

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 park district under  
19 Section 5-8 of the Park District Code to provide joint  
20 recreational programs for the handicapped.

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

1 issued to refund or continue to refund bonds issued after  
2 March 1, 1995 that were approved by referendum; (e) made for  
3 any taxing district to pay interest or principal on revenue  
4 bonds issued before March 1, 1995 for payment of which a  
5 property tax levy or the full faith and credit of the unit of  
6 local government is pledged; however, a tax for the payment  
7 of interest or principal on those bonds shall be made only  
8 after the governing body of the unit of local government  
9 finds that all other sources for payment are insufficient to  
10 make those payments; (f) made for payments under a building  
11 commission lease when the lease payments are for the  
12 retirement of bonds issued by the commission before March 1,  
13 1995 to pay for the building project; (g) made for payments  
14 due under installment contracts entered into before March 1,  
15 1995; (h) made for payments of principal and interest on  
16 bonds issued under the Metropolitan Water Reclamation  
17 District Act to finance construction projects initiated  
18 before October 1, 1991; (i) made for payments of principal  
19 and interest on limited bonds, as defined in Section 3 of the  
20 Local Government Debt Reform Act, in an amount not to exceed  
21 the debt service extension base less the amount in items (b),  
22 (c), and (e) of this definition for non-referendum  
23 obligations, except obligations initially issued pursuant to  
24 referendum and bonds described in subsection (h) of this  
25 definition; (j) made for payments of principal and interest  
26 on bonds issued under Section 15 of the Local Government Debt  
27 Reform Act; (k) made for payments of principal and interest  
28 on bonds authorized by Public Act 88-503 and issued under  
29 Section 20a of the Chicago Park District Act for aquarium or  
30 museum projects; (l) made for payments of principal and  
31 interest on bonds authorized by Public Act 87-1191 and issued  
32 under Section 42 of the Cook County Forest Preserve District  
33 Act for zoological park projects; and (m) made pursuant to  
34 Section 34-53.5 of the School Code, whether levied annually

1 or not; and (n) made by a park district under Section 5-8 of  
2 the Park District Code to provide joint recreational programs  
3 for the handicapped.

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); and (k)  
23 made by a park district under Section 5-8 of the Park  
24 District Code to provide joint recreational programs for the  
25 handicapped.

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

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

1 airport facilities required to be acquired, constructed,  
2 installed or equipped pursuant to, contracts entered into  
3 before March 1, 1996 (but not including any amendments to  
4 such a contract taking effect on or after that date); and (k)  
5 made by a park district under Section 5-8 of the Park  
6 District Code to provide joint recreational programs for the  
7 handicapped.

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

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



1 "Aggregate extension base" means the taxing district's  
2 last preceding aggregate extension as adjusted under Sections  
3 18-215 through 18-230.

4 "Levy year" has the same meaning as "year" under Section  
5 1-155.

6 "New property" means (i) the assessed value, after final  
7 board of review or board of appeals action, of new  
8 improvements or additions to existing improvements on any  
9 parcel of real property that increase the assessed value of  
10 that real property during the levy year multiplied by the  
11 equalization factor issued by the Department under Section  
12 17-30 and (ii) the assessed value, after final board of  
13 review or board of appeals action, of real property not  
14 exempt from real estate taxation, which real property was  
15 exempt from real estate taxation for any portion of the  
16 immediately preceding levy year, multiplied by the  
17 equalization factor issued by the Department under Section  
18 17-30. In addition, the county clerk in a county containing a  
19 population of 3,000,000 or more shall include in the 1997  
20 recovered tax increment value for any school district, any  
21 recovered tax increment value that was applicable to the 1995  
22 tax year calculations.

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

27 "Recovered tax increment value" means, except as  
28 otherwise provided in this paragraph, the amount of the  
29 current year's equalized assessed value, in the first year  
30 after a municipality terminates the designation of an area as  
31 a redevelopment project area previously established under the  
32 Tax Increment Allocation Development Act in the Illinois  
33 Municipal Code, previously established under the Industrial  
34 Jobs Recovery Law in the Illinois Municipal Code, or

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

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

15           (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;  
16 92-547, eff. 6-13-02.)