



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2161

Introduced 11/3/2005, by Sen. Don Harmon - Pamela J. Althoff

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-125
35 ILCS 200/18-185
35 ILCS 200/18-190
35 ILCS 200/18-195
35 ILCS 200/18-205
35 ILCS 200/18-230 rep.
105 ILCS 5/17-3

from Ch. 122, par. 17-3

Amends the Property Tax Code. Makes changes to the form of the ballot proposition to increase a maximum tax rate and makes changes to the information that must be printed on the ballot. In the Property Tax Extension Limitation Law in the Property Tax Code, makes changes to the calculation of the limiting rate after a rate increase or decrease has been approved by referendum and repeals a Section concerning the rate increase or decrease factor. Sets forth procedures that taxing districts must follow whenever seeking referendum approval after April 5, 2005 to (i) levy a new tax rate authorized by statute, (ii) increase the rate extended for any tax the taxing district is authorized to levy and which rate is authorized by statute to be increased by referendum, or (iii) increase the limiting rate applicable to the taxing district (instead of procedures to increase certain maximum tax rates). Makes changes to the information that must be printed on a ballot to increase the extension limitation. Amends the School Code. Provides that a school board in any district having a population of less than 500,000 inhabitants may decrease its annual tax rate for educational purposes by referendum. Makes other changes. Effective immediately.

LRB094 15094 BDD 50262 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 Sections 18-125, 18-185, 18-190, 18-195, and 18-205 as follows:

6 (35 ILCS 200/18-125)

7 Sec. 18-125. Rate limit referenda. Referenda initiated
8 under Section 18-120 shall be subject to the provisions and
9 limitations of the general election law.

10 The question of adopting a maximum tax rate other than that
11 applicable shall be in substantially the following form:

12 Shall the maximum tax rate for . . . purposes of . . .
13 (insert legal name, number, if any, and county or counties
14 of taxing district and geographic or other common name by
15 which a school or community college district is known and
16 referred to), Illinois, be established at . . . % of the
17 equalized assessed value of the taxable property therein
18 instead of . . . %, the maximum rate otherwise applicable
19 to the next taxes to be extended?

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

21 _____

22 ~~Shall the maximum tax rate for~~
23 ~~the..... fund of.....~~
24 ~~(identify taxing district) be _____ YES~~
25 ~~established at..... percent~~
26 ~~on the equalized assessed _____~~
27 ~~value instead of..... per~~
28 ~~cent, the maximum rate otherwise _____ NO~~
29 ~~applicable to the next taxes to~~
30 ~~be extended?~~

31 _____

32 The ballot shall have printed thereon, but not as a part of

1 the proposition submitted, (i) a statement of the purpose or
2 reason for the proposed change in the tax rate, (ii) an
3 estimate of the approximate amount extendable under the
4 proposed rate and of the approximate amount extendable under
5 the current rate applicable to the next taxes extended, such
6 amounts being computed upon the last known equalized assessed
7 value, and (iii) the approximate amount of the tax extendable
8 against property containing a single family residence and
9 having a fair market value of \$100,000 at the current maximum
10 rate and at the proposed rate. Any error, miscalculation or
11 inaccuracy in computing such amounts that is not deliberate
12 shall not invalidate or affect the validity of any maximum tax
13 rate so adopted.

14 If a majority of all ballots cast on the proposition are in
15 favor of the proposition, the maximum tax rate so established
16 shall become effective with the levy next following the
17 referendum. It is the duty of the county clerk to reduce, if
18 necessary, the amount of any taxes levied thereafter. Nothing
19 in this Section shall be construed as precluding the extension
20 of taxes at rates less than that authorized by the referendum.

21 (Source: P.A. 86-1253; 88-455.)

22 (35 ILCS 200/18-185)

23 Sec. 18-185. Short title; definitions. This Division 5 may
24 be cited as the Property Tax Extension Limitation Law. As used
25 in this Division 5:

26 "Consumer Price Index" means the Consumer Price Index for
27 All Urban Consumers for all items published by the United
28 States Department of Labor.

29 "Extension limitation" means (a) the lesser of 5% or the
30 percentage increase in the Consumer Price Index during the
31 12-month calendar year preceding the levy year or (b) the rate
32 of increase approved by voters under Section 18-205.

33 "Affected county" means a county of 3,000,000 or more
34 inhabitants or a county contiguous to a county of 3,000,000 or
35 more inhabitants.

1 "Taxing district" has the same meaning provided in Section
2 1-150, except as otherwise provided in this Section. For the
3 1991 through 1994 levy years only, "taxing district" includes
4 only each non-home rule taxing district having the majority of
5 its 1990 equalized assessed value within any county or counties
6 contiguous to a county with 3,000,000 or more inhabitants.
7 Beginning with the 1995 levy year, "taxing district" includes
8 only each non-home rule taxing district subject to this Law
9 before the 1995 levy year and each non-home rule taxing
10 district not subject to this Law before the 1995 levy year
11 having the majority of its 1994 equalized assessed value in an
12 affected county or counties. Beginning with the levy year in
13 which this Law becomes applicable to a taxing district as
14 provided in Section 18-213, "taxing district" also includes
15 those taxing districts made subject to this Law as provided in
16 Section 18-213.

