

HB0671



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0671

Introduced 02/06/09, by

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that all contributions to a pension fund created under Article 3, Article 4, or Article 7 of the Illinois Pension Code are exempt from the definition of "aggregate extension". Provides that levies by fire protection districts for pension contributions and for tort liability, insurance, and risk-management programs are exempt from the definition of "aggregate extension". Effective immediately.

LRB096 04274 RLJ 14320 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 200/18-185)

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

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

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

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

20 "Taxing district" has the same meaning provided in Section
21 1-150, except as otherwise provided in this Section. For the
22 1991 through 1994 levy years only, "taxing district" includes
23 only each non-home rule taxing district having the majority of

1 its 1990 equalized assessed value within any county or counties
2 contiguous to a county with 3,000,000 or more inhabitants.
3 Beginning with the 1995 levy year, "taxing district" includes
4 only each non-home rule taxing district subject to this Law
5 before the 1995 levy year and each non-home rule taxing
6 district not subject to this Law before the 1995 levy year
7 having the majority of its 1994 equalized assessed value in an
8 affected county or counties. Beginning with the levy year in
9 which this Law becomes applicable to a taxing district as
10 provided in Section 18-213, "taxing district" also includes
11 those taxing districts made subject to this Law as provided in
12 Section 18-213.

13 "Aggregate extension" for taxing districts to which this
14 Law applied before the 1995 levy year means the annual
15 corporate extension for the taxing district and those special
16 purpose extensions that are made annually for the taxing
17 district, excluding special purpose extensions: (a) made for
18 the taxing district to pay interest or principal on general
19 obligation bonds that were approved by referendum; (b) made for
20 any taxing district to pay interest or principal on general
21 obligation bonds issued before October 1, 1991; (c) made for
22 any taxing district to pay interest or principal on bonds
23 issued to refund or continue to refund those bonds issued
24 before October 1, 1991; (d) made for any taxing district to pay
25 interest or principal on bonds issued to refund or continue to
26 refund bonds issued after October 1, 1991 that were approved by

1 referendum; (e) made for any taxing district to pay interest or
2 principal on revenue bonds issued before October 1, 1991 for
3 payment of which a property tax levy or the full faith and
4 credit of the unit of local government is pledged; however, a
5 tax for the payment of interest or principal on those bonds
6 shall be made only after the governing body of the unit of
7 local government finds that all other sources for payment are
8 insufficient to make those payments; (f) made for payments
9 under a building commission lease when the lease payments are
10 for the retirement of bonds issued by the commission before
11 October 1, 1991, to pay for the building project; (g) made for
12 payments due under installment contracts entered into before
13 October 1, 1991; (h) made for payments of principal and
14 interest on bonds issued under the Metropolitan Water
15 Reclamation District Act to finance construction projects
16 initiated before October 1, 1991; (i) made for payments of
17 principal and interest on limited bonds, as defined in Section
18 3 of the Local Government Debt Reform Act, in an amount not to
19 exceed the debt service extension base less the amount in items
20 (b), (c), (e), and (h) of this definition for non-referendum
21 obligations, except obligations initially issued pursuant to
22 referendum; (j) made for payments of principal and interest on
23 bonds issued under Section 15 of the Local Government Debt
24 Reform Act; (k) made by a school district that participates in
25 the Special Education District of Lake County, created by
26 special education joint agreement under Section 10-22.31 of the

1 School Code, for payment of the school district's share of the
2 amounts required to be contributed by the Special Education
3 District of Lake County to the Illinois Municipal Retirement
4 Fund under Article 7 of the Illinois Pension Code; the amount
5 of any extension under this item (k) shall be certified by the
6 school district to the county clerk; (l) made to fund expenses
7 of providing joint recreational programs for the handicapped
8 under Section 5-8 of the Park District Code or Section 11-95-14
9 of the Illinois Municipal Code; (m) made for temporary
10 relocation loan repayment purposes pursuant to Sections 2-3.77
11 and 17-2.2d of the School Code; (n) made for payment of
12 principal and interest on any bonds issued under the authority
13 of Section 17-2.2d of the School Code; ~~and~~ (o) made for
14 contributions to a ~~firefighter's~~ pension fund created under
15 Article 3, Article 4, or Article 7 of the Illinois Pension
16 Code, ~~to the extent of the amount certified under item (5) of~~
17 ~~Section 4-134 of the Illinois Pension Code;~~ (p) made by a fire
18 protection district for contributions to a firefighter's
19 pension fund created under Article 4 of the Illinois Pension
20 Code; and (q) made by a fire protection district for funding
21 expenses relating to tort liability, insurance, and
22 risk-management programs under Section 9-107 of the Local
23 Governmental and Governmental Employees Tort Immunity Act.

24 "Aggregate extension" for the taxing districts to which
25 this Law did not apply before the 1995 levy year (except taxing
26 districts subject to this Law in accordance with Section

1 18-213) means the annual corporate extension for the taxing
2 district and those special purpose extensions that are made
3 annually for the taxing district, excluding special purpose
4 extensions: (a) made for the taxing district to pay interest or
5 principal on general obligation bonds that were approved by
6 referendum; (b) made for any taxing district to pay interest or
7 principal on general obligation bonds issued before March 1,
8 1995; (c) made for any taxing district to pay interest or
9 principal on bonds issued to refund or continue to refund those
10 bonds issued before March 1, 1995; (d) made for any taxing
11 district to pay interest or principal on bonds issued to refund
12 or continue to refund bonds issued after March 1, 1995 that
13 were approved by referendum; (e) made for any taxing district
14 to pay interest or principal on revenue bonds issued before
15 March 1, 1995 for payment of which a property tax levy or the
16 full faith and credit of the unit of local government is
17 pledged; however, a tax for the payment of interest or
18 principal on those bonds shall be made only after the governing
19 body of the unit of local government finds that all other
20 sources for payment are insufficient to make those payments;
21 (f) made for payments under a building commission lease when
22 the lease payments are for the retirement of bonds issued by
23 the commission before March 1, 1995 to pay for the building
24 project; (g) made for payments due under installment contracts
25 entered into before March 1, 1995; (h) made for payments of
26 principal and interest on bonds issued under the Metropolitan

