

1 AN ACT concerning taxes.

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

4 Section 5. The Property Tax Code is amended by changing
5 Section 18-185 as follows:

6 (35 ILCS 200/18-185)

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

10 "Consumer Price Index" means the Consumer Price Index for
11 All Urban Consumers for all items published by the United
12 States Department of Labor.

13 "Extension limitation" means (a) the lesser of 5% or the
14 percentage increase in the Consumer Price Index during the
15 12-month calendar year preceding the levy year or (b) the
16 rate of increase approved by voters under Section 18-205. For
17 a municipality that increased in population to 5,000 or
18 above, as determined by the most recent federal decennial
19 census, "extension limitation" means, for only the levy year
20 following the determination by the federal decennial census
21 that the municipality's population has increased to 5,000 or
22 above, the lesser of 5% or the percentage increase in the
23 Consumer Price Index during the 12-month calendar year
24 preceding the levy year plus the additional amount required
25 to fund the first year of a police pension, fire pension, and
26 Illinois Municipal Retirement Fund pension mandated as a
27 result of the municipality's increase in population to 5,000
28 or above, which amount shall thereafter be included in the
29 taxing district's aggregate extension base.

30 "Affected county" means a county of 3,000,000 or more
31 inhabitants or a county contiguous to a county of 3,000,000

1 or more inhabitants.

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

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

1 tax levy or the full faith and credit of the unit of local
2 government is pledged; however, a tax for the payment of
3 interest or principal on those bonds shall be made only after
4 the governing body of the unit of local government finds that
5 all other sources for payment are insufficient to make those
6 payments; (f) made for payments under a building commission
7 lease when the lease payments are for the retirement of bonds
8 issued by the commission before October 1, 1991, to pay for
9 the building project; (g) made for payments due under
10 installment contracts entered into before October 1, 1991;
11 (h) made for payments of principal and interest on bonds
12 issued under the Metropolitan Water Reclamation District Act
13 to finance construction projects initiated before October 1,
14 1991; (i) made for payments of principal and interest on
15 limited bonds, as defined in Section 3 of the Local
16 Government Debt Reform Act, in an amount not to exceed the
17 debt service extension base less the amount in items (b),
18 (c), (e), and (h) of this definition for non-referendum
19 obligations, except obligations initially issued pursuant to
20 referendum; (j) made for payments of principal and interest
21 on bonds issued under Section 15 of the Local Government Debt
22 Reform Act; and (k) made by a school district that
23 participates in the Special Education District of Lake
24 County, created by special education joint agreement under
25 Section 10-22.31 of the School Code, for payment of the
26 school district's share of the amounts required to be
27 contributed by the Special Education District of Lake County
28 to the Illinois Municipal Retirement Fund under Article 7 of
29 the Illinois Pension Code; the amount of any extension under
30 this item (k) shall be certified by the school district to
31 the county clerk.

32 "Aggregate extension" for the taxing districts to which
33 this Law did not apply before the 1995 levy year (except
34 taxing districts subject to this Law in accordance with

1 Section 18-213) means the annual corporate extension for the
2 taxing district and those special purpose extensions that are
3 made annually for the taxing district, excluding special
4 purpose extensions: (a) made for the taxing district to pay
5 interest or principal on general obligation bonds that were
6 approved by referendum; (b) made for any taxing district to
7 pay interest or principal on general obligation bonds issued
8 before March 1, 1995; (c) made for any taxing district to pay
9 interest or principal on bonds issued to refund or continue
10 to refund those bonds issued before March 1, 1995; (d) made
11 for any taxing district to pay interest or principal on bonds
12 issued to refund or continue to refund bonds issued after
13 March 1, 1995 that were approved by referendum; (e) made for
14 any taxing district to pay interest or principal on revenue
15 bonds issued before March 1, 1995 for payment of which a
16 property tax levy or the full faith and credit of the unit of
17 local government is pledged; however, a tax for the payment
18 of interest or principal on those bonds shall be made only
19 after the governing body of the unit of local government
20 finds that all other sources for payment are insufficient to
21 make those payments; (f) made for payments under a building
22 commission lease when the lease payments are for the
23 retirement of bonds issued by the commission before March 1,
24 1995 to pay for the building project; (g) made for payments
25 due under installment contracts entered into before March 1,
26 1995; (h) made for payments of principal and interest on
27 bonds issued under the Metropolitan Water Reclamation
28 District Act to finance construction projects initiated
29 before October 1, 1991; (i) made for payments of principal
30 and interest on limited bonds, as defined in Section 3 of the
31 Local Government Debt Reform Act, in an amount not to exceed
32 the debt service extension base less the amount in items (b),
33 (c), and (e) of this definition for non-referendum
34 obligations, except obligations initially issued pursuant to

