

1 HOUSE JOINT RESOLUTION
2 CONSTITUTIONAL AMENDMENT

3 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
4 NINETY-THIRD GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE
5 SENATE CONCURRING HEREIN, that there shall be submitted to
6 the electors of the State for adoption or rejection at the
7 general election next occurring at least 6 months after the
8 adoption of this resolution a proposition to add Section 11
9 of Article IX to the Illinois Constitution as follows:

10 ARTICLE IX

11 REVENUE

12 (ILCON Art. IX, Sec. 11 new)

13 SECTION 11. TAXPAYER'S BILL OF RIGHTS

14 (a) General provisions. The preferred interpretation of
15 this Section shall reasonably restrain most of the growth of
16 government. All provisions are self-executing and severable
17 and supersede conflicting State Constitutional, State
18 statutory, or other State or local provisions. Other limits
19 on taxing district revenue, spending, and debt may be
20 weakened only by future voter approval.

21 Individual or class action enforcement suits may be filed
22 and shall have the highest civil priority of resolution.
23 Successful plaintiffs are allowed costs and reasonable
24 attorney fees, but a taxing district is not unless a suit
25 against it is ruled frivolous. Revenue collected, kept, or
26 spent illegally beginning 4 full fiscal years before a suit
27 is filed shall be refunded with 10% annual simple interest
28 from the initial conduct. Subject to judicial review, taxing
29 districts may use any reasonable method for refunds under
30 this Section, including temporary tax credits or rate
31 reductions. Refunds need not be proportional when prior
32 payments are impractical to identify or return. When annual

1 taxing district revenue is less than annual payments on
2 general obligation bonds, pensions, and final court
3 judgments, subdivision (d)(1) and subsection (g) shall be
4 suspended to provide for the deficiency.

5 (b) Definitions. As used in this Section:

6 "Emergency" excludes economic conditions, revenue
7 shortfalls, or taxing district salary or fringe benefit
8 increases.

9 "Fiscal year spending" means all taxing district
10 expenditures and reserve increases except, as to both, those
11 for refunds made in the current or next fiscal year or those
12 from gifts, federal funds, collections for another
13 government, pension contributions by employees and pension
14 fund earnings, reserve transfers or expenditures, damage
15 awards, or property sales.

16 "Inflation" means the percentage change in the United
17 States Bureau of Labor Statistics Consumer Price Index for
18 all items, all urban consumers, or its successor index.

19 "Local growth" for a non-school district means a net
20 percentage change in actual value of all real property in a
21 taxing district from construction of taxable real property
22 improvements, minus destruction of similar improvements, and
23 additions to, minus deletions from, taxable real property.
24 For a school district, "local growth" means the percentage
25 change in its student enrollment.

26 "Public question" means any question, proposition, or
27 measure submitted to the voters at an election dealing with
28 subject matter other than the nomination or election of
29 candidates and shall include, but is not limited to, any bond
30 or tax referendum, and questions relating to the
31 Constitution.

32 "Taxing district" means the State or any unit of local
33 government.

34 "Unit of local government" means a county, municipality,

1 township, special district, school district, and a unit
2 designated as a unit of local government by law, which
3 exercises limited governmental power or powers in respect to
4 limited governmental subjects.

5 (c) Election provisions.

6 (1) Public questions shall be decided at the general
7 election, general primary election, consolidated
8 election, or consolidated primary election. Except for
9 petitions, bonded debt, or constitutional provisions,
10 taxing districts may consolidate public questions and
11 voters may approve a delay of up to 4 years in voting on
12 public questions. Taxing district actions taken during
13 the delay shall not extend beyond that period.

14 (2) At least 30 days before a public question
15 election, taxing districts shall mail at the least cost,
16 and as a package where taxing districts with public
17 questions overlap, a titled notice or set of notices
18 addressed to "All Registered Voters" at each address of
19 one or more active registered electors. Titles shall have
20 this order of preference: "NOTICE OF ELECTION TO INCREASE
21 TAXES/TO INCREASE DEBT/ON A PETITION/ON A RESOLUTION OR
22 ORDINANCE." Except for taxing district voter-approved
23 additions, notices shall include only:

24 (A) The election date, hours, ballot title,
25 text, and local election office address and
26 telephone number.

27 (B) For proposed taxing district tax or bonded
28 debt increases, the estimated or actual total of
29 taxing district fiscal year spending for the current
30 year and each of the past 4 years, and the overall
31 percentage and dollar change.

32 (C) For the first full fiscal year of each
33 proposed taxing district tax increase, taxing
34 district estimates of the maximum dollar amount of

1 each increase and of taxing district fiscal year
2 spending without the increase.

3 (D) For proposed taxing district bonded debt,
4 its principal amount and maximum annual and total
5 taxing district repayment cost, and the principal
6 balance of total current taxing district bonded debt
7 and its maximum annual and remaining total taxing
8 district repayment cost.

9 (E) Two summaries, up to 500 words each, one
10 for and one against the proposal, of written
11 comments filed with the election officer on or
12 before 45 days before the election. No summary shall
13 mention names of persons or private groups, nor any
14 endorsements of or resolutions against the proposal.
15 Petition representatives following these rules shall
16 write this summary for their petition. The election
17 authority shall maintain and accurately summarize
18 all other relevant written comments.

