

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.

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

1 principal on those bonds shall be made only after the governing  
2 body of the unit of local government finds that all other  
3 sources for payment are insufficient to make those payments;  
4 (f) made for payments under a building commission lease when  
5 the lease payments are for the retirement of bonds issued by  
6 the commission before March 1, 1995 to pay for the building  
7 project; (g) made for payments due under installment contracts  
8 entered into before March 1, 1995; (h) made for payments of  
9 principal and interest on bonds issued under the Metropolitan  
10 Water Reclamation District Act to finance construction  
11 projects initiated before October 1, 1991; (i) made for  
12 payments of principal and interest on limited bonds, as defined  
13 in Section 3 of the Local Government Debt Reform Act, in an  
14 amount not to exceed the debt service extension base less the  
15 amount in items (b), (c), and (e) of this definition for  
16 non-referendum obligations, except obligations initially  
17 issued pursuant to referendum and bonds described in subsection  
18 (h) of this definition; (j) made for payments of principal and  
19 interest on bonds issued under Section 15 of the Local  
20 Government Debt Reform Act; (k) made for payments of principal  
21 and interest on bonds authorized by Public Act 88-503 and  
22 issued under Section 20a of the Chicago Park District Act for  
23 aquarium or museum projects; (l) made for payments of principal  
24 and interest on bonds authorized by Public Act 87-1191 or  
25 93-601 ~~this amendatory Act of the 93rd General Assembly~~ and (i)  
26 issued pursuant to Section 21.2 of the Cook County Forest  
27 Preserve District Act, (ii) issued under Section 42 of the Cook  
28 County Forest Preserve District Act for zoological park  
29 projects, or (iii) issued under Section 44.1 of the Cook County  
30 Forest Preserve District Act for botanical gardens projects;  
31 (m) made pursuant to Section 34-53.5 of the School Code,  
32 whether levied annually or not; (n) made to fund expenses of  
33 providing joint recreational programs for the handicapped  
34 under Section 5-8 of the Park District Code or Section 11-95-14  
35 of the Illinois Municipal Code; and (o) made by the Chicago  
36 Park District for recreational programs for the handicapped

1 under subsection (c) of Section 7.06 of the Chicago Park  
2 District Act.

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

1 held to pay for the building project; (g) made for payments due  
2 under installment contracts entered into before the date on  
3 which the referendum making this Law applicable to the taxing  
4 district is held; (h) made for payments of principal and  
5 interest on limited bonds, as defined in Section 3 of the Local  
6 Government Debt Reform Act, in an amount not to exceed the debt  
7 service extension base less the amount in items (b), (c), and  
8 (e) of this definition for non-referendum obligations, except  
9 obligations initially issued pursuant to referendum; (i) made  
10 for payments of principal and interest on bonds issued under  
11 Section 15 of the Local Government Debt Reform Act; (j) made  
12 for a qualified airport authority to pay interest or principal  
13 on general obligation bonds issued for the purpose of paying  
14 obligations due under, or financing airport facilities  
15 required to be acquired, constructed, installed or equipped  
16 pursuant to, contracts entered into before March 1, 1996 (but  
17 not including any amendments to such a contract taking effect  
18 on or after that date); ~~and~~ (k) made to fund expenses of  
19 providing joint recreational programs for the handicapped  
20 under Section 5-8 of the Park District Code or Section 11-95-14  
21 of the Illinois Municipal Code; and (l) made for payments of  
22 principal and interest on bonds issued before July 1, 2005 by  
23 any school district on the State Board of Education's Financial  
24 Warning List for the purpose of financing a retrofit program to  
25 replace steam pipes.

26 "Aggregate extension" for all taxing districts to which  
27 this Law applies in accordance with paragraph (2) of subsection  
28 (e) of Section 18-213 means the annual corporate extension for  
29 the taxing district and those special purpose extensions that  
30 are 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 pay  
34 interest or principal on general obligation bonds issued before  
35 the effective date of this amendatory Act of 1997; (c) made for  
36 any taxing district to pay interest or principal on bonds

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

1 under Section 5-8 of the Park District Code or Section 11-95-14  
2 of the Illinois Municipal Code.

3 "Debt service extension base" means an amount equal to that  
4 portion of the extension for a taxing district for the 1994  
5 levy year, or for those taxing districts subject to this Law in  
6 accordance with Section 18-213, except for those subject to  
7 paragraph (2) of subsection (e) of Section 18-213, for the levy  
8 year in which the referendum making this Law applicable to the  
9 taxing district is held, or for those taxing districts subject  
10 to this Law in accordance with paragraph (2) of subsection (e)  
11 of Section 18-213 for the 1996 levy year, constituting an  
12 extension for payment of principal and interest on bonds issued  
13 by the taxing district without referendum, but not including  
14 excluded non-referendum bonds. For park districts (i) that were  
15 first subject to this Law in 1991 or 1995 and (ii) whose  
16 extension for the 1994 levy year for the payment of principal  
17 and interest on bonds issued by the park district without  
18 referendum (but not including excluded non-referendum bonds)  
19 was less than 51% of the amount for the 1991 levy year  
20 constituting an extension for payment of principal and interest  
21 on bonds issued by the park district without referendum (but  
22 not including excluded non-referendum bonds), "debt service  
23 extension base" means an amount equal to that portion of the  
24 extension for the 1991 levy year constituting an extension for  
25 payment of principal and interest on bonds issued by the park  
26 district without referendum (but not including excluded  
27 non-referendum bonds). The debt service extension base may be  
28 established or increased as provided under Section 18-212.  
29 "Excluded non-referendum bonds" means (i) bonds authorized by  
30 Public Act 88-503 and issued under Section 20a of the Chicago  
31 Park District Act for aquarium and museum projects; (ii) bonds  
32 issued under Section 15 of the Local Government Debt Reform  
33 Act; or (iii) refunding obligations issued to refund or to  
34 continue to refund obligations initially issued pursuant to  
35 referendum.

36 "Special purpose extensions" include, but are not limited



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

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

11 "Levy year" has the same meaning as "year" under Section  
12 1-155.

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

34 "Qualified airport authority" means an airport authority  
35 organized under the Airport Authorities Act and located in a  
36 county bordering on the State of Wisconsin and having a

1 population in excess of 200,000 and not greater than 500,000.

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

1 assessed value of each taxable lot, block, tract, or parcel of  
2 real property removed from the redevelopment project area over  
3 and above the initial equalized assessed value of that real  
4 property before removal from the redevelopment project area.

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

18 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;  
19 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised  
20 12-10-03.)

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.