17 "Aggregate extension" for taxing districts to which this
18 Law applied before the 1995 levy year means the annual
19 corporate extension for the taxing district and those special
20 purpose extensions that are made annually for the taxing
21 district, excluding special purpose extensions: (a) made for
22 the taxing district to pay interest or principal on general
23 obligation bonds that were approved by referendum; (b) made for
24 any taxing district to pay interest or principal on general
25 obligation bonds issued before October 1, 1991; (c) made for
26 any taxing district to pay interest or principal on bonds
27 issued to refund or continue to refund those bonds issued
28 before October 1, 1991; (d) made for any taxing district to pay
29 interest or principal on bonds issued to refund or continue to
30 refund bonds issued after October 1, 1991 that were approved by
31 referendum; (e) made for any taxing district to pay interest or
32 principal on revenue bonds issued before October 1, 1991 for
33 payment of which a property tax levy or the full faith and
34 credit of the unit of local government is pledged; however, a
35 tax for the payment of interest or principal on those bonds
36 shall be made only after the governing body of the unit of

1 local government finds that all other sources for payment are
2 insufficient to make those payments; (f) made for payments
3 under a building commission lease when the lease payments are
4 for the retirement of bonds issued by the commission before
5 October 1, 1991, to pay for the building project; (g) made for
6 payments due under installment contracts entered into before
7 October 1, 1991; (h) made for payments of principal and
8 interest on bonds issued under the Metropolitan Water
9 Reclamation District Act to finance construction projects
10 initiated before October 1, 1991; (i) made for payments of
11 principal and interest on limited bonds, as defined in Section
12 3 of the Local Government Debt Reform Act, in an amount not to
13 exceed the debt service extension base less the amount in items
14 (b), (c), (e), and (h) of this definition for non-referendum
15 obligations, except obligations initially issued pursuant to
16 referendum; (j) made for payments of principal and interest on
17 bonds issued under Section 15 of the Local Government Debt
18 Reform Act; (k) made by a school district that participates in
19 the Special Education District of Lake County, created by
20 special education joint agreement under Section 10-22.31 of the
21 School Code, for payment of the school district's share of the
22 amounts required to be contributed by the Special Education
23 District of Lake County to the Illinois Municipal Retirement
24 Fund under Article 7 of the Illinois Pension Code; the amount
25 of any extension under this item (k) shall be certified by the
26 school district to the county clerk; (l) made to fund expenses
27 of providing joint recreational programs for the handicapped
28 under Section 5-8 of the Park District Code or Section 11-95-14
29 of the Illinois Municipal Code; (m) made for temporary
30 relocation loan repayment purposes pursuant to Sections 2-3.77
31 and 17-2.2d of the School Code; ~~and~~ (n) made for payment of
32 principal and interest on any bonds issued under the authority
33 of Section 17-2.2d of the School Code; and (o) ~~(m)~~ made for
34 contributions to a firefighter's pension fund created under
35 Article 4 of the Illinois Pension Code, to the extent of the
36 amount certified under item (5) of Section 4-134 of the

1 Illinois Pension Code.

2 "Aggregate extension" for the taxing districts to which
3 this Law did not apply before the 1995 levy year (except taxing
4 districts subject to this Law in accordance with Section
5 18-213) means the annual corporate extension for the taxing
6 district and those special purpose extensions that are made
7 annually for the taxing district, excluding special purpose
8 extensions: (a) made for the taxing district to pay interest or
9 principal on general obligation bonds that were approved by
10 referendum; (b) made for any taxing district to pay interest or
11 principal on general obligation bonds issued before March 1,
12 1995; (c) made for any taxing district to pay interest or
13 principal on bonds issued to refund or continue to refund those
14 bonds issued before March 1, 1995; (d) made for any taxing
15 district to pay interest or principal on bonds issued to refund
16 or continue to refund bonds issued after March 1, 1995 that
17 were approved by referendum; (e) made for any taxing district
18 to pay interest or principal on revenue bonds issued before
19 March 1, 1995 for payment of which a property tax levy or the
20 full faith and credit of the unit of local government is
21 pledged; however, a tax for the payment of interest or
22 principal on those bonds shall be made only after the governing
23 body of the unit of local government finds that all other
24 sources for payment are insufficient to make those payments;
25 (f) made for payments under a building commission lease when
26 the lease payments are for the retirement of bonds issued by
27 the commission before March 1, 1995 to pay for the building
28 project; (g) made for payments due under installment contracts
29 entered into before March 1, 1995; (h) made for payments of
30 principal and interest on bonds issued under the Metropolitan
31 Water Reclamation District Act to finance construction
32 projects initiated before October 1, 1991; (h-4) made for
33 stormwater management purposes by the Metropolitan Water
34 Reclamation District of Greater Chicago under Section 12 of the
35 Metropolitan Water Reclamation District Act; (i) made for
36 payments of principal and interest on limited bonds, as defined

1 in Section 3 of the Local Government Debt Reform Act, in an
2 amount not to exceed the debt service extension base less the
3 amount in items (b), (c), and (e) of this definition for
4 non-referendum obligations, except obligations initially
5 issued pursuant to referendum and bonds described in subsection
6 (h) of this definition; (j) made for payments of principal and
7 interest on bonds issued under Section 15 of the Local
8 Government Debt Reform Act; (k) made for payments of principal
9 and interest on bonds authorized by Public Act 88-503 and
10 issued under Section 20a of the Chicago Park District Act for
11 aquarium or museum projects; (l) made for payments of principal
12 and interest on bonds authorized by Public Act 87-1191 or
13 93-601 and (i) issued pursuant to Section 21.2 of the Cook
14 County Forest Preserve District Act, (ii) issued under Section
15 42 of the Cook County Forest Preserve District Act for
16 zoological park projects, or (iii) issued under Section 44.1 of
17 the Cook County Forest Preserve District Act for botanical
18 gardens projects; (m) made pursuant to Section 34-53.5 of the
19 School Code, whether levied annually or not; (n) made to fund
20 expenses of providing joint recreational programs for the
21 handicapped under Section 5-8 of the Park District Code or
22 Section 11-95-14 of the Illinois Municipal Code; (o) made by
23 the Chicago Park District for recreational programs for the
24 handicapped under subsection (c) of Section 7.06 of the Chicago
25 Park District Act; and (p) made for contributions to a
26 firefighter's pension fund created under Article 4 of the
27 Illinois Pension Code, to the extent of the amount certified
28 under item (5) of Section 4-134 of the Illinois Pension Code.

