

1 AN ACT concerning local governments.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Local Government Debt Reform Act is  
5 amended by changing Sections 3, 15, and 15.01 as follows:

6 (30 ILCS 350/3) (from Ch. 17, par. 6903)

7 Sec. 3. Definitions. In this Act words or terms shall  
8 have the following meanings unless the context or usage  
9 clearly indicates that another meaning is intended.

10 (a) "Alternate bonds" means bonds issued in lieu of  
11 revenue bonds or payable from a revenue source as provided in  
12 Section 15.

13 (b) "Applicable law" means any provision of law,  
14 including this Act, authorizing governmental units to issue  
15 bonds.

16 (c) "Backdoor referendum" means the submission of a  
17 public question to the voters of a governmental unit,  
18 initiated by a petition of voters, residents or property  
19 owners of such governmental unit, to determine whether an  
20 action by the governing body of such governmental unit shall  
21 be effective, adopted or rejected.

22 (d) "Bond" means any instrument evidencing the  
23 obligation to pay money authorized or issued by or on behalf  
24 of a governmental unit under applicable law, including  
25 without limitation, bonds, notes, installment or financing  
26 contracts, leases, certificates, tax anticipation warrants or  
27 notes, vouchers, and any other evidences of indebtedness.

28 (e) "Debt service" on bonds means the amount of  
29 principal, interest and premium, if any, when due either at  
30 stated maturity or upon mandatory redemption.

31 (f) "Enterprise revenues" means the revenues of a

1 utility or revenue producing enterprise from which revenue  
2 bonds may be payable.

3 (g) "General obligation bonds" means bonds of a  
4 governmental unit for the payment of which the governmental  
5 unit is empowered to levy ad valorem property taxes upon all  
6 taxable property in a governmental unit without limitation as  
7 to rate or amount.

8 (h) "Governing body" means the legislative body,  
9 council, board, commission, trustees, or any other body, by  
10 whatever name it is known, having charge of the corporate  
11 affairs of a governmental unit.

12 (i) "Governmental unit" means a county, township,  
13 municipality, municipal corporation, unit of local  
14 government, school district, special district, public  
15 corporation, body corporate and politic, forest preserve  
16 district, fire protection district, conservation district,  
17 park district, sanitary district, and all other local  
18 governmental agencies, including any entity created by  
19 intergovernmental agreement among any of the foregoing  
20 governmental units, but does not include any office, officer,  
21 department, division, bureau, board, commission, university,  
22 or similar agency of the State.

23 (j) "Ordinance" means an ordinance duly adopted by a  
24 governing body or, if appropriate under applicable law, a  
25 resolution so adopted.

26 (k) "Revenue bonds" means any bonds of a governmental  
27 unit other than general obligation bonds, but "revenue bonds"  
28 does include any debt authorized under Section 11-29.3-1 of  
29 the Illinois Municipal Code.

30 (l) "Revenue source" means a source of funds, other than  
31 enterprise revenues, received or available to be received by  
32 a governmental unit and available for any one or more of its  
33 corporate purposes, including any public building commission  
34 lease rental base alternate tax levy.

1 (m) "Limited bonds" means bonds, including public  
2 building commission leases, but excluding other leases,  
3 notes, installment or financing contracts, certificates, tax  
4 anticipation warrants or notes, vouchers, and any other  
5 evidences of indebtedness, issued under Section 15.01 of this  
6 Act.

7 (n) "Public building commission lease rental base" means  
8 that term as defined in the Property Tax Extension Limitation  
9 Law.

10 (o) "Public building commission lease rental base  
11 alternate tax levy" means a special purpose levy authorized  
12 to be levied by a unit of local government for the payment of  
13 alternate bonds as a revenue source, which levy may be in an  
14 annual amount not in excess of the public building commission  
15 lease rental base less the amount of that base levied for the  
16 payment of lease rentals under a public building commission  
17 lease.

18 (Source: P.A. 89-385, eff. 8-18-95; 89-658, eff. 1-1-97.)

19 (30 ILCS 350/15) (from Ch. 17, par. 6915)

20 Sec. 15. Double-barrelled bonds. Whenever revenue bonds  
21 have been authorized to be issued pursuant to applicable law  
22 or whenever there exists for a governmental unit a revenue  
23 source, the procedures set forth in this Section may be used  
24 by a governing body. General obligation bonds may be issued  
25 in lieu of such revenue bonds as authorized, and general  
26 obligation bonds may be issued payable from any revenue  
27 source. Such general obligation bonds may be referred to as  
28 "alternate bonds". Alternate bonds may be issued without any  
29 referendum or backdoor referendum except as provided in this  
30 Section, upon the terms provided in Section 10 of this Act  
31 without reference to other provisions of law, but only upon  
32 the conditions provided in this Section. Alternate bonds  
33 shall not be regarded as or included in any computation of

1 indebtedness for the purpose of any statutory provision or  
2 limitation except as expressly provided in this Section.

