



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

Introduced 2/6/2004, by Jeffrey M. Schoenberg

**SYNOPSIS AS INTRODUCED:**

35 ILCS 200/18-185  
35 ILCS 200/18-205

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that, for levy years 2004 through 2014, "extension limitation" means (a) the lesser of 5% or the fourth quarter percentage increase in the Employment Cost Index (now, the percentage increase in the Consumer Price Index) during the 12-month calendar year preceding the levy year or (b) the rate increase approved by the voters. Defines "Employment Cost Index" as the Employment Cost Index for total compensation for civilian workers published by the United States Department of Labor. Effective immediately.

LRB093 21055 SJM 47077 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning property 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 Sections 18-185 and 18-205 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 "Employment Cost Index" means the Employment Cost Index for  
14 total compensation for civilian workers as published by the  
15 United States Department of Labor, Bureau of Labor Statistics.

16 "Extension limitation" means, for levy years before the  
17 2004 levy year and after the 2014 levy year, (a) the lesser of  
18 5% or the percentage increase in the Consumer Price Index  
19 during the 12-month calendar year preceding the levy year or  
20 (b) the rate of increase approved by voters under Section  
21 18-205. "Extension limitation" means, for levy years 2004  
22 through 2014, (a) the lesser of 5% or the fourth quarter  
23 percentage increase in the Employment Cost Index during the  
24 12-month calendar year preceding the levy year or (b) the rate  
25 of increase approved by voters under Section 18-205.

26 "Affected county" means a county of 3,000,000 or more  
27 inhabitants or a county contiguous to a county of 3,000,000 or  
28 more inhabitants.

29 "Taxing district" has the same meaning provided in Section  
30 1-150, except as otherwise provided in this Section. For the  
31 1991 through 1994 levy years only, "taxing district" includes  
32 only each non-home rule taxing district having the majority of

1 its 1990 equalized assessed value within any county or counties  
2 contiguous to a county with 3,000,000 or more inhabitants.  
3 Beginning with the 1995 levy year, "taxing district" includes  
4 only each non-home rule taxing district subject to this Law  
5 before the 1995 levy year and each non-home rule taxing  
6 district not subject to this Law before the 1995 levy year  
7 having the majority of its 1994 equalized assessed value in an  
8 affected county or counties. Beginning with the levy year in  
9 which this Law becomes applicable to a taxing district as  
10 provided in Section 18-213, "taxing district" also includes  
11 those taxing districts made subject to this Law as provided in  
12 Section 18-213.

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

1 October 1, 1991, to pay for the building project; (g) made for  
2 payments due under installment contracts entered into before  
3 October 1, 1991; (h) made for payments of principal and  
4 interest on bonds issued under the Metropolitan Water  
5 Reclamation District Act to finance construction projects  
6 initiated before October 1, 1991; (i) made for payments of  
7 principal and interest on limited bonds, as defined in Section  
8 3 of the Local Government Debt Reform Act, in an amount not to  
9 exceed the debt service extension base less the amount in items  
10 (b), (c), (e), and (h) of this definition for non-referendum  
11 obligations, except obligations initially issued pursuant to  
12 referendum; (j) made for payments of principal and interest on  
13 bonds issued under Section 15 of the Local Government Debt  
14 Reform Act; (k) made by a school district that participates in  
15 the Special Education District of Lake County, created by  
16 special education joint agreement under Section 10-22.31 of the  
17 School Code, for payment of the school district's share of the  
18 amounts required to be contributed by the Special Education  
19 District of Lake County to the Illinois Municipal Retirement  
20 Fund under Article 7 of the Illinois Pension Code; the amount  
21 of any extension under this item (k) shall be certified by the  
22 school district to the county clerk; and (l) made to fund  
23 expenses of providing joint recreational programs for the  
24 handicapped under Section 5-8 of the Park District Code or  
25 Section 11-95-14 of the Illinois Municipal Code.

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

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

1 County Forest Preserve District Act for zoological park  
2 projects, or (iii) issued under Section 44.1 of the Cook County  
3 Forest Preserve District Act for botanical gardens projects;  
4 (m) made pursuant to Section 34-53.5 of the School Code,  
5 whether levied annually or not; (n) made to fund expenses of  
6 providing joint recreational programs for the handicapped  
7 under Section 5-8 of the Park District Code or Section 11-95-14  
8 of the Illinois Municipal Code; and (o) made by the Chicago  
9 Park District for recreational programs for the handicapped  
10 under subsection (c) of Section 7.06 of the Chicago Park  
11 District Act.