1 referendum and bonds described in subsection (h) of this
2 definition; (j) made for payments of principal and interest
3 on bonds issued under Section 15 of the Local Government Debt
4 Reform Act; (k) made for payments of principal and interest
5 on bonds authorized by Public Act 88-503 and issued under
6 Section 20a of the Chicago Park District Act for aquarium or
7 museum projects; and (l) made for payments of principal and
8 interest on bonds authorized by Public Act 87-1191 and issued
9 under Section 42 of the Cook County Forest Preserve District
10 Act for zoological park projects.

11 "Aggregate extension" for all taxing districts to which
12 this Law applies in accordance with Section 18-213, except
13 for those taxing districts subject to paragraph (2) of
14 subsection (e) of Section 18-213, means the annual corporate
15 extension for the taxing district and those special purpose
16 extensions that are made annually for the taxing district,
17 excluding special purpose extensions: (a) made for the taxing
18 district to pay interest or principal on general obligation
19 bonds that were approved by referendum; (b) made for any
20 taxing district to pay interest or principal on general
21 obligation bonds issued before the date on which the
22 referendum making this Law applicable to the taxing district
23 is held; (c) made for any taxing district to pay interest or
24 principal on bonds issued to refund or continue to refund
25 those bonds issued before the date on which the referendum
26 making this Law applicable to the taxing district is held;
27 (d) made for any taxing district to pay interest or principal
28 on bonds issued to refund or continue to refund bonds issued
29 after the date on which the referendum making this Law
30 applicable to the taxing district is held if the bonds were
31 approved by referendum after the date on which the referendum
32 making this Law applicable to the taxing district is held;
33 (e) made for any taxing district to pay interest or principal
34 on revenue bonds issued before the date on which the

1 referendum making this Law applicable to the taxing district
2 is held for payment of which a property tax levy or the full
3 faith and credit of the unit of local government is pledged;
4 however, a tax for the payment of interest or principal on
5 those bonds shall be made only after the governing body of
6 the unit of local government finds that all other sources for
7 payment are insufficient to make those payments; (f) made for
8 payments under a building commission lease when the lease
9 payments are for the retirement of bonds issued by the
10 commission before the date on which the referendum making
11 this Law applicable to the taxing district is held to pay for
12 the building project; (g) made for payments due under
13 installment contracts entered into before the date on which
14 the referendum making this Law applicable to the taxing
15 district is held; (h) made for payments of principal and
16 interest on limited bonds, as defined in Section 3 of the
17 Local Government Debt Reform Act, in an amount not to exceed
18 the debt service extension base less the amount in items (b),
19 (c), and (e) of this definition for non-referendum
20 obligations, except obligations initially issued pursuant to
21 referendum; (i) made for payments of principal and interest
22 on bonds issued under Section 15 of the Local Government Debt
23 Reform Act; and (j) made for a qualified airport authority to
24 pay interest or principal on general obligation bonds issued
25 for the purpose of paying obligations due under, or financing
26 airport facilities required to be acquired, constructed,
27 installed or equipped pursuant to, contracts entered into
28 before March 1, 1996 (but not including any amendments to
29 such a contract taking effect on or after that date).

30 "Aggregate extension" for all taxing districts to which
31 this Law applies in accordance with paragraph (2) of
32 subsection (e) of Section 18-213 means the annual corporate
33 extension for the taxing district and those special purpose
34 extensions that are made annually for the taxing district,

