

SB0080



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB0080

Introduced 1/26/2005, by Sen. Todd Sieben

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. In certain non-home rule taxing districts in which the voters have approved a referendum making the Property Tax Extension Limitation Law applicable, exempts from the extension limitation those extensions made for payments of principal and interest on bonds issued before July 1, 2005 by any school district on the State Board of Education's Financial Warning List for the purpose of financing a retrofit program to replace steam pipes. Effective immediately.

LRB094 06255 BDD 36326 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning taxes.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Section 18-185 as follows:

6 (35 ILCS 200/18-185)

7 Sec. 18-185. Short title; definitions. This Division 5 may
8 be cited as the Property Tax Extension Limitation Law. As used
9 in this Division 5:

10 "Consumer Price Index" means the Consumer Price Index for
11 All Urban Consumers for all items published by the United
12 States Department of Labor.

13 "Extension limitation" means (a) the lesser of 5% or the
14 percentage increase in the Consumer Price Index during the
15 12-month calendar year preceding the levy year or (b) the rate
16 of increase approved by voters under Section 18-205.

17 "Affected county" means a county of 3,000,000 or more
18 inhabitants or a county contiguous to a county of 3,000,000 or
19 more inhabitants.

20 "Taxing district" has the same meaning provided in Section
21 1-150, except as otherwise provided in this Section. For the
22 1991 through 1994 levy years only, "taxing district" includes
23 only each non-home rule taxing district having the majority of
24 its 1990 equalized assessed value within any county or counties
25 contiguous to a county with 3,000,000 or more inhabitants.
26 Beginning with the 1995 levy year, "taxing district" includes
27 only each non-home rule taxing district subject to this Law
28 before the 1995 levy year and each non-home rule taxing
29 district not subject to this Law before the 1995 levy year
30 having the majority of its 1994 equalized assessed value in an
31 affected county or counties. Beginning with the levy year in
32 which this Law becomes applicable to a taxing district as

1 provided in Section 18-213, "taxing district" also includes
2 those taxing districts made subject to this Law as provided in
3 Section 18-213.

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

1 (b), (c), (e), and (h) of this definition for non-referendum
2 obligations, except obligations initially issued pursuant to
3 referendum; (j) made for payments of principal and interest on
4 bonds issued under Section 15 of the Local Government Debt
5 Reform Act; (k) made by a school district that participates in
6 the Special Education District of Lake County, created by
7 special education joint agreement under Section 10-22.31 of the
8 School Code, for payment of the school district's share of the
9 amounts required to be contributed by the Special Education
10 District of Lake County to the Illinois Municipal Retirement
11 Fund under Article 7 of the Illinois Pension Code; the amount
12 of any extension under this item (k) shall be certified by the
13 school district to the county clerk; (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; and (o) ~~(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.

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

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

1 County Forest Preserve District Act, (ii) issued under Section
2 42 of the Cook County Forest Preserve District Act for
3 zoological park projects, or (iii) issued under Section 44.1 of
4 the Cook County Forest Preserve District Act for botanical
5 gardens projects; (m) made pursuant to Section 34-53.5 of the
6 School Code, whether levied annually or not; (n) made to fund
7 expenses of providing joint recreational programs for the
8 handicapped under Section 5-8 of the Park District Code or
9 Section 11-95-14 of the Illinois Municipal Code; (o) made by
10 the Chicago Park District for recreational programs for the
11 handicapped under subsection (c) of Section 7.06 of the Chicago
12 Park District Act; and (p) made for contributions to a
13 firefighter's pension fund created under Article 4 of the
14 Illinois Pension Code, to the extent of the amount certified
15 under item (5) of Section 4-134 of the Illinois Pension Code.

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

1 district is held; (e) made for any taxing district to pay
2 interest or principal on revenue bonds issued before the date
3 on which the referendum making this Law applicable to the
4 taxing district is held for payment of which a property tax
5 levy or the full faith and credit of the unit of local
6 government is pledged; however, a tax for the payment of
7 interest or principal on those bonds shall be made only after
8 the governing body of the unit of local government finds that
9 all other sources for payment are insufficient to make those
10 payments; (f) made for payments under a building commission
11 lease when the lease payments are for the retirement of bonds
12 issued by the commission before the date on which the
13 referendum making this Law applicable to the taxing district is
14 held to pay for the building project; (g) made for payments due
15 under installment contracts entered into before the date on
16 which the referendum making this Law applicable to the taxing
17 district is held; (h) made for payments of principal and
18 interest on limited bonds, as defined in Section 3 of the Local
19 Government Debt Reform Act, in an amount not to exceed the debt
20 service extension base less the amount in items (b), (c), and
21 (e) of 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 and (m) made for payments of principal and interest on bonds
3 issued before July 1, 2005 by any school district on the State
4 Board of Education's Financial Warning List for the purpose of
5 financing a retrofit program to replace steam pipes.

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

1 (h) made for payments of principal and interest on limited
2 bonds, as defined in Section 3 of the Local Government Debt
3 Reform Act, in an amount not to exceed the debt service
4 extension base less the amount in items (b), (c), and (e) of
5 this definition for non-referendum obligations, except
6 obligations initially issued pursuant to referendum; (i) made
7 for payments of principal and interest on bonds issued under
8 Section 15 of the Local Government Debt Reform Act; (j) made
9 for a qualified airport authority to pay interest or principal
10 on general obligation bonds issued for the purpose of paying
11 obligations due under, or financing airport facilities
12 required to be acquired, constructed, installed or equipped
13 pursuant to, contracts entered into before March 1, 1996 (but
14 not including any amendments to such a contract taking effect
15 on or after that date); (k) made to fund expenses of providing
16 joint recreational programs for the handicapped under Section
17 5-8 of the Park District Code or Section 11-95-14 of the
18 Illinois Municipal Code; and (l) 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 "Debt service extension base" means an amount equal to that
23 portion of the extension for a taxing district for the 1994
24 levy year, or for those taxing districts subject to this Law in
25 accordance with Section 18-213, except for those subject to
26 paragraph (2) of subsection (e) of Section 18-213, for the levy
27 year in which the referendum making this Law applicable to the
28 taxing district is held, or for those taxing districts subject
29 to this Law in accordance with paragraph (2) of subsection (e)
30 of Section 18-213 for the 1996 levy year, constituting an
31 extension for payment of principal and interest on bonds issued
32 by the taxing district without referendum, but not including
33 excluded non-referendum bonds. For park districts (i) that were
34 first subject to this Law in 1991 or 1995 and (ii) whose
35 extension for the 1994 levy year for the payment of principal
36 and interest on bonds issued by the park district without

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

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

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

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

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

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

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

21 "Recovered tax increment value" means, except as otherwise
22 provided in this paragraph, the amount of the current year's
23 equalized assessed value, in the first year after a
24 municipality terminates the designation of an area as a
25 redevelopment project area previously established under the
26 Tax Increment Allocation Development Act in the Illinois
27 Municipal Code, previously established under the Industrial
28 Jobs Recovery Law in the Illinois Municipal Code, or previously
29 established under the Economic Development Area Tax Increment
30 Allocation Act, of each taxable lot, block, tract, or parcel of
31 real property in the redevelopment project area over and above
32 the initial equalized assessed value of each property in the
33 redevelopment project area. For the taxes which are extended
34 for the 1997 levy year, the recovered tax increment value for a
35 non-home rule taxing district that first became subject to this
36 Law for the 1995 levy year because a majority of its 1994

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

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

1 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
2 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.
3 7-1-04; 93-690, eff. 7-1-04; 93-1049, eff. 11-17-04; revised
4 12-14-04.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.