3 Such conditions are:

4 (a) Alternate bonds shall be issued for a lawful  
5 corporate purpose. If issued in lieu of revenue bonds,  
6 alternate bonds shall be issued for the purposes for which  
7 such revenue bonds shall have been authorized. If issued  
8 payable from a revenue source in the manner hereinafter  
9 provided, which revenue source is limited in its purposes or  
10 applications, then the alternate bonds shall be issued only  
11 for such limited purposes or applications. Alternate bonds  
12 may be issued payable from either enterprise revenues or  
13 revenue sources, or both. As a revenue source for alternate  
14 bonds, any unit of local government having a public building  
15 commission lease rental base is hereby authorized to levy a  
16 public building commission lease rental base alternate tax  
17 levy. Alternate bonds supported by the levy may be issued  
18 pursuant to the provisions of this Section for any lawful  
19 corporate purpose of the unit of local government.

20 (b) Alternate bonds shall be subject to backdoor  
21 referendum. The provisions of Section 5 of this Act shall  
22 apply to such backdoor referendum, together with the  
23 provisions hereof. The authorizing ordinance shall be  
24 published in a newspaper of general circulation in the  
25 governmental unit. Along with or as part of the authorizing  
26 ordinance, there shall be published a notice of (1) the  
27 specific number of voters required to sign a petition  
28 requesting that the issuance of the alternate bonds be  
29 submitted to referendum, (2) the time when such petition must  
30 be filed, (3) the date of the prospective referendum, and  
31 (4), with respect to authorizing ordinances adopted on or  
32 after January 1, 1991, a statement that identifies any  
33 revenue source that will be used to pay the principal of and  
34 interest on the alternate bonds. The clerk or secretary of

1 the governmental unit shall make a petition form available to  
2 anyone requesting one. If no petition is filed with the  
3 clerk or secretary within 30 days of publication of the  
4 authorizing ordinance and notice, the alternate bonds shall  
5 be authorized to be issued. But if within this 30 days  
6 period, a petition is filed with such clerk or secretary  
7 signed by electors numbering the greater of (i) 7.5% of the  
8 registered voters in the governmental unit or (ii) 200 of  
9 those registered voters or 15% of those registered voters,  
10 whichever is less, asking that the issuance of such alternate  
11 bonds be submitted to referendum, the clerk or secretary  
12 shall certify such question for submission at an election  
13 held in accordance with the general election law. The  
14 question on the ballot shall include a statement of any  
15 revenue source that will be used to pay the principal of and  
16 interest on the alternate bonds. The alternate bonds shall be  
17 authorized to be issued if a majority of the votes cast on  
18 the question at such election are in favor thereof provided  
19 that notice of the bond referendum, if held before July 1,  
20 1999, has been given in accordance with the provisions of  
21 Section 12-5 of the Election Code in effect at the time of  
22 the bond referendum, at least 10 and not more than 45 days  
23 before the date of the election, notwithstanding the time for  
24 publication otherwise imposed by Section 12-5. Notices  
25 required in connection with the submission of public  
26 questions on or after July 1, 1999 shall be as set forth in  
27 Section 12-5 of the Election Code. Backdoor referendum  
28 proceedings for bonds and alternate bonds to be issued in  
29 lieu of such bonds may be conducted at the same time.

30 (c) To the extent payable from enterprise revenues, such  
31 revenues shall have been determined by the governing body to  
32 be sufficient to provide for or pay in each year to final  
33 maturity of such alternate bonds all of the following: (1)  
34 costs of operation and maintenance of the utility or

1 enterprise, but not including depreciation, (2) debt service  
2 on all outstanding revenue bonds payable from such enterprise  
3 revenues, (3) all amounts required to meet any fund or  
4 account requirements with respect to such outstanding revenue  
5 bonds, (4) other contractual or tort liability obligations,  
6 if any, payable from such enterprise revenues, and (5) in  
7 each year, an amount not less than 1.25 times debt service of  
8 all (i) alternate bonds payable from such enterprise revenues  
9 previously issued and outstanding and (ii) alternate bonds  
10 proposed to be issued. To the extent payable from one or  
11 more revenue sources, such sources shall have been determined  
12 by the governing body to provide in each year, an amount not  
13 less than 1.25 times debt service of all alternate bonds  
14 payable from such revenue sources previously issued and  
15 outstanding and alternate bonds proposed to be issued. The  
16 conditions enumerated in this subsection (c) need not be met  
17 for that amount of debt service provided for by the setting  
18 aside of proceeds of bonds or other moneys at the time of the  
19 delivery of such bonds.

20 (c-1) In the case of alternate bonds issued as variable  
21 rate bonds (including refunding bonds), debt service shall be  
22 projected based on the rate for the most recent date shown in  
23 the 20 G.O. Bond Index of average municipal bond yields as  
24 published in the most recent edition of The Bond Buyer  
25 published in New York, New York (or any successor publication  
26 or index, or if such publication or index is no longer  
27 published, then any index of long-term municipal tax-exempt  
28 bond yields selected by the governmental unit), as of the  
29 date of determination referred to in subsection (c) of this  
30 Section. Any interest or fees that may be payable to the  
31 provider of a letter of credit, line of credit, surety bond,  
32 bond insurance, or other credit enhancement relating to such  
33 alternate bonds and any fees that may be payable to any  
34 remarketing agent need not be taken into account for purposes

1 of such projection. If the governmental unit enters into an  
2 agreement in connection with such alternate bonds at the time  
3 of issuance thereof pursuant to which the governmental unit  
4 agrees for a specified period of time to pay an amount  
5 calculated at an agreed-upon rate or index based on a  
6 notional amount and the other party agrees to pay the  
7 governmental unit an amount calculated at an agreed-upon rate  
8 or index based on such notional amount, interest shall be  
9 projected for such specified period of time on the basis of  
10 the agreed-upon rate payable by the governmental unit.