29 "Aggregate extension" for all taxing districts to which
30 this Law applies in accordance with Section 18-213, except for
31 those taxing districts subject to paragraph (2) of subsection
32 (e) of Section 18-213, means the annual corporate extension for
33 the taxing district and those special purpose extensions that
34 are made annually for the taxing district, excluding special
35 purpose extensions: (a) made for the taxing district to pay
36 interest or principal on general obligation bonds that were

1 approved by referendum; (b) made for any taxing district to pay
2 interest or principal on general obligation bonds issued before
3 the date on which the referendum making this Law applicable to
4 the taxing district is held; (c) made for any taxing district
5 to pay interest or principal on bonds issued to refund or
6 continue to refund those bonds issued before the date on which
7 the referendum making this Law applicable to the taxing
8 district is held; (d) made for any taxing district to pay
9 interest or principal on bonds issued to refund or continue to
10 refund bonds issued after the date on which the referendum
11 making this Law applicable to the taxing district is held if
12 the bonds were approved by referendum after the date on which
13 the referendum making this Law applicable to the taxing
14 district is held; (e) made for any taxing district to pay
15 interest or principal on revenue bonds issued before the date
16 on which the referendum making this Law applicable to the
17 taxing district is held for payment of which a property tax
18 levy or the full faith and credit of the unit of local
19 government is pledged; however, a tax for the payment of
20 interest or principal on those bonds shall be made only after
21 the governing body of the unit of local government finds that
22 all other sources for payment are insufficient to make those
23 payments; (f) made for payments under a building commission
24 lease when the lease payments are for the retirement of bonds
25 issued by the commission before the date on which the
26 referendum making this Law applicable to the taxing district is
27 held to pay for the building project; (g) made for payments due
28 under installment contracts entered into before the date on
29 which the referendum making this Law applicable to the taxing
30 district is held; (h) made for payments of principal and
31 interest on limited bonds, as defined in Section 3 of the Local
32 Government Debt Reform Act, in an amount not to exceed the debt
33 service extension base less the amount in items (b), (c), and
34 (e) of this definition for non-referendum obligations, except
35 obligations initially issued pursuant to referendum; (i) made
36 for payments of principal and interest on bonds issued under

1 Section 15 of the Local Government Debt Reform Act; (j) made
2 for a qualified airport authority to pay interest or principal
3 on general obligation bonds issued for the purpose of paying
4 obligations due under, or financing airport facilities
5 required to be acquired, constructed, installed or equipped
6 pursuant to, contracts entered into before March 1, 1996 (but
7 not including any amendments to such a contract taking effect
8 on or after that date); (k) made to fund expenses of providing
9 joint recreational programs for the handicapped under Section
10 5-8 of the Park District Code or Section 11-95-14 of the
11 Illinois Municipal Code; and (l) made for contributions to a
12 firefighter's pension fund created under Article 4 of the
13 Illinois Pension Code, to the extent of the amount certified
14 under item (5) of Section 4-134 of the Illinois Pension Code.

15 "Aggregate extension" for all taxing districts to which
16 this Law applies in accordance with paragraph (2) of subsection
17 (e) of Section 18-213 means the annual corporate extension for
18 the taxing district and those special purpose extensions that
19 are made annually for the taxing district, excluding special
20 purpose extensions: (a) made for the taxing district to pay
21 interest or principal on general obligation bonds that were
22 approved by referendum; (b) made for any taxing district to pay
23 interest or principal on general obligation bonds issued before
24 the effective date of this amendatory Act of 1997; (c) made for
25 any taxing district to pay interest or principal on bonds
26 issued to refund or continue to refund those bonds issued
27 before the effective date of this amendatory Act of 1997; (d)
28 made for any taxing district to pay interest or principal on
29 bonds issued to refund or continue to refund bonds issued after
30 the effective date of this amendatory Act of 1997 if the bonds
31 were approved by referendum after the effective date of this
32 amendatory Act of 1997; (e) made for any taxing district to pay
33 interest or principal on revenue bonds issued before the
34 effective date of this amendatory Act of 1997 for payment of
35 which a property tax levy or the full faith and credit of the
36 unit of local government is pledged; however, a tax for the

1 payment of interest or principal on those bonds shall be made
2 only after the governing body of the unit of local government
3 finds that all other sources for payment are insufficient to
4 make those payments; (f) made for payments under a building
5 commission lease when the lease payments are for the retirement
6 of bonds issued by the commission before the effective date of
7 this amendatory Act of 1997 to pay for the building project;
8 (g) made for payments due under installment contracts entered
9 into before the effective date of this amendatory Act of 1997;
10 (h) made for payments of principal and interest on limited
11 bonds, as defined in Section 3 of the Local Government Debt
12 Reform Act, in an amount not to exceed the debt service
13 extension base less the amount in items (b), (c), and (e) of
14 this definition for non-referendum obligations, except
15 obligations initially issued pursuant to referendum; (i) made
16 for payments of principal and interest on bonds issued under
17 Section 15 of the Local Government Debt Reform Act; (j) made
18 for a qualified airport authority to pay interest or principal
19 on general obligation bonds issued for the purpose of paying
20 obligations due under, or financing airport facilities
21 required to be acquired, constructed, installed or equipped
22 pursuant to, contracts entered into before March 1, 1996 (but
23 not including any amendments to such a contract taking effect
24 on or after that date); (k) made to fund expenses of providing
25 joint recreational programs for the handicapped under Section
26 5-8 of the Park District Code or Section 11-95-14 of the
27 Illinois Municipal Code; and (l) made for contributions to a
28 firefighter's pension fund created under Article 4 of the
29 Illinois Pension Code, to the extent of the amount certified
30 under item (5) of Section 4-134 of the Illinois Pension Code.

