



Sen. Terry Link

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1 AMENDMENT TO SENATE BILL 702

2 AMENDMENT NO. _____. Amend Senate Bill 702 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing
5 Sections 18-165 and 18-185 and by adding Division 14 to Article
6 10 as follows:

7 (35 ILCS 200/Art. 10 Div. 14 heading new)

8 DIVISION 14. VALUATION OF CERTAIN LEASES OF EXEMPT PROPERTY

9 (35 ILCS 200/10-365 new)

10 Sec. 10-365. U.S. Military Public/Private Residential
11 Developments. PPV Leases must be classified and valued as set
12 forth in Sections 10-370 through 10-380 during the period
13 beginning January 1, 2006 and ending with the earlier of the
14 year 50 years after the base year or the year in which a PPV
15 Lease terminates.

16 (35 ILCS 200/10-370 new)

17 Sec. 10-370. Definitions. For the purposes of this Division
18 14:

19 "PPV Lease" means a leasehold interest in property that is
20 exempt from taxation under Section 15-50 of this Code and that
21 is leased, pursuant to authority set forth in Section 2878 of
22 Chapter 10 of the United States Code, to another whose property

1 is not exempt for the purpose of, after January 1, 2006, the
2 design, finance, construction, renovation, management,
3 operation, and maintenance of rental housing units and
4 associated improvements at, among other facilities, naval
5 training facilities in the State of Illinois.

6 "Net operating income" means all revenues received minus
7 the lesser of (i) 39% of all revenues or (ii) expenses before
8 interest, taxes, depreciation, and amortization.

9 "Tax load factor" means the level of assessment, as set
10 forth under item (b) of Section 9-145 or under Section 9-150,
11 multiplied by the cumulative tax rate for the current taxable
12 year.

13 (35 ILCS 200/10-375 new)

14 Sec. 10-375. Valuation.

15 (a) A PPV Lease must be valued at its fair cash value, as
16 provided under item (b) of Section 9-145 or under Section
17 9-150.

18 (b) The fair cash value of a PPV Lease must be determined
19 by using an income capitalization approach. To determine the
20 fair cash value of a PPV Lease, the net operating income is
21 divided by (i) a rate of 5.75% plus (ii) the actual or most
22 recently ascertainable tax load factor for the subject year.

23 (c) By April 15 of each year, the holder of a PPV Lease
24 must report to the chief county assessment officer in each
25 county in which the leasehold property is located the annual
26 gross income and expenses derived and incurred from the PPV
27 Lease, including the rental of leased property for each
28 military housing facility subject to a PPV lease.

29 (35 ILCS 200/10-380 new)

30 Sec. 10-380. For the taxable years 2006, 2007, 2008, and
31 2009, the chief county assessment officer in the county in
32 which property subject to a PPV Lease is located shall apply

1 the provisions of this Division 14 in assessing and determining
2 the value of any qualified property for purposes of the
3 property tax laws of this State.

4 (35 ILCS 200/18-165)

5 Sec. 18-165. Abatement of taxes.

6 (a) Any taxing district, upon a majority vote of its
7 governing authority, may, after the determination of the
8 assessed valuation of its property, order the clerk of that
9 county to abate any portion of its taxes on the following types
10 of property:

11 (1) Commercial and industrial.

12 (A) The property of any commercial or industrial
13 firm, including but not limited to the property of (i)
14 any firm that is used for collecting, separating,
15 storing, or processing recyclable materials, locating
16 within the taxing district during the immediately
17 preceding year from another state, territory, or
18 country, or having been newly created within this State
19 during the immediately preceding year, or expanding an
20 existing facility, or (ii) any firm that is used for
21 the generation and transmission of electricity
22 locating within the taxing district during the
23 immediately preceding year or expanding its presence
24 within the taxing district during the immediately
25 preceding year by construction of a new electric
26 generating facility that uses natural gas as its fuel,
27 or any firm that is used for production operations at a
28 new, expanded, or reopened coal mine within the taxing
29 district, that has been certified as a High Impact
30 Business by the Illinois Department of Commerce and
31 Economic Opportunity ~~Community Affairs~~. The property
32 of any firm used for the generation and transmission of
33 electricity shall include all property of the firm used

1 for transmission facilities as defined in Section 5.5
2 of the Illinois Enterprise Zone Act. The abatement
3 shall not exceed a period of 10 years and the aggregate
4 amount of abated taxes for all taxing districts
5 combined shall not exceed \$4,000,000.