11 (d) The determination of the sufficiency of enterprise  
12 revenues or a revenue source, as applicable, shall be  
13 supported by reference to the most recent audit of the  
14 governmental unit, which shall be for a fiscal year ending  
15 not earlier than 18 months previous to the time of issuance  
16 of the alternate bonds. If such audit does not adequately  
17 show such enterprise revenues or revenue source, as  
18 applicable, or if such enterprise revenues or revenue source,  
19 as applicable, are shown to be insufficient, then the  
20 determination of sufficiency shall be supported by the report  
21 of an independent accountant or feasibility analyst, the  
22 latter having a national reputation for expertise in such  
23 matters, demonstrating the sufficiency of such revenues and  
24 explaining, if appropriate, by what means the revenues will  
25 be greater than as shown in the audit. Whenever such  
26 sufficiency is demonstrated by reference to a schedule of  
27 higher rates or charges for enterprise revenues or a higher  
28 tax imposition for a revenue source, such higher rates,  
29 charges or taxes shall have been properly imposed by an  
30 ordinance adopted prior to the time of delivery of alternate  
31 bonds. The reference to and acceptance of an audit or  
32 report, as the case may be, and the determination of the  
33 governing body as to sufficiency of enterprise revenues or a  
34 revenue source shall be conclusive evidence that the

1 conditions of this Section have been met and that the  
2 alternate bonds are valid.

3 (e) The enterprise revenues or revenue source, as  
4 applicable, shall be in fact pledged to the payment of the  
5 alternate bonds; and the governing body shall covenant, to  
6 the extent it is empowered to do so, to provide for, collect  
7 and apply such enterprise revenues or revenue source, as  
8 applicable, to the payment of the alternate bonds and the  
9 provision of not less than an additional .25 times debt  
10 service. The pledge and establishment of rates or charges  
11 for enterprise revenues, or the imposition of taxes in a  
12 given rate or amount, as provided in this Section for  
13 alternate bonds, shall constitute a continuing obligation of  
14 the governmental unit with respect to such establishment or  
15 imposition and a continuing appropriation of the amounts  
16 received. All covenants relating to alternate bonds and the  
17 conditions and obligations imposed by this Section are  
18 enforceable by any bondholder of alternate bonds affected,  
19 any taxpayer of the governmental unit, and the People of the  
20 State of Illinois acting through the Attorney General or any  
21 designee, and in the event that any such action results in an  
22 order finding that the governmental unit has not properly set  
23 rates or charges or imposed taxes to the extent it is  
24 empowered to do so or collected and applied enterprise  
25 revenues or any revenue source, as applicable, as required by  
26 this Act, the plaintiff in any such action shall be awarded  
27 reasonable attorney's fees. The intent is that such  
28 enterprise revenues or revenue source, as applicable, shall  
29 be sufficient and shall be applied to the payment of debt  
30 service on such alternate bonds so that taxes need not be  
31 levied, or if levied need not be extended, for such payment.  
32 Nothing in this Section shall inhibit or restrict the  
33 authority of a governing body to determine the lien priority  
34 of any bonds, including alternate bonds, which may be issued



1 with respect to any enterprise revenues or revenue source.

2 In the event that alternate bonds shall have been issued  
3 and taxes, other than a designated revenue source, shall have  
4 been extended pursuant to the general obligation, full faith  
5 and credit promise supporting such alternate bonds, then the  
6 amount of such alternate bonds then outstanding shall be  
7 included in the computation of indebtedness of the  
8 governmental unit for purposes of all statutory provisions or  
9 limitations until such time as an audit of the governmental  
10 unit shall show that the alternate bonds have been paid from  
11 the enterprise revenues or revenue source, as applicable,  
12 pledged thereto for a complete fiscal year.

13 Alternate bonds may be issued to refund or advance refund  
14 alternate bonds without meeting any of the conditions set  
15 forth in this Section, except that the term of the refunding  
16 bonds shall not be longer than the term of the refunded bonds  
17 and that the debt service payable in any year on the  
18 refunding bonds shall not exceed the debt service payable in  
19 such year on the refunded bonds.

20 Once issued, alternate bonds shall be and forever remain  
21 until paid or defeased the general obligation of the  
22 governmental unit, for the payment of which its full faith  
23 and credit are pledged, and shall be payable from the levy of  
24 taxes as is provided in this Act for general obligation  
25 bonds.

26 The changes made by this amendatory Act of 1990 do not  
27 affect the validity of bonds authorized before September 1,  
28 1990.

29 (Source: P.A. 90-812, eff. 1-26-99; 91-57, eff. 6-30-99;  
30 91-493, eff. 8-13-99; 91-868, eff. 6-22-00.)

