



## 102ND GENERAL ASSEMBLY

### State of Illinois

### 2021 and 2022

### SB0088

Introduced 2/3/2021, by Sen. Win Stoller

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185  
65 ILCS 5/11-74.4-8

from Ch. 24, par. 11-74.4-8

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Provides that any ordinance adopting tax increment financing on or after the effective date of the amendatory Act shall specify a date for the dissolution of the special tax allocation fund and a date for the termination of the designation of the redevelopment project area. Provides that, within 90 days after the effective date of the amendatory Act, each municipality shall amend all existing tax increment financing ordinances to specify a date for the dissolution of the special tax allocation fund and a date for termination of the designation of the redevelopment project area. Provides that municipalities shall notify affected taxing districts of the termination of redevelopment project areas by July 1 (currently, November 1) of the calendar year in which the redevelopment project area is terminated. Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that, if a municipality has failed to provide timely notice to all taxing bodies of the termination of a redevelopment project area and the county clerk has been notified of that failure, then "recovered tax increment value" means the amount of the current year's equalized assessed value in the first year beginning at least 60 days after the notice has been provided.

LRB102 04160 HLH 14177 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  
8 may be cited as the Property Tax Extension Limitation Law. As  
9 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 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  
2 counties contiguous to a county with 3,000,000 or more  
3 inhabitants. Beginning with the 1995 levy year, "taxing  
4 district" includes only each non-home rule taxing district  
5 subject to this Law before the 1995 levy year and each non-home  
6 rule taxing district not subject to this Law before the 1995  
7 levy year having the majority of its 1994 equalized assessed  
8 value in an affected county or counties. Beginning with the  
9 levy year in which this Law becomes applicable to a taxing  
10 district as provided in Section 18-213, "taxing district" also  
11 includes those taxing districts made subject to this Law as  
12 provided in 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  
20 for any taxing district to pay interest or principal on  
21 general obligation bonds issued before October 1, 1991; (c)  
22 made for any taxing district to pay interest or principal on  
23 bonds issued to refund or continue to refund those bonds  
24 issued before October 1, 1991; (d) made for any taxing  
25 district to pay interest or principal on bonds issued to  
26 refund or continue to refund bonds issued after October 1,

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

1 under Section 10-22.31 of the School Code, for payment of the  
2 school district's share of the amounts required to be  
3 contributed by the Special Education District of Lake County  
4 to the Illinois Municipal Retirement Fund under Article 7 of  
5 the Illinois Pension Code; the amount of any extension under  
6 this item (k) shall be certified by the school district to the  
7 county clerk; (l) made to fund expenses of providing joint  
8 recreational programs for persons with disabilities under  
9 Section 5-8 of the Park District Code or Section 11-95-14 of  
10 the Illinois Municipal Code; (m) made for temporary relocation  
11 loan repayment purposes pursuant to Sections 2-3.77 and  
12 17-2.2d of the School Code; (n) made for payment of principal  
13 and interest on any bonds issued under the authority of  
14 Section 17-2.2d of the School Code; (o) made for contributions  
15 to a firefighter's pension fund created under Article 4 of the  
16 Illinois Pension Code, to the extent of the amount certified  
17 under item (5) of Section 4-134 of the Illinois Pension Code;  
18 and (p) made for road purposes in the first year after a  
19 township assumes the rights, powers, duties, assets, property,  
20 liabilities, obligations, and responsibilities of a road  
21 district abolished under the provisions of Section 6-133 of  
22 the Illinois Highway Code.

23 "Aggregate extension" for the taxing districts to which  
24 this Law did not apply before the 1995 levy year (except taxing  
25 districts subject to this Law in accordance with Section  
26 18-213) means the annual corporate extension for the taxing

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

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

1 Section 5-8 of the Park District Code or Section 11-95-14 of  
2 the Illinois Municipal Code; (o) made by the Chicago Park  
3 District for recreational programs for persons with  
4 disabilities under subsection (c) of Section 7.06 of the  
5 Chicago Park District Act; (p) made for contributions to a  
6 firefighter's pension fund created under Article 4 of the  
7 Illinois Pension Code, to the extent of the amount certified  
8 under item (5) of Section 4-134 of the Illinois Pension Code;  
9 (q) made by Ford Heights School District 169 under Section  
10 17-9.02 of the School Code; and (r) made for the purpose of  
11 making employer contributions to the Public School Teachers'  
12 Pension and Retirement Fund of Chicago under Section 34-53 of  
13 the School Code.