6 (A-5) Any property in the taxing district of a new
7 electric generating facility, as defined in Section
8 605-332 of the Department of Commerce and Economic
9 Opportunity ~~Community Affairs~~ Law of the Civil
10 Administrative Code of Illinois. The abatement shall
11 not exceed a period of 10 years. The abatement shall be
12 subject to the following limitations:

13 (i) if the equalized assessed valuation of the
14 new electric generating facility is equal to or
15 greater than \$25,000,000 but less than
16 \$50,000,000, then the abatement may not exceed (i)
17 over the entire term of the abatement, 5% of the
18 taxing district's aggregate taxes from the new
19 electric generating facility and (ii) in any one
20 year of abatement, 20% of the taxing district's
21 taxes from the new electric generating facility;

22 (ii) if the equalized assessed valuation of
23 the new electric generating facility is equal to or
24 greater than \$50,000,000 but less than
25 \$75,000,000, then the abatement may not exceed (i)
26 over the entire term of the abatement, 10% of the
27 taxing district's aggregate taxes from the new
28 electric generating facility and (ii) in any one
29 year of abatement, 35% of the taxing district's
30 taxes from the new electric generating facility;

31 (iii) if the equalized assessed valuation of
32 the new electric generating facility is equal to or
33 greater than \$75,000,000 but less than
34 \$100,000,000, then the abatement may not exceed

1 (i) over the entire term of the abatement, 20% of
2 the taxing district's aggregate taxes from the new
3 electric generating facility and (ii) in any one
4 year of abatement, 50% of the taxing district's
5 taxes from the new electric generating facility;

6 (iv) if the equalized assessed valuation of
7 the new electric generating facility is equal to or
8 greater than \$100,000,000 but less than
9 \$125,000,000, then the abatement may not exceed

10 (i) over the entire term of the abatement, 30% of
11 the taxing district's aggregate taxes from the new
12 electric generating facility and (ii) in any one
13 year of abatement, 60% of the taxing district's
14 taxes from the new electric generating facility;

15 (v) if the equalized assessed valuation of the
16 new electric generating facility is equal to or
17 greater than \$125,000,000 but less than
18 \$150,000,000, then the abatement may not exceed

19 (i) over the entire term of the abatement, 40% of
20 the taxing district's aggregate taxes from the new
21 electric generating facility and (ii) in any one
22 year of abatement, 60% of the taxing district's
23 taxes from the new electric generating facility;

24 (vi) if the equalized assessed valuation of
25 the new electric generating facility is equal to or
26 greater than \$150,000,000, then the abatement may
27 not exceed (i) over the entire term of the
28 abatement, 50% of the taxing district's aggregate
29 taxes from the new electric generating facility
30 and (ii) in any one year of abatement, 60% of the
31 taxing district's taxes from the new electric
32 generating facility.

33 The abatement is not effective unless the owner of
34 the new electric generating facility agrees to repay to

1 the taxing district all amounts previously abated,
2 together with interest computed at the rate and in the
3 manner provided for delinquent taxes, in the event that
4 the owner of the new electric generating facility
5 closes the new electric generating facility before the
6 expiration of the entire term of the abatement.

7 The authorization of taxing districts to abate
8 taxes under this subdivision (a) (1) (A-5) expires on
9 January 1, 2010.

