

7 property taxes which can be used to support the regular and ongoing financial needs of the library

	Taxes	Purpose	Limitations	Restrictions	Citation of Authority
1	General Corporate Tax	To establish, maintain, and support the public library or libraries within the district.	The annual maximum tax rate is .15% or such greater amount not exceeding .60% of all taxable property within the district if authorized by referendum. This tax must be levied each year.	This fund covers most general library expenditures. The monies and accrued interest can be spent for any proper library purpose. Unexpended funds can be transferred into the special reserve fund by either an ordinance or resolution.	75 ILCS 16/35-5 ; 75 ILCS 5/3-1 , 5/3-4 , 5/3-7 .
2	Building & Maintenance Taxes	To maintain, repair, or alter the physical facilities or equipment, to purchase buildings, sites, furniture, or equipment, to construct or rent buildings required for library purposes.	This is a separate tax from the General Corporate Tax with a maximum tax rate of .02% of the value of all the taxable property in the district. The board must adopt a resolution each year to levy this tax and, within 15 days after its adoption, publish it at least once within specific notice guidelines. If no petition, which includes the signatures of at least 10% of the registered voters of the library, is filed in opposition to the tax within 30 days after publication, the district may levy the tax. If such a petition is filed, the library may rescind the action or place a referendum which concerns the tax on the ballot at the next general election. If successful, the district may levy the tax.	This fund covers or supplements most library capital improvement needs, custodial and maintenance services, and major equipment needs. Interest can be accumulated. Excess funds cannot be transferred to the special reserve fund.	75 ILCS 16/35-5 ; 75 ILCS 5/3-1 , 5/3-4 ,

3	Working Cash	To provide funds for a library to have cash on hand from one fiscal year to the next and to meet the demands for ordinary and necessary expenditures for library purposes.	The initial tax is subject to a backdoor referendum. The proceeds may be temporarily transferred to the General Library Fund and disbursed in anticipation of taxes. Such taxes when collected and after payment of tax warrants should reimburse the fund. The fund may receive such appropriations and any other contributions desired. Public libraries may levy this tax for four years, although the four years need not be consecutive. The balance in the fund shall not, at any time be allowed to exceed .2% of the full, fair cash value of all taxable property within the district, as equalized or assessed by the Department of Revenue for the year 1998. The annual rate limit is .05% for each of the four levies. The fund may be carried over without reducing future tax levies.	The first tax levy is subject to a backdoor referendum. Any taxpayer may file, within 30 days of the ordinance, a petition signed by 10% of the registered voters of the library requesting a referendum. The library may rescind the ordinance or submit the question to the voters at the next election. If a majority favors it, the tax is authorized. If it fails, the tax cannot be levied. Presently no notice requirement of the ordinance's passage exists in the statute. The levy shall be terminated if the balance exceeds .2% and the excess transferred to the general corporate fund or to the special reserve fund.	75 ILCS 16/30-95 , 16/30-100 , and 16/35-35 ; 75 ILCS 5/3-9 and 5/4-13 .
4	Tort & Insurance	To pay costs of settlements or judgments; the costs to protect the library or its employees against liability, property damage, or loss, (including self-insurance pools); principal and interest on bonds; the cost of risk management programs (including the purchase of insurance, consultant fees, attorney fees or salaries for defending the library); the cost of worker's compensation, and unemployment insurance.	This tax may be levied at a rate sufficient to pay all tort, insurance costs, etc. This tax is in addition to that authorized for the general purposes, is not subject to any referendum, and is not limited by rate, only by the fact that expenditures must be for a proper purpose as noted above.	The monies in this fund cannot be used for any purpose other than for insurance payments and related expenses. Interest may be earned. Excess funds cannot be transferred to the special reserve fund.	745 ILCS 10/9-107 .

5	Audit	To pay all expenses encountered to complete the annual audit.	There is an annual tax limit of .005% of the value of all taxable property in the District. This is in addition to the General Fund taxes and is not subject to any referendum.	The monies in this fund cannot be used for any purpose other than for the annual audit. Interest may be earned. Excess funds cannot be transferred to the special reserve fund.	65 ILCS 5/8-8-8 ; 50 ILCS 310-1 , 310/9 .
6	Municipal Retirement	To pay the costs of participation in the Illinois Municipal Retirement Fund.	The tax may not exceed the amount appropriated for contributions to the fund. No referendum is required.	The monies in this fund cannot be used for any purpose other than for payment of pension contributions. Interest may be earned. Excess funds cannot be transferred to the special reserve fund.	40 ILCS 5/7-101 , 5/7-171 ; 40 ILCS 5/22-401 <i>et seq.</i>
7	Medicare & Social Security	To pay the cost for participation in the federal medicare and social security insurance programs.	No referendum is required. The tax rate may not exceed the amount appropriated for contributions to the federal programs.	The monies in this fund cannot be used for any purpose other than for payment of Medicare contributions and Social Security insurance programs. Interest may be earned. Excess funds cannot be transferred to the special reserve fund.	40 ILCS 5/21-109 ; 40 ILCS 5/21-110 .

Sources : [Administrative Ready Reference Addenda](#)

Financial Manual for Illinois Public Libraries

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