19 (3) Except by later voter approval, if a tax
20 increase or fiscal year spending exceeds any estimate in
21 subdivision (c)(2)(C) for the same fiscal year, the tax
22 increase is thereafter reduced up to 100% in proportion
23 to the combined dollar excess, and the combined excess
24 revenue refunded in the next fiscal year. Taxing district
25 bonded debt shall not issue on terms that could exceed
26 its share of its maximum repayment costs in subdivision
27 (c)(2)(D). Ballot titles for tax or bonded debt increases
28 shall begin, "SHALL (TAXING DISTRICT) TAXES BE INCREASED
29 (first, or if phased in, final, full fiscal year dollar
30 increase) ANNUALLY...?" or "SHALL (TAXING DISTRICT) DEBT
31 BE INCREASED (principal amount), WITH A REPAYMENT COST OF
32 (maximum total taxing district cost), ...?"

33 (d) Required elections. Starting at the consolidated
34 primary election in 2005, taxing districts must have voter

1 approval in advance for:

2 (1) Unless subsection (a) or (f) applies, a new tax,
3 a tax rate increase, a levy increase above that for the
4 prior year, an equalized assessed value ratio increase
5 for a property class, the extension of an expiring tax,
6 or a tax policy change directly causing a net tax revenue
7 gain to any taxing district.

8 (2) Except for refinancing taxing district bonded
9 debt at a lower interest rate or adding new employees to
10 existing taxing district pension plans, creation of any
11 multiple-fiscal year direct or indirect taxing district
12 debt or other financial obligation whatsoever without
13 adequate present cash reserves pledged irrevocably and
14 held for payments in all future fiscal years.

15 (e) Emergency reserves. To use for declared emergencies
16 only, each taxing district shall reserve for 2005 1% or more,
17 for 2006 2% or more, and for all later years 3% or more of
18 its fiscal year spending excluding bonded debt service.
19 Unused reserves apply to the next year's reserve.

20 (f) Emergency taxes. This subsection (f) grants no new
21 taxing power. Emergency property taxes are prohibited.
22 Emergency tax revenue is excluded for purposes of subsections
23 (c)(3) and (g), even if later ratified by voters. Emergency
24 taxes shall also meet all of the following conditions:

25 (1) A two-thirds majority of the members of each
26 house of the General Assembly or of a local taxing
27 district's governing authority declares the emergency and
28 imposes the tax by separate recorded roll call votes.

29 (2) Emergency tax revenue shall be spent only after
30 emergency reserves are depleted, and shall be refunded
31 within 180 days after the emergency ends if not spent on
32 the emergency.

33 (3) A tax not approved on the next election date 60
34 days or more after the declaration shall end with that

1 election month.

2 (g) Spending limits.

3 (1) The maximum annual percentage change in State
4 fiscal year spending equals inflation plus the percentage
5 change in State population in the prior calendar year,
6 adjusted for revenue changes approved by voters after
7 2003. Population shall be determined by annual federal
8 census estimates and the number shall be adjusted every
9 decade to match the federal census.

10 (2) The maximum annual percentage change in each
11 local taxing district's fiscal year spending equals
12 inflation in the prior calendar year plus annual local
13 growth, adjusted for revenue changes approved by voters
14 after 2003 and subdivision (h)(2) and subsection (i)
15 reductions.

16 (3) The maximum annual percentage change in each
17 taxing district's property tax revenue equals inflation
18 in the prior calendar year plus annual local growth,
19 adjusted for property tax revenue changes approved by
20 voters after 2003 and subdivision (h)(2) and subsection
21 (i) reductions.

22 (4) If revenue from sources not excluded from fiscal
23 year spending exceeds these limits in dollars for that
24 fiscal year, the excess shall be refunded in the next
25 fiscal year unless voters approve a revenue change as an
26 offset. Initial taxing district bases are current fiscal
27 year spending and 2003 property tax collected in 2004.
28 Future creation of taxing district bonded debt shall
29 increase, and retiring or refinancing taxing district
30 bonded debt shall lower, fiscal year spending and
31 property tax revenue by the annual debt service so
32 funded. Debt service changes, reductions, refunds under
33 subsection (a) or subdivision (c)(3), and voter-approved
34 revenue changes are dollar amounts that are exceptions

1 to, and not part of, any taxing district base.
2 Voter-approved revenue changes do not require a tax rate
3 change.

4 (h) Revenue limits.

5 (1) New or increased transfer tax rates on real
6 property are prohibited. No new State real property tax
7 or local taxing district income tax shall be imposed.
8 Neither an income tax rate increase nor a new State
9 definition of taxable income shall apply before the next
10 tax year. Any income tax law change after July 1, 2004
11 shall also require all taxable net income to be taxed at
12 one rate, excluding refund tax credits or voter-approved
13 tax credits, with no added tax or surcharge.

14 (2) Regardless of reassessment frequency, valuation
15 notices shall be mailed annually and may be appealed
16 annually, with no presumption in favor of any pending
17 valuation. Past or future sales by a lender or government
18 shall also be considered as comparable market sales and
19 their sales prices kept as public records. Actual value
20 shall be stated on all property tax bills and valuation
21 notices and, for residential real property, determined
22 solely by the market approach to appraisal.

23 (i) State mandates. Except for public education through
24 grade 12 or as required of a local taxing district by federal
25 law, a local taxing district may reduce or end its subsidy to
26 any program delegated to it by the General Assembly for
27 administration. For current programs, the State may require
28 90 days' notice and that the adjustment occur in a maximum of
29 3 equal annual installments.

30 SCHEDULE

31 This Constitutional Amendment takes effect upon being
32 declared adopted in accordance with Section 7 of the Illinois
33 Constitutional Amendment Act.