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



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

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

23 "Aggregate extension" for all taxing districts to which  
24 this Law applies in accordance with paragraph (2) of  
25 subsection (e) of Section 18-213 means the annual corporate  
26 extension for the taxing district and those special purpose

1 extensions that are made annually for the taxing district,  
2 excluding special purpose extensions: (a) made for the taxing  
3 district to pay interest or principal on general obligation  
4 bonds that were approved by referendum; (b) made for any  
5 taxing district to pay interest or principal on general  
6 obligation bonds issued before March 7, 1997 (the effective  
7 date of Public Act 89-718) ~~this amendatory Act of 1997~~; (c)  
8 made for any taxing district to pay interest or principal on  
9 bonds issued to refund or continue to refund those bonds  
10 issued before March 7, 1997 (the effective date of Public Act  
11 89-718) ~~this amendatory Act of 1997~~; (d) made for any taxing  
12 district to pay interest or principal on bonds issued to  
13 refund or continue to refund bonds issued after March 7, 1997  
14 (the effective date of Public Act 89-718) ~~this amendatory Act~~  
15 ~~of 1997~~ if the bonds were approved by referendum after March 7,  
16 1997 (the effective date of Public Act 89-718) ~~this amendatory~~  
17 ~~Act of 1997~~; (e) made for any taxing district to pay interest  
18 or principal on revenue bonds issued before March 7, 1997 (the  
19 effective date of Public Act 89-718) ~~this amendatory Act of~~  
20 ~~1997~~ for payment of which a property tax levy or the full faith  
21 and credit of the unit of local government is pledged;  
22 however, a tax for the payment of interest or principal on  
23 those bonds shall be made only after the governing body of the  
24 unit of local government finds that all other sources for  
25 payment are insufficient to make those payments; (f) made for  
26 payments under a building commission lease when the lease

1 payments are for the retirement of bonds issued by the  
2 commission before March 7, 1997 (the effective date of Public  
3 Act 89-718) ~~this amendatory Act of 1997~~ to pay for the building  
4 project; (g) made for payments due under installment contracts  
5 entered into before March 7, 1997 (the effective date of  
6 Public Act 89-718) ~~this amendatory Act of 1997~~; (h) made for  
7 payments of principal and interest on limited bonds, as  
8 defined in Section 3 of the Local Government Debt Reform Act,  
9 in an amount not to exceed the debt service extension base less  
10 the amount in items (b), (c), and (e) of this definition for  
11 non-referendum obligations, except obligations initially  
12 issued pursuant to referendum; (i) made for payments of  
13 principal and interest on bonds issued under Section 15 of the  
14 Local Government Debt Reform Act; (j) made for a qualified  
15 airport authority to pay interest or principal on general  
16 obligation bonds issued for the purpose of paying obligations  
17 due under, or financing airport facilities required to be  
18 acquired, constructed, installed or equipped pursuant to,  
19 contracts entered into before March 1, 1996 (but not including  
20 any amendments to such a contract taking effect on or after  
21 that date); (k) made to fund expenses of providing joint  
22 recreational programs for persons with disabilities under  
23 Section 5-8 of the Park District Code or Section 11-95-14 of  
24 the Illinois Municipal Code; and (l) made for contributions to  
25 a firefighter's pension fund created under Article 4 of the  
26 Illinois Pension Code, to the extent of the amount certified

1 under item (5) of Section 4-134 of the Illinois Pension Code.

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

1 A debt service extension base established or increased at any  
2 time pursuant to any provision of this Law, except Section  
3 18-212, shall be increased each year commencing with the later  
4 of (i) the 2009 levy year or (ii) the first levy year in which  
5 this Law becomes applicable to the taxing district, by the  
6 lesser of 5% or the percentage increase in the Consumer Price  
7 Index during the 12-month calendar year preceding the levy  
8 year. The debt service extension base may be established or  
9 increased as provided under Section 18-212. "Excluded  
10 non-referendum bonds" means (i) bonds authorized by Public Act  
11 88-503 and issued under Section 20a of the Chicago Park  
12 District Act for aquarium and museum projects; (ii) bonds  
13 issued under Section 15 of the Local Government Debt Reform  
14 Act; or (iii) refunding obligations issued to refund or to  
15 continue to refund obligations initially issued pursuant to  
16 referendum.

