

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.

17 "Affected county" means a county of 3,000,000 or more
18 inhabitants or a county contiguous to a county of 3,000,000
19 or more inhabitants.

20 "Taxing district" has the same meaning provided in
21 Section 1-150, except as otherwise provided in this Section.
22 For the 1991 through 1994 levy years only, "taxing district"
23 includes only each non-home rule taxing district having the
24 majority of its 1990 equalized assessed value within any
25 county or counties contiguous to a county with 3,000,000 or
26 more inhabitants. Beginning with the 1995 levy year, "taxing
27 district" includes only each non-home rule taxing district
28 subject to this Law before the 1995 levy year and each
29 non-home rule taxing district not subject to this Law before
30 the 1995 levy year having the majority of its 1994 equalized
31 assessed value in an affected county or counties. Beginning

1 with the levy year in which this Law becomes applicable to a
2 taxing district as provided in Section 18-213, "taxing
3 district" also includes those taxing districts made subject
4 to this Law as provided in Section 18-213.

5 "Aggregate extension" for taxing districts to which this
6 Law applied before the 1995 levy year means the annual
7 corporate extension for the taxing district and those special
8 purpose extensions that are made annually for the taxing
9 district, excluding special purpose extensions: (a) made for
10 the taxing district to pay interest or principal on general
11 obligation bonds that were approved by referendum; (b) made
12 for any taxing district to pay interest or principal on
13 general obligation bonds issued before October 1, 1991; (c)
14 made for any taxing district to pay interest or principal on
15 bonds issued to refund or continue to refund those bonds
16 issued before October 1, 1991; (d) made for any taxing
17 district to pay interest or principal on bonds issued to
18 refund or continue to refund bonds issued after October 1,
19 1991 that were approved by referendum; (e) made for any
20 taxing district to pay interest or principal on revenue bonds
21 issued before October 1, 1991 for payment of which a property
22 tax levy or the full faith and credit of the unit of local
23 government is pledged; however, a tax for the payment of
24 interest or principal on those bonds shall be made only after
25 the governing body of the unit of local government finds that
26 all other sources for payment are insufficient to make those
27 payments; (f) made for payments under a building commission
28 lease when the lease payments are for the retirement of bonds
29 issued by the commission before October 1, 1991, to pay for
30 the building project; (g) made for payments due under
31 installment contracts entered into before October 1, 1991;
32 (h) made for payments of principal and interest on bonds
33 issued under the Metropolitan Water Reclamation District Act
34 to finance construction projects initiated before October 1,

1 1991; (i) made for payments of principal and interest on
2 limited bonds, as defined in Section 3 of the Local
3 Government Debt Reform Act, in an amount not to exceed the
4 debt service extension base less the amount in items (b),
5 (c), (e), and (h) of this definition for non-referendum
6 obligations, except obligations initially issued pursuant to
7 referendum; (j) made for payments of principal and interest
8 on bonds issued under Section 15 of the Local Government Debt
9 Reform Act; and (k) made by a school district that
10 participates in the Special Education District of Lake
11 County, created by special education joint agreement under
12 Section 10-22.31 of the School Code, for payment of the
13 school district's share of the amounts required to be
14 contributed by the Special Education District of Lake County
15 to the Illinois Municipal Retirement Fund under Article 7 of
16 the Illinois Pension Code; the amount of any extension under
17 this item (k) shall be certified by the school district to
18 the county clerk; and (l) made after the effective date of
19 this amendatory Act of the 92nd General Assembly under
20 Section 3-125 of the Illinois Pension Code for the police
21 pension fund, under Section 5-168 of the Illinois Pension
22 Code for the policemen's annuity and benefit fund, under
23 Section 4-118 of the Illinois Pension Code for the
24 firefighters' pension fund, or under Section 6-165 of the
25 Illinois Pension Code for the firemen's annuity and benefit
26 fund.

