

Section 18-50 of the Property Tax Code (35 ILCS 200/18-50) requires the governing authority of each taxing district to file with the county clerk within 30 days of adoption certified copies of its appropriation and budget ordinances or resolutions, as well as an estimate, certified by its chief fiscal officer, of revenues, by source, anticipated to be received by the taxing district in the following fiscal year. If the governing authority fails to file the required documents, the county clerk has the authority, after giving timely notice of the failure to the taxing district, to refuse to extend the tax levy until the documents are so filed. A school district's budget is considered to be its "appropriation ordinance."

Each board of education makes an annual levy in terms of dollar amounts and certifies this levy to the respective county clerk(s). The county clerk is responsible for making extensions of taxes levied within the constraints of the school district tax rate limitations (See Table 11) and the Property Tax Extension Limitation Law. Receipt and transfer of these monies to the school district treasurer are normally accomplished through the office of the county treasurer.

Each school district is required to certify annually and return to the respective county clerk(s), on or before the last Tuesday in December, its certificate of tax levy.

The Truth in Taxation Act (35 ILCS 200/18-55 et seq. created by Public Act 82-102 effective July 29, 1981 and amended by Public Act 91-0523 effective January 1, 2000) affects all units of local government, including school districts, community colleges, and home-rule units, which are authorized to levy property taxes. The provisions of the act now make a distinction between taxing bodies with

the power to levy taxes on territory in Cook County versus taxing bodies that have no taxable territory in Cook County for the period January 1, 2000 through December 31, 2002. **Districts that do not have any taxable territory in Cook County are subject to the provisions of 35 ILCS 200/Art. 18, Div. 2.** The provisions of Truth in Taxation Law applicable to school districts that have no taxable territory in Cook County follow.

At least 20 days prior to the adoption of its aggregate levy, the local board of education shall estimate the dollar amount of the aggregate levy for the current year exclusive of election costs. Any district proposing to increase its aggregate levy more than 105% of its prior year's extension, exclusive of election costs, must publish a notice, as prescribed by law, in a newspaper of general local circulation.

If the taxing district is located entirely in one county, the notice is published in an English-language newspaper of general circulation published in the taxing district, or if there is no such newspaper, in an English-language newspaper of general circulation published in the county and having circulation in the taxing district.

If the taxing district is located primarily in one county but extends into smaller portions of adjoining counties, the notice is published in a newspaper of general circulation published in the taxing district, or if there is no such newspaper, in a newspaper of general circulation published in each county in which any part of the district is located.

If the taxing district includes all or a large portion of two or more counties, the notice is published in a newspaper of general circulation published in each county in which any part of the district is located.

The notice must be published no more than 14 days nor less than seven days prior to the date of the public hearing. The notice must be no less than one-eighth page in size, and the smallest type that can be used is 12 point. The notice must be enclosed in a black border no less than 1/4 inch wide. The notice cannot be placed in that portion of the newspaper where legal notices and classified advertisements appear. The notice is published in the following form:

Notice of Proposed Property Tax Increase for . . .
(commonly known name of taxing district).

- I. A public hearing to approve a proposed property tax levy increase for (legal name of the taxing district) for (year) will be held on (date) at (time) at (location).

Any person desiring to appear at the public hearing and present testimony to the taxing district may contact (name, title, address and telephone number of an appropriate official).

- II. The corporate and special purpose property taxes extended or abated for (preceding year) were (dollar amount of the final aggregate levy as extended plus the amount abated by the taxing district prior to extension).

The proposed corporate and special purpose property taxes to be levied for (current year) are (dollar amount of the proposed aggregate levy). This represents a (percentage) increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for (preceding year) were (dollar amount).

The estimated property taxes to be levied for debt service and public building commission leases for (current year) are (dollar amount). This represents a (percentage increase or decrease) over the previous year.

- IV. The total property taxes extended or abated for (preceding year) were (dollar amount).

The estimated total property taxes to be levied for (current year) are (dollar amount). This represents a (percentage increase or decrease) over the previous year.

A notice which includes any information not specified and required by the Truth in Taxation Law is an invalid notice.

No levy of a taxing district can be invalidated for failure to comply with the provisions of the Act if the failure is attributable to the newspaper's failure to

reproduce the information accurately or to publish the notice as directed by the taxing district.

All hearings must be open to the public. The corporate authority of the taxing district is to explain the reasons for the proposed increase and is required to

permit persons desiring to be heard an opportunity to present testimony within reasonable time limits.

