



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB1271

Introduced 1/31/2023, by Rep. John M. Cabello

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Prohibition of Closed-Door Tax Increases Act. Provides that a unit of local government may not increase a levied tax without authorization by referendum of the electors of the unit of local government. Provides that a referendum to increase a levied tax must include a sunset clause on which the tax increase authorized by the referendum measure shall expire. Provides that, if an increase in a levied tax is intended to generate a cash flow to service a debt, the increase must sunset no later than the date that the debt is scheduled to be paid off, and, if an increase in a levied tax is intended to generate a cash flow that will be spent for purposes other than debt service, the increase must sunset no later than 10 years after the date on which the tax increase begins. Provides that, to the extent this Act conflicts with any other provision of law, this Act controls. Provides that nothing in the Act infringes upon the right of a unit of local government to impose or increase non-tax fines or fees. Provides that the Department of Revenue shall adopt rules to enforce the Act. Limits concurrent exercise of home rule taxing powers.

LRB103 05273 AWJ 50291 b

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 1. Short title. This Act may be cited as the  
5 Prohibition of Closed-Door Tax Increases Act.

6 Section 5. Referendums required. A unit of local  
7 government may not increase a levied tax as otherwise provided  
8 by law without authorization by referendum of the electors of  
9 the unit of local government as provided in this Act.

10 Section 10. Sunset of increased taxes. A referendum to  
11 increase a levied tax must include a sunset clause on which the  
12 tax increase authorized by the referendum measure shall  
13 expire. If an increase in a levied tax is intended to generate  
14 a cash flow to service a debt, the increase must sunset no  
15 later than the date that the debt is scheduled to be paid off.  
16 If an increase in a levied tax is intended to generate a cash  
17 flow that will be spent for purposes other than debt service,  
18 the increase must sunset no later than 10 years after the date  
19 on which the tax increase begins.

20 Section 15. Referendum language.

21 (a) The governing body of a unit of local government that

1 wishes to submit a tax increase to the electors of the unit of  
2 local government shall submit to the proper election  
3 authorities referendum language substantially in the form  
4 required under this Section.

5 (b) For a referendum to increase a levied tax to generate a  
6 cash flow to service a debt, the referendum must be  
7 substantially in the following form: "Shall the (name of the  
8 tax) authorized under (statutory or ordinance authority) be  
9 increased to (new tax rate) from (old tax rate) on (date of  
10 increase) to pay the (description of debt), with the increased  
11 rate ending on (the date that the debt is scheduled to be paid  
12 off)?"

13 (c) For a referendum to increase a levied tax to generate a  
14 cash flow that will be spent for purposes other than debt  
15 service, the referendum must be substantially in the following  
16 form: "Shall the (name of the tax) authorized under (statutory  
17 or ordinance authority) be increased to (new tax rate) from  
18 (old tax rate) on (date of increase) for (description of the  
19 purpose for the tax increase), with the increased rate ending  
20 on (a date no later than 10 years after the date on which the  
21 tax increase begins)?"

22 Section 85. Conflict with other laws; exclusions.

23 (a) To the extent this Act conflicts with any other  
24 provision of law, this Act controls.

25 (b) Nothing in this Act infringes upon the right of a unit

1 of local government to impose or increase nontax fines or  
2 fees.

3 Section 90. Rules. The Department of Revenue shall adopt  
4 rules to enforce this Act.

5 Section 95. Home rule. A home rule unit may not regulate  
6 the levy of taxes in a manner inconsistent with this Act. This  
7 Act is a limitation under subsections (i) and (g) of Section 6  
8 of Article VII of the Illinois Constitution on the concurrent  
9 exercise by home rule units of powers and functions exercised  
10 by the State.