27 "Aggregate extension" for the taxing districts to which
28 this Law did not apply before the 1995 levy year (except
29 taxing districts subject to this Law in accordance with
30 Section 18-213) means the annual corporate extension for the
31 taxing district and those special purpose extensions that are
32 made annually for the taxing district, excluding special
33 purpose extensions: (a) made for the taxing district to pay
34 interest or principal on general obligation bonds that were

1 approved by referendum; (b) made for any taxing district to
2 pay interest or principal on general obligation bonds issued
3 before March 1, 1995; (c) made for any taxing district to pay
4 interest or principal on bonds issued to refund or continue
5 to refund those bonds issued before March 1, 1995; (d) made
6 for any taxing district to pay interest or principal on bonds
7 issued to refund or continue to refund bonds issued after
8 March 1, 1995 that were approved by referendum; (e) made for
9 any taxing district to pay interest or principal on revenue
10 bonds issued before March 1, 1995 for payment of which a
11 property tax levy or the full faith and credit of the unit of
12 local government is pledged; however, a tax for the payment
13 of interest or principal on those bonds shall be made only
14 after the governing body of the unit of local government
15 finds that all other sources for payment are insufficient to
16 make those payments; (f) made for payments under a building
17 commission lease when the lease payments are for the
18 retirement of bonds issued by the commission before March 1,
19 1995 to pay for the building project; (g) made for payments
20 due under installment contracts entered into before March 1,
21 1995; (h) made for payments of principal and interest on
22 bonds issued under the Metropolitan Water Reclamation
23 District Act to finance construction projects initiated
24 before October 1, 1991; (i) made for payments of principal
25 and interest on limited bonds, as defined in Section 3 of the
26 Local Government Debt Reform Act, in an amount not to exceed
27 the debt service extension base less the amount in items (b),
28 (c), and (e) of this definition for non-referendum
29 obligations, except obligations initially issued pursuant to
30 referendum and bonds described in subsection (h) of this
31 definition; (j) made for payments of principal and interest
32 on bonds issued under Section 15 of the Local Government Debt
33 Reform Act; (k) made for payments of principal and interest
34 on bonds authorized by Public Act 88-503 and issued under

1 Section 20a of the Chicago Park District Act for aquarium or
2 museum projects; and (l) made for payments of principal and
3 interest on bonds authorized by Public Act 87-1191 and issued
4 under Section 42 of the Cook County Forest Preserve District
5 Act for zoological park projects; and (m) made after the
6 effective date of this amendatory Act of the 92nd General
7 Assembly under Section 3-125 of the Illinois Pension Code for
8 the police pension fund, under Section 5-168 of the Illinois
9 Pension Code for the policemen's annuity and benefit fund,
10 under Section 4-118 of the Illinois Pension Code for the
11 firefighters' pension fund, or under Section 6-165 of the
12 Illinois Pension Code for the firemen's annuity and benefit
13 fund.

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

1 making this Law applicable to the taxing district is held;
2 (e) made for any taxing district to pay interest or principal
3 on revenue bonds issued before the date on which the
4 referendum making this Law applicable to the taxing district
5 is held for payment of which a property tax levy or the full
6 faith and credit of the unit of local government is pledged;
7 however, a tax for the payment of interest or principal on
8 those bonds shall be made only after the governing body of
9 the unit of local government finds that all other sources for
10 payment are insufficient to make those payments; (f) made for
11 payments under a building commission lease when the lease
12 payments are for the retirement of bonds issued by the
13 commission before the date on which the referendum making
14 this Law applicable to the taxing district is held to pay for
15 the building project; (g) made for payments due under
16 installment contracts entered into before the date on which
17 the referendum making this Law applicable to the taxing
18 district is held; (h) made for payments of principal and
19 interest on limited bonds, as defined in Section 3 of the
20 Local Government Debt Reform Act, in an amount not to exceed
21 the debt service extension base less the amount in items (b),
22 (c), and (e) of this definition for non-referendum
23 obligations, except obligations initially issued pursuant to
24 referendum; (i) made for payments of principal and interest
25 on bonds issued under Section 15 of the Local Government Debt
26 Reform Act; and (j) made for a qualified airport authority to
27 pay interest or principal on general obligation bonds issued
28 for the purpose of paying obligations due under, or financing
29 airport facilities required to be acquired, constructed,
30 installed or equipped pursuant to, contracts entered into
31 before March 1, 1996 (but not including any amendments to
32 such a contract taking effect on or after that date); and (k)
33 made after the effective date of this amendatory Act of the
34 92nd General Assembly under Section 3-125 of the Illinois

1 Pension Code for the police pension fund, under Section 5-168
2 of the Illinois Pension Code for the policemen's annuity and
3 benefit fund, under Section 4-118 of the Illinois Pension
4 Code for the firefighters' pension fund, or under Section
5 6-165 of the Illinois Pension Code for the firemen's annuity
6 and benefit fund.

