

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 Sections 18-185 and 18-205 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 "Employment Cost Index" means the average between (i) the  
14 Employment Cost Index for total compensation for civilian  
15 workers and (ii) the Employment Cost Index for total  
16 compensation for state and local government workers, both of  
17 which are published by the United States Department of Labor.

18 "Extension limitation" means (a) the lesser of 5% or the  
19 percentage increase in the Employment Cost ~~Consumer Price~~ Index  
20 during the 12-month calendar year preceding the levy year or  
21 (b) the rate of increase approved by voters under Section  
22 18-205.

23 "Affected county" means a county of 3,000,000 or more  
24 inhabitants or a county contiguous to a county of 3,000,000 or  
25 more inhabitants.

26 "Taxing district" has the same meaning provided in Section  
27 1-150, except as otherwise provided in this Section. For the  
28 1991 through 1994 levy years only, "taxing district" includes  
29 only each non-home rule taxing district having the majority of  
30 its 1990 equalized assessed value within any county or counties  
31 contiguous to a county with 3,000,000 or more inhabitants.  
32 Beginning with the 1995 levy year, "taxing district" includes

1 only each non-home rule taxing district subject to this Law  
2 before the 1995 levy year and each non-home rule taxing  
3 district not subject to this Law before the 1995 levy year  
4 having the majority of its 1994 equalized assessed value in an  
5 affected county or counties. Beginning with the levy year in  
6 which this Law becomes applicable to a taxing district as  
7 provided in Section 18-213, "taxing district" also includes  
8 those taxing districts made subject to this Law as provided in  
9 Section 18-213.

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

1 interest on bonds issued under the Metropolitan Water  
2 Reclamation District Act to finance construction projects  
3 initiated before October 1, 1991; (i) made for payments of  
4 principal and interest on limited bonds, as defined in Section  
5 3 of the Local Government Debt Reform Act, in an amount not to  
6 exceed the debt service extension base less the amount in items  
7 (b), (c), (e), and (h) of this definition for non-referendum  
8 obligations, except obligations initially issued pursuant to  
9 referendum; (j) made for payments of principal and interest on  
10 bonds issued under Section 15 of the Local Government Debt  
11 Reform Act; (k) made by a school district that participates in  
12 the Special Education District of Lake County, created by  
13 special education joint agreement under Section 10-22.31 of the  
14 School Code, for payment of the school district's share of the  
15 amounts required to be contributed by the Special Education  
16 District of Lake County to the Illinois Municipal Retirement  
17 Fund under Article 7 of the Illinois Pension Code; the amount  
18 of any extension under this item (k) shall be certified by the  
19 school district to the county clerk; and (l) made to fund  
20 expenses of providing joint recreational programs for the  
21 handicapped under Section 5-8 of the Park District Code or  
22 Section 11-95-14 of the Illinois Municipal Code.

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

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

1 (m) made pursuant to Section 34-53.5 of the School Code,  
2 whether levied annually or not; (n) made to fund expenses of  
3 providing joint recreational programs for the handicapped  
4 under Section 5-8 of the Park District Code or Section 11-95-14  
5 of the Illinois Municipal Code; and (o) made by the Chicago  
6 Park District for recreational programs for the handicapped  
7 under subsection (c) of Section 7.06 of the Chicago Park  
8 District Act.

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

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

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

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

1 on or after that date); and (k) made to fund expenses of  
2 providing joint recreational programs for the handicapped  
3 under Section 5-8 of the Park District Code or Section 11-95-14  
4 of the Illinois Municipal Code.