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

25 "Aggregate extension base" means the taxing district's  
26 last preceding aggregate extension as adjusted under Sections

1 18-135, 18-215, 18-230, and 18-206. An adjustment under  
2 Section 18-135 shall be made for the 2007 levy year and all  
3 subsequent levy years whenever one or more counties within  
4 which a taxing district is located (i) used estimated  
5 valuations or rates when extending taxes in the taxing  
6 district for the last preceding levy year that resulted in the  
7 over or under extension of taxes, or (ii) increased or  
8 decreased the tax extension for the last preceding levy year  
9 as required by Section 18-135(c). Whenever an adjustment is  
10 required under Section 18-135, the aggregate extension base of  
11 the taxing district shall be equal to the amount that the  
12 aggregate extension of the taxing district would have been for  
13 the last preceding levy year if either or both (i) actual,  
14 rather than estimated, valuations or rates had been used to  
15 calculate the extension of taxes for the last levy year, or  
16 (ii) the tax extension for the last preceding levy year had not  
17 been adjusted as required by subsection (c) of Section 18-135.

18 Notwithstanding any other provision of law, for levy year  
19 2012, the aggregate extension base for West Northfield School  
20 District No. 31 in Cook County shall be \$12,654,592.

21 "Levy year" has the same meaning as "year" under Section  
22 1-155.

23 "New property" means (i) the assessed value, after final  
24 board of review or board of appeals action, of new  
25 improvements or additions to existing improvements on any  
26 parcel of real property that increase the assessed value of

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



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

5 "Recovered tax increment value" means, except as otherwise  
6 provided in this paragraph, the amount of the current year's  
7 equalized assessed value, in the first year after a  
8 municipality terminates the designation of an area as a  
9 redevelopment project area previously established under the  
10 Tax Increment Allocation Redevelopment ~~Development~~ Act in the  
11 Illinois Municipal Code, previously established under the  
12 Industrial Jobs Recovery Law in the Illinois Municipal Code,  
13 previously established under the Economic Development Project  
14 Area Tax Increment Act of 1995, or previously established  
15 under the Economic Development Area Tax Increment Allocation  
16 Act, of each taxable lot, block, tract, or parcel of real  
17 property in the redevelopment project area over and above the  
18 initial equalized assessed value of each property in the  
19 redevelopment project area. If a municipality has failed to  
20 provide timely notice to all taxing bodies of the termination  
21 of a redevelopment project area under Section 11-74.4-8 of the  
22 Illinois Municipal Code and the county clerk has been notified  
23 of that failure, then "recovered tax increment value" means  
24 the amount of the current year's equalized assessed value in  
25 the first year beginning at least 60 days after the notice has  
26 been provided. For the taxes which are extended for the 1997

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

1 property before removal from the 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 the  
8 jurisdiction of the taxing district during the prior levy  
9 year. For those taxing districts that reduced their aggregate  
10 extension for the last preceding levy year, except for school  
11 districts that reduced their extension for educational  
12 purposes pursuant to Section 18-206, the highest aggregate  
13 extension in any of the last 3 preceding levy years shall be  
14 used for the purpose of computing the limiting rate. The  
15 denominator shall not include new property or the recovered  
16 tax increment value. If a new rate, a rate decrease, or a  
17 limiting rate increase has been approved at an election held  
18 after March 21, 2006, then (i) the otherwise applicable  
19 limiting rate shall be increased by the amount of the new rate  
20 or shall be reduced by the amount of the rate decrease, as the  
21 case may be, or (ii) in the case of a limiting rate increase,  
22 the limiting rate shall be equal to the rate set forth in the  
23 proposition approved by the voters for each of the years  
24 specified in the proposition, after which the limiting rate of  
25 the taxing district shall be calculated as otherwise provided.  
26 In the case of a taxing district that obtained referendum

1 approval for an increased limiting rate on March 20, 2012, the  
2 limiting rate for tax year 2012 shall be the rate that  
3 generates the approximate total amount of taxes extendable for  
4 that tax year, as set forth in the proposition approved by the  
5 voters; this rate shall be the final rate applied by the county  
6 clerk for the aggregate of all capped funds of the district for  
7 tax year 2012.

8 (Source: P.A. 99-143, eff. 7-27-15; 99-521, eff. 6-1-17;  
9 100-465, eff. 8-31-17; revised 8-12-19.)

