

1 AN ACT concerning taxes.

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

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

6 (35 ILCS 200/18-185)

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

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

13 "Extension limitation" means (a) the lesser of 5% or the
14 percentage increase in the Consumer Price Index during the
15 12-month calendar year preceding the levy year or (b) the
16 rate of increase approved by voters under Section 18-205.

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

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

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

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

1 1991; (i) made for payments of principal and interest on
2 limited bonds, as defined in Section 3 of the Local
3 Government Debt Reform Act, in an amount not to exceed the
4 debt service extension base less the amount in items (b),
5 (c), (e), and (h) of this definition for non-referendum
6 obligations, except obligations initially issued pursuant to
7 referendum; (j) made for payments of principal and interest
8 on bonds issued under Section 15 of the Local Government Debt
9 Reform Act; and (k) made by a school district that
10 participates in the Special Education District of Lake
11 County, created by special education joint agreement under
12 Section 10-22.31 of the School Code, for payment of the
13 school district's share of the amounts required to be
14 contributed by the Special Education District of Lake County
15 to the Illinois Municipal Retirement Fund under Article 7 of
16 the Illinois Pension Code; the amount of any extension under
17 this item (k) shall be certified by the school district to
18 the county clerk; and (l) made by a school district for the
19 purpose of compliance with the Health/Life Safety Code for
20 Public Schools under Section 2-3.12 of the School Code if, on
21 January 1, 2003, the school district does not have any bonded
22 indebtedness.

23 "Aggregate extension" for the taxing districts to which
24 this Law did not apply before the 1995 levy year (except
25 taxing districts subject to this Law in accordance with
26 Section 18-213) means the annual corporate extension for the
27 taxing district and those special purpose extensions that are
28 made annually for the taxing district, excluding special
29 purpose extensions: (a) made for the taxing district to pay
30 interest or principal on general obligation bonds that were
31 approved by referendum; (b) made for any taxing district to
32 pay interest or principal on general obligation bonds issued
33 before March 1, 1995; (c) made for any taxing district to pay
34 interest or principal on bonds issued to refund or continue

1 to refund those bonds issued before March 1, 1995; (d) made
2 for any taxing district to pay interest or principal on bonds
3 issued to refund or continue to refund bonds issued after
4 March 1, 1995 that were approved by referendum; (e) made for
5 any taxing district to pay interest or principal on revenue
6 bonds issued before March 1, 1995 for payment of which a
7 property tax levy or the full faith and credit of the unit of
8 local government is pledged; however, a tax for the payment
9 of interest or principal on those bonds shall be made only
10 after the governing body of the unit of local government
11 finds that all other sources for payment are insufficient to
12 make those payments; (f) made for payments under a building
13 commission lease when the lease payments are for the
14 retirement of bonds issued by the commission before March 1,
15 1995 to pay for the building project; (g) made for payments
16 due under installment contracts entered into before March 1,
17 1995; (h) made for payments of principal and interest on
18 bonds issued under the Metropolitan Water Reclamation
19 District Act to finance construction projects initiated
20 before October 1, 1991; (i) made for payments of principal
21 and interest on limited bonds, as defined in Section 3 of the
22 Local Government Debt Reform Act, in an amount not to exceed
23 the debt service extension base less the amount in items (b),
24 (c), and (e) of this definition for non-referendum
25 obligations, except obligations initially issued pursuant to
26 referendum and bonds described in subsection (h) of this
27 definition; (j) made for payments of principal and interest
28 on bonds issued under Section 15 of the Local Government Debt
29 Reform Act; (k) made for payments of principal and interest
30 on bonds authorized by Public Act 88-503 and issued under
31 Section 20a of the Chicago Park District Act for aquarium or
32 museum projects; (l) made for payments of principal and
33 interest on bonds authorized by Public Act 87-1191 and issued
34 under Section 42 of the Cook County Forest Preserve District

1 Act for zoological park projects; and (m) made pursuant to
2 Section 34-53.5 of the School Code, whether levied annually
3 or not.

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

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

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
27 extensions that are made annually for the taxing district,
28 excluding special purpose extensions: (a) made for the taxing
29 district to pay interest or principal on general obligation
30 bonds that were approved by referendum; (b) made for any
31 taxing district to pay interest or principal on general
32 obligation bonds issued before the effective date of this
33 amendatory Act of 1997; (c) made for any taxing district to
34 pay interest or principal on bonds issued to refund or

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

1 such a contract taking effect on or after that date).

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

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

29 "Aggregate extension base" means the taxing district's
30 last preceding aggregate extension as adjusted under Sections
31 18-215 through 18-230.

32 "Levy year" has the same meaning as "year" under Section
33 1-155.

34 "New property" means (i) the assessed value, after final

1 board of review or board of appeals action, of new
2 improvements or additions to existing improvements on any
3 parcel of real property that increase the assessed value of
4 that real property during the levy year multiplied by the
5 equalization factor issued by the Department under Section
6 17-30 and (ii) the assessed value, after final board of
7 review or board of appeals action, of real property not
8 exempt from real estate taxation, which real property was
9 exempt from real estate taxation for any portion of the
10 immediately preceding levy year, multiplied by the
11 equalization factor issued by the Department under Section
12 17-30. In addition, the county clerk in a county containing a
13 population of 3,000,000 or more shall include in the 1997
14 recovered tax increment value for any school district, any
15 recovered tax increment value that was applicable to the 1995
16 tax year calculations.

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

21 "Recovered tax increment value" means, except as
22 otherwise provided in this paragraph, the amount of the
23 current year's equalized assessed value, in the first year
24 after a municipality terminates the designation of an area as
25 a redevelopment project area previously established under the
26 Tax Increment Allocation Development Act in the Illinois
27 Municipal Code, previously established under the Industrial
28 Jobs Recovery Law in the Illinois Municipal Code, or
29 previously established under the Economic Development Area
30 Tax Increment Allocation Act, of each taxable lot, block,
31 tract, or parcel of real property in the redevelopment
32 project area over and above the initial equalized assessed
33 value of each property in the redevelopment project area. For
34 the taxes which are extended for the 1997 levy year, the

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

29 Except as otherwise provided in this Section, "limiting
30 rate" means a fraction the numerator of which is the last
31 preceding aggregate extension base times an amount equal to
32 one plus the extension limitation defined in this Section and
33 the denominator of which is the current year's equalized
34 assessed value of all real property in the territory under

1 the jurisdiction of the taxing district during the prior levy
2 year. For those taxing districts that reduced their
3 aggregate extension for the last preceding levy year, the
4 highest aggregate extension in any of the last 3 preceding
5 levy years shall be used for the purpose of computing the
6 limiting rate. The denominator shall not include new
7 property. The denominator shall not include the recovered
8 tax increment value.

9 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;
10 92-547, eff. 6-13-02.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.