



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 2/5/2004, by Donne E. Trotter

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Code to exclude special purpose extensions made by the Metropolitan Water Reclamation District of Greater Chicago under the Metropolitan Water Reclamation District Act for the purpose of providing for health care costs from the applicable definition of "aggregate extension" in the Property Tax Extension Limitation Law. Effective immediately.

LRB093 15610 SJM 41217 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT in relation to 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 may
8 be cited as the Property Tax Extension Limitation Law. As used
9 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 rate
16 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 or
19 more inhabitants.

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

1 provided in Section 18-213, "taxing district" also includes
2 those taxing districts made subject to this Law as provided in
3 Section 18-213.

4 "Aggregate extension" for taxing districts to which this
5 Law applied before the 1995 levy year means the annual
6 corporate extension for the taxing district and those special
7 purpose extensions that are made annually for the taxing
8 district, excluding special purpose extensions: (a) made for
9 the taxing district to pay interest or principal on general
10 obligation bonds that were approved by referendum; (b) made for
11 any taxing district to pay interest or principal on general
12 obligation bonds issued before October 1, 1991; (c) made for
13 any taxing district to pay interest or principal on bonds
14 issued to refund or continue to refund those bonds issued
15 before October 1, 1991; (d) made for any taxing district to pay
16 interest or principal on bonds issued to refund or continue to
17 refund bonds issued after October 1, 1991 that were approved by
18 referendum; (e) made for any taxing district to pay interest or
19 principal on revenue bonds issued before October 1, 1991 for
20 payment of which a property tax levy or the full faith and
21 credit of the unit of local government is pledged; however, a
22 tax for the payment of interest or principal on those bonds
23 shall be made only after the governing body of the unit of
24 local government finds that all other sources for payment are
25 insufficient to make those payments; (f) made for payments
26 under a building commission lease when the lease payments are
27 for the retirement of bonds issued by the commission before
28 October 1, 1991, to pay for the building project; (g) made for
29 payments due under installment contracts entered into before
30 October 1, 1991; (h) made for payments of principal and
31 interest on bonds issued under the Metropolitan Water
32 Reclamation District Act to finance construction projects
33 initiated before October 1, 1991; (i) made for payments of
34 principal and interest on limited bonds, as defined in Section
35 3 of the Local Government Debt Reform Act, in an amount not to
36 exceed the debt service extension base less the amount in items

1 (b), (c), (e), and (h) of this definition for non-referendum
2 obligations, except obligations initially issued pursuant to
3 referendum; (j) made for payments of principal and interest on
4 bonds issued under Section 15 of the Local Government Debt
5 Reform Act; (k) made by a school district that participates in
6 the Special Education District of Lake County, created by
7 special education joint agreement under Section 10-22.31 of the
8 School Code, for payment of the school district's share of the
9 amounts required to be contributed by the Special Education
10 District of Lake County to the Illinois Municipal Retirement
11 Fund under Article 7 of the Illinois Pension Code; the amount
12 of any extension under this item (k) shall be certified by the
13 school district to the county clerk; and (l) made to fund
14 expenses of providing joint recreational programs for the
15 handicapped under Section 5-8 of the Park District Code or
16 Section 11-95-14 of the Illinois Municipal Code.

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

1 principal on those bonds shall be made only after the governing
2 body of the unit of local government finds that all other
3 sources for payment are insufficient to make those payments;
4 (f) made for payments under a building commission lease when
5 the lease payments are for the retirement of bonds issued by
6 the commission before March 1, 1995 to pay for the building
7 project; (g) made for payments due under installment contracts
8 entered into before March 1, 1995; (h) made for payments of
9 principal and interest on bonds issued under the Metropolitan
10 Water Reclamation District Act to finance construction
11 projects initiated before October 1, 1991; (h-5) made by the
12 Metropolitan Water Reclamation District of Greater Chicago
13 under Section 12 of the Metropolitan Water Reclamation District
14 Act for the purpose of providing for health care costs; (i)
15 made for payments of principal and interest on limited bonds,
16 as defined in Section 3 of the Local Government Debt Reform
17 Act, in an amount not to exceed the debt service extension base
18 less the amount in items (b), (c), and (e) of this definition
19 for non-referendum obligations, except obligations initially
20 issued pursuant to referendum and bonds described in subsection
21 (h) of this definition; (j) made for payments of principal and
22 interest on bonds issued under Section 15 of the Local
23 Government Debt Reform Act; (k) made for payments of principal
24 and interest on bonds authorized by Public Act 88-503 and
25 issued under Section 20a of the Chicago Park District Act for
26 aquarium or museum projects; (l) made for payments of principal
27 and interest on bonds authorized by Public Act 87-1191 or
28 93-601 ~~this amendatory Act of the 93rd General Assembly~~ and (i)
29 issued pursuant to Section 21.2 of the Cook County Forest
30 Preserve District Act, (ii) issued under Section 42 of the Cook
31 County Forest Preserve District Act for zoological park
32 projects, or (iii) issued under Section 44.1 of the Cook County
33 Forest Preserve District Act for botanical gardens projects;
34 (m) made pursuant to Section 34-53.5 of the School Code,
35 whether levied annually or not; (n) made to fund expenses of
36 providing joint recreational programs for the handicapped