Definitions:

- "Aggregate levy" means the annual corporate levy of the taxing district and those special purpose levies which are made annually (other than debt service levies and levies made for the purpose of paying amounts due under public building commission leases).
- "Special purpose levies" include, but are not limited to, levies made on an annual basis for contributions to pension plans, unemployment and workers' compensation, or self-insurance.
- "Debt service levies" are those levies made to retire the principal or pay interest on bonds or to make payments due under public building commission leases.
 - School districts must know which tax levies are included in each category.
- "Corporate levy" includes the levies for educational purposes and operations and maintenance purposes.

- "Special purpose levies" include all other levies except debt service levies.

- "Debt service levies" include levies for bond and interest purposes and for rent purposes (Rent: Section 35-23 of the School Code for payments to the Capital Development Board; Section 22-17 of the School Code and Section 18 of the Public Building Commission Act for payments to public building commissions).

If a public hearing must be held, it may not coincide with the hearing on the proposed budget of the taxing district. The hearing must be convened no more than 14 days nor less than seven days after the notice publication. If the final levy ordinance adopted is greater than 105% of the prior year's extension and is in excess of the amount shown in the published notice, a second published notice of the adoption action must be made in the form and manner provided in Section 18-85 of the Truth in Taxation Act within 15 days. No hearing needs to be held after this subsequent publication.

Publication of the notice of the adoption of such levy must be in the following form:

Notice of Adopted Property Tax Increase for . . .
(commonly known name of taxing district).

- I. The corporate and special purpose property taxes extended or abated for (preceding year) were (dollar amount of the final aggregate levy as extended plus the amount abated prior to extension) .

The adopted corporate and special purpose property taxes to be levied for (current year) are (dollar amount of the proposed aggregate levy) . This represents a (percentage increase or decrease) over the previous year.

- II. The property taxes extended for debt service and public building commission leases for (preceding year) were (dollar amount) .

The estimated property taxes to be levied for debt service and public building commission leases for (current year) are (dollar amount) . This represents a (percentage increase or decrease) over the previous year.

- III. The total property taxes extended or abated for (preceding year) were (dollar amount) .

The estimated total property taxes to be levied for (current year) are (dollar amount) . This represents a (percentage increase or decrease) over the previous year.

The levy filed with the county clerk may not request extension of an aggregate levy in an amount greater than 105% of the prior year's extension unless the levy ordinance meets the Truth in Taxation Act requirement. The school board must file a certification by the presiding officer of the board stating that the provisions of the Truth in Taxation Act have been met or are inapplicable.

New school districts formed by consolidating previously existing districts are not bound by the provisions of this Act the first time they levy taxes. The terms of the Act cannot apply unless a

district made a levy for the preceding year. If a school district annexes one or more districts, the Act does apply because the annexing district made a tax levy the preceding year.

Districts that have the power to levy taxes on territory in Cook County are subject to the provisions of 35 ILCS 200/Art. 18, Div. 2.1, COOK COUNTY TRUTH IN TAXATION LAW, from January 1, 2000 through December 31, 2002.

The following provisions of the Cook County Truth in Taxation Law will be repealed January 1, 2003.

The definitions used in Division 2.1 follow (35 ILCS 200/18-101.1).

- "Aggregate levy" or "levy" means the annual corporate levy of the taxing district and those special purpose levies which are made annually (other than debt service levies and levies made for the purpose of paying amounts due under public building commission leases).
- "Debt service" means levies made by a taxing district pursuant to home rule authority, statute, referendum, ordinance, resolution, indenture, agreement, or contract to retire the principal or pay interest on bonds, notes, debentures, or other financial instruments that evidence indebtedness.
- "Special purpose levies" include, but are not limited to, levies made on an annual basis for contributions to pension plans, unemployment and workers' compensation, or self-insurance.
- "Taxing district" means any unit of local government, including a home rule unit, school district, or community college district with the power to levy taxes on territory in Cook County.

The legislative purpose of this Division 2.1 (35 ILCS 200/18-101.10) is to require taxing districts to disclose by publication and to hold a public hearing on their intention to adopt an aggregate levy.

Not less than 30 days before the adoption of its aggregate levy, the corporate authority of each taxing district shall determine the amounts of money, exclusive of any portion of that

levy attributable to the cost of conducting an election required by the Election Code ("election costs"), estimated to be necessary to be raised by taxation for that year upon the taxable property in its taxing district (35 ILCS 200/18-101.15).

