



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB4968

Introduced 01/19/06, by Rep. Roger L. Eddy

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that levies by fire protection districts for pension contributions and for tort liability, insurance, and risk-management programs are exempt from the definition of "aggregate extension".

LRB094 16096 BDD 51334 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; (p) made by a fire protection district
25 for contributions to a firefighter's pension fund created under
26 Article 4 of the Illinois Pension Code; and (q) made by a fire
27 protection district for funding expenses relating to tort
28 liability, insurance, and risk-management programs under
29 Section 9-107 of the Local Governmental and Governmental
30 Employees Tort Immunity Act.

31 "Aggregate extension" for the taxing districts to which
32 this Law did not apply before the 1995 levy year (except taxing
33 districts subject to this Law in accordance with Section
34 18-213) means the annual corporate extension for the taxing
35 district and those special purpose extensions that are made
36 annually for the taxing district, excluding special purpose

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

1 Government Debt Reform Act; (k) made for payments of principal
2 and interest on bonds authorized by Public Act 88-503 and
3 issued under Section 20a of the Chicago Park District Act for
4 aquarium or museum projects; (l) made for payments of principal
5 and interest on bonds authorized by Public Act 87-1191 or
6 93-601 and (i) issued pursuant to Section 21.2 of the Cook
7 County Forest Preserve District Act, (ii) issued under Section
8 42 of the Cook County Forest Preserve District Act for
9 zoological park projects, or (iii) issued under Section 44.1 of
10 the Cook County Forest Preserve District Act for botanical
11 gardens projects; (m) made pursuant to Section 34-53.5 of the
12 School Code, whether levied annually or not; (n) made to fund
13 expenses of providing joint recreational programs for the
14 handicapped under Section 5-8 of the Park District Code or
15 Section 11-95-14 of the Illinois Municipal Code; (o) made by
16 the Chicago Park District for recreational programs for the
17 handicapped under subsection (c) of Section 7.06 of the Chicago
18 Park District Act; ~~and~~ (p) made for contributions to a
19 firefighter's pension fund created under Article 4 of the
20 Illinois Pension Code, to the extent of the amount certified
21 under item (5) of Section 4-134 of the Illinois Pension Code;
22 (q) made by a fire protection district for contributions to a
23 firefighter's pension fund created under Article 4 of the
24 Illinois Pension Code; and (r) made by a fire protection
25 district for funding expenses relating to tort liability,
26 insurance, and risk-management programs under Section 9-107 of
27 the Local Governmental and Governmental Employees Tort
28 Immunity Act.

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

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

1 Section 15 of the Local Government Debt Reform Act; (j) made
2 for a qualified airport authority to pay interest or principal
3 on general obligation bonds issued for the purpose of paying
4 obligations due under, or financing airport facilities
5 required to be acquired, constructed, installed or equipped
6 pursuant to, contracts entered into before March 1, 1996 (but
7 not including any amendments to such a contract taking effect
8 on or after that date); (k) made to fund expenses of providing
9 joint recreational programs for the handicapped under Section
10 5-8 of the Park District Code or Section 11-95-14 of the
11 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
12 firefighter's pension fund created under Article 4 of the
13 Illinois Pension Code, to the extent of the amount certified
14 under item (5) of Section 4-134 of the Illinois Pension Code;
15 (m) made by a fire protection district for contributions to a
16 firefighter's pension fund created under Article 4 of the
17 Illinois Pension Code; and (n) made by a fire protection
18 district for funding expenses relating to tort liability,
19 insurance, and risk-management programs under Section 9-107 of
20 the Local Governmental and Governmental Employees Tort
21 Immunity Act.

22 "Aggregate extension" for all taxing districts to which
23 this Law applies in accordance with paragraph (2) of subsection
24 (e) of Section 18-213 means the annual corporate extension for
25 the taxing district and those special purpose extensions that
26 are made annually for the taxing district, excluding special
27 purpose extensions: (a) made for the taxing district to pay
28 interest or principal on general obligation bonds that were
29 approved by referendum; (b) made for any taxing district to pay
30 interest or principal on general obligation bonds issued before
31 the effective date of this amendatory Act of 1997; (c) made for
32 any taxing district to pay interest or principal on bonds
33 issued to refund or continue to refund those bonds issued
34 before the effective date of this amendatory Act of 1997; (d)
35 made for any taxing district to pay interest or principal on
36 bonds issued to refund or continue to refund bonds issued after

