

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, but, for
16 taxable years 2003 and thereafter, no less than 2% or (b) the
17 rate of increase approved by voters under Section 18-205.

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

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

1 assessed value in an affected county or counties. Beginning
2 with the levy year in which this Law becomes applicable to a
3 taxing district as provided in Section 18-213, "taxing
4 district" also includes those taxing districts made subject
5 to this Law as provided in Section 18-213.

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

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

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

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

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

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

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

1 refund or continue to refund bonds issued after the effective
2 date of this amendatory Act of 1997 if the bonds were
3 approved by referendum after the effective date of this
4 amendatory Act of 1997; (e) made for any taxing district to
5 pay interest or principal on revenue bonds issued before the
6 effective date of this amendatory Act of 1997 for payment of
7 which a property tax levy or the full faith and credit of the
8 unit of local government is pledged; however, a tax for the
9 payment of interest or principal on those bonds shall be made
10 only 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 the
15 effective date of this amendatory Act of 1997 to pay for the
16 building project; (g) made for payments due under installment
17 contracts entered into before the effective date of this
18 amendatory Act of 1997; (h) 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; (i) made for payments of principal and interest
25 on bonds issued under Section 15 of the Local Government Debt
26 Reform Act; and (j) made for a qualified airport authority to
27 pay interest or principal on general obligation bonds issued
28 for the purpose of paying obligations due under, or financing
29 airport facilities required to be acquired, constructed,
30 installed or equipped pursuant to, contracts entered into
31 before March 1, 1996 (but not including any amendments to
32 such a contract taking effect on or after that date).

33 "Debt service extension base" means an amount equal to
34 that portion of the extension for a taxing district for the

1 1994 levy year, or for those taxing districts subject to this
2 Law in accordance with Section 18-213, except for those
3 subject to paragraph (2) of subsection (e) of Section 18-213,
4 for the levy year in which the referendum making this Law
5 applicable to the taxing district is held, or for those
6 taxing districts subject to this Law in accordance with
7 paragraph (2) of subsection (e) of Section 18-213 for the
8 1996 levy year, constituting an extension for payment of
9 principal and interest on bonds issued by the taxing district
10 without referendum, but not including (i) bonds authorized by
11 Public Act 88-503 and issued under Section 20a of the Chicago
12 Park District Act for aquarium and museum projects; (ii)
13 bonds issued under Section 15 of the Local Government Debt
14 Reform Act; or (iii) refunding obligations issued to refund
15 or to continue to refund obligations initially issued
16 pursuant to referendum. The debt service extension base may
17 be established or increased as provided under Section 18-212.

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

26 "Aggregate extension base" means the taxing district's
27 last preceding aggregate extension as adjusted under Sections
28 18-215 through 18-230.

29 "Levy year" has the same meaning as "year" under Section
30 1-155.

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

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

18 "Recovered tax increment value" means, except as
19 otherwise provided in this paragraph, the amount of the
20 current year's equalized assessed value, in the first year
21 after a municipality terminates the designation of an area as
22 a redevelopment project area previously established under the
23 Tax Increment Allocation Development Act in the Illinois
24 Municipal Code, previously established under the Industrial
25 Jobs Recovery Law in the Illinois Municipal Code, or
26 previously established under the Economic Development Area
27 Tax Increment Allocation Act, of each taxable lot, block,
28 tract, or parcel of real property in the redevelopment
29 project area over and above the initial equalized assessed
30 value of each property in the redevelopment project area. For
31 the taxes which are extended for the 1997 levy year, the
32 recovered tax increment value for a non-home rule taxing
33 district that first became subject to this Law for the 1995
34 levy year because a majority of its 1994 equalized assessed

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

26 Except as otherwise provided in this Section, "limiting
27 rate" means a fraction the numerator of which is the last
28 preceding aggregate extension base times an amount equal to
29 one plus the extension limitation defined in this Section and
30 the denominator of which is the current year's equalized
31 assessed value of all real property in the territory under
32 the jurisdiction of the taxing district during the prior levy
33 year. For those taxing districts that reduced their
34 aggregate extension for the last preceding levy year, the

1 highest aggregate extension in any of the last 3 preceding
2 levy years shall be used for the purpose of computing the
3 limiting rate. The denominator shall not include new
4 property. The denominator shall not include the recovered
5 tax increment value.

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