Until the taxing district has complied with the notice and hearing provisions of this Division 2.1, no taxing district shall levy an amount of ad valorem tax that is more than the amount, exclusive of election costs, that has been extended or is estimated will be extended, plus any amount abated by the taxing district before extension, upon the final aggregate levy of the preceding year (35 ILCS 200/18-101.20).

Upon making the estimate as provided in Section 18-101.15, the corporate authority shall hold a hearing on its intent to adopt an aggregate levy. Except as otherwise provided in this Section, hearings shall be held at the first regularly scheduled meeting of the taxing district in the month of December or according to the following schedule.

- 1) First Monday in December: Park districts and municipalities.
- 2) First Tuesday in December: Townships, road districts, and all school districts except high school districts.
- 3) First Wednesday in December: High school districts and libraries.
- 4) First Thursday in December: Counties and forest preserve districts.
- 5) First Friday in December: All other taxing districts.

All hearings shall be open to the public. The corporate authority of the taxing district shall explain the reasons for the levy and any proposed increase and shall permit persons desiring to be heard an opportunity to present

testimony within such reasonable time limits as it shall determine. The hearing shall not coincide with the hearing on the proposed budget. The corporate authority may, however, conduct any other business of the taxing district on the same day. Failure of a taxing district to convene or complete a public hearing on the day prescribed in this Section due to good cause unrelated to inadvertence, including, but not limited to, physical perils such as natural disasters or acts of God, shall not constitute a failure to hold a public hearing under this Division 2.1. In this event, a taxing district may either hold a separate public hearing on its proposed tax levy, or place the hearing on its proposed tax levy on the agenda of the taxing district's next scheduled meeting. In either case, a taxing district shall give notice of the hearing pursuant to Sections 2.02, 2.03, and 2.04 of the Open Meetings Act.

For the purpose of permitting the issuance of warrants or notes in anticipation of the taxes to be levied, a taxing district may hold (on any date prior to the first week in December) a hearing on its intent to adopt an aggregate levy. If the estimate of the aggregate levy is more than the amount extended or estimated to be extended, plus any amount abated by the corporate authority prior to the extension, upon the final aggregate levy of the preceding year, exclusive of election costs, notice of this hearing shall be given in the same manner as provided in this Division 2.1. This earlier hearing shall be in addition to, and not instead of, the mandatory December hearing, but may be conducted in conjunction with a regular meeting of the taxing district.

Any taxing district with a fiscal year beginning on December 1, for which the hearing day requirement of this Section would conflict with the adoption of its tax

levy and annual appropriation ordinance, may hold a public hearing on its proposed tax levy prior to and instead of the day prescribed in this Section. This public hearing shall be restricted to the proposed tax levy, and no other business of the taxing district shall be discussed or transacted. Notice of the hearing shall be given as provided in Section 18-101.35 of this Division 2.1 (35 ILCS 200/18-101.25).

If the taxing district is located entirely in one county, the notice shall be published in an English language newspaper of general circulation published in the taxing district, or if there is no such newspaper, in an English language newspaper of general circulation published in the county and having circulation in the taxing district. If the taxing district is located primarily in one county but extends into smaller portions of adjoining counties, the notice shall be published in a newspaper of general circulation published in the taxing district, or if there is no such newspaper, in a newspaper of general circulation published in each county in which any part of the district is located. If the taxing district includes all or a large portion of 2 or more counties, the notice shall be published in a newspaper of general circulation published in each county in which any part of the district is located (35 ILCS 200/18-101.30).

The notice shall appear not more than 14 days nor less than 7 days before the date of the public hearing. The notice shall be no less than one-eighth page in size, and the smallest type used shall be 12 point and shall be enclosed in a black border no less than one-quarter inch wide. The notice shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The notice shall be published in the following form:

Notice of Proposed Property Tax Levy for . . .
(commonly known name of taxing district)

- I. A public hearing to approve a proposed property tax levy for (legal name of the taxing district) for (year) will be held on (date) at (time) at (location).

Any person desiring to appear at the public hearing and present testimony to the taxing district may contact (name, title, address and telephone number of an appropriate official).

- II. The corporate and special purpose property taxes extended or abated for (preceding year) were (dollar amount of the final aggregate levy as extended, plus the amount abated by the taxing district prior to the extension).

