



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB5102

Introduced 2/8/2012, by Rep. Angelo Saviano

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Exempts special purpose extensions made by any taxing district for payment of that district's share of the amounts required to be contributed to any pension fund created under the Illinois Pension Code from the definition of "aggregate extension". Effective immediately.

LRB097 18171 HLH 63395 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning revenue.

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

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

13 "Aggregate extension" for taxing districts to which this  
14 Law applied before the 1995 levy year means the annual  
15 corporate extension for the taxing district and those special  
16 purpose extensions that are made annually for the taxing  
17 district, excluding special purpose extensions: (a) made for  
18 the taxing district to pay interest or principal on general  
19 obligation bonds that were approved by referendum; (b) made for  
20 any taxing district to pay interest or principal on general  
21 obligation bonds issued before October 1, 1991; (c) made for  
22 any taxing district to pay interest or principal on bonds  
23 issued to refund or continue to refund those bonds issued  
24 before October 1, 1991; (d) made for any taxing district to pay  
25 interest or principal on bonds issued to refund or continue to  
26 refund bonds issued after October 1, 1991 that were approved by

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

1 School Code, for payment of the school district's share of the  
2 amounts required to be contributed by the Special Education  
3 District of Lake County to the Illinois Municipal Retirement  
4 Fund under Article 7 of the Illinois Pension Code; the amount  
5 of any extension under this item (k) shall be certified by the  
6 school district to the county clerk; (l) made to fund expenses  
7 of providing joint recreational programs for the handicapped  
8 under Section 5-8 of the Park District Code or Section 11-95-14  
9 of the Illinois Municipal Code; (m) made for temporary  
10 relocation loan repayment purposes pursuant to Sections 2-3.77  
11 and 17-2.2d of the School Code; (n) made for payment of  
12 principal and interest on any bonds issued under the authority  
13 of Section 17-2.2d of the School Code; (o) made for  
14 contributions to a firefighter's pension fund created under  
15 Article 4 of the Illinois Pension Code, to the extent of the  
16 amount certified under item (5) of Section 4-134 of the  
17 Illinois Pension Code; ~~and~~ (p) made for road purposes in the  
18 first year after a township assumes the rights, powers, duties,  
19 assets, property, liabilities, obligations, and  
20 responsibilities of a road district abolished under the  
21 provisions of Section 6-133 of the Illinois Highway Code; and  
22 (q) made by any taxing district for payment of that district's  
23 share of the amounts required to be contributed to any pension  
24 fund created under the Illinois Pension Code.

25 "Aggregate extension" for the taxing districts to which  
26 this Law did not apply before the 1995 levy year (except taxing

1 districts subject to this Law in accordance with Section  
2 18-213) means the annual corporate extension for the taxing  
3 district and those special purpose extensions that are made  
4 annually for the taxing district, excluding special purpose  
5 extensions: (a) made for the taxing district to pay interest or  
6 principal on general obligation bonds that were approved by  
7 referendum; (b) made for any taxing district to pay interest or  
8 principal on general obligation bonds issued before March 1,  
9 1995; (c) made for any taxing district to pay interest or  
10 principal on bonds issued to refund or continue to refund those  
11 bonds issued before March 1, 1995; (d) made for any taxing  
12 district to pay interest or principal on bonds issued to refund  
13 or continue to refund bonds issued after March 1, 1995 that  
14 were approved by referendum; (e) made for any taxing district  
15 to pay interest or principal on revenue bonds issued before  
16 March 1, 1995 for payment of which a property tax levy or the  
17 full faith and credit of the unit of local government is  
18 pledged; however, a tax for the payment of interest or  
19 principal on those bonds shall be made only after the governing  
20 body of the unit of local government finds that all other  
21 sources for payment are insufficient to make those payments;  
22 (f) made for payments under a building commission lease when  
23 the lease payments are for the retirement of bonds issued by  
24 the commission before March 1, 1995 to pay for the building  
25 project; (g) made for payments due under installment contracts  
26 entered into before March 1, 1995; (h) made for payments of

