

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 Sections 18-135 and 18-185 as follows:

6 (35 ILCS 200/18-135)

7 Sec. 18-135. Taxing district in 2 or more counties.

8 (a) Notwithstanding any other provisions to the contrary,  
9 in counties which have an overlapping taxing district or  
10 districts that extend into one or more other counties, the  
11 county clerk, upon receipt of the assessments from the Board of  
12 Review or Board of Appeals, and of the equalization factor from  
13 the Department, may use estimated valuations or estimated  
14 rates, as provided in subsection (b) of this Section, for the  
15 overlapping taxing district or districts if the county clerk in  
16 any other county into which the overlapping taxing district or  
17 districts extend cannot certify the actual valuations or rates  
18 for the district or districts.

19 (b) If the county clerk of a county which has an  
20 overlapping taxing district which extends into another county  
21 has not received the certified valuations or rates from the  
22 county clerk of any county into which such districts overlap,  
23 he or she may subsequent to March 15, make written demand for

1 actual or estimated valuations or rates upon the county clerk  
2 of that county. Within 10 days of receiving a written demand,  
3 the county clerk receiving the demand shall furnish certified  
4 or estimated valuations or rates for the overlapping taxing  
5 district, as pertaining to his or her county, to the county  
6 clerk who made the request. If no valuations or rates are  
7 received, the requesting county may make the estimate.

8 (c) If the use of estimated valuations or rates results in  
9 over or under extension for the overlapping taxing district in  
10 the county using estimated valuations or rates, the county  
11 clerk shall make appropriate adjustments in the subsequent  
12 year. Any adjustments necessitated by the estimation procedure  
13 authorized by this Section shall be made by increasing or  
14 decreasing the tax extension by fund for each taxing district  
15 where the estimation procedures were used.

16 (d) For taxing districts subject to the Property Tax  
17 Extension Limitation Law, the adjustment for paragraph (c)  
18 shall be made after the limiting rate has been calculated using  
19 the aggregate extension base, as defined in Section 18-185,  
20 adjusted for the over or under extension due to the use of an  
21 estimated valuation by the county on the last preceding  
22 aggregate extension.

23 (Source: P.A. 90-291, eff. 1-1-98.)

24 (35 ILCS 200/18-185)

25 Sec. 18-185. Short title; definitions. This Division 5 may

1 be cited as the Property Tax Extension Limitation Law. As used  
2 in this Division 5:

3 "Consumer Price Index" means the Consumer Price Index for  
4 All Urban Consumers for all items published by the United  
5 States Department of Labor.

6 "Extension limitation" means (a) the lesser of 5% or the  
7 percentage increase in the Consumer Price Index during the  
8 12-month calendar year preceding the levy year or (b) the rate  
9 of increase approved by voters under Section 18-205.

10 "Affected county" means a county of 3,000,000 or more  
11 inhabitants or a county contiguous to a county of 3,000,000 or  
12 more inhabitants.

13 "Taxing district" has the same meaning provided in Section  
14 1-150, except as otherwise provided in this Section. For the  
15 1991 through 1994 levy years only, "taxing district" includes  
16 only each non-home rule taxing district having the majority of  
17 its 1990 equalized assessed value within any county or counties  
18 contiguous to a county with 3,000,000 or more inhabitants.  
19 Beginning with the 1995 levy year, "taxing district" includes  
20 only each non-home rule taxing district subject to this Law  
21 before the 1995 levy year and each non-home rule taxing  
22 district not subject to this Law before the 1995 levy year  
23 having the majority of its 1994 equalized assessed value in an  
24 affected county or counties. Beginning with the levy year in  
25 which this Law becomes applicable to a taxing district as  
26 provided in Section 18-213, "taxing district" also includes

1 those taxing districts made subject to this Law as provided in  
2 Section 18-213.

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

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

1 and 17-2.2d of the School Code; (n) made for payment of  
2 principal and interest on any bonds issued under the authority  
3 of Section 17-2.2d of the School Code; and (o) made for  
4 contributions to a firefighter's pension fund created under  
5 Article 4 of the Illinois Pension Code, to the extent of the  
6 amount certified under item (5) of Section 4-134 of the  
7 Illinois Pension Code.