1 under Section 5-8 of the Park District Code or Section 11-95-14
2 of the Illinois Municipal Code; and (o) made by the Chicago
3 Park District for recreational programs for the handicapped
4 under subsection (c) of Section 7.06 of the Chicago Park
5 District Act.

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

1 lease when the lease payments are for the retirement of bonds
2 issued by the commission before the date on which the
3 referendum making this Law applicable to the taxing district is
4 held to pay for the building project; (g) made for payments due
5 under installment contracts entered into before the date on
6 which the referendum making this Law applicable to the taxing
7 district is held; (h) made for payments of principal and
8 interest on limited bonds, as defined in Section 3 of the Local
9 Government Debt Reform Act, in an amount not to exceed the debt
10 service extension base less the amount in items (b), (c), and
11 (e) of this definition for non-referendum obligations, except
12 obligations initially issued pursuant to referendum; (i) made
13 for payments of principal and interest on bonds issued under
14 Section 15 of the Local Government Debt Reform Act; (j) made
15 for a qualified airport authority to pay interest or principal
16 on general obligation bonds issued for the purpose of paying
17 obligations due under, or financing airport facilities
18 required to be acquired, constructed, installed or equipped
19 pursuant to, contracts entered into before March 1, 1996 (but
20 not including any amendments to such a contract taking effect
21 on or after that date); and (k) made to fund expenses of
22 providing joint recreational programs for the handicapped
23 under Section 5-8 of the Park District Code or Section 11-95-14
24 of the Illinois Municipal Code.

25 "Aggregate extension" for all taxing districts to which
26 this Law applies in accordance with paragraph (2) of subsection
27 (e) of Section 18-213 means the annual corporate extension for
28 the taxing district and those special purpose extensions that
29 are made annually for the taxing district, excluding special
30 purpose extensions: (a) made for the taxing district to pay
31 interest or principal on general obligation bonds that were
32 approved by referendum; (b) made for any taxing district to pay
33 interest or principal on general obligation bonds issued before
34 the effective date of this amendatory Act of 1997; (c) made for
35 any taxing district to pay interest or principal on bonds
36 issued to refund or continue to refund those bonds issued

1 before the effective date of this amendatory Act of 1997; (d)
2 made for any taxing district to pay interest or principal on
3 bonds issued to refund or continue to refund bonds issued after
4 the effective date of this amendatory Act of 1997 if the bonds
5 were approved by referendum after the effective date of this
6 amendatory Act of 1997; (e) made for any taxing district to pay
7 interest or principal on revenue bonds issued before the
8 effective date of this amendatory Act of 1997 for payment of
9 which a property tax levy or the full faith and credit of the
10 unit of local government is pledged; however, a tax for the
11 payment of interest or principal on those bonds shall be made
12 only after the governing body of the unit of local government
13 finds that all other sources for payment are insufficient to
14 make those payments; (f) made for payments under a building
15 commission lease when the lease payments are for the retirement
16 of bonds issued by the commission before the effective date of
17 this amendatory Act of 1997 to pay for the building project;
18 (g) made for payments due under installment contracts entered
19 into before the effective date of this amendatory Act of 1997;
20 (h) made for payments of principal and interest on limited
21 bonds, as defined in Section 3 of the Local Government Debt
22 Reform Act, in an amount not to exceed the debt service
23 extension base less the amount in items (b), (c), and (e) of
24 this definition for non-referendum obligations, except
25 obligations initially issued pursuant to referendum; (i) made
26 for payments of principal and interest on bonds issued under
27 Section 15 of the Local Government Debt Reform Act; (j) made
28 for a qualified airport authority to pay interest or principal
29 on general obligation bonds issued for the purpose of paying
30 obligations due under, or financing airport facilities
31 required to be acquired, constructed, installed or equipped
32 pursuant to, contracts entered into before March 1, 1996 (but
33 not including any amendments to such a contract taking effect
34 on or after that date); and (k) made to fund expenses of
35 providing joint recreational programs for the handicapped
36 under Section 5-8 of the Park District Code or Section 11-95-14