31 "Debt service extension base" means an amount equal to that
32 portion of the extension for a taxing district for the 1994
33 levy year, or for those taxing districts subject to this Law in
34 accordance with Section 18-213, except for those subject to
35 paragraph (2) of subsection (e) of Section 18-213, for the levy
36 year in which the referendum making this Law applicable to the

1 taxing district is held, or for those taxing districts subject
2 to this Law in accordance with paragraph (2) of subsection (e)
3 of Section 18-213 for the 1996 levy year, constituting an
4 extension for payment of principal and interest on bonds issued
5 by the taxing district without referendum, but not including
6 excluded non-referendum bonds. For park districts (i) that were
7 first subject to this Law in 1991 or 1995 and (ii) whose
8 extension for the 1994 levy year for the payment of principal
9 and interest on bonds issued by the park district without
10 referendum (but not including excluded non-referendum bonds)
11 was less than 51% of the amount for the 1991 levy year
12 constituting an extension for payment of principal and interest
13 on bonds issued by the park district without referendum (but
14 not including excluded non-referendum bonds), "debt service
15 extension base" means an amount equal to that portion of the
16 extension for the 1991 levy year constituting an extension for
17 payment of principal and interest on bonds issued by the park
18 district without referendum (but not including excluded
19 non-referendum bonds). The debt service extension base may be
20 established or increased as provided under Section 18-212.
21 "Excluded non-referendum bonds" means (i) bonds authorized by
22 Public Act 88-503 and issued under Section 20a of the Chicago
23 Park District Act for aquarium and museum projects; (ii) bonds
24 issued under Section 15 of the Local Government Debt Reform
25 Act; or (iii) refunding obligations issued to refund or to
26 continue to refund obligations initially issued pursuant to
27 referendum.

28 "Special purpose extensions" include, but are not limited
29 to, extensions for levies made on an annual basis for
30 unemployment and workers' compensation, self-insurance,
31 contributions to pension plans, and extensions made pursuant to
32 Section 6-601 of the Illinois Highway Code for a road
33 district's permanent road fund whether levied annually or not.
34 The extension for a special service area is not included in the
35 aggregate extension.

36 "Aggregate extension base" means the taxing district's

1 last preceding aggregate extension as adjusted under Sections
2 18-215 and 18-135 ~~through 18-230~~.

3 "Levy year" has the same meaning as "year" under Section
4 1-155.

5 "New property" means (i) the assessed value, after final
6 board of review or board of appeals action, of new improvements
7 or additions to existing improvements on any parcel of real
8 property that increase the assessed value of that real property
9 during the levy year multiplied by the equalization factor
10 issued by the Department under Section 17-30, (ii) the assessed
11 value, after final board of review or board of appeals action,
12 of real property not exempt from real estate taxation, which
13 real property was exempt from real estate taxation for any
14 portion of the immediately preceding levy year, multiplied by
15 the equalization factor issued by the Department under Section
16 17-30, and (iii) in counties that classify in accordance with
17 Section 4 of Article IX of the Illinois Constitution, an
18 incentive property's additional assessed value resulting from
19 a scheduled increase in the level of assessment as applied to
20 the first year final board of review market value. In addition,
21 the county clerk in a county containing a population of
22 3,000,000 or more shall include in the 1997 recovered tax
23 increment value for any school district, any recovered tax
24 increment value that was applicable to the 1995 tax year
25 calculations.

26 "Qualified airport authority" means an airport authority
27 organized under the Airport Authorities Act and located in a
28 county bordering on the State of Wisconsin and having a
29 population in excess of 200,000 and not greater than 500,000.

30 "Recovered tax increment value" means, except as otherwise
31 provided in this paragraph, the amount of the current year's
32 equalized assessed value, in the first year after a
33 municipality terminates the designation of an area as a
34 redevelopment project area previously established under the
35 Tax Increment Allocation Development Act in the Illinois
36 Municipal Code, previously established under the Industrial

1 Jobs Recovery Law in the Illinois Municipal Code, or previously
2 established under the Economic Development Area Tax Increment
3 Allocation Act, of each taxable lot, block, tract, or parcel of
4 real property in the redevelopment project area over and above
5 the initial equalized assessed value of each property in the
6 redevelopment project area. For the taxes which are extended
7 for the 1997 levy year, the recovered tax increment value for a
8 non-home rule taxing district that first became subject to this
9 Law for the 1995 levy year because a majority of its 1994
10 equalized assessed value was in an affected county or counties
11 shall be increased if a municipality terminated the designation
12 of an area in 1993 as a redevelopment project area previously
13 established under the Tax Increment Allocation Development Act
14 in the Illinois Municipal Code, previously established under
15 the Industrial Jobs Recovery Law in the Illinois Municipal
16 Code, or previously established under the Economic Development
17 Area Tax Increment Allocation Act, by an amount equal to the
18 1994 equalized assessed value of each taxable lot, block,
19 tract, or parcel of real property in the redevelopment project
20 area over and above the initial equalized assessed value of
21 each property in the redevelopment project area. In the first
22 year after a municipality removes a taxable lot, block, tract,
23 or parcel of real property from a redevelopment project area
24 established under the Tax Increment Allocation Development Act
25 in the Illinois Municipal Code, the Industrial Jobs Recovery
26 Law in the Illinois Municipal Code, or the Economic Development
27 Area Tax Increment Allocation Act, "recovered tax increment
28 value" means the amount of the current year's equalized
29 assessed value of each taxable lot, block, tract, or parcel of
30 real property removed from the redevelopment project area over
31 and above the initial equalized assessed value of that real
32 property before removal from the redevelopment project area.