31 (30 ILCS 350/15.01)

32 Sec. 15.01. Limited bonds. A governmental unit is  
33 authorized to issue limited bonds payable from the debt

1 service extension base or the public building commission  
2 lease, or both, as defined in the Property Tax Extension  
3 Limitation Law, as provided in this amendatory Act of 1995.  
4 Bonds authorized by Public Act 88-503 and issued under  
5 Section 20a of the Chicago Park District Act for aquarium or  
6 museum projects shall not be issued as limited bonds. A  
7 governmental unit issuing limited bonds authorized by this  
8 Section shall provide in the bond ordinance that the bonds  
9 are issued as limited bonds and are also issued pursuant to  
10 applicable law, other than this amendatory Act of 1995,  
11 enabling the governmental unit to issue bonds. This  
12 amendatory Act of 1995 shall not change the rate, amount,  
13 purposes, limitations, source of funds for payment of  
14 principal or interest, or method of payment or defeasance of  
15 the bonds that a governmental unit may issue under any  
16 applicable law; provided, that limited bonds that are  
17 otherwise to be issued as general obligation bonds may be  
18 payable solely from the debt service extension base or public  
19 building commission lease rental base, or both. This  
20 amendatory Act of 1995 provides no additional authority to  
21 any governmental unit to issue bonds that the governmental  
22 unit is not otherwise authorized to issue by a law other than  
23 this amendatory Act of 1995.

24 (Source: P.A. 89-385, eff. 8-18-95; 89-449, eff. 6-1-96.)

25 Section 10. The Property Tax Code is amended by changing  
26 Section 18-185 as follows:

27 (35 ILCS 200/18-185)

28 Sec. 18-185. Short title; definitions. This Division 5  
29 may be cited as the Property Tax Extension Limitation Law.  
30 As used in this Division 5:

31 "Consumer Price Index" means the Consumer Price Index for  
32 All Urban Consumers for all items published by the United

1 States Department of Labor.

2 "Extension limitation" means (a) the lesser of 5% or the  
3 percentage increase in the Consumer Price Index during the  
4 12-month calendar year preceding the levy year or (b) the  
5 rate of increase approved by voters under Section 18-205.

6 "Affected county" means a county of 3,000,000 or more  
7 inhabitants or a county contiguous to a county of 3,000,000  
8 or more inhabitants.

9 "Taxing district" has the same meaning provided in  
10 Section 1-150, except as otherwise provided in this Section.  
11 For the 1991 through 1994 levy years only, "taxing district"  
12 includes only each non-home rule taxing district having the  
13 majority of its 1990 equalized assessed value within any  
14 county or counties contiguous to a county with 3,000,000 or  
15 more inhabitants. Beginning with the 1995 levy year, "taxing  
16 district" includes only each non-home rule taxing district  
17 subject to this Law before the 1995 levy year and each  
18 non-home rule taxing district not subject to this Law before  
19 the 1995 levy year having the majority of its 1994 equalized  
20 assessed value in an affected county or counties. Beginning  
21 with the levy year in which this Law becomes applicable to a  
22 taxing district as provided in Section 18-213, "taxing  
23 district" also includes those taxing districts made subject  
24 to this Law as provided in Section 18-213.

25 "Aggregate extension" for taxing districts to which this  
26 Law applied before the 1995 levy year means the annual  
27 corporate extension for the taxing district and those special  
28 purpose extensions that are made annually for the taxing  
29 district, excluding special purpose extensions: (a) made for  
30 the taxing district to pay interest or principal on general  
31 obligation bonds that were approved by referendum; (b) made  
32 for any taxing district to pay interest or principal on  
33 general obligation bonds issued before October 1, 1991; (c)  
34 made for any taxing district to pay interest or principal on

1 bonds issued to refund or continue to refund those bonds  
2 issued before October 1, 1991; (d) made for any taxing  
3 district to pay interest or principal on bonds issued to  
4 refund or continue to refund bonds issued after October 1,  
5 1991 that were approved by referendum; (e) made for any  
6 taxing district to pay interest or principal on revenue bonds  
7 issued before October 1, 1991 for payment of which a property  
8 tax levy or the full faith and credit of the unit of local  
9 government is pledged; however, a tax for the payment of  
10 interest or principal on those bonds shall be made only after  
11 the governing body of the unit of local government finds that  
12 all other sources for payment are insufficient to make those  
13 payments; (f) made for payments under a building commission  
14 lease when the lease payments are for the retirement of bonds  
15 issued by the commission before October 1, 1991, to pay for  
16 the building project; (g) made for payments due under  
17 installment contracts entered into before October 1, 1991;  
18 (h) made for payments of principal and interest on bonds  
19 issued under the Metropolitan Water Reclamation District Act  
20 to finance construction projects initiated before October 1,  
21 1991; (i) made for payments of principal and interest on  
22 limited bonds, as defined in Section 3 of the Local  
23 Government Debt Reform Act, in an amount not to exceed the  
24 debt service extension base less the amount in items (b),  
25 (c), (e), and (h) of this definition for non-referendum  
26 obligations, except obligations initially issued pursuant to  
27 referendum, plus an amount not to exceed the public building  
28 commission lease rental base less the amount (deductible only  
29 from the public building commission lease rental base and not  
30 from the debt service extension base) in item (f) of this  
31 definition for lease payments; (j) made for payments of  
32 principal and interest on bonds issued under Section 15 of  
33 the Local Government Debt Reform Act, including the public  
34 building commission lease rental base alternate tax levy

1 allocable to those payments; and (k) made by a school  
2 district that participates in the Special Education District  
3 of Lake County, created by special education joint agreement  
4 under Section 10-22.31 of the School Code, for payment of the  
5 school district's share of the amounts required to be  
6 contributed by the Special Education District of Lake County  
7 to the Illinois Municipal Retirement Fund under Article 7 of  
8 the Illinois Pension Code; the amount of any extension under  
9 this item (k) shall be certified by the school district to  
10 the county clerk.