10 Section 10. The Illinois Municipal Code is amended by  
11 changing Section 11-74.4-8 as follows:

12 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

13 Sec. 11-74.4-8. Tax increment allocation financing. A  
14 municipality may not adopt tax increment financing in a  
15 redevelopment project area after July 30, 1997 (the effective  
16 date of Public Act 90-258) ~~this amendatory Act of 1997~~ that  
17 will encompass an area that is currently included in an  
18 enterprise zone created under the Illinois Enterprise Zone Act  
19 unless that municipality, pursuant to Section 5.4 of the  
20 Illinois Enterprise Zone Act, amends the enterprise zone  
21 designating ordinance to limit the eligibility for tax  
22 abatements as provided in Section 5.4.1 of the Illinois  
23 Enterprise Zone Act. A municipality, at the time a  
24 redevelopment project area is designated, may adopt tax

1 increment allocation financing by passing an ordinance  
2 providing that the ad valorem taxes, if any, arising from the  
3 levies upon taxable real property in such redevelopment  
4 project area by taxing districts and tax rates determined in  
5 the manner provided in paragraph (c) of Section 11-74.4-9 each  
6 year after the effective date of the ordinance until  
7 redevelopment project costs and all municipal obligations  
8 financing redevelopment project costs incurred under this  
9 Division have been paid shall be divided as follows, provided,  
10 however, that with respect to any redevelopment project area  
11 located within a transit facility improvement area established  
12 pursuant to Section 11-74.4-3.3 in a municipality with a  
13 population of 1,000,000 or more, ad valorem taxes, if any,  
14 arising from the levies upon taxable real property in such  
15 redevelopment project area shall be allocated as specifically  
16 provided in this Section:

17 (a) That portion of taxes levied upon each taxable  
18 lot, block, tract, or parcel of real property which is  
19 attributable to the lower of the current equalized  
20 assessed value or the initial equalized assessed value of  
21 each such taxable lot, block, tract, or parcel of real  
22 property in the redevelopment project area shall be  
23 allocated to and when collected shall be paid by the  
24 county collector to the respective affected taxing  
25 districts in the manner required by law in the absence of  
26 the adoption of tax increment allocation financing.

1           (b) Except from a tax levied by a township to retire  
2           bonds issued to satisfy court-ordered damages, that  
3           portion, if any, of such taxes which is attributable to  
4           the increase in the current equalized assessed valuation  
5           of each taxable lot, block, tract, or parcel of real  
6           property in the redevelopment project area over and above  
7           the initial equalized assessed value of each property in  
8           the project area shall be allocated to and when collected  
9           shall be paid to the municipal treasurer who shall deposit  
10          said taxes into a special fund called the special tax  
11          allocation fund of the municipality for the purpose of  
12          paying redevelopment project costs and obligations  
13          incurred in the payment thereof. In any county with a  
14          population of 3,000,000 or more that has adopted a  
15          procedure for collecting taxes that provides for one or  
16          more of the installments of the taxes to be billed and  
17          collected on an estimated basis, the municipal treasurer  
18          shall be paid for deposit in the special tax allocation  
19          fund of the municipality, from the taxes collected from  
20          estimated bills issued for property in the redevelopment  
21          project area, the difference between the amount actually  
22          collected from each taxable lot, block, tract, or parcel  
23          of real property within the redevelopment project area and  
24          an amount determined by multiplying the rate at which  
25          taxes were last extended against the taxable lot, block,  
26          tract ~~track~~, or parcel of real property in the manner

1 provided in subsection (c) of Section 11-74.4-9 by the  
2 initial equalized assessed value of the property divided  
3 by the number of installments in which real estate taxes  
4 are billed and collected within the county; provided that  
5 the payments on or before December 31, 1999 to a municipal  
6 treasurer shall be made only if each of the following  
7 conditions are met:

8 (1) The total equalized assessed value of the  
9 redevelopment project area as last determined was not  
10 less than 175% of the total initial equalized assessed  
11 value.

12 (2) Not more than 50% of the total equalized  
13 assessed value of the redevelopment project area as  
14 last determined is attributable to a piece of property  
15 assigned a single real estate index number.

