A. 88-455; 88-670, eff. 12-2-94; 89-385, eff.
5   8-18-95; 89-718, eff. 3-7-97.)

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 ~~increase~~ of 5% or the percentage increase in the
10   Consumer Price Index during the 12-month calendar year
11   preceding the levy year, whichever is less. A taxing district
12   may increase its extension limitation for a current levy year
13   if that taxing district holds a referendum before the levy date
14   at which a majority of voters voting on the issue approves
15   adoption of a higher extension limitation. Referenda shall be
16   conducted at a regularly scheduled election in accordance with
17   the Election Code provided that notice of the referendum, if
18   held before July 1, 1999, has been given in accordance with the
19   provisions of Section 12-5 of the Election Code in effect at
20   the time of the bond referendum, at least 10 and not more than
21   45 days before the date of the election, notwithstanding the
22   time for publication otherwise imposed by Section 12-5. Notices
23   required in connection with the submission of public questions
24   on or after July 1, 1999 shall be as set forth in Section 12-5
25   of the Election Code. The question shall be presented in
26   substantially the following manner:
27   --
28   Shall the extension limitation
29   under the Property Tax Extension
30   Limitation Law for ...(taxing   YES
31   district name)... be increased from
32   ...(the lesser of 5% or the increase   ---------------
33   in the Consumer Price Index over the
34   prior levy year)...% to ...(percentage   NO
35   of proposed increase)...% for the

1   ...(levy year)... levy year?

2   --

3   If a majority of voters voting on the issue approves the

4   adoption of the increase, the increase shall be applicable for

5   the levy year specified.

6   (Source: P.A. 90-812, eff. 1-26-99; 91-57, eff. 6-30-99.)

7   (35 ILCS 200/18-230)

8   Sec. 18-230. Rate increase or decrease factor. When a new

9   rate or a rate increase as described in subsection (a) of

10   Section 18-190 or decrease first effective for the current levy

11   year has been approved by referendum, the aggregate extension

12   base, as adjusted in Sections 18-215 and 18-220, shall be

13   multiplied by a rate increase (or decrease) factor. The

14   numerator of the rate increase (or decrease) factor is the

15   total combined rate for the funds that made up the aggregate

16   extension for the taxing district for the prior year plus the

17   difference between the rate set forth in the proposition

18   approved by referendum and the rate extended for the prior year

19   for the fund set forth in the proposition rate increase

20   approved or minus the rate decrease approved. The denominator

21   of the rate increase or decrease factor is the total combined

22   rate for the funds that made up the aggregate extension for the

23   prior year. For those taxing districts for which a new rate or

24   a rate increase has been approved by referendum held after

25   December 31, 1988, and that did not increase their rate to the

26   new maximum rate for that fund, the rate increase factor shall

27   be adjusted for 4 levy years after the year of the referendum

28   by a factor the numerator of which is the portion of the new or

29   increased rate for which taxes were not extended plus the

30   aggregate rate in effect for the levy year prior to the levy

31   year in which the referendum was passed and the denominator of

32   which is the aggregate rate in effect for the levy year prior

33   to the levy year in which the referendum was passed.

34   (Source: P.A. 87-17; 88-455.)