10 (B) The property of any commercial or industrial
11 development of at least 500 acres having been created
12 within the taxing district. The abatement shall not
13 exceed a period of 20 years and the aggregate amount of
14 abated taxes for all taxing districts combined shall
15 not exceed \$12,000,000.

16 (C) The property of any commercial or industrial
17 firm currently located in the taxing district that
18 expands a facility or its number of employees. The
19 abatement shall not exceed a period of 10 years and the
20 aggregate amount of abated taxes for all taxing
21 districts combined shall not exceed \$4,000,000. The
22 abatement period may be renewed at the option of the
23 taxing districts.

24 (2) Horse racing. Any property in the taxing district
25 which is used for the racing of horses and upon which
26 capital improvements consisting of expansion, improvement
27 or replacement of existing facilities have been made since
28 July 1, 1987. The combined abatements for such property
29 from all taxing districts in any county shall not exceed
30 \$5,000,000 annually and shall not exceed a period of 10
31 years.

32 (3) Auto racing. Any property designed exclusively for
33 the racing of motor vehicles. Such abatement shall not
34 exceed a period of 10 years.

1 (4) Academic or research institute. The property of any
2 academic or research institute in the taxing district that
3 (i) is an exempt organization under paragraph (3) of
4 Section 501(c) of the Internal Revenue Code, (ii) operates
5 for the benefit of the public by actually and exclusively
6 performing scientific research and making the results of
7 the research available to the interested public on a
8 non-discriminatory basis, and (iii) employs more than 100
9 employees. An abatement granted under this paragraph shall
10 be for at least 15 years and the aggregate amount of abated
11 taxes for all taxing districts combined shall not exceed
12 \$5,000,000.

13 (5) Housing for older persons. Any property in the
14 taxing district that is devoted exclusively to affordable
15 housing for older households. For purposes of this
16 paragraph, "older households" means those households (i)
17 living in housing provided under any State or federal
18 program that the Department of Human Rights determines is
19 specifically designed and operated to assist elderly
20 persons and is solely occupied by persons 55 years of age
21 or older and (ii) whose annual income does not exceed 80%
22 of the area gross median income, adjusted for family size,
23 as such gross income and median income are determined from
24 time to time by the United States Department of Housing and
25 Urban Development. The abatement shall not exceed a period
26 of 15 years, and the aggregate amount of abated taxes for
27 all taxing districts shall not exceed \$3,000,000.

28 (6) Historical society. For assessment years 1998
29 through 2008, the property of an historical society
30 qualifying as an exempt organization under Section
31 501(c)(3) of the federal Internal Revenue Code.

32 (7) Recreational facilities. Any property in the
33 taxing district (i) that is used for a municipal airport,
34 (ii) that is subject to a leasehold assessment under

1 Section 9-195 of this Code and (iii) which is sublet from a
2 park district that is leasing the property from a
3 municipality, but only if the property is used exclusively
4 for recreational facilities or for parking lots used
5 exclusively for those facilities. The abatement shall not
6 exceed a period of 10 years.

7 (8) Relocated corporate headquarters. If approval
8 occurs within 5 years after the effective date of this
9 amendatory Act of the 92nd General Assembly, any property
10 or a portion of any property in a taxing district that is
11 used by an eligible business for a corporate headquarters
12 as defined in the Corporate Headquarters Relocation Act.
13 Instead of an abatement under this paragraph (8), a taxing
14 district may enter into an agreement with an eligible
15 business to make annual payments to that eligible business
16 in an amount not to exceed the property taxes paid directly
17 or indirectly by that eligible business to the taxing
18 district and any other taxing districts for premises
19 occupied pursuant to a written lease and may make those
20 payments without the need for an annual appropriation. No
21 school district, however, may enter into an agreement with,
22 or abate taxes for, an eligible business unless the
23 municipality in which the corporate headquarters is
24 located agrees to provide funding to the school district in
25 an amount equal to the amount abated or paid by the school
26 district as provided in this paragraph (8). Any abatement
27 ordered or agreement entered into under this paragraph (8)
28 may be effective for the entire term specified by the
29 taxing district, except the term of the abatement or annual
30 payments may not exceed 20 years.

