



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**SB3035**

Introduced 2/6/2004, by Kimberly A. Lightford

**SYNOPSIS AS INTRODUCED:**

35 ILCS 200/18-185  
30 ILCS 805/8.28 new

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Exempts from the extension limitation those extensions made for contributions to the police pension fund, the firefighter's pension fund, the policemen's annuity and benefit fund, and the firemen's annuity and benefit fund. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB093 17897 SJM 43580 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

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 police pension fund under Section  
18 3-125 of the Illinois Pension Code, the firefighter's pension  
19 fund under Section 4-118 of the Illinois Pension Code, the  
20 policemen's annuity and benefit fund under Section 5-168 of the  
21 Illinois Pension Code, and the firemen's annuity and benefit  
22 fund under Section 6-165 of the Illinois Pension Code.

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

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

1 (m) made pursuant to Section 34-53.5 of the School Code,  
2 whether levied annually or not; (n) made to fund expenses of  
3 providing joint recreational programs for the handicapped  
4 under Section 5-8 of the Park District Code or Section 11-95-14  
5 of the Illinois Municipal Code; ~~and~~ (o) made by the Chicago  
6 Park District for recreational programs for the handicapped  
7 under subsection (c) of Section 7.06 of the Chicago Park  
8 District Act; and (p) made for contributions to the police  
9 pension fund under Section 3-125 of the Illinois Pension Code,  
10 the firefighter's pension fund under Section 4-118 of the  
11 Illinois Pension Code, the policemen's annuity and benefit fund  
12 under Section 5-168 of the Illinois Pension Code, and the  
13 firemen's annuity and benefit fund under Section 6-165 of the  
14 Illinois Pension Code.

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

1 interest or principal on revenue bonds issued before the date  
2 on which the referendum making this Law applicable to the  
3 taxing district is held for payment of which a property tax  
4 levy or the full faith and credit of the unit of local  
5 government is pledged; however, a tax for the payment of  
6 interest or principal on those bonds shall be made only after  
7 the governing body of the unit of local government finds that  
8 all other sources for payment are insufficient to make those  
9 payments; (f) made for payments under a building commission  
10 lease when the lease payments are for the retirement of bonds  
11 issued by the commission before the date on which the  
12 referendum making this Law applicable to the taxing district is  
13 held to pay for the building project; (g) made for payments due  
14 under installment contracts entered into before the date on  
15 which 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 Local  
18 Government Debt Reform Act, in an amount not to exceed the debt  
19 service extension base less the amount in items (b), (c), and  
20 (e) of this definition for non-referendum obligations, except  
21 obligations initially issued pursuant to referendum; (i) made  
22 for payments of principal and interest on bonds issued under  
23 Section 15 of the Local Government Debt Reform Act; (j) made  
24 for a qualified airport authority to pay interest or principal  
25 on general obligation bonds issued for the purpose of paying  
26 obligations due under, or financing airport facilities  
27 required to be acquired, constructed, installed or equipped  
28 pursuant to, contracts entered into before March 1, 1996 (but  
29 not including any amendments to such a contract taking effect  
30 on or after that date); ~~and~~ (k) made to fund expenses of  
31 providing joint recreational programs for the handicapped  
32 under Section 5-8 of the Park District Code or Section 11-95-14  
33 of the Illinois Municipal Code; and (l) made for contributions  
34 to the police pension fund under Section 3-125 of the Illinois  
35 Pension Code, the firefighter's pension fund under Section  
36 4-118 of the Illinois Pension Code, the policemen's annuity and

1 benefit fund under Section 5-168 of the Illinois Pension Code,  
2 and the firemen's annuity and benefit fund under Section 6-165  
3 of the Illinois Pension Code.