16 (3) The municipal clerk has certified to the  
17 county clerk that the municipality has issued its  
18 obligations to which there has been pledged the  
19 incremental property taxes of the redevelopment  
20 project area or taxes levied and collected on any or  
21 all property in the municipality or the full faith and  
22 credit of the municipality to pay or secure payment  
23 for all or a portion of the redevelopment project  
24 costs. The certification shall be filed annually no  
25 later than September 1 for the estimated taxes to be  
26 distributed in the following year; however, for the

1 year 1992 the certification shall be made at any time  
2 on or before March 31, 1992.

3 (4) The municipality has not requested that the  
4 total initial equalized assessed value of real  
5 property be adjusted as provided in subsection (b) of  
6 Section 11-74.4-9.

7 The conditions of paragraphs (1) through (4) do not  
8 apply after December 31, 1999 to payments to a municipal  
9 treasurer made by a county with 3,000,000 or more  
10 inhabitants that has adopted an estimated billing  
11 procedure for collecting taxes. If a county that has  
12 adopted the estimated billing procedure makes an erroneous  
13 overpayment of tax revenue to the municipal treasurer,  
14 then the county may seek a refund of that overpayment. The  
15 county shall send the municipal treasurer a notice of  
16 liability for the overpayment on or before the mailing  
17 date of the next real estate tax bill within the county.  
18 The refund shall be limited to the amount of the  
19 overpayment.

20 It is the intent of this Division that after July 29,  
21 1988 (the effective date of Public Act 85-1142) ~~this~~  
22 ~~amendatory Act of 1988~~ a municipality's own ad valorem tax  
23 arising from levies on taxable real property be included  
24 in the determination of incremental revenue in the manner  
25 provided in paragraph (c) of Section 11-74.4-9. If the  
26 municipality does not extend such a tax, it shall annually



1 deposit in the municipality's Special Tax Increment Fund  
2 an amount equal to 10% of the total contributions to the  
3 fund from all other taxing districts in that year. The  
4 annual 10% deposit required by this paragraph shall be  
5 limited to the actual amount of municipally produced  
6 incremental tax revenues available to the municipality  
7 from taxpayers located in the redevelopment project area  
8 in that year if: (a) the plan for the area restricts the  
9 use of the property primarily to industrial purposes, (b)  
10 the municipality establishing the redevelopment project  
11 area is a home rule ~~home-rule~~ community with a 1990  
12 population of between 25,000 and 50,000, (c) the  
13 municipality is wholly located within a county with a 1990  
14 population of over 750,000 and (d) the redevelopment  
15 project area was established by the municipality prior to  
16 June 1, 1990. This payment shall be in lieu of a  
17 contribution of ad valorem taxes on real property. If no  
18 such payment is made, any redevelopment project area of  
19 the municipality shall be dissolved.

20 If a municipality has adopted tax increment allocation  
21 financing by ordinance and the County Clerk thereafter  
22 certifies the "total initial equalized assessed value as  
23 adjusted" of the taxable real property within such  
24 redevelopment project area in the manner provided in  
25 paragraph (b) of Section 11-74.4-9, each year after the  
26 date of the certification of the total initial equalized

1        assessed value as adjusted until redevelopment project  
2        costs and all municipal obligations financing  
3        redevelopment project costs have been paid the ad valorem  
4        taxes, if any, arising from the levies upon the taxable  
5        real property in such redevelopment project area by taxing  
6        districts and tax rates determined in the manner provided  
7        in paragraph (c) of Section 11-74.4-9 shall be divided as  
8        follows, provided, however, that with respect to any  
9        redevelopment project area located within a transit  
10       facility improvement area established pursuant to Section  
11       11-74.4-3.3 in a municipality with a population of  
12       1,000,000 or more, ad valorem taxes, if any, arising from  
13       the levies upon the taxable real property in such  
14       redevelopment project area shall be allocated as  
15       specifically provided in this Section:

16                (1) That portion of the taxes levied upon each  
17       taxable lot, block, tract, or parcel of real property  
18       which is attributable to the lower of the current  
19       equalized assessed value or "current equalized  
20       assessed value as adjusted" or the initial equalized  
21       assessed value of each such taxable lot, block, tract,  
22       or parcel of real property existing at the time tax  
23       increment financing was adopted, minus the total  
24       current homestead exemptions under Article 15 of the  
25       Property Tax Code in the redevelopment project area  
26       shall be allocated to and when collected shall be paid

1 by the county collector to the respective affected  
2 taxing districts in the manner required by law in the  
3 absence of the adoption of tax increment allocation  
4 financing.

