



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 02/09/04, by Robin Kelly

**SYNOPSIS AS INTRODUCED:**

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Exempts from the extension limitation those extensions made for contributions to the Illinois Municipal Retirement Fund under the Illinois Pension Code or for contributions to any other pension fund under the Illinois Pension Code. Effective October 1, 2004.

LRB093 16257 SJM 41891 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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 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; and (m) made  
17 for contributions to the Illinois Municipal Retirement Fund  
18 under Section 7-171 of the Illinois Pension Code or for  
19 contributions to any other pension fund under the Illinois  
20 Pension 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; and (p) made for contributions to the Illinois  
7 Municipal Retirement Fund under Section 7-171 of the Illinois  
8 Pension Code or for contributions to any other pension fund  
9 under the Illinois Pension Code.

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

1 interest or principal on those bonds shall be made only after  
2 the governing body of the unit of local government finds that  
3 all other sources for payment are insufficient to make those  
4 payments; (f) made for payments under a building commission  
5 lease when the lease payments are for the retirement of bonds  
6 issued by the commission before the date on which the  
7 referendum making this Law applicable to the taxing district is  
8 held to pay for the building project; (g) made for payments due  
9 under installment contracts entered into before the date on  
10 which the referendum making this Law applicable to the taxing  
11 district is held; (h) made for payments of principal and  
12 interest on limited bonds, as defined in Section 3 of the Local  
13 Government Debt Reform Act, in an amount not to exceed the debt  
14 service extension base less the amount in items (b), (c), and  
15 (e) of this definition for non-referendum obligations, except  
16 obligations initially issued pursuant to referendum; (i) made  
17 for payments of principal and interest on bonds issued under  
18 Section 15 of the Local Government Debt Reform Act; (j) made  
19 for a qualified airport authority to pay interest or principal  
20 on general obligation bonds issued for the purpose of paying  
21 obligations due under, or financing airport facilities  
22 required to be acquired, constructed, installed or equipped  
23 pursuant to, contracts entered into before March 1, 1996 (but  
24 not including any amendments to such a contract taking effect  
25 on or after that date); ~~and~~ (k) made to fund expenses of  
26 providing joint recreational programs for the handicapped  
27 under Section 5-8 of the Park District Code or Section 11-95-14  
28 of the Illinois Municipal Code; and (l) made for contributions  
29 to the Illinois Municipal Retirement Fund under Section 7-171  
30 of the Illinois Pension Code or for contributions to any other  
31 pension fund under the Illinois Pension Code.

32 "Aggregate extension" for all taxing districts to which  
33 this Law applies in accordance with paragraph (2) of subsection  
34 (e) of Section 18-213 means the annual corporate extension for  
35 the taxing district and those special purpose extensions that  
36 are made annually for the taxing district, excluding special

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



1 obligations due under, or financing airport facilities  
2 required to be acquired, constructed, installed or equipped  
3 pursuant to, contracts entered into before March 1, 1996 (but  
4 not including any amendments to such a contract taking effect  
5 on or after that date); ~~and~~ (k) made to fund expenses of  
6 providing joint recreational programs for the handicapped  
7 under Section 5-8 of the Park District Code or Section 11-95-14  
8 of the Illinois Municipal Code; and (l) made for contributions  
9 to the Illinois Municipal Retirement Fund under Section 7-171  
10 of the Illinois Pension Code or for contributions to any other  
11 pension fund under the Illinois Pension Code.

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

1 established or increased as provided under Section 18-212.  
2 "Excluded non-referendum bonds" means (i) bonds authorized by  
3 Public Act 88-503 and issued under Section 20a of the Chicago  
4 Park District Act for aquarium and museum projects; (ii) bonds  
5 issued under Section 15 of the Local Government Debt Reform  
6 Act; or (iii) refunding obligations issued to refund or to  
7 continue to refund obligations initially issued pursuant to  
8 referendum.

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

17 "Aggregate extension base" means the taxing district's  
18 last preceding aggregate extension as adjusted under Sections  
19 18-215 through 18-230.

20 "Levy year" has the same meaning as "year" under Section  
21 1-155.

22 "New property" means (i) the assessed value, after final  
23 board of review or board of appeals action, of new improvements  
24 or additions to existing improvements on any parcel of real  
25 property that increase the assessed value of that real property  
26 during the levy year multiplied by the equalization factor  
27 issued by the Department under Section 17-30, (ii) the assessed  
28 value, after final board of review or board of appeals action,  
29 of real property not exempt from real estate taxation, which  
30 real property was exempt from real estate taxation for any  
31 portion of the immediately preceding levy year, multiplied by  
32 the equalization factor issued by the Department under Section  
33 17-30, and (iii) in counties that classify in accordance with  
34 Section 4 of Article IX of the Illinois Constitution, an  
35 incentive property's additional assessed value resulting from  
36 a scheduled increase in the level of assessment as applied to

1 the first year final board of review market value. In addition,  
2 the county clerk in a county containing a population of  
3 3,000,000 or more shall include in the 1997 recovered tax  
4 increment value for any school district, any recovered tax  
5 increment value that was applicable to the 1995 tax year  
6 calculations.

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

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

1 area over and above the initial equalized assessed value of  
2 each property in the redevelopment project area. In the first  
3 year after a municipality removes a taxable lot, block, tract,  
4 or parcel of real property from a redevelopment project area  
5 established under the Tax Increment Allocation Development Act  
6 in the Illinois Municipal Code, the Industrial Jobs Recovery  
7 Law in the Illinois Municipal Code, or the Economic Development  
8 Area Tax Increment Allocation Act, "recovered tax increment  
9 value" means the amount of the current year's equalized  
10 assessed value of each taxable lot, block, tract, or parcel of  
11 real property removed from the redevelopment project area over  
12 and above the initial equalized assessed value of that real  
13 property before removal from the redevelopment project area.

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

27 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;  
28 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised  
29 12-10-03.)

30 Section 99. Effective date. This Act takes effect on  
31 October 1, 2004.