

1 AN ACT relating to schools.

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

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

6 (35 ILCS 200/18-185)

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

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

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

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

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

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

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

1 (b), (c), (e), and (h) of this definition for non-referendum
2 obligations, except obligations initially issued pursuant to
3 referendum; (j) made for payments of principal and interest on
4 bonds issued under Section 15 of the Local Government Debt
5 Reform Act; (k) made by a school district that participates in
6 the Special Education District of Lake County, created by
7 special education joint agreement under Section 10-22.31 of the
8 School Code, for payment of the school district's share of the
9 amounts required to be contributed by the Special Education
10 District of Lake County to the Illinois Municipal Retirement
11 Fund under Article 7 of the Illinois Pension Code; the amount
12 of any extension under this item (k) shall be certified by the
13 school district to the county clerk; ~~and~~ (l) made to fund
14 expenses of providing joint recreational programs for the
15 handicapped under Section 5-8 of the Park District Code or
16 Section 11-95-14 of the Illinois Municipal Code; (m) made for
17 temporary relocation loan repayment purposes pursuant to
18 Sections 2-3.77 and 17-2.2d of the School Code, and (n) made
19 for payment of principal and interest on any bonds issued under
20 the authority of Section 17-2.2d of the School Code.

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

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

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

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

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

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

1 issued to refund or continue to refund those bonds issued
2 before the effective date of this amendatory Act of 1997; (d)
3 made for any taxing district to pay interest or principal on
4 bonds issued to refund or continue to refund bonds issued after
5 the effective date of this amendatory Act of 1997 if the bonds
6 were approved by referendum after the effective date of this
7 amendatory Act of 1997; (e) made for any taxing district to pay
8 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 retirement
17 of bonds issued by the commission before the effective date of
18 this amendatory Act of 1997 to pay for the building project;
19 (g) made for payments due under installment contracts entered
20 into before the effective date of this amendatory Act of 1997;
21 (h) made for payments of principal and interest on limited
22 bonds, as defined in Section 3 of the Local Government Debt
23 Reform Act, in an amount not to exceed the debt service
24 extension base less the amount in items (b), (c), and (e) of
25 this definition for non-referendum obligations, except
26 obligations initially issued pursuant to referendum; (i) made
27 for payments of principal and interest on bonds issued under
28 Section 15 of the Local Government Debt Reform Act; (j) made
29 for a qualified airport authority to pay interest or principal
30 on general obligation bonds issued for the purpose of paying
31 obligations due under, or financing airport facilities
32 required to be acquired, constructed, installed or equipped
33 pursuant to, contracts entered into before March 1, 1996 (but
34 not including any amendments to such a contract taking effect
35 on or after that date); and (k) made to fund expenses of
36 providing joint recreational programs for the handicapped

1 under Section 5-8 of the Park District Code or Section 11-95-14
2 of the Illinois Municipal Code.

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

36 "Special purpose extensions" include, but are not limited

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

8 "Aggregate extension base" means the taxing district's
9 last preceding aggregate extension as adjusted under Sections
10 18-215 through 18-230.

11 "Levy year" has the same meaning as "year" under Section
12 1-155.

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

34 "Qualified airport authority" means an airport authority
35 organized under the Airport Authorities Act and located in a
36 county bordering on the State of Wisconsin and having a

1 population in excess of 200,000 and not greater than 500,000.

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

1 assessed value of each taxable lot, block, tract, or parcel of
2 real property removed from the redevelopment project area over
3 and above the initial equalized assessed value of that real
4 property before removal from the redevelopment project area.

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

18 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
19 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised
20 12-10-03.)

21 Section 10. The School Code is amended by adding Section
22 17-2.2d as follows:

23 (105 ILCS 5/17-2.2d new)

24 Sec. 17-2.2d. Special taxing and bonding for temporary
25 relocation expense and emergency replacement purposes.

26 (a) In addition to any other taxes and notwithstanding any
27 limitation imposed by the Property Tax Extension Limitation Law
28 or any other limitations specified in this Code or any other
29 law, the school board of any district having a population of
30 less than 500,000 inhabitants that meets the criteria specified
31 in subsection (c) of this Section, may, by proper resolution,
32 levy an annual tax not to exceed 0.05% upon the value of the
33 taxable property as equalized or assessed by the Department of
34 Revenue for a period not to exceed 7 years for the purpose of

1 providing for the repayment of moneys distributed for temporary
2 relocation expenses of the district pursuant to Section 2-3.77
3 of this Code.

