

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 by a school district for
19 contributions to the Illinois Municipal Retirement Fund under
20 Section 7-171 of the Pension Code, and that part of any
21 extension made by a school district for coverage under both
22 Part A and B of Title XVIII of the federal Social Security
23 Act (Medicare) and made by a school district for coverage
24 under the Federal Insurance Contributions Act (FICA).

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

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

1 interest on bonds authorized by Public Act 87-1191 and issued
2 under Section 42 of the Cook County Forest Preserve District
3 Act for zoological park projects; and (m) made pursuant to
4 Section 34-53.5 of the School Code, whether levied annually
5 or not; and (n) made by a school district for contributions
6 to the Illinois Municipal Retirement Fund under Section 7-171
7 of the Pension Code, and that part of any extension made by a
8 school district for coverage under both Part A and B of Title
9 XVIII of the federal Social Security Act (Medicare) and made
10 by a school district for coverage under the Federal Insurance
11 Contributions Act (FICA).

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

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

1 of the federal Social Security Act (Medicare) and made by a
2 school district for coverage under the Federal Insurance
3 Contributions Act (FICA).

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

1 contracts entered into before the effective date of this
2 amendatory Act of 1997; (h) made for payments of principal
3 and interest on limited bonds, as defined in Section 3 of the
4 Local Government Debt Reform Act, in an amount not to exceed
5 the debt service extension base less the amount in items (b),
6 (c), and (e) of this definition for non-referendum
7 obligations, except obligations initially issued pursuant to
8 referendum; (i) made for payments of principal and interest
9 on bonds issued under Section 15 of the Local Government Debt
10 Reform Act; and (j) made for a qualified airport authority to
11 pay interest or principal on general obligation bonds issued
12 for the purpose of paying obligations due under, or financing
13 airport facilities required to be acquired, constructed,
14 installed or equipped pursuant to, contracts entered into
15 before March 1, 1996 (but not including any amendments to
16 such a contract taking effect on or after that date); and (k)
17 made by a school district for contributions to the Illinois
18 Municipal Retirement Fund under Section 7-171 of the Pension
19 Code, and that part of any extension made by a school
20 district for coverage under both Part A and B of Title XVIII
21 of the federal Social Security Act (Medicare) and made by a
22 school district for coverage under the Federal Insurance
23 Contributions Act (FICA).

24 "Debt service extension base" means an amount equal to
25 that portion of the extension for a taxing district for the
26 1994 levy year, or for those taxing districts subject to this
27 Law in accordance with Section 18-213, except for those
28 subject to paragraph (2) of subsection (e) of Section 18-213,
29 for the levy year in which the referendum making this Law
30 applicable to the taxing district is held, or for those
31 taxing districts subject to this Law in accordance with
32 paragraph (2) of subsection (e) of Section 18-213 for the
33 1996 levy year, constituting an extension for payment of
34 principal and interest on bonds issued by the taxing district

1 without referendum, but not including (i) bonds authorized by
2 Public Act 88-503 and issued under Section 20a of the Chicago
3 Park District Act for aquarium and museum projects; (ii)
4 bonds issued under Section 15 of the Local Government Debt
5 Reform Act; or (iii) refunding obligations issued to refund
6 or to continue to refund obligations initially issued
7 pursuant to referendum. The debt service extension base may
8 be established or increased as provided under Section 18-212.

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
13 to Section 6-601 of the Illinois Highway Code for a road
14 district's permanent road fund whether levied annually or
15 not. The extension for a special service area is not
16 included in the 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
24 improvements or additions to existing improvements on any
25 parcel of real property that increase the assessed value of
26 that real property during the levy year multiplied by the
27 equalization factor issued by the Department under Section
28 17-30 and (ii) the assessed value, after final board of
29 review or board of appeals action, of real property not
30 exempt from real estate taxation, which real property was
31 exempt from real estate taxation for any portion of the
32 immediately preceding levy year, multiplied by the
33 equalization factor issued by the Department under Section
34 17-30. In addition, the county clerk in a county containing a

1 population of 3,000,000 or more shall include in the 1997
2 recovered tax increment value for any school district, any
3 recovered tax increment value that was applicable to the 1995
4 tax year calculations.

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

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

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

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

31 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;
32 92-547, eff. 6-13-02.)