8 "Aggregate extension" for the taxing districts to which  
9 this Law did not apply before the 1995 levy year (except taxing  
10 districts subject to this Law in accordance with Section  
11 18-213) means the annual corporate extension for the taxing  
12 district and those special purpose extensions that are made  
13 annually for the taxing district, excluding special purpose  
14 extensions: (a) made for the taxing district to pay interest or  
15 principal on general obligation bonds that were approved by  
16 referendum; (b) made for any taxing district to pay interest or  
17 principal on general obligation bonds issued before March 1,  
18 1995; (c) made for any taxing district to pay interest or  
19 principal on bonds issued to refund or continue to refund those  
20 bonds issued before March 1, 1995; (d) made for any taxing  
21 district to pay interest or principal on bonds issued to refund  
22 or continue to refund bonds issued after March 1, 1995 that  
23 were approved by referendum; (e) made for any taxing district  
24 to pay interest or principal on revenue bonds issued before  
25 March 1, 1995 for payment of which a property tax levy or the  
26 full faith and credit of the unit of local government is

1 pledged; however, a tax for the payment of interest or  
2 principal on those bonds shall be made only after the governing  
3 body of the unit of local government finds that all other  
4 sources for payment are insufficient to make those payments;  
5 (f) made for payments under a building commission lease when  
6 the lease payments are for the retirement of bonds issued by  
7 the commission before March 1, 1995 to pay for the building  
8 project; (g) made for payments due under installment contracts  
9 entered into before March 1, 1995; (h) made for payments of  
10 principal and interest on bonds issued under the Metropolitan  
11 Water Reclamation District Act to finance construction  
12 projects initiated before October 1, 1991; (h-4) made for  
13 stormwater management purposes by the Metropolitan Water  
14 Reclamation District of Greater Chicago under Section 12 of the  
15 Metropolitan Water Reclamation District Act; (i) made for  
16 payments of principal and interest on limited bonds, as defined  
17 in Section 3 of the Local Government Debt Reform Act, in an  
18 amount not to exceed the debt service extension base less the  
19 amount in items (b), (c), and (e) of this definition for  
20 non-referendum obligations, except obligations initially  
21 issued pursuant to referendum and bonds described in subsection  
22 (h) of this definition; (j) made for payments of principal and  
23 interest on bonds issued under Section 15 of the Local  
24 Government Debt Reform Act; (k) made for payments of principal  
25 and interest on bonds authorized by Public Act 88-503 and  
26 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 "Aggregate extension" for all taxing districts to which  
20 this Law applies in accordance with Section 18-213, except for  
21 those taxing districts subject to paragraph (2) of subsection  
22 (e) of Section 18-213, means the annual corporate extension for  
23 the taxing district and those special purpose extensions that  
24 are made annually for the taxing district, excluding special  
25 purpose extensions: (a) made for the taxing district to pay  
26 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

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

25 "Aggregate extension" for all taxing districts to which  
26 this Law applies in accordance with paragraph (2) of subsection

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

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

25 "Debt service extension base" means an amount equal to that  
26 portion of the extension for a taxing district for the 1994

1 levy year, or for those taxing districts subject to this Law in  
2 accordance with Section 18-213, except for those subject to  
3 paragraph (2) of subsection (e) of Section 18-213, for the levy  
4 year in which the referendum making this Law applicable to the  
5 taxing district is held, or for those taxing districts subject  
6 to this Law in accordance with paragraph (2) of subsection (e)  
7 of Section 18-213 for the 1996 levy year, constituting an  
8 extension for payment of principal and interest on bonds issued  
9 by the taxing district without referendum, but not including  
10 excluded non-referendum bonds. For park districts (i) that were  
11 first subject to this Law in 1991 or 1995 and (ii) whose  
12 extension for the 1994 levy year for the payment of principal  
13 and interest on bonds issued by the park district without  
14 referendum (but not including excluded non-referendum bonds)  
15 was less than 51% of the amount for the 1991 levy year  
16 constituting an extension for payment of principal and interest  
17 on bonds issued by the park district without referendum (but  
18 not including excluded non-referendum bonds), "debt service  
19 extension base" means an amount equal to that portion of the  
20 extension for the 1991 levy year constituting an extension for  
21 payment of principal and interest on bonds issued by the park  
22 district without referendum (but not including excluded  
23 non-referendum bonds). The debt service extension base may be  
24 established or increased as provided under Section 18-212.  
25 "Excluded non-referendum bonds" means (i) bonds authorized by  
26 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 18-135, 18-215, and through 18-230. An adjustment under Section  
17 18-135 shall be made for the 2007 levy year and all subsequent  
18 levy years whenever one or more counties within which a taxing  
19 district is located (i) used estimated valuations or rates when  
20 extending taxes in the taxing district for the last preceding  
21 levy year that resulted in the over or under extension of  
22 taxes, or (ii) increased or decreased the tax extension for the  
23 last preceding levy year as required by Section 18-135(c).  
24 Whenever an adjustment is required under Section 18-135, the  
25 aggregate extension base of the taxing district shall be equal  
26 to the amount that the aggregate extension of the taxing

