



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB0489

Introduced 1/27/2005, by Rep. Robin Kelly

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Exempts from the extension limitation those extensions made by a public library district for the establishment, maintenance, and support of a public library or libraries within the district or for contracting for library service.

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FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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; (l) made to fund expenses
14 of 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; (m) made for temporary
17 relocation loan repayment purposes pursuant to Sections 2-3.77
18 and 17-2.2d of the School Code; ~~and~~ (n) made for payment of
19 principal and interest on any bonds issued under the authority
20 of Section 17-2.2d of the School Code; (o) and (m) made for
21 contributions to a firefighter's pension fund created under
22 Article 4 of the Illinois Pension Code, to the extent of the
23 amount certified under item (5) of Section 4-134 of the
24 Illinois Pension Code; and (p) made by a public library
25 district under subsection (a) of Section 35-5 of the Public
26 Library District Act of 1991.

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

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

1 and interest on bonds authorized by Public Act 87-1191 or
2 93-601 and (i) issued pursuant to Section 21.2 of the Cook
3 County Forest Preserve District Act, (ii) issued under Section
4 42 of the Cook County Forest Preserve District Act for
5 zoological park projects, or (iii) issued under Section 44.1 of
6 the Cook County Forest Preserve District Act for botanical
7 gardens projects; (m) made pursuant to Section 34-53.5 of the
8 School Code, whether levied annually or not; (n) made to fund
9 expenses of providing joint recreational programs for the
10 handicapped under Section 5-8 of the Park District Code or
11 Section 11-95-14 of the Illinois Municipal Code; (o) made by
12 the Chicago Park District for recreational programs for the
13 handicapped under subsection (c) of Section 7.06 of the Chicago
14 Park District Act; ~~and~~ (p) made for contributions to a
15 firefighter's pension fund created under Article 4 of the
16 Illinois Pension Code, to the extent of the amount certified
17 under item (5) of Section 4-134 of the Illinois Pension Code;
18 and (q) made by a public library district under subsection (a)
19 of Section 35-5 of the Public Library District Act of 1991.

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

1 refund bonds issued after the date on which the referendum
2 making this Law applicable to the taxing district is held if
3 the bonds were approved by referendum after the date on which
4 the referendum making this Law applicable to the taxing
5 district is held; (e) made for any taxing district to pay
6 interest or principal on revenue bonds issued before the date
7 on which the referendum making this Law applicable to the
8 taxing district is held for payment of which a property tax
9 levy or the full faith and credit of the unit of local
10 government is pledged; however, a tax for the payment of
11 interest or principal on those bonds shall be made only after
12 the governing body of the unit of local government finds that
13 all other sources for payment are insufficient to make those
14 payments; (f) made for payments under a building commission
15 lease when the lease payments are for the retirement of bonds
16 issued by the commission before the date on which the
17 referendum making this Law applicable to the taxing district is
18 held to pay for the building project; (g) made for payments due
19 under installment contracts entered into before the date on
20 which the referendum making this Law applicable to the taxing
21 district is held; (h) made for payments of principal and
22 interest on limited bonds, as defined in Section 3 of the Local
23 Government Debt Reform Act, in an amount not to exceed the debt
24 service extension base less the amount in items (b), (c), and
25 (e) of 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); (k) made to fund expenses of providing
36 joint recreational programs for the handicapped under Section

1 5-8 of the Park District Code or Section 11-95-14 of the
2 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
3 firefighter's pension fund created under Article 4 of the
4 Illinois Pension Code, to the extent of the amount certified
5 under item (5) of Section 4-134 of the Illinois Pension Code;
6 and (m) made by a public library district under subsection (a)
7 of Section 35-5 of the Public Library District Act of 1991.

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

1 (g) made for payments due under installment contracts entered
2 into before the effective date of this amendatory Act of 1997;
3 (h) made for payments of principal and interest on limited
4 bonds, as defined in Section 3 of the Local Government Debt
5 Reform Act, in an amount not to exceed the debt service
6 extension base less the amount in items (b), (c), and (e) of
7 this definition for non-referendum obligations, except
8 obligations initially issued pursuant to referendum; (i) made
9 for payments of principal and interest on bonds issued under
10 Section 15 of the Local Government Debt Reform Act; (j) made
11 for a qualified airport authority to pay interest or principal
12 on general obligation bonds issued for the purpose of paying
13 obligations due under, or financing airport facilities
14 required to be acquired, constructed, installed or equipped
15 pursuant to, contracts entered into before March 1, 1996 (but
16 not including any amendments to such a contract taking effect
17 on or after that date); (k) made to fund expenses of providing
18 joint recreational programs for the handicapped under Section
19 5-8 of the Park District Code or Section 11-95-14 of the
20 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
21 firefighter's pension fund created under Article 4 of the
22 Illinois Pension Code, to the extent of the amount certified
23 under item (5) of Section 4-134 of the Illinois Pension Code; and
24 and (m) made by a public library district under subsection (a)
25 of Section 35-5 of the Public Library District Act of 1991.

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

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

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

31 "Aggregate extension base" means the taxing district's
32 last preceding aggregate extension as adjusted under Sections
33 18-215 through 18-230.

34 "Levy year" has the same meaning as "year" under Section
35 1-155.

36 "New property" means (i) the assessed value, after final

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

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

25 "Recovered tax increment value" means, except as otherwise
26 provided in this paragraph, the amount of the current year's
27 equalized assessed value, in the first year after a
28 municipality terminates the designation of an area as a
29 redevelopment project area previously established under the
30 Tax Increment Allocation Development Act in the Illinois
31 Municipal Code, previously established under the Industrial
32 Jobs Recovery Law in the Illinois Municipal Code, or previously
33 established under the Economic Development Area Tax Increment
34 Allocation Act, of each taxable lot, block, tract, or parcel of
35 real property in the redevelopment project area over and above
36 the initial equalized assessed value of each property in the

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

28 Except as otherwise provided in this Section, "limiting
29 rate" means a fraction the numerator of which is the last
30 preceding aggregate extension base times an amount equal to one
31 plus the extension limitation defined in this Section and the
32 denominator of which is the current year's equalized assessed
33 value of all real property in the territory under the
34 jurisdiction of the taxing district during the prior levy year.
35 For those taxing districts that reduced their aggregate
36 extension for the last preceding levy year, the highest

1 aggregate extension in any of the last 3 preceding levy years
2 shall be used for the purpose of computing the limiting rate.
3 The denominator shall not include new property. The denominator
4 shall not include the recovered tax increment value.

5 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
6 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.
7 7-1-04; 93-690, eff. 7-1-04; 93-1049, eff. 11-17-04; revised
8 12-14-04.)