33 Except as otherwise provided in this Section, "limiting
34 rate" means a fraction the numerator of which is the last
35 preceding aggregate extension base times an amount equal to one
36 plus the extension limitation defined in this Section and the

1 denominator of which is the current year's equalized assessed
2 value of all real property in the territory under the
3 jurisdiction of the taxing district during the prior levy year.
4 For those taxing districts that reduced their aggregate
5 extension for the last preceding levy year, the highest
6 aggregate extension in any of the last 3 preceding levy years
7 shall be used for the purpose of computing the limiting rate.
8 The denominator shall not include new property ~~or. The~~
9 ~~denominator shall not include~~ the recovered tax increment
10 value. When a new rate or a rate increase or decrease has been
11 approved and is first effective for the current levy year, the
12 otherwise applicable limiting rate shall be increased by the
13 amount of the new rate or the rate increase or shall be reduced
14 by the amount of the rate decrease, as the case may be. If the
15 aggregate tax rate extended for those funds that made up the
16 aggregate extension for a taxing district that approved a new
17 rate or a rate increase under Section 18-190 is less than the
18 limiting rate for the first year for which the new rate or rate
19 increase is effective, the limiting rate may be increased for
20 the next 2 levy years or until the limiting rate for the prior
21 levy year is equal to the aggregate tax rate extended for those
22 funds that made up the aggregate extension for the prior levy
23 year, whichever is earlier. The amount of the increase in the
24 limiting rate is the difference between the limiting rate for
25 the prior levy year and the aggregate tax rate extended for
26 those funds that made up the aggregate extension for the prior
27 levy year. No further adjustments shall be made as a result of
28 the approval of a new rate or a rate increase. When a new rate
29 or rate increase has been approved and was first effective for
30 any levy year prior to 2005 and the taxing district's limiting
31 rate was increased as a result of the application of the tax
32 rate increase factor in one or more years to the aggregate
33 extension base by an aggregate amount not less than the amount
34 of the new rate or the rate increase, no further adjustments in
35 the aggregate extension base or the limiting rate shall be made
36 as a result of the prior approval of the new rate or the rate

1 increase. In determining the amount of the increase in the
2 limiting rate as a result of the application of the tax rate
3 increase factor, the county clerk shall calculate what the
4 limiting rate would have been if the aggregate extension base
5 had not been increased by the tax rate increase factor and
6 compare the result of this calculation with the taxing
7 districts's actual limiting rate for the levy year in which the
8 tax rate increase factor was applied. If the taxing district's
9 limiting rate was increased as a result of the application of
10 the tax rate increase factor, but the aggregate amount of the
11 increase was less than the amount of the new rate or the rate
12 increase, the limiting rate shall be increased in the manner
13 described in this paragraph for the next 2 levy years less the
14 number of levy years that the tax rate increase factor was
15 applied after the year of the referendum.

16 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
17 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.
18 7-1-04; 93-690, eff. 7-1-04; 93-1049, eff. 11-17-04; revised
19 12-14-04.)

20 (35 ILCS 200/18-190)

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

22 (a) If a new rate ~~or a rate increase~~ is authorized by
23 statute to be imposed without referendum or is subject to a
24 backdoor referendum, as defined in Section 28-2 of the Election
25 Code, the governing body of the affected taxing district before
26 levying the new rate ~~or rate increase~~ shall submit the new rate
27 ~~or rate increase~~ to direct referendum under the provisions of
28 this Section and of Article 28 of the Election Code.
29 Notwithstanding the provisions, requirements, or limitations
30 of any other law, any tax levied for the 2005 levy year and all
31 subsequent levy years by any taxing district subject to this
32 Law may be extended at a rate exceeding the rate established
33 for that tax by referendum or statute, provided that the rate
34 does not exceed the statutory ceiling above which the tax is
35 not authorized to be further increased either by referendum or

1 in any other manner. Notwithstanding the provisions,
2 requirements, or limitations of any other law, all taxing
3 districts subject to this Law shall follow the provisions of
4 this Section whenever seeking referendum approval after April
5 5, 2005 to (i) levy a new tax rate authorized by statute, (ii)
6 increase the rate extended for any tax the taxing district is
7 authorized to levy and which rate is authorized by statute to
8 be increased by referendum, or (iii) increase the limiting rate
9 applicable to the taxing district. All taxing districts subject
10 to this Law are authorized to seek referendum approval of each
11 proposition described and set forth in this Section.

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

15 Shall ... (insert legal name, number, if any, and
16 county or counties of taxing district and geographic or
17 other common name by which a school or community college
18 district is known and referred to), Illinois, be authorized
19 to levy a new tax for ... purposes and have an additional
20 tax of ...% of the equalized assessed value of the taxable
21 property therein extended for such purposes?

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

23 The proposition seeking to obtain referendum approval for
24 the increase in a specific tax rate as authorized in clause
25 (ii) shall be in substantially the following form:

26 Shall the rate at which the tax authorized to be
27 extended for ... purposes of ... (insert legal name,
28 number, if any, and county or counties of taxing district
29 and geographic or other common name by which a school or
30 community college district is known and referred to),
31 Illinois, be increased by an additional amount equal to
32 ...% of the equalized assessed value of the taxable
33 property therein?