1 district would have been for the last preceding levy year if  
2 either or both (i) actual, rather than estimated, valuations or  
3 rates had been used to calculate the extension of taxes for the  
4 last levy year, or (ii) the tax extension for the last  
5 preceding levy year had not been adjusted as required by  
6 subsection (c) of Section 18-135.

7 "Levy year" has the same meaning as "year" under Section  
8 1-155.

9 "New property" means (i) the assessed value, after final  
10 board of review or board of appeals action, of new improvements  
11 or additions to existing improvements on any parcel of real  
12 property that increase the assessed value of that real property  
13 during the levy year multiplied by the equalization factor  
14 issued by the Department under Section 17-30, (ii) the assessed  
15 value, after final board of review or board of appeals action,  
16 of real property not exempt from real estate taxation, which  
17 real property was exempt from real estate taxation for any  
18 portion of the immediately preceding levy year, multiplied by  
19 the equalization factor issued by the Department under Section  
20 17-30, including the assessed value, upon final stabilization  
21 of occupancy after new construction is complete, of any real  
22 property located within the boundaries of an otherwise or  
23 previously exempt military reservation that is intended for  
24 residential use and owned by or leased to a private corporation  
25 or other entity, and (iii) in counties that classify in  
26 accordance with Section 4 of Article IX of the Illinois

1 Constitution, an incentive property's additional assessed  
2 value resulting from a scheduled increase in the level of  
3 assessment as applied to the first year final board of review  
4 market value. In addition, the county clerk in a county  
5 containing a population of 3,000,000 or more shall include in  
6 the 1997 recovered tax increment value for any school district,  
7 any recovered tax increment value that was applicable to the  
8 1995 tax year calculations.

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

13 "Recovered tax increment value" means, except as otherwise  
14 provided in this paragraph, the amount of the current year's  
15 equalized assessed value, in the first year after a  
16 municipality terminates the designation of an area as a  
17 redevelopment project area previously established under the  
18 Tax Increment Allocation Development Act in the Illinois  
19 Municipal Code, previously established under the Industrial  
20 Jobs Recovery Law in the Illinois Municipal Code, or previously  
21 established under the Economic Development Area Tax Increment  
22 Allocation Act, of each taxable lot, block, tract, or parcel of  
23 real property in the redevelopment project area over and above  
24 the initial equalized assessed value of each property in the  
25 redevelopment project area. For the taxes which are extended  
26 for the 1997 levy year, the recovered tax increment value for a



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

26 Except as otherwise provided in this Section, "limiting

1 rate" means a fraction the numerator of which is the last  
2 preceding aggregate extension base times an amount equal to one  
3 plus the extension limitation defined in this Section and the  
4 denominator of which is the current year's equalized assessed  
5 value of all real property in the territory under the  
6 jurisdiction of the taxing district during the prior levy year.  
7 For those taxing districts that reduced their aggregate  
8 extension for the last preceding levy year, the highest  
9 aggregate extension in any of the last 3 preceding levy years  
10 shall be used for the purpose of computing the limiting rate.  
11 The denominator shall not include new property or the recovered  
12 tax increment value. If a new rate, a rate decrease, or a  
13 limiting rate increase has been approved at an election held  
14 after March 21, 2006, then (i) the otherwise applicable  
15 limiting rate shall be increased by the amount of the new rate  
16 or shall be reduced by the amount of the rate decrease, as the  
17 case may be, or (ii) in the case of a limiting rate increase,  
18 the limiting rate shall be equal to the rate set forth in the  
19 proposition approved by the voters for each of the years  
20 specified in the proposition, after which the limiting rate of  
21 the taxing district shall be calculated as otherwise provided.

22 (Source: P.A. 93-601, eff. 1-1-04; 93-606, eff. 11-18-03;  
23 93-612, eff. 11-18-03; 93-689, eff. 7-1-04; 93-690, eff.  
24 7-1-04; 93-1049, eff. 11-17-04; 94-974, eff. 6-30-06; 94-976,  
25 eff. 6-30-06; revised 8-3-06.)