

1 AN ACT in relation to taxation.

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

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

6 (35 ILCS 200/18-185)

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

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

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

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

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

1 with the levy year in which this Law becomes applicable to a
2 taxing district as provided in Section 18-213, "taxing
3 district" also includes those taxing districts made subject
4 to this Law as provided in Section 18-213.

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

1 1991; (i) made for payments of principal and interest on
2 limited bonds, as defined in Section 3 of the Local
3 Government Debt Reform Act, in an amount not to exceed the
4 debt service extension base less the amount in items (b),
5 (c), (e), and (h) of this definition for non-referendum
6 obligations, except obligations initially issued pursuant to
7 referendum; (j) made for payments of principal and interest
8 on bonds issued under Section 15 of the Local Government Debt
9 Reform Act; and (k) made by a school district that
10 participates in the Special Education District of Lake
11 County, created by special education joint agreement under
12 Section 10-22.31 of the School Code, for payment of the
13 school district's share of the amounts required to be
14 contributed by the Special Education District of Lake County
15 to the Illinois Municipal Retirement Fund under Article 7 of
16 the Illinois Pension Code; the amount of any extension under
17 this item (k) shall be certified by the school district to
18 the county clerk; and (l) made for contributions to the
19 Illinois Municipal Retirement Fund under Section 7-171 of the
20 Pension Code, and that part of any extension made for
21 coverage under both Part A and B of Title XVIII of the
22 federal Social Security Act (Medicare) and made for coverage
23 under the Federal Insurance Contributions Act (FICA).

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

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

1 under Section 42 of the Cook County Forest Preserve District
2 Act for zoological park projects; and (m) made pursuant to
3 Section 34-53.5 of the School Code, whether levied annually
4 or not; and (n) made for contributions to the Illinois
5 Municipal Retirement Fund under Section 7-171 of the Pension
6 Code, and that part of any extension made for coverage under
7 both Part A and B of Title XVIII of the federal Social
8 Security Act (Medicare) and made for coverage under the
9 Federal Insurance Contributions Act (FICA).

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

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

1 "Aggregate extension" for all taxing districts to which
2 this Law applies in accordance with paragraph (2) of
3 subsection (e) of Section 18-213 means the annual corporate
4 extension for the taxing district and those special purpose
5 extensions that are made annually for the taxing district,
6 excluding special purpose extensions: (a) made for the taxing
7 district to pay interest or principal on general obligation
8 bonds that were approved by referendum; (b) made for any
9 taxing district to pay interest or principal on general
10 obligation bonds issued before the effective date of this
11 amendatory Act of 1997; (c) made for any taxing district to
12 pay interest or principal on bonds issued to refund or
13 continue to refund those bonds issued before the effective
14 date of this amendatory Act of 1997; (d) made for any taxing
15 district to pay interest or principal on bonds issued to
16 refund or continue to refund bonds issued after the effective
17 date of this amendatory Act of 1997 if the bonds were
18 approved by referendum after the effective date of this
19 amendatory Act of 1997; (e) made for any taxing district to
20 pay interest or principal on revenue bonds issued before the
21 effective date of this amendatory Act of 1997 for payment of
22 which a property tax levy or the full faith and credit of the
23 unit of local government is pledged; however, a tax for the
24 payment of interest or principal on those bonds shall be made
25 only after the governing body of the unit of local government
26 finds that all other sources for payment are insufficient to
27 make those payments; (f) made for payments under a building
28 commission lease when the lease payments are for the
29 retirement of bonds issued by the commission before the
30 effective date of this amendatory Act of 1997 to pay for the
31 building project; (g) made for payments due under installment
32 contracts entered into before the effective date of this
33 amendatory Act of 1997; (h) made for payments of principal
34 and interest on limited bonds, as defined in Section 3 of the

1 Local Government Debt Reform Act, in an amount not to exceed
2 the debt service extension base less the amount in items (b),
3 (c), and (e) of this definition for non-referendum
4 obligations, except obligations initially issued pursuant to
5 referendum; (i) made for payments of principal and interest
6 on bonds issued under Section 15 of the Local Government Debt
7 Reform Act; and (j) made for a qualified airport authority to
8 pay interest or principal on general obligation bonds issued
9 for the purpose of paying obligations due under, or financing
10 airport facilities required to be acquired, constructed,
11 installed or equipped pursuant to, contracts entered into
12 before March 1, 1996 (but not including any amendments to
13 such a contract taking effect on or after that date); and (k)
14 made for contributions to the Illinois Municipal Retirement
15 Fund under Section 7-171 of the Pension Code, and that part
16 of any extension made for coverage under both Part A and B of
17 Title XVIII of the federal Social Security Act (Medicare) and
18 made for coverage under the Federal Insurance Contributions
19 Act (FICA).

20 "Debt service extension base" means an amount equal to
21 that portion of the extension for a taxing district for the
22 1994 levy year, or for those taxing districts subject to this
23 Law in accordance with Section 18-213, except for those
24 subject to paragraph (2) of subsection (e) of Section 18-213,
25 for the levy year in which the referendum making this Law
26 applicable to the taxing district is held, or for those
27 taxing districts subject to this Law in accordance with
28 paragraph (2) of subsection (e) of Section 18-213 for the
29 1996 levy year, constituting an extension for payment of
30 principal and interest on bonds issued by the taxing district
31 without referendum, but not including (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)
34 bonds issued under Section 15 of the Local Government Debt

1 Reform Act; or (iii) refunding obligations issued to refund
2 or to continue to refund obligations initially issued
3 pursuant to referendum. The debt service extension base may
4 be established or increased as provided under Section 18-212.

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

13 "Aggregate extension base" means the taxing district's
14 last preceding aggregate extension as adjusted under Sections
15 18-215 through 18-230.

16 "Levy year" has the same meaning as "year" under Section
17 1-155.

18 "New property" means (i) the assessed value, after final
19 board of review or board of appeals action, of new
20 improvements or additions to existing improvements on any
21 parcel of real property that increase the assessed value of
22 that real property during the levy year multiplied by the
23 equalization factor issued by the Department under Section
24 17-30 and (ii) the assessed value, after final board of
25 review or board of appeals action, of real property not
26 exempt from real estate taxation, which real property was
27 exempt from real estate taxation for any portion of the
28 immediately preceding levy year, multiplied by the
29 equalization factor issued by the Department under Section
30 17-30. In addition, the county clerk in a county containing a
31 population of 3,000,000 or more shall include in the 1997
32 recovered tax increment value for any school district, any
33 recovered tax increment value that was applicable to the 1995
34 tax year calculations.

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

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

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

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

27 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;
28 92-547, eff. 6-13-02.)