The proposed corporate and special purposes property taxes to be levied for (current year) are (dollar amount of proposed aggregate levy). This represents a (percentage increase or decrease) over the previous year.

- III. The property taxes extended for debt service and public building commission leases for (preceding year) were (dollar amount).

The estimated property taxes to be levied for debt service and public building commission leases for (current year) are (dollar amount). This represents a (percentage increase or decrease) over the previous year.

- IV. The total property taxes extended or abated for (preceding year) were (dollar amount).

The estimated total property taxes to be levied for (current year) are (dollar amount). This represents a (percentage increase or decrease) over the previous year

Any notice which includes any information not specified and required by this Article shall be an invalid notice.

All hearings shall be open to the public. The corporate authority of the taxing district must explain the reasons for the proposed levy and shall permit persons desiring to be heard an opportunity to present testimony within reasonable

time limits as the authority determines (35 ILCS 200/18-101.35).

If the final aggregate tax levy resolution or ordinance adopted is in excess of the amount of the proposed levy stated in the notice published under Section 18-101.35, the corporate authority shall give public notice of its action within 15 days of the adoption of the levy in the following form (35 ILCS 200/18-101.40):

Notice of Adopted Property Tax Increase for ...
(commonly known name of taxing district)

- I. The corporate and special purpose property taxes extended or abated for (preceding year) were (dollar amount of the final aggregate levy as extended).

The adopted corporate and special purpose property taxes to be levied for (current year) are (dollar amount of the proposed aggregate levy). This represents a (percentage increase or decrease) over the previous year.

- II. The property taxes extended for debt service and public building commission leases for (preceding year) were (dollar amount).

The estimated property taxes to be levied for debt service and public building commission leases for (current year) are (dollar amount). This represents a (percentage increase or decrease) over the previous year.

- III. The total property taxes extended or abated for (preceding year) were (dollar amount).

The estimated total property taxes to be levied for (current year) are (dollar amount). This represents a (percentage increase or decrease) over the previous year.

The tax levy resolution or ordinance approved in the manner provided for in this Division 2.1 shall be filed with the county clerk in the manner and at the time otherwise provided by law. No amount upon the final aggregate levy of the preceding year shall be extended unless the tax levy ordinance or resolution is accompanied by a certification by the presiding officer of the corporate authority certifying compliance with or inapplicability of the provisions of this Division 2.1 (35 ILCS 200/18-101.45).

Nothing contained in this Division 2.1 shall serve to extend or authorize any tax rate in excess of the maximum permitted by law nor prevent the reduction of any tax rate (35 ILCS 200/18-101.50).

A levy of a taxing district shall not be invalidated for failure to comply with the provisions of this Division 2.1 if the failure is attributable to the newspaper's failure to reproduce the information in the notice accurately or to publish the notice as directed by the taxing district (35 ILCS 200/18-101.55).

A county clerk shall not extend a tax levy imposed by a taxing district, other than a home rule unit, based on a rate that exceeds the rate authorized by statute or referendum for that taxing district. If a taxing district is in violation of Section 18-101.45, the county clerk shall not extend the final aggregate levy in an amount more than the aggregate levy extended for the preceding year (35 ILCS 200/18-101.60).

This Division 2.1 is repealed January 1, 2003 (35 ILCS 200/18-101.65).

The State Mandates Act is amended by adding Section 8.23 as follows: (30 ILCS 805/8.23 new) Sec. 8.23. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 91st General Assembly.

Tax Rate Limitations

Tax rates for school districts are related to specific purposes. School districts in Illinois are subject to various limitations in property tax rates for each purpose. State law limits tax rates for most major purposes to both a permissive level and a maximum level. The permissive level is the rate allowed without referendum approval of the voters of a district. The maximum rate is the limit allowed with referendum approval.

The following table shows school district tax-rate limitations in effect for the 2000-2001 school year.

