



ALLIANCE LEGISLATIVE REPORT (94-69)

GOVERNOR SIGNS PTELL LEGISLATION

Governor Blagojevich signed SB 1682 late today. SB 1682 (Harmon, D-Oak Park and Tryon, R-Crystal Lake) makes significant changes to how referenda questions will appear on the ballot for the voters in counties where the Property Tax Extension Limitation Law (PTELL) is in play. In seeking

Gubernatorial approval, Alliance lobbyists had expressed the importance of quick action on this legislation. We emphasized that schools contemplating November ballot initiatives would need to have time to review the new law's implications and act before the September 5 date for school boards to adopt resolutions putting public policy questions on the ballot for the November 7 General Election. We greatly appreciate the Governor's willingness to act with haste as he had until August to meet the signing deadline.

The bill's text can be obtained on the legislative website at: www.ilga.gov.

You'll want to review the "enrolled" version of the legislation as the Public Act number has not yet been assigned. After it is assigned you'll want to review the Public Act version of the bill.

The bill:

- Re-writes the tax rate increase ballot question for taxing districts to add "purposes of" in the ballot question. Further adds that the supplemental information for the rate increase question must include a statement of purpose or reason for the proposed change in the tax rate and the approximate amount of the new increase on a single family residence having a fair market value of \$100,000.
- Changes the definition of "limiting rate" for PTELL taxing districts.
- Sets forth new ballot questions for PTELL counties including:
 - Propositions seeking referendum approval for a New Tax;
 - Propositions seeking referendum approval for an Increase in a Specific Tax Rate; and
 - Propositions seeking an Increase in the Limiting Rate. Under this section the question will specify the number of years (up to 4) that the newly approved increase and limiting rate will be extended or phased in. Also, under this question the supplemental information must include an estimate of the cost of the proposition over the number of years it is to be phased in. This estimate will be based on an assessed value of residential property valued at \$100,000 and adjusted for value increases for each year after 1 that is asked for in the question.
 - Additional supplemental information including:
 - the rate of the specific tax or limiting rate that was most recently extended prior to the referendum;
 - both the approximate dollar amount that was extended prior to the referendum and the approximate dollar amount that will be extended implementing the new specific rate or limiting rate. This calculation will be computed using the last known EAV of taxable property in the taxing district; and
 - the approximate amount of the new increase on a single family residence having a fair market value of \$100,000.
 - This section also includes provisions giving direction to clerks for the extension of new tax rates and rate increases.

- Provides a new referendum opportunity for taxing districts that would allow a specified percentage to be used in place of the lesser of 5% or the percentage increase in the CPI for a specified period of time. Also, under this question the supplemental information must include an estimate of the cost of the proposition over the number of years the new percentage is to be extended. This estimate will be based on an assessed value of residential property valued at \$100,000 and adjusted for value increases for each year the increased percentage is to be extended.
- Changes the Rate Increase Factor to be allowed only for rate increases first effective for the 2006 levy year, any preceding levy year (after referendum approval) and any referendum held prior to March 22, 2006.
- Allows a taxing district that was subject to PTELL prior to 1995 and that approved a tax increase at a general election held after 2002 to be allowed to choose the number of years to implement the Rate Increase Factor.

Alliance Legislative Reports:
Bill Text/Status: Illinois General Assembly

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