1 principal and interest on bonds issued under the Metropolitan  
2 Water Reclamation District Act to finance construction  
3 projects initiated before October 1, 1991; (h-4) made for  
4 stormwater management purposes by the Metropolitan Water  
5 Reclamation District of Greater Chicago under Section 12 of the  
6 Metropolitan Water Reclamation District Act; (i) made for  
7 payments of principal and interest on limited bonds, as defined  
8 in Section 3 of the Local Government Debt Reform Act, in an  
9 amount not to exceed the debt service extension base less the  
10 amount in items (b), (c), and (e) of this definition for  
11 non-referendum obligations, except obligations initially  
12 issued pursuant to referendum and bonds described in subsection  
13 (h) of this definition; (j) made for payments of principal and  
14 interest on bonds issued under Section 15 of the Local  
15 Government Debt Reform Act; (k) made for payments of principal  
16 and interest on bonds authorized by Public Act 88-503 and  
17 issued under Section 20a of the Chicago Park District Act for  
18 aquarium or museum projects; (l) made for payments of principal  
19 and interest on bonds authorized by Public Act 87-1191 or  
20 93-601 and (i) issued pursuant to Section 21.2 of the Cook  
21 County Forest Preserve District Act, (ii) issued under Section  
22 42 of the Cook County Forest Preserve District Act for  
23 zoological park projects, or (iii) issued under Section 44.1 of  
24 the Cook County Forest Preserve District Act for botanical  
25 gardens projects; (m) made pursuant to Section 34-53.5 of the  
26 School Code, whether levied annually or not; (n) made to fund

1 expenses of providing joint recreational programs for the  
2 handicapped under Section 5-8 of the Park District Code or  
3 Section 11-95-14 of the Illinois Municipal Code; (o) made by  
4 the Chicago Park District for recreational programs for the  
5 handicapped under subsection (c) of Section 7.06 of the Chicago  
6 Park District Act; (p) made for contributions to a  
7 firefighter's pension fund created under Article 4 of the  
8 Illinois Pension Code, to the extent of the amount certified  
9 under item (5) of Section 4-134 of the Illinois Pension Code;  
10 ~~and~~ (q) made by Ford Heights School District 169 under Section  
11 17-9.02 of the School Code; and (r) made by any taxing district  
12 for payment of that district's share of the amounts required to  
13 be contributed to any pension fund created under the Illinois  
14 Pension Code.

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



1 to pay interest or principal on bonds issued to refund or  
2 continue to refund those bonds issued before the date on which  
3 the referendum making this Law applicable to the taxing  
4 district is held; (d) made for any taxing district to pay  
5 interest or principal on bonds issued to refund or continue to  
6 refund bonds issued after the date on which the referendum  
7 making this Law applicable to the taxing district is held if  
8 the bonds were approved by referendum after the date on which  
9 the referendum making this Law applicable to the taxing  
10 district is held; (e) made for any taxing district to pay  
11 interest or principal on revenue bonds issued before the date  
12 on which the referendum making this Law applicable to the  
13 taxing district is held for payment of which a property tax  
14 levy or the full faith and credit of the unit of local  
15 government is pledged; however, a tax for the payment of  
16 interest or principal on those bonds shall be made only after  
17 the governing body of the unit of local government finds that  
18 all other sources for payment are insufficient to make those  
19 payments; (f) made for payments under a building commission  
20 lease when the lease payments are for the retirement of bonds  
21 issued by the commission before the date on which the  
22 referendum making this Law applicable to the taxing district is  
23 held to pay for the building project; (g) made for payments due  
24 under installment contracts entered into before the date on  
25 which the referendum making this Law applicable to the taxing  
26 district is held; (h) made for payments of principal and