31 United States Military Public/Private Residential
32 Developments. Each building or structure designed,
33 financed, constructed, renovated, managed, operated, or
34 maintained after January 1, 2006 under a "PPV Lease, as set

1 forth under Division 14 of Article 10.

2 (b) Upon a majority vote of its governing authority, any
3 municipality may, after the determination of the assessed
4 valuation of its property, order the county clerk to abate any
5 portion of its taxes on any property that is located within the
6 corporate limits of the municipality in accordance with Section
7 8-3-18 of the Illinois Municipal Code.

8 (Source: P.A. 92-12, eff. 7-1-01; 92-207, eff. 8-1-01; 92-247,
9 eff. 8-3-01; 92-651, eff. 7-11-02; 93-270, eff. 7-22-03;
10 revised 12-6-03.)

11 (35 ILCS 200/18-185)

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

15 "Consumer Price Index" means the Consumer Price Index for
16 All Urban Consumers for all items published by the United
17 States Department of Labor.

18 "Extension limitation" means (a) the lesser of 5% or the
19 percentage increase in the Consumer Price Index during the
20 12-month calendar year preceding the levy year or (b) the rate
21 of increase approved by voters under Section 18-205.

22 "Affected county" means a county of 3,000,000 or more
23 inhabitants or a county contiguous to a county of 3,000,000 or
24 more inhabitants.

25 "Taxing district" has the same meaning provided in Section
26 1-150, except as otherwise provided in this Section. For the
27 1991 through 1994 levy years only, "taxing district" includes
28 only each non-home rule taxing district having the majority of
29 its 1990 equalized assessed value within any county or counties
30 contiguous to a county with 3,000,000 or more inhabitants.
31 Beginning with the 1995 levy year, "taxing district" includes
32 only each non-home rule taxing district subject to this Law
33 before the 1995 levy year and each non-home rule taxing

1 district not subject to this Law before the 1995 levy year
2 having the majority of its 1994 equalized assessed value in an
3 affected county or counties. Beginning with the levy year in
4 which this Law becomes applicable to a taxing district as
5 provided in Section 18-213, "taxing district" also includes
6 those taxing districts made subject to this Law as provided in
7 Section 18-213.

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

1 interest on bonds issued under the Metropolitan Water
2 Reclamation District Act to finance construction projects
3 initiated before October 1, 1991; (i) made for payments of
4 principal and interest on limited bonds, as defined in Section
5 3 of the Local Government Debt Reform Act, in an amount not to
6 exceed the debt service extension base less the amount in items
7 (b), (c), (e), and (h) of this definition for non-referendum
8 obligations, except obligations initially issued pursuant to
9 referendum; (j) made for payments of principal and interest on
10 bonds issued under Section 15 of the Local Government Debt
11 Reform Act; (k) made by a school district that participates in
12 the Special Education District of Lake County, created by
13 special education joint agreement under Section 10-22.31 of the
14 School Code, for payment of the school district's share of the
15 amounts required to be contributed by the Special Education
16 District of Lake County to the Illinois Municipal Retirement
17 Fund under Article 7 of the Illinois Pension Code; the amount
18 of any extension under this item (k) shall be certified by the
19 school district to the county clerk; (l) made to fund expenses
20 of providing joint recreational programs for the handicapped
21 under Section 5-8 of the Park District Code or Section 11-95-14
22 of the Illinois Municipal Code; (m) made for temporary
23 relocation loan repayment purposes pursuant to Sections 2-3.77
24 and 17-2.2d of the School Code; ~~and~~ (n) made for payment of
25 principal and interest on any bonds issued under the authority
26 of Section 17-2.2d of the School Code; and (o) ~~(m)~~ made for
27 contributions to a firefighter's pension fund created under
28 Article 4 of the Illinois Pension Code, to the extent of the
29 amount certified under item (5) of Section 4-134 of the
30 Illinois Pension Code.

