

Truth in Taxation Act

Public Act 82-102, known as “The Truth in Taxation Act”, was enacted as law on July 29, 1981. (See 35 ILCS 200/18-55 through 35 ILCS 200/18-100) The Act places certain requirements on taxing districts in the adoption procedures of their tax levies. Several changes have been made since the Act was initially enacted.

The Act applies to all units of local government and school districts which levy taxes based upon value of real property. These include, but are not limited to villages, cities, townships, counties, school districts and other special taxing districts.

The Act requires the corporate authority of each taxing district to determine the estimated amounts of money (excluding election costs) necessary to be raised by taxation. This must be done not less than 20 days prior to the adoption of the aggregate levy.

On October 15, 1981 the Attorney General rendered an opinion relative to the “Applicability of Truth in Taxation Act to Debt Service Levies” (No. 81-030). The opinion stated that debt service levies such as levies for payment of principal and interest on bonds or for the payment of lease rentals to a public building commission cannot be included in the comparison of the proposed levy. Those amounts also must be excluded from the aggregate of the previous year’s extension.

The opinion further provides an explanation of the term “aggregate levy” as stated in the Act. “Aggregate levy” means the corporate levy and special purpose levies (excluding the election expenses) which are required to be levied and filed in the same manner and at the same time as the corporate levy.

If a taxing district intends to levy an aggregate tax (less exclusions) in excess of 105% of the previous year’s extension, a public hearing must be held.

A notice of the hearing must be published in a paper in accordance with one of the following three guidelines:

- if the taxing district is located primarily in one county but extends into adjoining counties, the notice shall be published in a newspaper of general circulation published in the taxing district. If there is no such newspaper, the notice must be published in a newspaper of general circulation published in each county and in which any part of the taxing district is located.
- if the taxing district is located entirely in one county, the notice shall be published in a newspaper of general circulation published in the taxing district. If there is no such newspaper, the notice must be published in a newspaper of general circulation in the

taxing district which is published in the county.

- if the taxing district includes all or a large portion of two or more counties, the notice shall be published in a newspaper of general circulation published in each county in which the district is located.

The published notice must meet the following requirements:

1. The notice shall appear not more than 14 days nor less than 7 days prior to the date of the public hearing.
2. It may not appear in the classified section not in the location where legal notices are published.
3. It must be at least 1/8 page in size, enclosed in a 1/4 inch black border and printed in not less than 12 point type.
4. It must contain in simple and plain language the following information:
 - a. The legal name of the taxing district.
 - b. The commonly known name of the taxing district.
 - c. The amount of property taxes extended or estimated to be extended for the taxing district the previous year (less exclusions).
 - d. The amount of the proposed aggregate levy for the current year (less exclusions).
 - e. The increase of “d” over “c” above stated in terms of percentages.
 - f. The date, time and place of the public hearing concerning the proposed levy increase. Such hearing may coincide with the hearing on the proposed budget and/or appropriation ordinance of the taxing district.

Any notice which includes information substantially in excess of that specified and required by this Act shall be an invalid notice.

At the time specified for the public hearing, the governing body of the taxing unit must explain why the increase is necessary and must permit members of the public to present testimony. After the hearing is conducted, the governing body of the unit of government may adopt the levy. If the levy is more than 105% of the previous year’s extension (less exclusions) and if the levy adopted was more than was stated in the notice of the public hearing, or even if a prior notice was not required and the levy exceeded 105%, the governing body must give public notice of such action within fifteen days after levy adoption in the same manner and form as the previous notice.

The County Clerk is specifically forbidden by the Act to extend an aggregate levy of more than 105% of the previous year's extension (less exclusions) unless the levy ordinance is accompanied by a separate Certification signed by the presiding officer of the governing body of the local taxing district that the requirements of the Act have been met. If a taxing district is in two different counties, a separate Certification is necessary for each county.

For further information on the "Truth in Taxation Act," call the Department of Commerce and Economic Opportunity, at 217-785-2800.

(SAMPLE NOTICE)

(Legal Name of Taxing Body)
Notice of Hearing

A public hearing concerning the proposed budget and the proposed levy increase for (common name of taxing district) will be held on (day and date) at (time) at (address).

The amount of property taxes, less exclusion for (specify, i.e., election costs, debt service), extended or estimated to be extended on behalf of (common name of taxing district) for the preceding year is \$_____.

The amount of the proposed levy, less exclusion for (specify), for the current year is \$_____.

The percentage of increase of the current year levy over the amount extended or estimated to be extended for the preceding year is _____%.

Date:_____

Clerk/Secretary

(SAMPLE CERTIFICATE)

CERTIFICATE

The undersigned, President of (legal name of taxing district) hereby certifies that I am the presiding officer of (legal name of taxing district), and as such presiding officer, I hereby certify that the levy ordinance, a copy of which is appended hereto, was adopted pursuant to, and in all respects in compliance with, the provisions of Section 4 through 7 of "The Truth in Taxation Act". (Ill. Rev. Stat., Chapter 120, paragraph 861 et. seq).

Date:_____

President