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

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

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

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



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

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

1 issued under Section 15 of the Local Government Debt Reform  
2 Act; or (iii) refunding obligations issued to refund or to  
3 continue to refund obligations initially issued pursuant to  
4 referendum.

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 to  
9 Section 6-601 of the Illinois Highway Code for a road  
10 district's permanent road fund whether levied annually or not.  
11 The extension for a special service area is not included in the  
12 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 improvements  
20 or additions to existing improvements on any parcel of real  
21 property that increase the assessed value of that real property  
22 during the levy year multiplied by the equalization factor  
23 issued by the Department under Section 17-30, (ii) the assessed  
24 value, after final board of review or board of appeals action,  
25 of real property not exempt from real estate taxation, which  
26 real property was exempt from real estate taxation for any  
27 portion of the immediately preceding levy year, multiplied by  
28 the equalization factor issued by the Department under Section  
29 17-30, and (iii) in counties that classify in accordance with  
30 Section 4 of Article IX of the Illinois Constitution, an  
31 incentive property's additional assessed value resulting from  
32 a scheduled increase in the level of assessment as applied to  
33 the first year final board of review market value. In addition,  
34 the county clerk in a county containing a population of  
35 3,000,000 or more shall include in the 1997 recovered tax  
36 increment value for any school district, any recovered tax

1 increment value that was applicable to the 1995 tax year  
2 calculations.

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

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

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

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

23 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;  
24 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised  
25 12-10-03.)

26 (35 ILCS 200/18-205)

27 Sec. 18-205. Referendum to increase the extension  
28 limitation. A taxing district is limited to an extension  
29 increase of 5% or, for levy years before the 2004 levy year and  
30 after the 2014 levy year, the percentage increase in the  
31 Consumer Price Index during the 12-month calendar year  
32 preceding the levy year and, for levy years 2004 through 2014,  
33 the fourth quarter percentage increase in the Employment Cost  
34 Index during the 12-month calendar year preceding the levy  
35 year, whichever is less. A taxing district may increase its

1 extension limitation for a current levy year if that taxing  
 2 district holds a referendum before the levy date at which a  
 3 majority of voters voting on the issue approves adoption of a  
 4 higher extension limitation. Referenda shall be conducted at a  
 5 regularly scheduled election in accordance with the Election  
 6 Code provided that notice of the referendum, if held before  
 7 July 1, 1999, has been given in accordance with the provisions  
 8 of Section 12-5 of the Election Code in effect at the time of  
 9 the bond referendum, at least 10 and not more than 45 days  
 10 before the date of the election, notwithstanding the time for  
 11 publication otherwise imposed by Section 12-5. Notices  
 12 required in connection with the submission of public questions  
 13 on or after July 1, 1999 shall be as set forth in Section 12-5  
 14 of the Election Code. The question, for levy years before the  
 15 2004 levy year and after the 2014 levy year, shall be presented  
 16 in substantially the following manner:

17 -----

18 Shall the extension limitation  
 19 under the Property Tax Extension  
 20 Limitation Law for ...(taxing YES  
 21 district name)... be increased from  
 22 ...(the lesser of 5% or the increase -----  
 23 in the Consumer Price Index over the  
 24 prior levy year)...% to ...(percentage NO  
 25 of proposed increase)...% for the  
 26 ...(levy year)... levy year?

27 -----

28 The question, for levy years 2004 through 2014, shall be  
 29 presented in substantially the following manner:

30 -----

31  
 32 Shall the extension limitation  
 33 under the Property Tax Extension  
 34 Limitation Law for ...(taxing YES  
 35 district name)... be increased from  
 36 ...(the lesser of 5% or the increase -----

1 in the Employment Cost Index during  
 2 the fourth quarter of the prior NO  
 3 levy year)...% to ... (percentage  
 4 of proposed increase)...% for the  
 5 ...(levy year)... levy year?

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9 If a majority of voters voting on the issue approves the  
 10 adoption of the increase, the increase shall be applicable for  
 11 the levy year specified.

12 (Source: P.A. 90-812, eff. 1-26-99; 91-57, eff. 6-30-99.)

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