11 "Aggregate extension" for the taxing districts to which  
12 this Law did not apply before the 1995 levy year (except  
13 taxing districts subject to this Law in accordance with  
14 Section 18-213) means the annual corporate extension for the  
15 taxing district and those special purpose extensions that are  
16 made annually for the taxing district, excluding special  
17 purpose extensions: (a) made for the taxing district to pay  
18 interest or principal on general obligation bonds that were  
19 approved by referendum; (b) made for any taxing district to  
20 pay interest or principal on general obligation bonds issued  
21 before March 1, 1995; (c) made for any taxing district to pay  
22 interest or principal on bonds issued to refund or continue  
23 to refund those bonds issued before March 1, 1995; (d) made  
24 for any taxing district to pay interest or principal on bonds  
25 issued to refund or continue to refund bonds issued after  
26 March 1, 1995 that were approved by referendum; (e) made for  
27 any taxing district to pay interest or principal on revenue  
28 bonds issued before March 1, 1995 for payment of which a  
29 property tax levy or the full faith and credit of the unit of  
30 local government is pledged; however, a tax for the payment  
31 of interest or principal on those bonds shall be made only  
32 after the governing body of the unit of local government  
33 finds that all other sources for payment are insufficient to  
34 make those payments; (f) made for payments under a building

1 commission lease when the lease payments are for the  
2 retirement of bonds issued by the commission before March 1,  
3 1995 to pay for the building project; (g) made for payments  
4 due under installment contracts entered into before March 1,  
5 1995; (h) made for payments of principal and interest on  
6 bonds issued under the Metropolitan Water Reclamation  
7 District Act to finance construction projects initiated  
8 before October 1, 1991; (i) made for payments of principal  
9 and interest on limited bonds, as defined in Section 3 of the  
10 Local Government Debt Reform Act, in an amount not to exceed  
11 the debt service extension base less the amount in items (b),  
12 (c), and (e) of this definition for non-referendum  
13 obligations, except obligations initially issued pursuant to  
14 referendum and bonds described in subsection (h) of this  
15 definition; (j) made for payments of principal and interest  
16 on bonds issued under Section 15 of the Local Government Debt  
17 Reform Act; (k) made for payments of principal and interest  
18 on bonds authorized by Public Act 88-503 and issued under  
19 Section 20a of the Chicago Park District Act for aquarium or  
20 museum projects; and (l) made for payments of principal and  
21 interest on bonds authorized by Public Act 87-1191 and issued  
22 under Section 42 of the Cook County Forest Preserve District  
23 Act for zoological park projects.

24 "Aggregate extension" for all taxing districts to which  
25 this Law applies in accordance with Section 18-213, except  
26 for those taxing districts subject to paragraph (2) of  
27 subsection (e) of Section 18-213, means the annual corporate  
28 extension for the taxing district and those special purpose  
29 extensions that are made annually for the taxing district,  
30 excluding special purpose extensions: (a) made for the taxing  
31 district to pay interest or principal on general obligation  
32 bonds that were approved by referendum; (b) made for any  
33 taxing district to pay interest or principal on general  
34 obligation bonds issued before the date on which the

1 referendum making this Law applicable to the taxing district  
2 is held; (c) made for any taxing district to pay interest or  
3 principal on bonds issued to refund or continue to refund  
4 those bonds issued before the date on which the referendum  
5 making this Law applicable to the taxing district is held;  
6 (d) made for any taxing district to pay interest or principal  
7 on bonds issued to refund or continue to refund bonds issued  
8 after the date on which the referendum making this Law  
9 applicable to the taxing district is held if the bonds were  
10 approved by referendum after the date on which the referendum  
11 making this Law applicable to the taxing district is held;  
12 (e) made for any taxing district to pay interest or principal  
13 on revenue bonds issued before the date on which the  
14 referendum making this Law applicable to the taxing district  
15 is held for payment of which a property tax levy or the full  
16 faith and credit of the unit of local government is pledged;  
17 however, a tax for the payment of interest or principal on  
18 those bonds shall be made only after the governing body of  
19 the unit of local government finds that all other sources for  
20 payment are insufficient to make those payments; (f) made for  
21 payments under a building commission lease when the lease  
22 payments are for the retirement of bonds issued by the  
23 commission before the date on which the referendum making  
24 this Law applicable to the taxing district is held to pay for  
25 the building project; (g) made for payments due under  
26 installment contracts entered into before the date on which  
27 the referendum making this Law applicable to the taxing  
28 district is held; (h) made for payments of principal and  
29 interest on limited bonds, as defined in Section 3 of the  
30 Local Government Debt Reform Act, in an amount not to exceed  
31 the debt service extension base less the amount in items (b),  
32 (c), and (e) of this definition for non-referendum  
33 obligations, except obligations initially issued pursuant to  
34 referendum; (i) made for payments of principal and interest

1 on bonds issued under Section 15 of the Local Government Debt  
2 Reform Act; and (j) made for a qualified airport authority to  
3 pay interest or principal on general obligation bonds issued  
4 for the purpose of paying obligations due under, or financing  
5 airport facilities required to be acquired, constructed,  
6 installed or equipped pursuant to, contracts entered into  
7 before March 1, 1996 (but not including any amendments to  
8 such a contract taking effect on or after that date).