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

35 The proposition seeking to obtain referendum approval for
36 the increase in the limiting rate as authorized in clause (iii)

1 shall be in substantially the following form:

2 Shall the limiting rate under the Property Tax
3 Extension Limitation Law for ... (insert legal name,
4 number, if any, and county or counties of taxing district
5 and geographic or other common name by which a school or
6 community college district is known and referred to),
7 Illinois, be increased by an additional amount equal to
8 ...% of the equalized assessed value of the taxable
9 property therein?

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

11 The ballot for any proposition submitted pursuant to this
12 Section shall have printed thereon, but not as a part of the
13 proposition submitted, only the following supplemental
14 information:

15 (1) the rate at which the specific tax or the limiting
16 rate was most recently extended (at the time the submission
17 of the proposition is initiated by the taxing district);

18 (2) the approximate amount of taxes extendable at the
19 rate most recently extended for the specific rate or the
20 limiting rate, and the approximate amount of taxes
21 extendable at the increased rate, such amounts to be
22 computed upon the last known equalized assessed value of
23 taxable property in the taxing district (at the time the
24 submission of the proposition is initiated by the taxing
25 district); and

26 (3) the approximate amount of the additional tax
27 extendable against property containing a single family
28 residence and having a fair market value of \$100,000 if the
29 proposition is approved.

30 Any notice required to be published in connection with the
31 submission of the proposition shall also contain this
32 supplemental information and shall not contain any other
33 supplemental information regarding the proposition. Any error,
34 miscalculation, or inaccuracy in computing any amount set forth
35 on the ballot and in the notice that is not deliberate shall
36 not invalidate or affect the validity of any proposition

1 approved. Notice of the referendum shall be published and
2 posted as otherwise required by law, and the submission of the
3 proposition shall be initiated as provided by law.

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

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

9 (B) if the proposition provides for a new tax rate, the
10 taxing district is authorized to levy a tax after the
11 canvass of the results of the referendum by the election
12 authority for the purposes for which the tax is authorized
13 and to use the proceeds of the tax to provide the services
14 or perform the activities authorized by law for the tax;

15 (C) a tax rate increase shall be first effective for
16 the levy year in which the rate increase is approved,
17 provided that the taxing district may elect to have a rate
18 increase be effective for the levy year prior to the levy
19 year in which the rate increase is approved unless the
20 extension of taxes for the prior levy year occurs 30 days
21 or less after the canvass of the results of the referendum
22 by the election authority in any county in which the taxing
23 district is located;

24 (D) in order for the tax rate increase to be first
25 effective for the levy year prior to the levy year of the
26 referendum, the taxing district must certify its election
27 to have the rate increase be effective for the prior levy
28 year to the clerk of each county in which the taxing
29 district is located not more than 2 days after the date the
30 results of the referendum are canvassed by the election
31 authority; and

32 (E) if the proposition provides for an increase in a
33 specific tax rate or in the limiting rate, the increase may
34 be effective regardless of whether the proposition is
35 approved before or after the taxing district adopts or
36 files its levy for any levy year.

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

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

24 (Source: P.A. 88-455; 88-670, eff. 12-2-94; 89-385, eff.
25 8-18-95; 89-718, eff. 3-7-97.)

26 (35 ILCS 200/18-195)

27 Sec. 18-195. Limitation. Tax extensions made under
28 Sections 18-45 and 18-105 are further limited by the provisions
29 of this Law.

30 For those taxing districts that have levied in any previous
31 levy year for any funds included in the aggregate extension,
32 the county clerk shall extend a rate for the sum of these funds
33 that is no greater than the limiting rate.

34 For those taxing districts that have never levied for any
35 funds included in the aggregate extension, the county clerk

1 shall extend an amount no greater than the amount approved by
2 the voters in a referendum under Section 18-210.

3 If the county clerk is required to reduce the aggregate
4 extension of a taxing district by provisions of this Law, the
5 county clerk shall proportionally reduce the extension for each
6 fund unless otherwise requested by the taxing district.

7 Upon written request of the corporate authority of a
8 village, the county clerk shall calculate separate limiting
9 rates for the library funds and for the aggregate of the other
10 village funds in order to reduce the funds as may be required
11 under provisions of this Law. In calculating the limiting rate
12 for the library, the county clerk shall use only the part of
13 the aggregate extension base applicable to the library, and ~~for~~
14 ~~any rate increase or decrease factor under Section 18-230 the~~
15 ~~county clerk shall use~~ only any new rate or rate increase
16 applicable to the library funds and the part of the rate
17 applicable to the library ~~in determining factors under that~~
18 ~~Section~~. The county clerk shall calculate the limiting rate for
19 all other village funds using only the part of the aggregate
20 extension base not applicable to the library, and ~~for any rate~~
21 ~~increase or decrease factor under Section 18-230~~ the county
22 clerk shall use only any new rate or rate increase not
23 applicable to the library funds and the part of the rate not
24 applicable to the library ~~in determining factors under that~~
25 ~~Section~~. If the county clerk is required to reduce the
26 aggregate extension of the library portion of the levy, the
27 county clerk shall proportionally reduce the extension for each
28 library fund unless otherwise requested by the library board.
29 If the county clerk is required to reduce the aggregate
30 extension of the portion of the levy not applicable to the
31 library, the county clerk shall proportionally reduce the
32 extension for each fund not applicable to the library unless
33 otherwise requested by the village.