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

1 retirement of bonds issued by the commission before the
2 effective date of this amendatory Act of 1997 to pay for the
3 building project; (g) made for payments due under installment
4 contracts entered into before the effective date of this
5 amendatory Act of 1997; (h) made for payments of principal
6 and interest on limited bonds, as defined in Section 3 of the
7 Local Government Debt Reform Act, in an amount not to exceed
8 the debt service extension base less the amount in items (b),
9 (c), and (e) of this definition for non-referendum
10 obligations, except obligations initially issued pursuant to
11 referendum; (i) made for payments of principal and interest
12 on bonds issued under Section 15 of the Local Government Debt
13 Reform Act; and (j) made for a qualified airport authority to
14 pay interest or principal on general obligation bonds issued
15 for the purpose of paying obligations due under, or financing
16 airport facilities required to be acquired, constructed,
17 installed or equipped pursuant to, contracts entered into
18 before March 1, 1996 (but not including any amendments to
19 such a contract taking effect on or after that date); and (k)
20 made after the effective date of this amendatory Act of the
21 92nd General Assembly under Section 3-125 of the Illinois
22 Pension Code for the police pension fund, under Section 5-168
23 of the Illinois Pension Code for the policemen's annuity and
24 benefit fund, under Section 4-118 of the Illinois Pension
25 Code for the firefighters' pension fund, or under Section
26 6-165 of the Illinois Pension Code for the firemen's annuity
27 and benefit fund.

28 "Debt service extension base" means an amount equal to
29 that portion of the extension for a taxing district for the
30 1994 levy year, or for those taxing districts subject to this
31 Law in accordance with Section 18-213, except for those
32 subject to paragraph (2) of subsection (e) of Section 18-213,
33 for the levy year in which the referendum making this Law
34 applicable to the taxing district is held, or for those

1 taxing districts subject to this Law in accordance with
2 paragraph (2) of subsection (e) of Section 18-213 for the
3 1996 levy year, constituting an extension for payment of
4 principal and interest on bonds issued by the taxing district
5 without referendum, but not including (i) bonds authorized by
6 Public Act 88-503 and issued under Section 20a of the Chicago
7 Park District Act for aquarium and museum projects; (ii)
8 bonds issued under Section 15 of the Local Government Debt
9 Reform Act; or (iii) refunding obligations issued to refund
10 or to continue to refund obligations initially issued
11 pursuant to referendum. The debt service extension base may
12 be established or increased as provided under Section 18-212.

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

21 "Aggregate extension base" means the taxing district's
22 last preceding aggregate extension as adjusted under Sections
23 18-215 through 18-230.

24 "Levy year" has the same meaning as "year" under Section
25 1-155.

26 "New property" means (i) the assessed value, after final
27 board of review or board of appeals action, of new
28 improvements or additions to existing improvements on any
29 parcel of real property that increase the assessed value of
30 that real property during the levy year multiplied by the
31 equalization factor issued by the Department under Section
32 17-30 and (ii) the assessed value, after final board of
33 review or board of appeals action, of real property not
34 exempt from real estate taxation, which real property was

1 exempt from real estate taxation for any portion of the
2 immediately preceding levy year, multiplied by the
3 equalization factor issued by the Department under Section
4 17-30. In addition, the county clerk in a county containing
5 a population of 3,000,000 or more shall include in the 1997
6 recovered tax increment value for any school district, any
7 recovered tax increment value that was applicable to the 1995
8 tax year calculations.

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 99. Effective date. This Act takes effect on
5 July 1, 2002.