9 "Aggregate extension" for all taxing districts to which  
10 this Law applies in accordance with paragraph (2) of  
11 subsection (e) of Section 18-213 means the annual corporate  
12 extension for the taxing district and those special purpose  
13 extensions that are made annually for the taxing district,  
14 excluding special purpose extensions: (a) made for the taxing  
15 district to pay interest or principal on general obligation  
16 bonds that were approved by referendum; (b) made for any  
17 taxing district to pay interest or principal on general  
18 obligation bonds issued before the effective date of this  
19 amendatory Act of 1997; (c) made for any taxing district to  
20 pay interest or principal on bonds issued to refund or  
21 continue to refund those bonds issued before the effective  
22 date of this amendatory Act of 1997; (d) made for any taxing  
23 district to pay interest or principal on bonds issued to  
24 refund or continue to refund bonds issued after the effective  
25 date of this amendatory Act of 1997 if the bonds were  
26 approved by referendum after the effective date of this  
27 amendatory Act of 1997; (e) made for any taxing district to  
28 pay interest or principal on revenue bonds issued before the  
29 effective date of this amendatory Act of 1997 for payment of  
30 which a property tax levy or the full faith and credit of the  
31 unit of local government is pledged; however, a tax for the  
32 payment of interest or principal on those bonds shall be made  
33 only after the governing body of the unit of local government  
34 finds that all other sources for payment are insufficient to



1 make those payments; (f) made for payments under a building  
2 commission lease when the lease payments are for the  
3 retirement of bonds issued by the commission before the  
4 effective date of this amendatory Act of 1997 to pay for the  
5 building project; (g) made for payments due under installment  
6 contracts entered into before the effective date of this  
7 amendatory Act of 1997; (h) made for payments of principal  
8 and interest on limited bonds, as defined in Section 3 of the  
9 Local Government Debt Reform Act, in an amount not to exceed  
10 the debt service extension base less the amount in items (b),  
11 (c), and (e) of this definition for non-referendum  
12 obligations, except obligations initially issued pursuant to  
13 referendum; (i) made for payments of principal and interest  
14 on bonds issued under Section 15 of the Local Government Debt  
15 Reform Act; and (j) made for a qualified airport authority to  
16 pay interest or principal on general obligation bonds issued  
17 for the purpose of paying obligations due under, or financing  
18 airport facilities required to be acquired, constructed,  
19 installed or equipped pursuant to, contracts entered into  
20 before March 1, 1996 (but not including any amendments to  
21 such a contract taking effect on or after that date).

22 "Debt service extension base" means an amount equal to  
23 that portion of the extension for a taxing district for the  
24 1994 levy year, or for those taxing districts subject to this  
25 Law in accordance with Section 18-213, except for those  
26 subject to paragraph (2) of subsection (e) of Section 18-213,  
27 for the levy year in which the referendum making this Law  
28 applicable to the taxing district is held, or for those  
29 taxing districts subject to this Law in accordance with  
30 paragraph (2) of subsection (e) of Section 18-213 for the  
31 1996 levy year, constituting an extension for payment of  
32 principal and interest on bonds issued by the taxing district  
33 without referendum, but not including (i) bonds authorized by  
34 Public Act 88-503 and issued under Section 20a of the Chicago

1 Park District Act for aquarium and museum projects; (ii)  
2 bonds issued under Section 15 of the Local Government Debt  
3 Reform Act; or (iii) refunding obligations issued to refund  
4 or to continue to refund obligations initially issued  
5 pursuant to referendum. The debt service extension base may  
6 be established or increased as provided under Section 18-212.

7 "Special purpose extensions" include, but are not limited  
8 to, extensions for levies made on an annual basis for  
9 unemployment and workers' compensation, self-insurance,  
10 contributions to pension plans, and extensions made pursuant  
11 to Section 6-601 of the Illinois Highway Code for a road  
12 district's permanent road fund whether levied annually or  
13 not. The extension for a special service area is not  
14 included in the aggregate extension.

15 "Aggregate extension base" means the taxing district's  
16 last preceding aggregate extension as adjusted under Sections  
17 18-215 through 18-230.

18 "Levy year" has the same meaning as "year" under Section  
19 1-155.

20 "New property" means (i) the assessed value, after final  
21 board of review or board of appeals action, of new  
22 improvements or additions to existing improvements on any  
23 parcel of real property that increase the assessed value of  
24 that real property during the levy year multiplied by the  
25 equalization factor issued by the Department under Section  
26 17-30 and (ii) the assessed value, after final board of  
27 review or board of appeals action, of real property not  
28 exempt from real estate taxation, which real property was  
29 exempt from real estate taxation for any portion of the  
30 immediately preceding levy year, multiplied by the  
31 equalization factor issued by the Department under Section  
32 17-30. In addition, the county clerk in a county containing  
33 a population of 3,000,000 or more shall include in the 1997  
34 recovered tax increment value for any school district, any

1 recovered tax increment value that was applicable to the 1995  
2 tax year calculations.

