

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.)