1 excluding special purpose extensions: (a) made for the taxing
2 district to pay interest or principal on general obligation
3 bonds that were approved by referendum; (b) made for any
4 taxing district to pay interest or principal on general
5 obligation bonds issued before the effective date of this
6 amendatory Act of 1997; (c) made for any taxing district to
7 pay interest or principal on bonds issued to refund or
8 continue to refund those bonds issued before the effective
9 date of this amendatory Act of 1997; (d) made for any taxing
10 district to pay interest or principal on bonds issued to
11 refund or continue to refund bonds issued after the effective
12 date of this amendatory Act of 1997 if the bonds were
13 approved by referendum after the effective date of this
14 amendatory Act of 1997; (e) made for any taxing district to
15 pay interest or principal on revenue bonds issued before the
16 effective date of this amendatory Act of 1997 for payment of
17 which a property tax levy or the full faith and credit of the
18 unit of local government is pledged; however, a tax for the
19 payment of interest or principal on those bonds shall be made
20 only after the governing body of the unit of local government
21 finds that all other sources for payment are insufficient to
22 make those payments; (f) made for payments under a building
23 commission lease when the lease payments are for the
24 retirement of bonds issued by the commission before the
25 effective date of this amendatory Act of 1997 to pay for the
26 building project; (g) made for payments due under installment
27 contracts entered into before the effective date of this
28 amendatory Act of 1997; (h) made for payments of principal
29 and 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 "Debt service extension base" means an amount equal to
10 that portion of the extension for a taxing district for the
11 1994 levy year, or for those taxing districts subject to this
12 Law in accordance with Section 18-213, except for those
13 subject to paragraph (2) of subsection (e) of Section 18-213,
14 for the levy year in which the referendum making this Law
15 applicable to the taxing district is held, or for those
16 taxing districts subject to this Law in accordance with
17 paragraph (2) of subsection (e) of Section 18-213 for the
18 1996 levy year, constituting an extension for payment of
19 principal and interest on bonds issued by the taxing district
20 without referendum, but not including (i) bonds authorized by
21 Public Act 88-503 and issued under Section 20a of the Chicago
22 Park District Act for aquarium and museum projects; (ii)
23 bonds issued under Section 15 of the Local Government Debt
24 Reform Act; or (iii) refunding obligations issued to refund
25 or to continue to refund obligations initially issued
26 pursuant to referendum. The debt service extension base may
27 be established or increased as provided under Section 18-212.

28 "Special purpose extensions" include, but are not limited
29 to, extensions for levies made on an annual basis for
30 unemployment and workers' compensation, self-insurance,
31 contributions to pension plans, and extensions made pursuant
32 to Section 6-601 of the Illinois Highway Code for a road
33 district's permanent road fund whether levied annually or
34 not. The extension for a special service area is not

1 included in the aggregate extension.

2 "Aggregate extension base" means the taxing district's
3 last preceding aggregate extension as adjusted under Sections
4 18-215 through 18-230.

5 "Levy year" has the same meaning as "year" under Section
6 1-155.

7 "New property" means (i) the assessed value, after final
8 board of review or board of appeals action, of new
9 improvements or additions to existing improvements on any
10 parcel of real property that increase the assessed value of
11 that real property during the levy year multiplied by the
12 equalization factor issued by the Department under Section
13 17-30 and (ii) the assessed value, after final board of
14 review or board of appeals action, of real property not
15 exempt from real estate taxation, which real property was
16 exempt from real estate taxation for any portion of the
17 immediately preceding levy year, multiplied by the
18 equalization factor issued by the Department under Section
19 17-30. In addition, the county clerk in a county containing
20 a population of 3,000,000 or more shall include in the 1997
21 recovered tax increment value for any school district, any
22 recovered tax increment value that was applicable to the 1995
23 tax year calculations.

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

28 "Recovered tax increment value" means, except as
29 otherwise provided in this paragraph, the amount of the
30 current year's equalized assessed value, in the first year
31 after a municipality terminates the designation of an area as
32 a redevelopment project area previously established under the
33 Tax Increment Allocation Development Act in the Illinois
34 Municipal Code, previously established under the Industrial

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

1 redevelopment project area.

2 Except as otherwise provided in this Section, "limiting
3 rate" means a fraction the numerator of which is the last
4 preceding aggregate extension base times an amount equal to
5 one plus the extension limitation defined in this Section and
6 the denominator of which is the current year's equalized
7 assessed value of all real property in the territory under
8 the jurisdiction of the taxing district during the prior levy
9 year. For those taxing districts that reduced their
10 aggregate extension for the last preceding levy year, the
11 highest aggregate extension in any of the last 3 preceding
12 levy years shall be used for the purpose of computing the
13 limiting rate. The denominator shall not include new
14 property. The denominator shall not include the recovered
15 tax increment value.

16 (Source: P.A. 90-485, eff. 1-1-98; 90-511, eff. 8-22-97;
17 90-568, eff. 1-1-99; 90-616, eff. 7-10-98; 90-655, eff.
18 7-30-98; 91-357, eff. 7-29-99; 91-478, eff. 11-1-99.)