Table 11

Tax-Rate Limitations in Effect for the 2000-2001 School Year
 School District Tax Rate Limitations^a
 (Chicago School District Number 299 not included)

Purpose	District Type	Percent Without Referendum	Percent With Referendum
Educational	Elementary	0.92 ^b	3.50
	Secondary	0.92 ^b	3.50
	Unit	1.84 ^b	4.00 ^c
Operations and Maintenance	Elementary	0.25 ^b	0.55
	Secondary	0.25 ^b	0.55
	Unit	0.50 ^b	0.75 ^c
Capital Improvements	All	N/A	0.75 ^d
Transportation	Elementary	0.12 ^e	As Needed ^f
	Secondary	0.12	As Needed ^f
	Unit	0.20	As Needed ^f
Summer School	All	N/A	0.15
Bond and Interest	All	N/A	As Needed
Rent	All	N/A	As Needed
Municipal Retirement/ Social Security ^h	All	As Needed ^g	N/A
Tort Immunity ⁱ	All	As Needed	N/A
Health Insurance	All	N/A	As Needed
Working Cash	All	0.05	N/A
Fire Prevention, Safety, Energy Conservation, and School Security	All	0.05	0.10
Special Education	Elementary	0.02	0.40
	Secondary	0.02	0.40
	Unit	0.04	0.80
Area Vocational Education	Secondary	N/A	0.05
	Unit	N/A	0.05
Tort Judgment Bonds	All	As Needed ^g	N/A
Leasing ^j	All	0.05	0.10
Temporary Relocation	All Eligible	0.05	N/A

^a These limitations apply to the 2000 tax levies for taxes extended and collected during calendar year 2001. N/A means not applicable.

^b Subject to possible backdoor referendum (Section 17-2.2 of the School Code).

^c Coterminous dual districts forming a unit district may have a maximum rate of 6.0% for educational, and 1.1% for operations and maintenance purposes (Sections 17-3 and 17-5 of the School Code).

^d For a maximum period of six years.

Table 11 cont'd.

e

Certain elementary school districts that meet the requirements of Section 17-2 may levy at a rate not to exceed 0.2%, subject to the backdoor referendum provisions of Section 17-2.2 of the School Code.

f

Section 17-4 places no maximum on the tax rate, if voter approved.

g

In making a determination, the school district must take into consideration district receipts of Corporate Personal Property Replacement funds. This requirement does not apply to levies for Medicare Only purposes.

h

Separate levies are required for Municipal Retirement purposes and for Social Security/Medicare Only purposes.

i

The Tort Immunity Act includes liabilities under the Unemployment Insurance Act and the Workers' Compensation and Occupational Diseases Acts in addition to property insurance.

j

Section 17-2.2c of the School Code expands the use of this levy to include leasing of computer technology or to secure the payment of any lease, lease-purchase agreement, or installment purchase agreement for computer technology.

k

Eligible school districts may levy to repay the state for temporary relocation expenses for a period not to exceed seven years (Section 17-2.2c of the School Code).

Section 17-3 of the School Code authorizes school districts to increase their educational purposes tax rate by front-door referendum for an unlimited period of time. Other provisions of this section authorizes school districts to seek such a voter-approved increase for a limited period of not less than three nor more than ten years.

Property Tax Extension Limitation Law
(35 ILCS 200/18-185 et seq.)

The Property Tax Extension Limitation Law, commonly referred to as "Tax Caps", limits the increase in property tax extensions in certain counties to 5% or the percent increase in the national Consumer Price Index (CPI), whichever is less. The Act first applied to the 1991 levy year for taxes payable in 1992 for taxing districts in the counties contiguous to Cook County; for taxing districts in Cook County, the Act first applied to the 1994 levy year for taxes payable in 1995. Senate Bill 1511, Public Act 89-150, effective July 11, 1996, indirectly extends the provisions of the Property Tax Extension Limitation Law (PTELL) to the remaining 96 counties. The county board of a county not subject to the PTELL is allowed (not mandated) to submit to the county's voters the question of whether all non-home-rule taxing districts in the county shall be subject to the PTELL. Such referenda may be held at any regularly scheduled election except a consolidated primary election. Eighteen counties received voter approval of the question on the ballot on November 5, 1996 (Boone, Champaign, Christian, Franklin, Jackson, Kankakee, Lee, Logan, Macoupin, Menard, Monroe, Morgan, Randolph, Sangamon, Schuyler, Union, Williamson, and Winnebago). Two counties had the question approved on the April 1, 1997, ballot (McDonough and Stephenson); two counties had the question approved on the November 4, 1997, ballot

(JoDaviess and Kendall). One county (Tazewell) had the question approved on the March 17, 1998 ballot. Three counties had the question approved on the November 1998 ballot (Jefferson, Marion, and Washington). Two counties had the question approved on the April 1999 ballot (DeKalb and Livingston). No county voted on the PTELL referendum on the March 2000 ballot. Three counties had the question approved on the November 2000 ballot (Greene, Massac, and Shelby). No county approved the vote on the April 2001 ballot. Increases above 5% or the percent increase in the CPI must be approved by the voters in a referendum.