5 "Debt service extension base" means an amount equal to that  
6 portion of the extension for a taxing district for the 1994  
7 levy year, or for those taxing districts subject to this Law in  
8 accordance with Section 18-213, except for those subject to  
9 paragraph (2) of subsection (e) of Section 18-213, for the levy  
10 year in which the referendum making this Law applicable to the  
11 taxing district is held, or for those taxing districts subject  
12 to this Law in accordance with paragraph (2) of subsection (e)  
13 of Section 18-213 for the 1996 levy year, constituting an  
14 extension for payment of principal and interest on bonds issued  
15 by the taxing district without referendum, but not including  
16 excluded non-referendum bonds. For park districts (i) that were  
17 first subject to this Law in 1991 or 1995 and (ii) whose  
18 extension for the 1994 levy year for the payment of principal  
19 and interest on bonds issued by the park district without  
20 referendum (but not including excluded non-referendum bonds)  
21 was less than 51% of the amount for the 1991 levy year  
22 constituting an extension for payment of principal and interest  
23 on bonds issued by the park district without referendum (but  
24 not including excluded non-referendum bonds), "debt service  
25 extension base" means an amount equal to that portion of the  
26 extension for the 1991 levy year constituting an extension for  
27 payment of principal and interest on bonds issued by the park  
28 district without referendum (but not including excluded  
29 non-referendum bonds). The debt service extension base may be  
30 established or increased as provided under Section 18-212.

31 "Excluded non-referendum bonds" means (i) bonds authorized by  
32 Public Act 88-503 and issued under Section 20a of the Chicago  
33 Park District Act for aquarium and museum projects; (ii) bonds  
34 issued under Section 15 of the Local Government Debt Reform  
35 Act; or (iii) refunding obligations issued to refund or to  
36 continue to refund obligations initially issued pursuant to

1 referendum.

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

10 "Aggregate extension base" means the taxing district's  
11 last preceding aggregate extension as adjusted under Sections  
12 18-215 through 18-230.

13 "Levy year" has the same meaning as "year" under Section  
14 1-155.

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

36 "Qualified airport authority" means an airport authority

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

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

1 Area Tax Increment Allocation Act, "recovered tax increment  
2 value" means the amount of the current year's equalized  
3 assessed value of each taxable lot, block, tract, or parcel of  
4 real property removed from the redevelopment project area over  
5 and above the initial equalized assessed value of that real  
6 property before removal from the redevelopment project area.

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

20 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;  
21 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised  
22 12-10-03.)

23 (35 ILCS 200/18-205)

24 Sec. 18-205. Referendum to increase the extension  
25 limitation. A taxing district is limited to an extension  
26 increase of 5% or the percentage increase in the Employment  
27 Cost ~~Consumer Price~~ Index during the 12-month calendar year  
28 preceding the levy year, whichever is less. A taxing district  
29 may increase its extension limitation for a current levy year  
30 if that taxing district holds a referendum before the levy date  
31 at which a majority of voters voting on the issue approves  
32 adoption of a higher extension limitation. Referenda shall be  
33 conducted at a regularly scheduled election in accordance with  
34 the Election Code provided that notice of the referendum, if  
35 held before July 1, 1999, has been given in accordance with the

1 provisions of Section 12-5 of the Election Code in effect at  
 2 the time of the bond referendum, at least 10 and not more than  
 3 45 days before the date of the election, notwithstanding the  
 4 time for publication otherwise imposed by Section 12-5. Notices  
 5 required in connection with the submission of public questions  
 6 on or after July 1, 1999 shall be as set forth in Section 12-5  
 7 of the Election Code. The question shall be presented in  
 8 substantially the following manner:

9 -----

10 Shall the extension limitation  
 11 under the Property Tax Extension  
 12 Limitation Law for ...(taxing YES  
 13 district name)... be increased from  
 14 ...(the lesser of 5% or the increase -----  
 15 in the Employment Cost  
 16 ~~Consumer Price~~  
 17 Index over the prior levy year)...% NO  
 18 to ...(percentage of proposed  
 19 increase)...% for the  
 20 ...(levy year)... levy year?

21 -----

22 If a majority of voters voting on the issue approves the  
 23 adoption of the increase, the increase shall be applicable for  
 24 the levy year specified.  
 25 (Source: P.A. 90-812, eff. 1-26-99; 91-57, eff. 6-30-99.)

26 Section 99. Effective date. This Act takes effect upon  
 27 becoming law.