1 of the Illinois Municipal Code.

2 "Debt service extension base" means an amount equal to that
3 portion of the extension for a taxing district for the 1994
4 levy year, or for those taxing districts subject to this Law in
5 accordance with Section 18-213, except for those subject to
6 paragraph (2) of subsection (e) of Section 18-213, for the levy
7 year in which the referendum making this Law applicable to the
8 taxing district is held, or for those taxing districts subject
9 to this Law in accordance with paragraph (2) of subsection (e)
10 of Section 18-213 for the 1996 levy year, constituting an
11 extension for payment of principal and interest on bonds issued
12 by the taxing district without referendum, but not including
13 excluded non-referendum bonds. For park districts (i) that were
14 first subject to this Law in 1991 or 1995 and (ii) whose
15 extension for the 1994 levy year for the payment of principal
16 and interest on bonds issued by the park district without
17 referendum (but not including excluded non-referendum bonds)
18 was less than 51% of the amount for the 1991 levy year
19 constituting an extension for payment of principal and interest
20 on bonds issued by the park district without referendum (but
21 not including excluded non-referendum bonds), "debt service
22 extension base" means an amount equal to that portion of the
23 extension for the 1991 levy year constituting an extension for
24 payment of principal and interest on bonds issued by the park
25 district without referendum (but not including excluded
26 non-referendum bonds). The debt service extension base may be
27 established or increased as provided under Section 18-212.
28 "Excluded non-referendum bonds" means (i) bonds authorized by
29 Public Act 88-503 and issued under Section 20a of the Chicago
30 Park District Act for aquarium and museum projects; (ii) bonds
31 issued under Section 15 of the Local Government Debt Reform
32 Act; or (iii) refunding obligations issued to refund or to
33 continue to refund obligations initially issued pursuant to
34 referendum.

35 "Special purpose extensions" include, but are not limited
36 to, extensions for levies made on an annual basis for

1 unemployment and workers' compensation, self-insurance,
2 contributions to pension plans, and extensions made pursuant to
3 Section 6-601 of the Illinois Highway Code for a road
4 district's permanent road fund whether levied annually or not.
5 The extension for a special service area is not included in the
6 aggregate extension.

7 "Aggregate extension base" means the taxing district's
8 last preceding aggregate extension as adjusted under Sections
9 18-215 through 18-230.

10 "Levy year" has the same meaning as "year" under Section
11 1-155.

12 "New property" means (i) the assessed value, after final
13 board of review or board of appeals action, of new improvements
14 or additions to existing improvements on any parcel of real
15 property that increase the assessed value of that real property
16 during the levy year multiplied by the equalization factor
17 issued by the Department under Section 17-30, (ii) the assessed
18 value, after final board of review or board of appeals action,
19 of real property not exempt from real estate taxation, which
20 real property was exempt from real estate taxation for any
21 portion of the immediately preceding levy year, multiplied by
22 the equalization factor issued by the Department under Section
23 17-30, and (iii) in counties that classify in accordance with
24 Section 4 of Article IX of the Illinois Constitution, an
25 incentive property's additional assessed value resulting from
26 a scheduled increase in the level of assessment as applied to
27 the first year final board of review market value. In addition,
28 the county clerk in a county containing a population of
29 3,000,000 or more shall include in the 1997 recovered tax
30 increment value for any school district, any recovered tax
31 increment value that was applicable to the 1995 tax year
32 calculations.

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

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

1 real property removed from the redevelopment project area over
2 and above the initial equalized assessed value of that real
3 property before removal from the redevelopment project area.

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

17 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
18 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised
19 12-10-03.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.