The Consumer Price Index used in the Law is the Consumer Price Index for All Urban Consumers (CPI-U) for all items published by the United States Department of Labor. If the percentage increase during the 12-month calendar year preceding the levy year is more than 5%, then the limitation is 5%; otherwise, it is the rate of increase of the CPI-U. For the 1997 levy year, the limitation was 3.3%; for the 1998 levy year, the limitation is 1.7%; for the 1999 levy year, the limitation is 1.6% and for the 2000 levy year, the limitation is 2.7%.

This Law imposed a mandatory property tax limitation on taxing districts located entirely in Cook County and counties contiguous to Cook County: DuPage, Kane, Lake, McHenry and Will counties (collar counties). Levies for tort immunity, fire prevention and safety, and pension purposes are among those subject to the limitations.

When the county clerk compares the calculated aggregate tax rate (based on the amounts levied by the school district) to the limiting rate and determines that the calculated aggregate rate is greater than the limiting rate, the county clerk will reduce

each rate by the same percentage unless the school district has specified that a particular rate (or rates) is (are) to be extended at their maximum levels. In that case, all other rates will be further reduced so that the aggregate extended rate does not exceed the limiting rate.

Taxing districts that overlap into other counties are included in the mandatory provisions of this Law only if a majority of the equalized assessed valuation (EAV) for the 1990 levy year was in the collar counties. If a majority of the 1990 EAV was in counties bordering on the west or south of the collar counties, the limitation provisions do not apply to the district unless the provisions of Public Act 89-150 become applicable.

If taxing districts have all of their EAV in one county and the voters approve the proposition, the PTELL becomes applicable to these districts January 1 of the year following the referendum.

If taxing districts have their EAV in two or more counties a referendum must be held in each county in which the EAV of the district is located. If a majority of the EAV of the taxing district is located in one or more counties that have had a successful referendum, the PTELL becomes applicable to that district January 1 of the year following the last year a referendum was held in a county in which the taxing district has any EAV.

For example, in counties that had successful referenda on November 5, 1996, the provisions of the PTELL became effective on January 1, 1997. The first taxes subject to the limitation will be levied in 1997. Taxes levied in 1996 (extended, collected and distributed in 1997) will not be affected by the PTELL, but the 1996 extensions will provide the base for calculating the 1997 limitations. In counties that had successful referenda on April 1 or November 4, 1997, the provisions of the

PTELL will become effective on January 1, 1998; in counties that had successful referenda on March 17, 1998 (or do have successful referenda on November 3, 1998), the provisions of the PTELL will become effective on January 1, 1999; in counties that had successful referenda in April 1999, the provisions of the PTELL will become effective on January 1, 2000. Subsequent successful referenda will impact the taxes that apply to taxes levied in the calendar year immediately following the calendar year of passage.

Home-rule taxing districts are not affected by the Law.

The following types of debt obligations are excluded from the limitation if separate levies are made for each of them:

- 1) General obligation bonds approved by referendum;
- 2) General obligation bonds issued prior to the effective date of the Law (October 1, 1991, in the collar counties; March 1, 1995, in Cook County; the date of the referendum that made the district subject to the Law in all other counties);
- 3) Bonds issued to refund or continue to refund those bonds issued prior to October 1, 1991, in the collar counties or March 1, 1995, in Cook County, or prior to the date of the referendum that made the district subject to the Law in all other counties; or approved by referendum;
- 4) Revenue bonds issued prior to October 1, 1991, in the collar counties or March 1, 1995, in Cook County or prior to the date of the referendum in all other counties that are backed by a property tax levy or the full faith and credit of the local unit of government (such an exemption is allowed only after all

other sources are deemed insufficient to make the payment);

- 5) Building Commission lease bonds issued prior to the effective dates of the Law;
- 6) Installment contracts entered into before the effective dates of the Law;
- 7) Bonds issued under the Metropolitan Water Reclamation District Act to finance construction projects initiated prior to the effective dates of the Law; and
- 8) Limited bonds, to the extent the principal and interest payments do not exceed the district's debt service extension base less certain offsetting amounts.

Items 6) and 7) above do not apply to school districts.

