

SB0043



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB0043

Introduced 1/16/2013, by Sen. Kimberly A. Lightford

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-190

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that language providing that a new rate may not exceed the statutory ceiling above which the tax is not authorized to be increased applies only for levy years 2005 through 2012.

LRB098 02777 HLH 32785 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Property Tax Code is amended by changing
5 Section 18-190 as follows:

6 (35 ILCS 200/18-190)

7 Sec. 18-190. Direct referendum; new rate or increased
8 limiting rate.

9 (a) If a new rate is authorized by statute to be imposed
10 without referendum or is subject to a backdoor referendum, as
11 defined in Section 28-2 of the Election Code, the governing
12 body of the affected taxing district before levying the new
13 rate shall submit the new rate to direct referendum under the
14 provisions of this Section and of Article 28 of the Election
15 Code. Notwithstanding the provisions, requirements, or
16 limitations of any other law, any tax levied for the 2005 levy
17 year and all subsequent levy years by any taxing district
18 subject to this Law may be extended at a rate exceeding the
19 rate established for that tax by referendum or statute,
20 provided that, for levy years 2005 through 2012, the rate may
21 ~~does~~ not exceed the statutory ceiling above which the tax is
22 not authorized to be further increased either by referendum or
23 in any other manner. Notwithstanding the provisions,

1 requirements, or limitations of any other law, all taxing
2 districts subject to this Law shall follow the provisions of
3 this Section whenever seeking referenda approval after March
4 21, 2006 to (i) levy a new tax rate authorized by statute or
5 (ii) increase the limiting rate applicable to the taxing
6 district. All taxing districts subject to this Law are
7 authorized to seek referendum approval of each proposition
8 described and set forth in this Section.

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

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

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

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

23 Shall the limiting rate under the Property Tax
24 Extension Limitation Law for ... (insert legal name,
25 number, if any, and county or counties of taxing district
26 and geographic or other common name by which a school or

1 community college district is known and referred to),
2 Illinois, be increased by an additional amount equal to
3 ...% above the limiting rate for the purpose of...(insert
4 purpose) for levy year ... (insert the most recent levy
5 year for which the limiting rate of the taxing district is
6 known at the time the submission of the proposition is
7 initiated by the taxing district) and be equal to ...% of
8 the equalized assessed value of the taxable property
9 therein for levy year(s) (insert each levy year for which
10 the increase will be applicable, which years must be
11 consecutive and may not exceed 4)?

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

13 The ballot for any proposition submitted pursuant to this
14 Section shall have printed thereon, but not as a part of the
15 proposition submitted, only the following supplemental
16 information (which shall be supplied to the election authority
17 by the taxing district) in substantially the following form:

18 (1) The approximate amount of taxes extendable at the
19 most recently extended limiting rate is \$..., and the
20 approximate amount of taxes extendable if the proposition
21 is approved is \$....

22 (2) For the ... (insert the first levy year for which
23 the new rate or increased limiting rate will be applicable)
24 levy year the approximate amount of the additional tax
25 extendable against property containing a single family
26 residence and having a fair market value at the time of the

1 referendum of \$100,000 is estimated to be \$....

2 (3) Based upon an average annual percentage increase
3 (or decrease) in the market value of such property of %...
4 (insert percentage equal to the average annual percentage
5 increase or decrease for the prior 3 levy years, at the
6 time the submission of the proposition is initiated by the
7 taxing district, in the amount of (A) the equalized
8 assessed value of the taxable property in the taxing
9 district less (B) the new property included in the
10 equalized assessed value), the approximate amount of the
11 additional tax extendable against such property for the ...
12 levy year is estimated to be \$... and for the ... levy year
13 is estimated to be \$

14 (4) If the proposition is approved, the aggregate
15 extension for ... (insert each levy year for which the
16 increase will apply) will be determined by the limiting
17 rate set forth in the proposition, rather than the
18 otherwise applicable limiting rate calculated under the
19 provisions of the Property Tax Extension Limitation Law
20 (commonly known as the Property Tax Cap Law).

21 The approximate amount of taxes extendable shown in paragraph
22 (1) shall be computed upon the last known equalized assessed
23 value of taxable property in the taxing district (at the time
24 the submission of the proposition is initiated by the taxing
25 district). Paragraph (3) shall be included only if the
26 increased limiting rate will be applicable for more than one

1 levy year and shall list each levy year for which the increased
2 limiting rate will be applicable. The additional tax shown for
3 each levy year shall be the approximate dollar amount of the
4 increase over the amount of the most recently completed
5 extension at the time the submission of the proposition is
6 initiated by the taxing district. The approximate amount of the
7 additional taxes extendable shown in paragraphs (2) and (3)
8 shall be calculated by multiplying \$100,000 (the fair market
9 value of the property without regard to any property tax
10 exemptions) by (i) the percentage level of assessment
11 prescribed for that property by statute, or by ordinance of the
12 county board in counties that classify property for purposes of
13 taxation in accordance with Section 4 of Article IX of the
14 Illinois Constitution; (ii) the most recent final equalization
15 factor certified to the county clerk by the Department of
16 Revenue at the time the taxing district initiates the
17 submission of the proposition to the electors; and (iii) either
18 the new rate or the amount by which the limiting rate is to be
19 increased. This amendatory Act of the 97th General Assembly is
20 intended to clarify the existing requirements of this Section,
21 and shall not be construed to validate any prior non-compliant
22 referendum language. Paragraph (4) shall be included if the
23 proposition concerns a limiting rate increase but shall not be
24 included if the proposition concerns a new rate. Any notice
25 required to be published in connection with the submission of
26 the proposition shall also contain this supplemental

1 information and shall not contain any other supplemental
2 information regarding the proposition. Any error,
3 miscalculation, or inaccuracy in computing any amount set forth
4 on the ballot and in the notice that is not deliberate shall
5 not invalidate or affect the validity of any proposition
6 approved. Notice of the referendum shall be published and
7 posted as otherwise required by law, and the submission of the
8 proposition shall be initiated as provided by law.

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

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

14 (B) if the proposition provides for a new tax rate, the
15 taxing district is authorized to levy a tax after the
16 canvass of the results of the referendum by the election
17 authority for the purposes for which the tax is authorized;

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

1 (D) in order for the limiting rate increase to be first
2 effective for the levy year prior to the levy year of the
3 referendum, the taxing district must certify its election
4 to have the limiting rate increase be effective for the
5 prior levy year to the clerk of each county in which the
6 taxing district is located not more than 2 days after the
7 date the results of the referendum are canvassed by the
8 election authority; and

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

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

21 (b) Whenever other applicable law authorizes a taxing
22 district subject to the limitation with respect to its
23 aggregate extension provided for in this Law to issue bonds or
24 other obligations either without referendum or subject to
25 backdoor referendum, the taxing district may elect for each
26 separate bond issuance to submit the question of the issuance

1 of the bonds or obligations directly to the voters of the
2 taxing district, and if the referendum passes the taxing
3 district is not required to comply with any backdoor referendum
4 procedures or requirements set forth in the other applicable
5 law. The direct referendum shall be initiated by ordinance or
6 resolution of the governing body of the taxing district, and
7 the question shall be certified to the proper election
8 authorities in accordance with the provisions of the Election
9 Code.

10 (Source: P.A. 96-764, eff. 8-25-09; 97-1087, eff. 8-24-12.)