5 (2) That portion, if any, of such taxes which is  
6 attributable to the increase in the current equalized  
7 assessed valuation of each taxable lot, block, tract,  
8 or parcel of real property in the redevelopment  
9 project area, over and above the initial equalized  
10 assessed value of each property existing at the time  
11 tax increment financing was adopted, minus the total  
12 current homestead exemptions pertaining to each piece  
13 of property provided by Article 15 of the Property Tax  
14 Code in the redevelopment project area, shall be  
15 allocated to and when collected shall be paid to the  
16 municipal Treasurer, who shall deposit said taxes into  
17 a special fund called the special tax allocation fund  
18 of the municipality for the purpose of paying  
19 redevelopment project costs and obligations incurred  
20 in the payment thereof.

21 The municipality may pledge in the ordinance the funds  
22 in and to be deposited in the special tax allocation fund  
23 for the payment of such costs and obligations. No part of  
24 the current equalized assessed valuation of each property  
25 in the redevelopment project area attributable to any  
26 increase above the total initial equalized assessed value,

1 or the total initial equalized assessed value as adjusted,  
2 of such properties shall be used in calculating the  
3 general State aid formula, provided for in Section 18-8 of  
4 the School Code, or the evidence-based funding formula,  
5 provided for in Section 18-8.15 of the School Code, until  
6 such time as all redevelopment project costs have been  
7 paid as provided for in this Section.

8 Whenever a municipality issues bonds for the purpose  
9 of financing redevelopment project costs, such  
10 municipality may provide by ordinance for the appointment  
11 of a trustee, which may be any trust company within the  
12 State, and for the establishment of such funds or accounts  
13 to be maintained by such trustee as the municipality shall  
14 deem necessary to provide for the security and payment of  
15 the bonds. If such municipality provides for the  
16 appointment of a trustee, such trustee shall be considered  
17 the assignee of any payments assigned by the municipality  
18 pursuant to such ordinance and this Section. Any amounts  
19 paid to such trustee as assignee shall be deposited in the  
20 funds or accounts established pursuant to such trust  
21 agreement, and shall be held by such trustee in trust for  
22 the benefit of the holders of the bonds, and such holders  
23 shall have a lien on and a security interest in such funds  
24 or accounts so long as the bonds remain outstanding and  
25 unpaid. Upon retirement of the bonds, the trustee shall  
26 pay over any excess amounts held to the municipality for

1 deposit in the special tax allocation fund.

2 When such redevelopment projects costs, including,  
3 without limitation, all municipal obligations financing  
4 redevelopment project costs incurred under this Division,  
5 have been paid, all surplus funds then remaining in the  
6 special tax allocation fund shall be distributed by being  
7 paid by the municipal treasurer to the Department of  
8 Revenue, the municipality and the county collector; first  
9 to the Department of Revenue and the municipality in  
10 direct proportion to the tax incremental revenue received  
11 from the State and the municipality, but not to exceed the  
12 total incremental revenue received from the State or the  
13 municipality less any annual surplus distribution of  
14 incremental revenue previously made; with any remaining  
15 funds to be paid to the County Collector who shall  
16 immediately thereafter pay said funds to the taxing  
17 districts in the redevelopment project area in the same  
18 manner and proportion as the most recent distribution by  
19 the county collector to the affected districts of real  
20 property taxes from real property in the redevelopment  
21 project area.

22 Upon the payment of all redevelopment project costs,  
23 the retirement of obligations, the distribution of any  
24 excess monies pursuant to this Section, and final closing  
25 of the books and records of the redevelopment project  
26 area, the municipality, if it has not already done so,

1 shall adopt an ordinance dissolving the special tax  
2 allocation fund for the redevelopment project area and  
3 terminating the designation of the redevelopment project  
4 area as a redevelopment project area. Title to real or  
5 personal property and public improvements acquired by or  
6 for the municipality as a result of the redevelopment  
7 project and plan shall vest in the municipality when  
8 acquired and shall continue to be held by the municipality  
9 after the redevelopment project area has been terminated.  
10 Municipalities shall notify affected taxing districts  
11 prior to July 1 ~~November 1~~ if the redevelopment project  
12 area is to be terminated by December 31 of that same year.  
13 If a municipality extends estimated dates of completion of  
14 a redevelopment project and retirement of obligations to  
15 finance a redevelopment project, as allowed by Public Act  
16 87-1272 ~~this amendatory Act of 1993~~, that extension shall  
17 not extend the property tax increment allocation financing  
18 authorized by this Section. Thereafter the rates of the  
19 taxing districts shall be extended and taxes levied,  
20 collected and distributed in the manner applicable in the  
21 absence of the adoption of tax increment allocation  
22 financing.