Bonds issued on or after October 1, 1991, in the collar counties or March 1, 1995, in Cook County, or the date of the referendum in all other counties are not excluded from the limitation provisions unless they are approved by voter referendum or can be issued as "limited bonds."

- 1) If no referendum is required by the statute authorizing the bonds or other obligations, or if they are subject to backdoor referendum, the governing body of the taxing district may pass an ordinance or resolution to put the question to the voters under Section 18-190 of the Property Tax Extension Limitation Law. If the question is approved by the voters, the bonds may be issued and are excluded from the limitation. If the question is turned down by the voters, the bonds may not be issued.
- 2) If a backdoor referendum has been called, the election held, and the issue approved by the voters, the bonds are excluded from the limitation.

- 3) Non-referendum bonds (Working Cash, Funding, Fire Prevention and Safety, Tort Judgment, and Insurance Reserve Bonds) may be issued as "limited bonds." The limited amount of the tax that can be extended to make principal and interest payments on such bonds is determined by each district's debt service extension base (DSEB). For school districts in Cook and the collar counties, the DSEB is the 1994 levy-year extension (extended in 1995) to make principal and interest payments on non-referendum bonds. For all other school districts, the DSEB is the amount of taxes for the year in which the referendum is held which make the district subject to the law (extended, collected and distributed in the following year).

A taxing district, subject to the limitation provisions, may submit a question to the voters requesting a greater percentage increase in the extension than the lesser of 5% or the CPI-U increase. The referendum must be held at a regularly scheduled election in accordance with the election code and before the levy date. If approved by a majority of voters voting on the issue, the higher extension limitation shall be in effect for one levy year only.

Referenda held pursuant to this Act are exempt from the requirement that taxing districts may have only three referenda on a ballot.

Adjustments to the Limitation

- 1) Taxing districts will get an increase over the limitation proportional to the amount of new property added to the tax base as well as any annexations to the tax base.
- 2) If voters have approved a rate increase that is first effective in the levy year, the extension may be

increased proportionally for that levy year and for the next four levy years.

- 3) If voters had approved a rate increase for a fund after December 31, 1988, and the taxing district did not increase its rate to the new maximum rate, a proportional increase is allowed for each of the four years after the levy year the increase is first effective.
- 4) If a taxing district had a decreased aggregate extension the previous year from the year before that, the limitation amount is based on the highest aggregate extension in any of the last three preceding levy years. For example, in extending taxes for 2000, assume the following extensions for the three prior years:

1999	\$600,000
1998	\$750,000
1997	\$720,000

In this example the extension was reduced in 1999, the year prior to the levy year from the year before, 1998. Thus, the district's base becomes the highest of the extensions for the three previous years: 1999, 1998, and 1997. The base is \$750,000 for this taxing district.

Prior-Year Equalized Assessed Value

The prior-year equalized assessed value provision of the Law, which applies only to Cook County, began with the 1992 levy year for tax bills payable in 1993. The provision continues for all subsequent years. This provision was not deleted by Public Act 89-1.

All taxing districts in Cook County are affected. All taxing districts overlapping into Cook County are affected, but only for the Cook County portion of the district.

The county clerk will first use the prior-year equalized assessed value of the Cook County portion of the property to compute the taxing district's extension amount. This means the most that can be raised for a fund is the maximum tax rate for that fund times the prior-year EAV for all property currently in the district. For overlapping taxing districts, the prior-year EAV will be used for the Cook County portion of the district and the current-year EAV for the rest of the district.

After computing the maximum extension using prior-year equalized assessed value, the county clerk must calculate the maximum extension against the current year EAV and then by the formula, which includes the increase of 5% or the percentage increase in the CPI-U, if less. The calculation that results in a lower extension is used. Senate Bill 715 (Public Act 90-320), effective August 1, 1997, provides that beginning January 1, 1998, and thereafter, the equalized assessed value of all property for the computation of the amount to be extended by taxing districts in Cook County shall be the sum of a) the EAV of such property for the year immediately preceding the levy year; b) the EAV of any property that qualifies as new property or annexed property in the current year; and c) the recovered tax increment value for the current year, less the EAV of any property that qualifies as disconnected property during the current year.

The taxes will be spread against the current-year EAV for the entire district. By spreading the tax burden against the current-year EAV, new property bears its fair share of the tax burden. Property deleted from the tax rolls will not get a tax bill, and corrections to EAV by the Board of Appeals or the County Assessor will be made before the tax burden is spread.