4 "Aggregate extension" for all taxing districts to which  
5 this Law applies in accordance with 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 effective date of this amendatory Act of 1997; (c) made for  
14 any taxing district to pay interest or principal on bonds  
15 issued to refund or continue to refund those bonds issued  
16 before the effective date of this amendatory Act of 1997; (d)  
17 made for any taxing district to pay interest or principal on  
18 bonds issued to refund or continue to refund bonds issued after  
19 the effective date of this amendatory Act of 1997 if the bonds  
20 were approved by referendum after the effective date of this  
21 amendatory Act of 1997; (e) made for any taxing district to pay  
22 interest or principal on revenue bonds issued before the  
23 effective date of this amendatory Act of 1997 for payment of  
24 which a property tax levy or the full faith and credit of the  
25 unit of local government is pledged; however, a tax for the  
26 payment of interest or principal on those bonds shall be made  
27 only after the governing body of the unit of local government  
28 finds that all other sources for payment are insufficient to  
29 make those payments; (f) made for payments under a building  
30 commission lease when the lease payments are for the retirement  
31 of bonds issued by the commission before the effective date of  
32 this amendatory Act of 1997 to pay for the building project;  
33 (g) made for payments due under installment contracts entered  
34 into before the effective date of this amendatory Act of 1997;  
35 (h) made for payments of principal and interest on limited  
36 bonds, as defined in Section 3 of the Local Government Debt



1 Reform Act, in an amount not to exceed the debt service  
2 extension base less the amount in items (b), (c), and (e) of  
3 this definition for non-referendum obligations, except  
4 obligations initially issued pursuant to referendum; (i) made  
5 for payments of principal and interest on bonds issued under  
6 Section 15 of the Local Government Debt Reform Act; (j) made  
7 for a qualified airport authority to pay interest or principal  
8 on general obligation bonds issued for the purpose of paying  
9 obligations due under, or financing airport facilities  
10 required to be acquired, constructed, installed or equipped  
11 pursuant to, contracts entered into before March 1, 1996 (but  
12 not including any amendments to such a contract taking effect  
13 on or after that date); ~~and~~ (k) made to fund expenses of  
14 providing joint recreational programs for the handicapped  
15 under Section 5-8 of the Park District Code or Section 11-95-14  
16 of the Illinois Municipal Code; and (l) made for contributions  
17 to the police pension fund under Section 3-125 of the Illinois  
18 Pension Code, the firefighter's pension fund under Section  
19 4-118 of the Illinois Pension Code, the policemen's annuity and  
20 benefit fund under Section 5-168 of the Illinois Pension Code,  
21 and the firemen's annuity and benefit fund under Section 6-165  
22 of the Illinois Pension Code.

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

1 and interest on bonds issued by the park district without  
2 referendum (but not including excluded non-referendum bonds)  
3 was less than 51% of the amount for the 1991 levy year  
4 constituting an extension for payment of principal and interest  
5 on bonds issued by the park district without referendum (but  
6 not including excluded non-referendum bonds), "debt service  
7 extension base" means an amount equal to that portion of the  
8 extension for the 1991 levy year constituting an extension for  
9 payment of principal and interest on bonds issued by the park  
10 district without referendum (but not including excluded  
11 non-referendum bonds). The debt service extension base may be  
12 established or increased as provided under Section 18-212.  
13 "Excluded non-referendum bonds" means (i) bonds authorized by  
14 Public Act 88-503 and issued under Section 20a of the Chicago  
15 Park District Act for aquarium and museum projects; (ii) bonds  
16 issued under Section 15 of the Local Government Debt Reform  
17 Act; or (iii) refunding obligations issued to refund or to  
18 continue to refund obligations initially issued pursuant to  
19 referendum.

20 "Special purpose extensions" include, but are not limited  
21 to, extensions for levies made on an annual basis for  
22 unemployment and workers' compensation, self-insurance,  
23 contributions to pension plans, and extensions made pursuant to  
24 Section 6-601 of the Illinois Highway Code for a road  
25 district's permanent road fund whether levied annually or not.  
26 The extension for a special service area is not included in the  
27 aggregate extension.

