

1 AN ACT concerning local government.

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
5 changing Section 8-3-1 as follows:

6 (65 ILCS 5/8-3-1) (from Ch. 24, par. 8-3-1)

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

10 On or before the last Tuesday in December in each year, the
11 corporate authorities shall ascertain the total amount of
12 appropriations legally made or budgeted for and any amount
13 deemed necessary to defray additional expenses and liabilities
14 for all corporate purposes to be provided for by the tax levy
15 of that year. Then, by an ordinance specifying in detail in the
16 manner authorized for the annual appropriation ordinance or
17 budget of the municipality, the purposes for which the
18 appropriations, budgeting or such additional amounts deemed
19 necessary have been made and the amount assignable for each
20 purpose respectively, the corporate authorities shall levy
21 upon all property subject to taxation within the municipality
22 as that property is assessed and equalized for state and county
23 purposes for the current year.

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

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

17 If, in any levy year, a municipality fails to adopt a tax
18 levy ordinance, then the county clerk shall automatically
19 extend a rate for each fund for which the municipality levied a
20 tax in the most recent levy year for which the municipality
21 levied a tax for general purposes that is equal to the lesser
22 of (1) the rate that, when it is extended upon the equalized
23 assessed value of all taxable property in the municipality,
24 will produce an amount equal to the amount levied for that fund
25 in the most recent levy year for which the municipality levied
26 a tax for general purposes or (2) the maximum rate that would

1 be permitted to be extended by law for that fund if a valid
2 levy ordinance had been adopted for the current levy year.

3 Where the corporate limits of a municipality lie partly in
4 2 or more counties, the corporate authorities shall ascertain
5 the total amount of all taxable property lying within the
6 corporate limits of that municipality in each county, as the
7 property is assessed or equalized by the Department of Revenue
8 for the current year, and shall certify the amount of taxable
9 property in each county within that municipality under the seal
10 of the municipality, to the county clerk of the county where
11 the seat of government of the municipality is situated. That
12 county clerk shall ascertain the rate per cent which, upon the
13 total valuation of all property subject to taxation within that
14 municipality, ascertained as provided in this Section, will
15 produce a net amount not less than the total amount directed to
16 be levied. As soon as that rate per cent is ascertained, that
17 clerk shall certify the rate per cent under his signature and
18 seal of office to the county clerk of each other county wherein
19 a portion of that municipality is situated. A county clerk to
20 whom a rate per cent is certified shall extend the tax in a
21 separate column upon the books of the collector of state and
22 county taxes for his county against all property in his county
23 within the limits of that municipality.

24 But in municipalities with 500,000 or more inhabitants, the
25 aggregate amount of taxes so levied exclusive of the amount
26 levied for the payment of bonded indebtedness, or interest

1 thereon, and exclusive of taxes levied for the payment of
2 judgments, for which a special tax is authorized by law, and
3 exclusive of the amounts levied for the purposes of pension
4 funds, working cash fund, public library, municipal
5 tuberculosis sanitarium, the propagation and preservation of
6 community trees, and exclusive of taxes levied pursuant to
7 Section 19 of the Illinois Emergency Services and Disaster
8 Agency Act of 1975 and for the general assistance for needy
9 persons lawfully resident therein, shall not exceed the
10 estimated amount of taxes to be levied for each year for the
11 purposes specified in Sections 8-2-2 through 8-2-5 and set
12 forth in its annual appropriation ordinance and in any
13 supplemental appropriation ordinance authorized by law for
14 that year.

15 In municipalities with less than 500,000 inhabitants, the
16 aggregate amount of taxes so levied for any one year, exclusive
17 of the amount levied for the payment of bonded indebtedness, or
18 interest thereon, and exclusive of taxes levied pursuant to
19 Section 13 of the Illinois Civil Defense Act of 1951 and
20 exclusive of taxes authorized by this Code or other Acts which
21 by their terms provide that those taxes shall be in addition to
22 taxes for general purposes authorized under this Section, shall
23 not exceed the rate of .25%, or the rate limit in effect on
24 July 1, 1967, whichever is greater, and on a permanent basis,
25 upon the aggregate valuation of all property within the
26 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

1 indebtedness, or interest thereon, and exclusive of taxes
2 authorized by this Code or other Acts which by their terms
3 provide that those taxes are in addition to taxes for general
4 purposes authorized under this Section a tax in excess of .25%,
5 or the rate in effect on July 1, 1967, whichever is greater,
6 and on a permanent basis, but not exceeding the per cent
7 mentioned in the proposition.

8 Any municipality voting after August 1, 1969, to increase
9 its rate limitation for general corporate purposes under this
10 Section shall establish such increased rate limitation on an
11 ongoing basis unless otherwise changed by referendum.

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

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.