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

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

1 non-referendum obligations, except obligations initially
2 issued pursuant to referendum and bonds described in subsection
3 (h) of this definition; (j) made for payments of principal and
4 interest on bonds issued under Section 15 of the Local
5 Government Debt Reform Act; (k) made for payments of principal
6 and interest on bonds authorized by Public Act 88-503 and
7 issued under Section 20a of the Chicago Park District Act for
8 aquarium or museum projects; (l) made for payments of principal
9 and interest on bonds authorized by Public Act 87-1191 or
10 93-601 and (i) issued pursuant to Section 21.2 of the Cook
11 County Forest Preserve District Act, (ii) issued under Section
12 42 of the Cook County Forest Preserve District Act for
13 zoological park projects, or (iii) issued under Section 44.1 of
14 the Cook County Forest Preserve District Act for botanical
15 gardens projects; (m) made pursuant to Section 34-53.5 of the
16 School Code, whether levied annually or not; (n) made to fund
17 expenses of providing joint recreational programs for the
18 handicapped under Section 5-8 of the Park District Code or
19 Section 11-95-14 of the Illinois Municipal Code; (o) made by
20 the Chicago Park District for recreational programs for the
21 handicapped under subsection (c) of Section 7.06 of the Chicago
22 Park District Act; and (p) made for contributions to a
23 firefighter's pension fund created under Article 4 of the
24 Illinois Pension Code, to the extent of the amount certified
25 under item (5) of Section 4-134 of the Illinois Pension Code.

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

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

1 for payments of principal and interest on bonds issued under
2 Section 15 of the Local Government Debt Reform Act; (j) made
3 for a qualified airport authority to pay interest or principal
4 on general obligation bonds issued for the purpose of paying
5 obligations due under, or financing airport facilities
6 required to be acquired, constructed, installed or equipped
7 pursuant to, contracts entered into before March 1, 1996 (but
8 not including any amendments to such a contract taking effect
9 on or after that date); (k) made to fund expenses of providing
10 joint recreational programs for the handicapped under Section
11 5-8 of the Park District Code or Section 11-95-14 of the
12 Illinois Municipal Code; and (l) 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 paragraph (2) of subsection
18 (e) of Section 18-213 means the annual corporate extension for
19 the taxing district and those special purpose extensions that
20 are made annually for the taxing district, excluding special
21 purpose extensions: (a) made for the taxing district to pay
22 interest or principal on general obligation bonds that were
23 approved by referendum; (b) made for any taxing district to pay
24 interest or principal on general obligation bonds issued before
25 the effective date of this amendatory Act of 1997; (c) made for
26 any taxing district to pay interest or principal on bonds
27 issued to refund or continue to refund those bonds issued
28 before the effective date of this amendatory Act of 1997; (d)
29 made for any taxing district to pay interest or principal on
30 bonds issued to refund or continue to refund bonds issued after
31 the effective date of this amendatory Act of 1997 if the bonds
32 were approved by referendum after the effective date of this
33 amendatory Act of 1997; (e) made for any taxing district to pay
34 interest or principal on revenue bonds issued before the

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

34 "Debt service extension base" means an amount equal to that

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

33 "Special purpose extensions" include, but are not limited
34 to, extensions for levies made on an annual basis for

1 unemployment and workers' compensation, self-insurance,
2 contributions to pension plans, and extensions made pursuant to
3 Section 6-601 of the Illinois Highway Code for a road
4 district's permanent road fund whether levied annually or not.
5 The extension for a special service area is not included in the
6 aggregate extension.

7 "Aggregate extension base" means the taxing district's
8 last preceding aggregate extension as adjusted under Sections
9 18-215 through 18-230.

10 "Levy year" has the same meaning as "year" under Section
11 1-155.

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

1 was applicable to the 1995 tax year calculations.

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

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

28 Section 99. Effective date. This Act takes effect upon
29 becoming law."