1 the effective date of this amendatory Act of 1997 if the bonds
2 were approved by referendum after the effective date of this
3 amendatory Act of 1997; (e) made for any taxing district to pay
4 interest or principal on revenue bonds issued before the
5 effective date of this amendatory Act of 1997 for payment of
6 which a property tax levy or the full faith and credit of the
7 unit of local government is pledged; however, a tax for the
8 payment of interest or principal on those bonds shall be made
9 only after the governing body of the unit of local government
10 finds that all other sources for payment are insufficient to
11 make those payments; (f) made for payments under a building
12 commission lease when the lease payments are for the retirement
13 of bonds issued by the commission before the effective date of
14 this amendatory Act of 1997 to pay for the building project;
15 (g) made for payments due under installment contracts entered
16 into before the effective date of this amendatory Act of 1997;
17 (h) made for payments of principal and interest on limited
18 bonds, as defined in Section 3 of the Local Government Debt
19 Reform Act, in an amount not to exceed the debt service
20 extension base less the amount in items (b), (c), and (e) of
21 this definition for non-referendum obligations, except
22 obligations initially issued pursuant to referendum; (i) made
23 for payments of principal and interest on bonds issued under
24 Section 15 of the Local Government Debt Reform Act; (j) made
25 for a qualified airport authority to pay interest or principal
26 on general obligation bonds issued for the purpose of paying
27 obligations due under, or financing airport facilities
28 required to be acquired, constructed, installed or equipped
29 pursuant to, contracts entered into before March 1, 1996 (but
30 not including any amendments to such a contract taking effect
31 on or after that date); (k) made to fund expenses of providing
32 joint recreational programs for the handicapped under Section
33 5-8 of the Park District Code or Section 11-95-14 of the
34 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
35 firefighter's pension fund created under Article 4 of the
36 Illinois Pension Code, to the extent of the amount certified

1 under item (5) of Section 4-134 of the Illinois Pension Code;
2 (m) made by a fire protection district for contributions to a
3 firefighter's pension fund created under Article 4 of the
4 Illinois Pension Code; and (n) made by a fire protection
5 district for funding expenses relating to tort liability,
6 insurance, and risk-management programs under Section 9-107 of
7 the Local Governmental and Governmental Employees Tort
8 Immunity Act.

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

1 Park District Act for aquarium and museum projects; (ii) bonds
2 issued under Section 15 of the Local Government Debt Reform
3 Act; or (iii) refunding obligations issued to refund or to
4 continue to refund obligations initially issued pursuant to
5 referendum.

6 "Special purpose extensions" include, but are not limited
7 to, extensions for levies made on an annual basis for
8 unemployment and workers' compensation, self-insurance,
9 contributions to pension plans, and extensions made pursuant to
10 Section 6-601 of the Illinois Highway Code for a road
11 district's permanent road fund whether levied annually or not.
12 The extension for a special service area is not included in the
13 aggregate extension.

14 "Aggregate extension base" means the taxing district's
15 last preceding aggregate extension as adjusted under Sections
16 18-215 through 18-230.

17 "Levy year" has the same meaning as "year" under Section
18 1-155.

19 "New property" means (i) the assessed value, after final
20 board of review or board of appeals action, of new improvements
21 or additions to existing improvements on any parcel of real
22 property that increase the assessed value of that real property
23 during the levy year multiplied by the equalization factor
24 issued by the Department under Section 17-30, (ii) the assessed
25 value, after final board of review or board of appeals action,
26 of real property not exempt from real estate taxation, which
27 real property was exempt from real estate taxation for any
28 portion of the immediately preceding levy year, multiplied by
29 the equalization factor issued by the Department under Section
30 17-30, and (iii) in counties that classify in accordance with
31 Section 4 of Article IX of the Illinois Constitution, an
32 incentive property's additional assessed value resulting from
33 a scheduled increase in the level of assessment as applied to
34 the first year final board of review market value. In addition,
35 the county clerk in a county containing a population of
36 3,000,000 or more shall include in the 1997 recovered tax

1 increment value for any school district, any recovered tax
2 increment value that was applicable to the 1995 tax year
3 calculations.

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

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

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

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

24 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
25 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.
26 7-1-04; 93-690, eff. 7-1-04; 93-1049, eff. 11-17-04; revised
27 12-14-04.)