34 Beginning with the 1998 levy year upon written direction of
35 a county or township community mental health board, the county
36 clerk shall calculate separate limiting rates for the community

1 mental health funds and for the aggregate of the other county
2 or township funds in order to reduce the funds as may be
3 required under provisions of this Law. In calculating the
4 limiting rate for the community mental health funds, the county
5 clerk shall use only the part of the aggregate extension base
6 applicable to the community mental health funds; and ~~for any~~
7 ~~rate increase or decrease factor under Section 18-230,~~ the
8 county clerk shall use only any new rate or rate increase
9 applicable to the community mental health funds and the part of
10 the rate applicable to the community mental health board ~~in~~
11 ~~determining factors under that Section.~~ The county clerk shall
12 calculate the limiting rate for all other county or township
13 funds using only the part of the aggregate extension base not
14 applicable to community mental health funds; and ~~for any rate~~
15 ~~increase or decrease factor under Section 18-230,~~ the county
16 clerk shall use only any new rate or rate increase not
17 applicable to the community mental health funds and the part of
18 the rate not applicable to the community mental health board ~~in~~
19 ~~determining factors under that Section.~~ If the county clerk is
20 required to reduce the aggregate extension of the community
21 mental health board portion of the levy, the county clerk shall
22 proportionally reduce the extension for each community mental
23 health fund unless otherwise directed by the community mental
24 health board. If the county clerk is required to reduce the
25 aggregate extension of the portion of the levy not applicable
26 to the community mental health board, the county clerk shall
27 proportionally reduce the extension for each fund not
28 applicable to the community mental health board unless
29 otherwise directed by the county or township.

30 Beginning with the 2001 levy year upon written direction of
31 a county or township board for care and treatment of persons
32 with a developmental disability, the county clerk shall
33 calculate separate limiting rates for the funds for persons
34 with a developmental disability and for the aggregate of the
35 other county or township funds in order to reduce the funds as
36 may be required under provisions of this Law. In calculating

1 the limiting rate for the funds for persons with a
2 developmental disability, the county clerk shall use only the
3 part of the aggregate extension base applicable to the funds
4 for persons with a developmental disability; and ~~for any rate~~
5 ~~increase or decrease factor under Section 18-230,~~ the county
6 clerk shall use only any new rate or rate increase applicable
7 to the funds for persons with a developmental disability and
8 the part of the rate applicable to the board for care and
9 treatment of persons with a developmental disability ~~in~~
10 ~~determining factors under that Section.~~ The county clerk shall
11 calculate the limiting rate for all other county or township
12 funds using only the part of the aggregate extension base not
13 applicable to funds for persons with a developmental
14 disability; and ~~for any rate increase or decrease factor under~~
15 ~~Section 18-230,~~ the county clerk shall use only any new rate or
16 rate increase not applicable to the funds for persons with a
17 developmental disability and the part of the rate not
18 applicable to the board for care and treatment of persons with
19 a developmental disability ~~in determining factors under that~~
20 ~~Section.~~ If the county clerk is required to reduce the
21 aggregate extension of the board for care and treatment of
22 persons with a developmental disability portion of the levy,
23 the county clerk shall proportionally reduce the extension for
24 each fund for persons with a developmental disability unless
25 otherwise directed by the board for care and treatment of
26 persons with a developmental disability. If the county clerk is
27 required to reduce the aggregate extension of the portion of
28 the levy not applicable to the board for care and treatment of
29 persons with a developmental disability, the county clerk shall
30 proportionally reduce the extension for each fund not
31 applicable to the board for care and treatment of persons with
32 a developmental disability unless otherwise directed by the
33 county or township.

34 (Source: P.A. 90-339, eff. 8-8-97; 90-652, eff. 7-28-98;
35 91-859, eff. 6-22-00.)

1 (35 ILCS 200/18-205)

2 Sec. 18-205. Referendum to increase the extension
3 limitation. A taxing district is limited to an extension
4 limitation ~~increase~~ of 5% or the percentage increase in the
5 Consumer Price Index during the 12-month calendar year
6 preceding the levy year, whichever is less. A taxing district
7 may increase its extension limitation for one or more levy
8 years ~~a current levy year~~ if that taxing district holds a
9 referendum before the levy date for the first levy year at
10 which a majority of voters voting on the issue approves
11 adoption of a higher extension limitation. Referenda shall be
12 conducted at a regularly scheduled election in accordance with
13 the Election Code ~~provided that notice of the referendum, if~~
14 ~~held before July 1, 1999, has been given in accordance with the~~
15 ~~provisions of Section 12-5 of the Election Code in effect at~~
16 ~~the time of the bond referendum, at least 10 and not more than~~
17 ~~45 days before the date of the election, notwithstanding the~~
18 ~~time for publication otherwise imposed by Section 12-5. Notices~~
19 ~~required in connection with the submission of public questions~~
20 ~~on or after July 1, 1999 shall be as set forth in Section 12-5~~
21 ~~of the Election Code.~~ The question shall be presented in
22 substantially the following manner:

23 Shall the extension limitation under the Property Tax
24 Extension Limitation Law for (insert the legal name,
25 number, if any, and county or counties of the taxing
26 district and geographic or other common name by which a
27 school or community college district is known and referred
28 to), Illinois, be increased from the lesser of 5% or the
29 percentage increase in the Consumer Price Index over the
30 prior levy year to (insert the percentage of the proposed
31 increase)% per year for (insert each levy year for which
32 the increased extension limitation will apply)?