4 (b) The school board of any district that meets the
5 criteria specified in subsection (c) of this Section may
6 repair, reconstruct, or replace a condemned building without
7 seeking referendum approval for the repair, reconstruction, or
8 replacement.

9 (c) In order for this Section to apply, the school district
10 must (i) be located in a county subject to the Property Tax
11 Extension Limitation Law, (ii) have had a total enrollment of
12 at least 1,075 students as shown on the 2003 Illinois State
13 Report Card, and (iii) have had a school building condemned
14 after January 1, 2004 and prior to June 30, 2004.

15 (d) Notwithstanding any limitation imposed by the Property
16 Tax Extension Limitation Law or any other limitations specified
17 in this Code or any other law, the school board of any district
18 that meets the criteria specified in subsection (c) of this
19 Section, may, by proper resolution, issue bonds, without
20 referendum, in an amount sufficient to finance the total cost
21 of repair, reconstruction, or replacement of the condemned
22 building. Any premium and all interest earnings on the proceeds
23 of the bonds so issued shall be used for the purposes for which
24 the bonds were issued. The proceeds of any bonds issued under
25 this Section shall be deposited and accounted for separately
26 within the district's site and construction/capital
27 improvements fund. The recording officer of the board shall
28 file in the office of the county clerk of each county in which
29 a portion of the district is situated a certified copy of the
30 resolution providing for the issuance of the bonds and levy of
31 a tax without limit as to rate or amount to pay the bonds.
32 Bonds issued under this Section and any bonds issued to refund
33 these bonds are not subject to any debt limitation imposed by
34 this Code.

35 (e) The school board, as an express condition to receiving
36 a temporary relocation loan under Section 2-3.77 of this Code,

1 must agree to levy the tax provided in this Section at the
2 maximum rate permitted and to pay to the State of Illinois for
3 deposit into the Temporary Relocation Expenses Revolving Grant
4 Fund (i) all proceeds of the tax attributable to the first year
5 and succeeding years for which the tax is levied after moneys
6 appropriated for purposes of Section 2-3.77 have been
7 distributed to the school district and (ii) all insurance
8 proceeds that become payable to the district under those
9 provisions of any contract or policy of insurance that provide
10 reimbursement for or other coverage against loss with respect
11 to any temporary relocation expenses of the district or
12 proceeds of any legal judgment or settlement regarding the
13 temporary relocation expenses incurred by the district,
14 provided that the aggregate of any tax and insurance or other
15 proceeds paid by the district to the State pursuant to this
16 subsection (e) shall not exceed in amount the moneys
17 distributed to the district pursuant to Section 2-3.77 as a
18 loan or grant.

19 (f) If bonds under this Section have been issued by the
20 school district and the purposes for which the bonds have been
21 issued are accomplished and paid for in full and there remain
22 funds on hand from the proceeds of the bonds or interest
23 earnings or premiums, then the school board, by resolution,
24 shall transfer those excess funds to the district's bond and
25 interest fund for the purpose of abating taxes to pay debt
26 service on the bonds or for defeasance of the debt or both.

27 (g) If the school district receives a construction grant
28 under the School Construction Law or any other law and the
29 purposes for which the grant was issued are accomplished and
30 paid for in full and there remains funds on hand from the grant
31 or interest earnings thereon, then the excess funds shall be
32 paid to the State of Illinois for deposit into the School
33 Construction Fund or other State fund from which the
34 construction grant was paid.

35 (h) All insurance proceeds that become payable to the
36 school district under those provisions of a contract or policy

1 of insurance that provide reimbursement for or other coverage
2 against losses other than with respect to any temporary
3 relocation expenses of the district or proceeds of any legal
4 judgment or settlement regarding the repair, reconstruction,
5 or replacement of the condemned building shall be applied to
6 the repair, reconstruction, or replacement. If the project is
7 completed and, therefore, all costs have been paid for in full
8 and there remain funds on hand, including any interest earnings
9 thereon, from the insurance coverage, legal judgment, or
10 settlement, then a portion of those excess funds equal to the
11 State's share of the construction cost of the project shall be
12 paid to the State of Illinois for deposit into the School
13 Construction Fund or other State fund from which the
14 construction grant was paid, and the remainder of the excess
15 funds shall be transferred to the district's bond and interest
16 fund for the purpose of abating taxes to pay debt service on
17 the bonds or for defeasance of the debt or both. If no debt
18 service remains to be paid, then the excess may be transferred
19 to whichever fund that, as determined by the school board, is
20 most in need of the funds.

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