28 "Aggregate extension base" means the taxing district's  
29 last preceding aggregate extension as adjusted under Sections  
30 18-215 through 18-230.

31 "Levy year" has the same meaning as "year" under Section  
32 1-155.

33 "New property" means (i) the assessed value, after final  
34 board of review or board of appeals action, of new improvements  
35 or additions to existing improvements on any parcel of real  
36 property that increase the assessed value of that real property

1 during the levy year multiplied by the equalization factor  
2 issued by the Department under Section 17-30, (ii) the assessed  
3 value, after final board of review or board of appeals action,  
4 of real property not exempt from real estate taxation, which  
5 real property was exempt from real estate taxation for any  
6 portion of the immediately preceding levy year, multiplied by  
7 the equalization factor issued by the Department under Section  
8 17-30, and (iii) in counties that classify in accordance with  
9 Section 4 of Article IX of the Illinois Constitution, an  
10 incentive property's additional assessed value resulting from  
11 a scheduled increase in the level of assessment as applied to  
12 the first year final board of review market value. In addition,  
13 the county clerk in a county containing a population of  
14 3,000,000 or more shall include in the 1997 recovered tax  
15 increment value for any school district, any recovered tax  
16 increment value that was applicable to the 1995 tax year  
17 calculations.

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

22 "Recovered tax increment value" means, except as otherwise  
23 provided in this paragraph, the amount of the current year's  
24 equalized assessed value, in the first year after a  
25 municipality terminates the designation of an area as a  
26 redevelopment project area previously established under the  
27 Tax Increment Allocation Development Act in the Illinois  
28 Municipal Code, previously established under the Industrial  
29 Jobs Recovery Law in the Illinois Municipal Code, or previously  
30 established under the Economic Development Area Tax Increment  
31 Allocation Act, of each taxable lot, block, tract, or parcel of  
32 real property in the redevelopment project area over and above  
33 the initial equalized assessed value of each property in the  
34 redevelopment project area. For the taxes which are extended  
35 for the 1997 levy year, the recovered tax increment value for a  
36 non-home rule taxing district that first became subject to this

1 Law for the 1995 levy year because a majority of its 1994  
2 equalized assessed value was in an affected county or counties  
3 shall be increased if a municipality terminated the designation  
4 of an area in 1993 as a redevelopment project area previously  
5 established under the Tax Increment Allocation Development Act  
6 in the Illinois Municipal Code, previously established under  
7 the Industrial Jobs Recovery Law in the Illinois Municipal  
8 Code, or previously established under the Economic Development  
9 Area Tax Increment Allocation Act, by an amount equal to the  
10 1994 equalized assessed value of each taxable lot, block,  
11 tract, or parcel of real property in the redevelopment project  
12 area over and above the initial equalized assessed value of  
13 each property in the redevelopment project area. In the first  
14 year after a municipality removes a taxable lot, block, tract,  
15 or parcel of real property from a redevelopment project area  
16 established under the Tax Increment Allocation Development Act  
17 in the Illinois Municipal Code, the Industrial Jobs Recovery  
18 Law in the Illinois Municipal Code, or the Economic Development  
19 Area Tax Increment Allocation Act, "recovered tax increment  
20 value" means the amount of the current year's equalized  
21 assessed value of each taxable lot, block, tract, or parcel of  
22 real property removed from the redevelopment project area over  
23 and above the initial equalized assessed value of that real  
24 property before removal from the redevelopment project area.

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

1 shall not include the recovered tax increment value.

2 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;  
3 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised  
4 12-10-03.)

5 Section 90. The State Mandates Act is amended by adding  
6 Section 8.28 as follows:

7 (30 ILCS 805/8.28 new)

8 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8  
9 of this Act, no reimbursement by the State is required for the  
10 implementation of any mandate created by this amendatory Act of  
11 the 93rd General Assembly.

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.