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

34 _____
35 ~~Shall the extension limitation~~
36 ~~under the Property Tax Extension~~

1 ~~Limitation Law for ... (taxing _____ YES~~
 2 ~~district name) ... be increased from~~
 3 ~~... (the lesser of 5% or the increase _____~~
 4 ~~in the Consumer Price Index over the~~
 5 ~~prior levy year) ...% to ... (percentage _____ NO~~
 6 ~~of proposed increase) ...% for the~~
 7 ~~... (levy year) ... levy year?~~
 8 _____

9 If a majority of voters voting on the issue approves the
 10 adoption of the increase, the increase shall be applicable for
 11 each ~~the~~ levy year specified.

12 The ballot for any question submitted pursuant to this
 13 Section shall have printed thereon, but not as a part of the
 14 question submitted, only the approximate amount of the
 15 additional tax extendable for the first levy year against
 16 property containing a single family residence and having a fair
 17 market value of \$100,000 if the proposition is approved,
 18 calculated by using (A) the lesser of 5% or the percentage
 19 increase in the Consumer Price Index for the prior levy year
 20 (or an estimate of the percentage increase for the prior levy
 21 year if the increase is unavailable at the time the submission
 22 of the question is initiated by the taxing district), (B) the
 23 percentage increase proposed in the question, and (C) the last
 24 known equalized assessed value and aggregate extension base of
 25 the taxing district at the time the submission of the question
 26 is initiated by the taxing district. Any notice required to be
 27 published in connection with the submission of the question
 28 shall also contain this supplemental information and shall not
 29 contain any other supplemental information. Any error,
 30 miscalculation, or inaccuracy in computing any amount set forth
 31 on the ballot or in the notice that is not deliberate shall not
 32 invalidate or affect the validity of any proposition approved.
 33 Notice of the referendum shall be published and posted as
 34 otherwise required by law, and the submission of the question
 35 shall be initiated as provided by law.

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

1 (35 ILCS 200/18-230 rep.)

2 Section 10. The Property Tax Code is amended by repealing
3 Section 18-230.

4 Section 15. The School Code is amended by changing Section
5 17-3 as follows:

6 (105 ILCS 5/17-3) (from Ch. 122, par. 17-3)

7 Sec. 17-3. Rate increases and decreases; submission
8 ~~Additional levies-Submission~~ to voters. The school board in any
9 district having a population of less than 500,000 inhabitants
10 may, by proper resolution, cause a proposition to increase or
11 decrease, for a limited period of not less than 3 nor more than
12 10 years or for an unlimited period, the annual tax rate for
13 educational purposes to be submitted to the voters of such
14 district at a regular scheduled election as follows:

15 (1) in districts maintaining grades 1 through 8, or
16 grades 9 through 12, the maximum rate for educational
17 purposes shall not exceed 3.5% of the value as equalized or
18 assessed by the Department of Revenue;

19 (2) in districts maintaining grades 1 through 12 the
20 maximum rate for educational purposes shall not exceed
21 4.00% of the value as equalized or assessed by the
22 Department of Revenue except that if a single elementary
23 district and a secondary district having boundaries that
24 are coterminous form a community unit district on or after
25 the effective date of this amendatory Act of the 94th
26 General Assembly and the actual combined rate of the
27 elementary district and secondary district prior to the
28 formation of the community unit district is greater than
29 4.00%, then the maximum rate for educational purposes for
30 such district shall be the following:

31 (A) For 2 years following the formation of the
32 community unit district, the maximum rate shall equal
33 the actual combined rate of the previous elementary

1 district and secondary district.

2 (B) In each subsequent year, the maximum rate shall
3 be reduced by 0.10% or reduced to 4.00%, whichever
4 reduction is less. The school board may, by proper
5 resolution, cause a proposition to increase the
6 reduced rate, not to exceed the maximum rate in clause
7 (A), to be submitted to the voters of the district at a
8 regular scheduled election as provided under this
9 Section. Nothing in this Section shall require that the
10 maximum rate for educational purpose for a district
11 maintaining grades one through 12 be reduced below
12 4.00%.

13 If the resolution of the school board seeks to increase or
14 decrease the annual tax rate for educational purposes for a
15 limited period of not less than 3 nor more than 10 years, the
16 proposition shall so state and shall identify the years for
17 which the tax increase or decrease is sought.

18 If a majority of the votes cast on the proposition is in
19 favor thereof at an election for which the election authorities
20 have given notice either (i) in accordance with Section 12-5 of
21 the Election Code or (ii) by publication of a true and legible
22 copy of the specimen ballot label containing the proposition in
23 the form in which it appeared or will appear on the official
24 ballot label on the day of the election at least 5 days before
25 the day of the election in at least one newspaper published in
26 and having a general circulation in the district, the school
27 board may thereafter, until such authority is revoked in like
28 manner, levy annually the tax so authorized; provided that if
29 the proposition as approved limits the increase in the annual
30 tax rate of the district for educational purposes to a period
31 of not less than 3 nor more than 10 years, the district may,
32 unless such authority is sooner revoked in like manner, levy
33 annually the tax so authorized for the limited number of years
34 approved by a majority of the votes cast on the proposition.
35 Upon expiration of that limited period, the rate at which the
36 district may annually levy its tax for educational purposes

1 shall be the rate provided under Section 17-2, or the rate at
2 which the district last levied its tax for educational purposes
3 prior to approval of the proposition authorizing the levy of
4 that tax at an increased rate, whichever is greater.

5 The school board shall certify the proposition to the
6 proper election authorities in accordance with the general
7 election law.

8 The provisions of this Section concerning notice of the tax
9 rate increase or decrease referendum apply only to consolidated
10 primary elections held prior to January 1, 2002 at which not
11 less than 55% of the voters voting on the tax rate increase
12 proposition voted in favor of the tax rate increase
13 proposition.

14 (Source: P.A. 94-52, eff. 6-17-05.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.