3 "Public building commission lease rental base" means an  
4 amount equal to that portion of the extension for a taxing  
5 district for the 1999 levy year constituting an extension for  
6 payment of lease rentals under a public building commission  
7 lease allocable to the retirement of bonds issued by the  
8 commission.

9 "Qualified airport authority" means an airport authority  
10 organized under the Airport Authorities Act and located in a  
11 county bordering on the State of Wisconsin and having a  
12 population in excess of 200,000 and not greater than 500,000.

13 "Recovered tax increment value" means, except as  
14 otherwise provided in this paragraph, the amount of the  
15 current year's equalized assessed value, in the first year  
16 after a municipality terminates the designation of an area as  
17 a redevelopment project area previously established under the  
18 Tax Increment Allocation Development Act in the Illinois  
19 Municipal Code, previously established under the Industrial  
20 Jobs Recovery Law in the Illinois Municipal Code, or  
21 previously established under the Economic Development Area  
22 Tax Increment Allocation Act, of each taxable lot, block,  
23 tract, or parcel of real property in the redevelopment  
24 project area over and above the initial equalized assessed  
25 value of each property in the redevelopment project area.  
26 For the taxes which are extended for the 1997 levy year, the  
27 recovered tax increment value for a non-home rule taxing  
28 district that first became subject to this Law for the 1995  
29 levy year because a majority of its 1994 equalized assessed  
30 value was in an affected county or counties shall be  
31 increased if a municipality terminated the designation of an  
32 area in 1993 as a redevelopment project area previously  
33 established under the Tax Increment Allocation Development  
34 Act in the Illinois Municipal Code, previously established

1 under the Industrial Jobs Recovery Law in the Illinois  
2 Municipal Code, or previously established under the Economic  
3 Development Area Tax Increment Allocation Act, by an amount  
4 equal to the 1994 equalized assessed value of each taxable  
5 lot, block, tract, or parcel of real property in the  
6 redevelopment project area over and above the initial  
7 equalized assessed value of each property in the  
8 redevelopment project area. In the first year after a  
9 municipality removes a taxable lot, block, tract, or parcel  
10 of real property from a redevelopment project area  
11 established under the Tax Increment Allocation Development  
12 Act in the Illinois Municipal Code, the Industrial Jobs  
13 Recovery Law in the Illinois Municipal Code, or the Economic  
14 Development Area Tax Increment Allocation Act, "recovered tax  
15 increment value" means the amount of the current year's  
16 equalized assessed value of each taxable lot, block, tract,  
17 or parcel of real property removed from the redevelopment  
18 project area over and above the initial equalized assessed  
19 value of that real property before removal from the  
20 redevelopment project area.

21 Except as otherwise provided in this Section, "limiting  
22 rate" means a fraction the numerator of which is the last  
23 preceding aggregate extension base times an amount equal to  
24 one plus the extension limitation defined in this Section and  
25 the denominator of which is the current year's equalized  
26 assessed value of all real property in the territory under  
27 the jurisdiction of the taxing district during the prior levy  
28 year. For those taxing districts that reduced their  
29 aggregate extension for the last preceding levy year, the  
30 highest aggregate extension in any of the last 3 preceding  
31 levy years shall be used for the purpose of computing the  
32 limiting rate. The denominator shall not include new  
33 property. The denominator shall not include the recovered  
34 tax increment value.

1 (Source: P.A. 90-485, eff. 1-1-98; 90-511, eff. 8-22-97;  
2 90-568, eff. 1-1-99; 90-616, eff. 7-10-98; 90-655, eff.  
3 7-30-98; 91-357, eff. 7-29-99; 91-478, eff. 11-1-99.)

4 Section 15. The Public Building Commission Act is  
5 amended by changing Sections 3 and 18 as follows:

6 (50 ILCS 20/3) (from Ch. 85, par. 1033)

7 Sec. 3. The following terms, wherever used, or referred  
8 to in this Act, mean unless the context clearly requires a  
9 different meaning:

10 (a) "Commission" means a Public Building Commission  
11 created pursuant to this Act.

12 (b) "Commissioner" or "Commissioners" means a  
13 Commissioner or Commissioners of a Public Building  
14 Commission.

15 (c) "County seat" means a city, village or town which is  
16 the county seat of a county.

17 (d) "Municipality" means any city, village or  
18 incorporated town of the State of Illinois.

19 (e) "Municipal corporation" includes a county, city,  
20 village, town, (including a county seat), park district,  
21 school district in a county of 3,000,000 or more population,  
22 board of education of a school district in a county of  
23 3,000,000 or more population, sanitary district, airport  
24 authority contiguous with the County Seat as of July 1, 1969  
25 and any other municipal body or governmental agency of the  
26 State but does not include a school district in a county of  
27 less than 3,000,000 population, a board of education of a  
28 school district in a county of less than 3,000,000  
29 population, or a community college district in a county of  
30 less than 3,000,000 population.

31 (f) "Governing body" includes a city council, county  
32 board, or any other body or board, by whatever name it may be

1 known, charged with the governing of a municipal corporation.