1 interest on limited bonds, as defined in Section 3 of the Local  
2 Government Debt Reform Act, in an amount not to exceed the debt  
3 service extension base less the amount in items (b), (c), and  
4 (e) of this definition for non-referendum obligations, except  
5 obligations initially issued pursuant to referendum; (i) made  
6 for payments of principal and interest on bonds issued under  
7 Section 15 of the Local Government Debt Reform Act; (j) made  
8 for a qualified airport authority to pay interest or principal  
9 on general obligation bonds issued for the purpose of paying  
10 obligations due under, or financing airport facilities  
11 required to be acquired, constructed, installed or equipped  
12 pursuant to, contracts entered into before March 1, 1996 (but  
13 not including any amendments to such a contract taking effect  
14 on or after that date); (k) made to fund expenses of providing  
15 joint recreational programs for the handicapped under Section  
16 5-8 of the Park District Code or Section 11-95-14 of the  
17 Illinois Municipal Code; (l) made for contributions to a  
18 firefighter's pension fund created under Article 4 of the  
19 Illinois Pension Code, to the extent of the amount certified  
20 under item (5) of Section 4-134 of the Illinois Pension Code;  
21 ~~and~~ (m) made for the taxing district to pay interest or  
22 principal on general obligation bonds issued pursuant to  
23 Section 19-3.10 of the School Code; and (n) made by any taxing  
24 district for payment of that district's share of the amounts  
25 required to be contributed to any pension fund created under  
26 the Illinois Pension Code.

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

1 commission lease when the lease payments are for the retirement  
2 of bonds issued by the commission before the effective date of  
3 this amendatory Act of 1997 to pay for the building project;  
4 (g) made for payments due under installment contracts entered  
5 into before the effective date of this amendatory Act of 1997;  
6 (h) made for payments of principal and interest on limited  
7 bonds, as defined in Section 3 of the Local Government Debt  
8 Reform Act, in an amount not to exceed the debt service  
9 extension base less the amount in items (b), (c), and (e) of  
10 this definition for non-referendum obligations, except  
11 obligations initially issued pursuant to referendum; (i) made  
12 for payments of principal and interest on bonds issued under  
13 Section 15 of the Local Government Debt Reform Act; (j) made  
14 for a qualified airport authority to pay interest or principal  
15 on general obligation bonds issued for the purpose of paying  
16 obligations due under, or financing airport facilities  
17 required to be acquired, constructed, installed or equipped  
18 pursuant to, contracts entered into before March 1, 1996 (but  
19 not including any amendments to such a contract taking effect  
20 on or after that date); (k) made to fund expenses of providing  
21 joint recreational programs for the handicapped under Section  
22 5-8 of the Park District Code or Section 11-95-14 of the  
23 Illinois Municipal Code; ~~and~~ (l) made for contributions to a  
24 firefighter's pension fund created under Article 4 of the  
25 Illinois Pension Code, to the extent of the amount certified  
26 under item (5) of Section 4-134 of the Illinois Pension Code;

1 and (m) made by any taxing district for payment of that  
2 district's share of the amounts required to be contributed to  
3 any pension fund created under the Illinois Pension Code.

4 "Debt service extension base" means an amount equal to that  
5 portion of the extension for a taxing district for the 1994  
6 levy year, or for those taxing districts subject to this Law in  
7 accordance with Section 18-213, except for those subject to  
8 paragraph (2) of subsection (e) of Section 18-213, for the levy  
9 year in which the referendum making this Law applicable to the  
10 taxing district is held, or for those taxing districts subject  
11 to this Law in accordance with paragraph (2) of subsection (e)  
12 of Section 18-213 for the 1996 levy year, constituting an  
13 extension for payment of principal and interest on bonds issued  
14 by the taxing district without referendum, but not including  
15 excluded non-referendum bonds. For park districts (i) that were  
16 first subject to this Law in 1991 or 1995 and (ii) whose  
17 extension for the 1994 levy year for the payment of principal  
18 and interest on bonds issued by the park district without  
19 referendum (but not including excluded non-referendum bonds)  
20 was less than 51% of the amount for the 1991 levy year  
21 constituting an extension for payment of principal and interest  
22 on bonds issued by the park district without referendum (but  
23 not including excluded non-referendum bonds), "debt service  
24 extension base" means an amount equal to that portion of the  
25 extension for the 1991 levy year constituting an extension for  
26 payment of principal and interest on bonds issued by the park

