

SB2256



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2256

Introduced 2/15/2013, by Sen. Don Harmon

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-190

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that no referendum to increase a limiting rate may be submitted to the voters on or after January 1, 2014. Effective immediately.

LRB098 05573 HLH 35611 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 the rate does not exceed the statutory ceiling
21 above which the tax is not authorized to be further increased
22 either by referendum or in any other manner. Notwithstanding
23 the provisions, requirements, or limitations of any other law,

1 all taxing districts subject to this Law shall follow the
2 provisions of this Section whenever seeking referenda approval
3 after March 21, 2006 to (i) levy a new tax rate authorized by
4 statute or (ii) increase the limiting rate applicable to the
5 taxing district. Notwithstanding any other provision of law, no
6 referendum to increase a limiting rate may be submitted to the
7 voters on or after January 1, 2014. All taxing districts
8 subject to this Law are authorized to seek referendum approval
9 of each proposition described and set forth in this Section.

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

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

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

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

24 Shall the limiting rate under the Property Tax
25 Extension Limitation Law for ... (insert legal name,
26 number, if any, and county or counties of taxing district

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

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

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

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

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

1 residence and having a fair market value at the time of the
2 referendum of \$100,000 is estimated to be \$....

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

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

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

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

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

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

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

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

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

1 any county in which the taxing district is located;

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

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

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

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

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

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

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.