2 (g) "Presiding officer" includes the mayor or president  
3 of a city, village or town, the presiding officer of a county  
4 board, or the presiding officer of any other board or  
5 commission, as the case may be.

6 (h) "Oath" means oath or affirmation.

7 (i) "Building" means an improvement to real estate to be  
8 made available for use by a municipal corporation for the  
9 furnishing of governmental services to its citizens, together  
10 with any land or interest in land necessary or useful in  
11 connection with the improvement.

12 (j) "Public building commission lease rental base" means  
13 that term as defined in the Property Tax Extension Limitation  
14 Law.

15 (Source: P.A. 88-304.)

16 (50 ILCS 20/18) (from Ch. 85, par. 1048)

17 Sec. 18. Whenever, and as often as, a municipal  
18 corporation having taxing power enters into a lease with a  
19 Public Building Commission, the governing body of such  
20 municipal corporation shall provide by ordinance or  
21 resolution, as the case may be, for the levy and collection  
22 of a direct annual tax sufficient to pay the annual rent  
23 payable under such lease as and when it becomes due and  
24 payable, or, if applicable, in the amount of the public  
25 building commission lease rental base levied for the lease. A  
26 certified copy of the lease of such municipal corporation and  
27 a certified copy of the tax levying ordinance or resolution,  
28 as the case may be, of such municipal corporation shall be  
29 filed in the office of the county clerk in each county in  
30 which any portion of the territory of such municipal  
31 corporation is situated, which certified copies shall  
32 constitute the authority for the county clerk or clerks, in  
33 each case, to extend the taxes annually necessary to pay the

1 annual rent payable under such lease as and when it becomes  
 2 due and payable, or, if applicable, in the amount of the  
 3 public building commission lease rental base levied for the  
 4 lease. No taxes shall be extended for any lease entered into  
 5 after the effective date of this amendatory Act of 1993,  
 6 however, until after a public hearing on the lease. The clerk  
 7 or secretary of the governing body of the municipal  
 8 corporation shall cause notice of the time and place of the  
 9 hearing to be published at least once, at least 15 days  
 10 before the hearing, in a newspaper published or having  
 11 general circulation within the municipal corporation. If no  
 12 such newspaper exists, the clerk or secretary shall cause the  
 13 notice to be posted, at least 15 days before the hearing, in  
 14 at least 10 conspicuous places within the municipal  
 15 corporation. The notice shall be in the following form:

16 NOTICE OF PUBLIC HEARING ON LEASE between (name of the  
 17 municipal corporation) and (name of the public building  
 18 commission).

19 A public hearing regarding a lease between (name of the  
 20 municipal corporation) and (name of the public building  
 21 commission) will be held by (name of the governing body of  
 22 the municipal corporation) on (date) at (time) at (location).  
 23 The largest yearly rental payment set forth in the lease is  
 24 (\$ amount). The maximum length of the lease is (years).

25 The purpose of the lease is (explain in 25 words or  
 26 less).

27 Dated (insert date). this-----day-of----

28 By Order of (name of the governing body  
 29 of the Municipal Corporation)  
 30 /s/.....  
 31 Clerk or Secretary

32 At the hearing, all persons residing or owning property  
 33 in the municipal corporation shall have an opportunity to be  
 34 heard orally, in writing, or both.

1           Upon the filing of the certified copies of the lease and  
2 the tax levying ordinance or resolution in the office of the  
3 county clerk or clerks of the proper county or counties, it  
4 shall be the duty of such county clerk or clerks to ascertain  
5 the rate per cent which, upon the value of all property  
6 subject to taxation within the municipal corporation, as that  
7 property is assessed or equalized by the Department of  
8 Revenue, will produce a net amount of not less than the  
9 amount of the annual rent reserved in such lease, or, if  
10 applicable, in the amount of the public building commission  
11 lease rental base levied for the lease. The county clerk or  
12 clerks shall thereupon, and thereafter annually during the  
13 term of the lease, extend taxes against all of the taxable  
14 property contained in that municipal corporation sufficient  
15 to pay the annual rental reserved in such lease, or, if  
16 applicable, in the amount of the public building commission  
17 lease rental base levied for the lease. Such tax shall be  
18 levied and collected in like manner with the other taxes of  
19 such municipal corporation and shall be in addition to all  
20 other taxes now or hereafter authorized to be levied by that  
21 municipal corporation. This tax shall not be included within  
22 any statutory limitation of rate or amount for that municipal  
23 corporation but shall be excluded therefrom and be in  
24 addition thereto and in excess thereof. If this tax is levied  
25 after the year 1999, however, as part of a public building  
26 commission lease rental base, the tax is subject to  
27 limitation as to the amount of the public building commission  
28 lease rental base. The fund realized from such tax levy shall  
29 be set aside for the payment of the annual rent and shall not  
30 be disbursed for any other purpose until the annual rental  
31 has been paid in full. This Section shall not be construed  
32 to limit the power of the Commission to enter into leases  
33 with any municipal corporation whether or not the municipal  
34 corporation has the power of taxation. This Section shall not



1 be construed to require taxes to be levied or extended in  
2 excess of the public building commission lease rental base,  
3 if applicable.

4 (Source: P.A. 87-1208; 87-1279; revised 1-10-00.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.