



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**HB4861**

Introduced 01/19/06, by Rep. Robin Kelly

**SYNOPSIS AS INTRODUCED:**

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that extensions made for contributions to certain pension funds are exempt from the definition of "aggregate extension". Effective immediately.

LRB094 15372 BDD 50563 b

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 for contributions to any of  
25 the following funds under the Illinois Pension Code: Article 3  
26 funds under Section 3-125; Article 4 funds under Section 4-118;  
27 and Article 7 funds under Section 7-171.

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

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

1 aquarium or museum projects; (l) made for payments of principal  
2 and interest on bonds authorized by Public Act 87-1191 or  
3 93-601 and (i) issued pursuant to Section 21.2 of the Cook  
4 County Forest Preserve District Act, (ii) issued under Section  
5 42 of the Cook County Forest Preserve District Act for  
6 zoological park projects, or (iii) issued under Section 44.1 of  
7 the Cook County Forest Preserve District Act for botanical  
8 gardens projects; (m) made pursuant to Section 34-53.5 of the  
9 School Code, whether levied annually or not; (n) made to fund  
10 expenses of providing joint recreational programs for the  
11 handicapped under Section 5-8 of the Park District Code or  
12 Section 11-95-14 of the Illinois Municipal Code; (o) made by  
13 the Chicago Park District for recreational programs for the  
14 handicapped under subsection (c) of Section 7.06 of the Chicago  
15 Park District Act; ~~and~~ (p) made for contributions to a  
16 firefighter's pension fund created under Article 4 of the  
17 Illinois Pension Code, to the extent of the amount certified  
18 under item (5) of Section 4-134 of the Illinois Pension Code;  
19 and (q) made for contributions to any of the following funds  
20 under the Illinois Pension Code: Article 3 funds under Section  
21 3-125; Article 4 funds under Section 4-118; and Article 7 funds  
22 under Section 7-171.

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

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

1 not including any amendments to such a contract taking effect  
2 on or after that date); (k) made to fund expenses of providing  
3 joint recreational programs for the handicapped under Section  
4 5-8 of the Park District Code or Section 11-95-14 of the  
5 Illinois Municipal Code; ~~and~~ (l) made for contributions to a  
6 firefighter's pension fund created under Article 4 of the  
7 Illinois Pension Code, to the extent of the amount certified  
8 under item (5) of Section 4-134 of the Illinois Pension Code;  
9 and (m) made for contributions to any of the following funds  
10 under the Illinois Pension Code: Article 3 funds under Section  
11 3-125; Article 4 funds under Section 4-118; and Article 7 funds  
12 under Section 7-171.

13 "Aggregate extension" for all taxing districts to which  
14 this Law applies in accordance with 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 effective date of this amendatory Act of 1997; (c) made for  
23 any taxing district to pay interest or principal on bonds  
24 issued to refund or continue to refund those bonds issued  
25 before the effective date of this amendatory Act of 1997; (d)  
26 made for any taxing district to pay interest or principal on  
27 bonds issued to refund or continue to refund bonds issued after  
28 the effective date of this amendatory Act of 1997 if the bonds  
29 were approved by referendum after the effective date of this  
30 amendatory Act of 1997; (e) made for any taxing district to pay  
31 interest or principal on revenue bonds issued before the  
32 effective date of this amendatory Act of 1997 for payment of  
33 which a property tax levy or the full faith and credit of the  
34 unit of local government is pledged; however, a tax for the  
35 payment of interest or principal on those bonds shall be made  
36 only after the governing body of the unit of local government



1 finds that all other sources for payment are insufficient to  
2 make those payments; (f) made for payments under a building  
3 commission lease when the lease payments are for the retirement  
4 of bonds issued by the commission before the effective date of  
5 this amendatory Act of 1997 to pay for the building project;  
6 (g) made for payments due under installment contracts entered  
7 into before the effective date of this amendatory Act of 1997;  
8 (h) made for payments of principal and interest on limited  
9 bonds, as defined in Section 3 of the Local Government Debt  
10 Reform Act, in an amount not to exceed the debt service  
11 extension base less the amount in items (b), (c), and (e) of  
12 this definition for non-referendum obligations, except  
13 obligations initially issued pursuant to referendum; (i) made  
14 for payments of principal and interest on bonds issued under  
15 Section 15 of the Local Government Debt Reform Act; (j) made  
16 for a qualified airport authority to pay interest or principal  
17 on general obligation bonds issued for the purpose of paying  
18 obligations due under, or financing airport facilities  
19 required to be acquired, constructed, installed or equipped  
20 pursuant to, contracts entered into before March 1, 1996 (but  
21 not including any amendments to such a contract taking effect  
22 on or after that date); (k) made to fund expenses of providing  
23 joint recreational programs for the handicapped under Section  
24 5-8 of the Park District Code or Section 11-95-14 of the  
25 Illinois Municipal Code; ~~and~~ (l) made for contributions to a  
26 firefighter's pension fund created under Article 4 of the  
27 Illinois Pension Code, to the extent of the amount certified  
28 under item (5) of Section 4-134 of the Illinois Pension Code;  
29 and (m) made for contributions to any of the following funds  
30 under the Illinois Pension Code: Article 3 funds under Section  
31 3-125; Article 4 funds under Section 4-118; and Article 7 funds  
32 under Section 7-171.

33 "Debt service extension base" means an amount equal to that  
34 portion of the extension for a taxing district for the 1994  
35 levy year, or for those taxing districts subject to this Law in  
36 accordance with Section 18-213, except for those subject to

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

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

1 aggregate extension.

2 "Aggregate extension base" means the taxing district's  
3 last preceding aggregate extension as adjusted under Sections  
4 18-215 through 18-230.

5 "Levy year" has the same meaning as "year" under Section  
6 1-155.

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

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

32 "Recovered tax increment value" means, except as otherwise  
33 provided in this paragraph, the amount of the current year's  
34 equalized assessed value, in the first year after a  
35 municipality terminates the designation of an area as a  
36 redevelopment project area previously established under the

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

35 Except as otherwise provided in this Section, "limiting  
36 rate" means a fraction the numerator of which is the last

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

12 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;  
13 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.  
14 7-1-04; 93-690, eff. 7-1-04; 93-1049, eff. 11-17-04; revised  
15 12-14-04.)

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law.