23 After the effective date of this amendatory Act of the  
24 102nd General Assembly, any new ordinance adopting tax  
25 increment financing in a redevelopment project area shall  
26 specify a date for the dissolution of the special tax

1 allocation fund for the redevelopment project area and a  
2 date for the termination of the designation of the  
3 redevelopment project area as a redevelopment project  
4 area. The municipality may amend the ordinance at any time  
5 to change the date of termination. No later than 90 days  
6 after the effective date of this amendatory Act of the  
7 102nd66666 General Assembly, each municipality shall amend  
8 all existing tax increment financing ordinances to specify  
9 a date for the dissolution of the special tax allocation  
10 fund for the redevelopment project area and a date for  
11 termination of the designation of the redevelopment  
12 project area as a redevelopment project area. The date of  
13 termination as originally designated or designated by the  
14 amendment of the ordinance shall be consistent with the  
15 terms of Section 11-74.4-3.5.

16 If a municipality with a population of 1,000,000 or  
17 more has adopted by ordinance tax increment allocation  
18 financing for a redevelopment project area located in a  
19 transit facility improvement area established pursuant to  
20 Section 11-74.4-3.3, for each year after the effective  
21 date of the ordinance until redevelopment project costs  
22 and all municipal obligations financing redevelopment  
23 project costs have been paid, the ad valorem taxes, if  
24 any, arising from the levies upon the taxable real  
25 property in that redevelopment project area by taxing  
26 districts and tax rates determined in the manner provided

1 in paragraph (c) of Section 11-74.4-9 shall be divided as  
2 follows:

3 (1) That portion of the taxes levied upon each  
4 taxable lot, block, tract, or parcel of real property  
5 which is attributable to the lower of (i) the current  
6 equalized assessed value or "current equalized  
7 assessed value as adjusted" or (ii) the initial  
8 equalized assessed value of each such taxable lot,  
9 block, tract, or parcel of real property existing at  
10 the time tax increment financing was adopted, minus  
11 the total current homestead exemptions under Article  
12 15 of the Property Tax Code in the redevelopment  
13 project area shall be allocated to and when collected  
14 shall be paid by the county collector to the  
15 respective affected taxing districts in the manner  
16 required by law in the absence of the adoption of tax  
17 increment allocation financing.

18 (2) That portion, if any, of such taxes which is  
19 attributable to the increase in the current equalized  
20 assessed valuation of each taxable lot, block, tract,  
21 or parcel of real property in the redevelopment  
22 project area, over and above the initial equalized  
23 assessed value of each property existing at the time  
24 tax increment financing was adopted, minus the total  
25 current homestead exemptions pertaining to each piece  
26 of property provided by Article 15 of the Property Tax



1 Code in the redevelopment project area, shall be  
2 allocated to and when collected shall be paid by the  
3 county collector as follows:

4 (A) First, that portion which would be payable  
5 to a school district whose boundaries are  
6 coterminous with such municipality in the absence  
7 of the adoption of tax increment allocation  
8 financing, shall be paid to such school district  
9 in the manner required by law in the absence of the  
10 adoption of tax increment allocation financing;  
11 then

12 (B) 80% of the remaining portion shall be paid  
13 to the municipal Treasurer, who shall deposit said  
14 taxes into a special fund called the special tax  
15 allocation fund of the municipality for the  
16 purpose of paying redevelopment project costs and  
17 obligations incurred in the payment thereof; and  
18 then

19 (C) 20% of the remaining portion shall be paid  
20 to the respective affected taxing districts, other  
21 than the school district described in clause (a)  
22 above, in the manner required by law in the  
23 absence of the adoption of tax increment  
24 allocation financing.

25 Nothing in this Section shall be construed as relieving  
26 property in such redevelopment project areas from being

1 assessed as provided in the Property Tax Code or as relieving  
2 owners of such property from paying a uniform rate of taxes, as  
3 required by Section 4 of Article IX of the Illinois  
4 Constitution.

5 (Source: P.A. 99-792, eff. 8-12-16; 100-465, eff. 8-31-17;  
6 revised 8-8-19.)