1 district without referendum (but not including excluded  
2 non-referendum bonds). A debt service extension base  
3 established or increased at any time pursuant to any provision  
4 of this Law, except Section 18-212, shall be increased each  
5 year commencing with the later of (i) the 2009 levy year or  
6 (ii) the first levy year in which this Law becomes applicable  
7 to the taxing district, by the lesser of 5% or the percentage  
8 increase in the Consumer Price Index during the 12-month  
9 calendar year preceding the levy year. The debt service  
10 extension base may be established or increased as provided  
11 under Section 18-212. "Excluded non-referendum bonds" means  
12 (i) bonds authorized by Public Act 88-503 and issued under  
13 Section 20a of the Chicago Park District Act for aquarium and  
14 museum projects; (ii) bonds issued under Section 15 of the  
15 Local Government Debt Reform Act; or (iii) refunding  
16 obligations issued to refund or to continue to refund  
17 obligations initially issued pursuant to referendum.

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

26 "Aggregate extension base" means the taxing district's

1 last preceding aggregate extension as adjusted under Sections  
2 18-135, 18-215, and 18-230. An adjustment under Section 18-135  
3 shall be made for the 2007 levy year and all subsequent levy  
4 years whenever one or more counties within which a taxing  
5 district is located (i) used estimated valuations or rates when  
6 extending taxes in the taxing district for the last preceding  
7 levy year that resulted in the over or under extension of  
8 taxes, or (ii) increased or decreased the tax extension for the  
9 last preceding levy year as required by Section 18-135(c).  
10 Whenever an adjustment is required under Section 18-135, the  
11 aggregate extension base of the taxing district shall be equal  
12 to the amount that the aggregate extension of the taxing  
13 district would have been for the last preceding levy year if  
14 either or both (i) actual, rather than estimated, valuations or  
15 rates had been used to calculate the extension of taxes for the  
16 last levy year, or (ii) the tax extension for the last  
17 preceding levy year had not been adjusted as required by  
18 subsection (c) of Section 18-135.

19 "Levy year" has the same meaning as "year" under Section  
20 1-155.

21 "New property" means (i) the assessed value, after final  
22 board of review or board of appeals action, of new improvements  
23 or additions to existing improvements on any parcel of real  
24 property that increase the assessed value of that real property  
25 during the levy year multiplied by the equalization factor  
26 issued by the Department under Section 17-30, (ii) the assessed

1 value, after final board of review or board of appeals action,  
2 of real property not exempt from real estate taxation, which  
3 real property was exempt from real estate taxation for any  
4 portion of the immediately preceding levy year, multiplied by  
5 the equalization factor issued by the Department under Section  
6 17-30, including the assessed value, upon final stabilization  
7 of occupancy after new construction is complete, of any real  
8 property located within the boundaries of an otherwise or  
9 previously exempt military reservation that is intended for  
10 residential use and owned by or leased to a private corporation  
11 or other entity, and (iii) in counties that classify in  
12 accordance with Section 4 of Article IX of the Illinois  
13 Constitution, an incentive property's additional assessed  
14 value resulting from a scheduled increase in the level of  
15 assessment as applied to the first year final board of review  
16 market value. In addition, the county clerk in a county  
17 containing a population of 3,000,000 or more shall include in  
18 the 1997 recovered tax increment value for any school district,  
19 any recovered tax increment value that was applicable to the  
20 1995 tax year calculations.

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

25 "Recovered tax increment value" means, except as otherwise  
26 provided in this paragraph, the amount of the current year's



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

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

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

1 limiting rate increase has been approved at an election held  
2 after March 21, 2006, then (i) the otherwise applicable  
3 limiting rate shall be increased by the amount of the new rate  
4 or shall be reduced by the amount of the rate decrease, as the  
5 case may be, or (ii) in the case of a limiting rate increase,  
6 the limiting rate shall be equal to the rate set forth in the  
7 proposition approved by the voters for each of the years  
8 specified in the proposition, after which the limiting rate of  
9 the taxing district shall be calculated as otherwise provided.

10 (Source: P.A. 96-501, eff. 8-14-09; 96-517, eff. 8-14-09;  
11 96-1000, eff. 7-2-10; 96-1202, eff. 7-22-10; 97-611, eff.  
12 1-1-12.)

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.