1 Water Reclamation District Act to finance construction
2 projects initiated before October 1, 1991; (h-4) made for
3 stormwater management purposes by the Metropolitan Water
4 Reclamation District of Greater Chicago under Section 12 of the
5 Metropolitan Water Reclamation District Act; (i) made for
6 payments of principal and interest on limited bonds, as defined
7 in Section 3 of the Local Government Debt Reform Act, in an
8 amount not to exceed the debt service extension base less the
9 amount in items (b), (c), and (e) of this definition for
10 non-referendum obligations, except obligations initially
11 issued pursuant to referendum and bonds described in subsection
12 (h) of this definition; (j) made for payments of principal and
13 interest on bonds issued under Section 15 of the Local
14 Government Debt Reform Act; (k) made for payments of principal
15 and interest on bonds authorized by Public Act 88-503 and
16 issued under Section 20a of the Chicago Park District Act for
17 aquarium or museum projects; (l) made for payments of principal
18 and interest on bonds authorized by Public Act 87-1191 or
19 93-601 and (i) issued pursuant to Section 21.2 of the Cook
20 County Forest Preserve District Act, (ii) issued under Section
21 42 of the Cook County Forest Preserve District Act for
22 zoological park projects, or (iii) issued under Section 44.1 of
23 the Cook County Forest Preserve District Act for botanical
24 gardens projects; (m) made pursuant to Section 34-53.5 of the
25 School Code, whether levied annually or not; (n) made to fund
26 expenses of providing joint recreational programs for the

1 handicapped under Section 5-8 of the Park District Code or
2 Section 11-95-14 of the Illinois Municipal Code; (o) made by
3 the Chicago Park District for recreational programs for the
4 handicapped under subsection (c) of Section 7.06 of the Chicago
5 Park District Act; (p) made for contributions to a
6 ~~firefighter's~~ pension fund created under Article 3, Article 4,
7 or Article 7 of the Illinois Pension Code, ~~to the extent of the~~
8 ~~amount certified under item (5) of Section 4-134 of the~~
9 ~~Illinois Pension Code; and~~ (q) made by Ford Heights School
10 District 169 under Section 17-9.02 of the School Code; (r) made
11 by a fire protection district for contributions to a
12 firefighter's pension fund created under Article 4 of the
13 Illinois Pension Code; and (s) made by a fire protection
14 district for funding expenses relating to tort liability,
15 insurance, and risk-management programs under Section 9-107 of
16 the Local Governmental and Governmental Employees Tort
17 Immunity Act.

18 "Aggregate extension" for all taxing districts to which
19 this Law applies in accordance with Section 18-213, except for
20 those taxing districts subject to paragraph (2) of subsection
21 (e) of Section 18-213, means the annual corporate extension for
22 the taxing district and those special purpose extensions that
23 are made annually for the taxing district, excluding special
24 purpose extensions: (a) made for the taxing district to pay
25 interest or principal on general obligation bonds that were
26 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

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

1 protection district for funding expenses relating to tort
2 liability, insurance, and risk-management programs under
3 Section 9-107 of the Local Governmental and Governmental
4 Employees Tort Immunity Act.

5 "Aggregate extension" for all taxing districts to which
6 this Law applies in accordance with paragraph (2) of subsection
7 (e) of Section 18-213 means the annual corporate extension for
8 the taxing district and those special purpose extensions that
9 are made annually for the taxing district, excluding special
10 purpose extensions: (a) made for the taxing district to pay
11 interest or principal on general obligation bonds that were
12 approved by referendum; (b) made for any taxing district to pay
13 interest or principal on general obligation bonds issued before
14 the effective date of this amendatory Act of 1997; (c) made for
15 any taxing district to pay interest or principal on bonds
16 issued to refund or continue to refund those bonds issued
17 before the effective date of this amendatory Act of 1997; (d)
18 made for any taxing district to pay interest or principal on
19 bonds issued to refund or continue to refund bonds issued after
20 the effective date of this amendatory Act of 1997 if the bonds
21 were approved by referendum after the effective date of this
22 amendatory Act of 1997; (e) made for any taxing district to pay
23 interest or principal on revenue bonds issued before the
24 effective date of this amendatory Act of 1997 for payment of
25 which a property tax levy or the full faith and credit of the
26 unit of local government is pledged; however, a tax for the

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

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

12 "Debt service extension base" means an amount equal to that
13 portion of the extension for a taxing district for the 1994
14 levy year, or for those taxing districts subject to this Law in
15 accordance with Section 18-213, except for those subject to
16 paragraph (2) of subsection (e) of Section 18-213, for the levy
17 year in which the referendum making this Law applicable to the
18 taxing district is held, or for those taxing districts subject
19 to this Law in accordance with paragraph (2) of subsection (e)
20 of Section 18-213 for the 1996 levy year, constituting an
21 extension for payment of principal and interest on bonds issued
22 by the taxing district without referendum, but not including
23 excluded non-referendum bonds. For park districts (i) that were
24 first subject to this Law in 1991 or 1995 and (ii) whose
25 extension for the 1994 levy year for the payment of principal
26 and interest on bonds issued by the park district without

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

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

1 "Aggregate extension base" means the taxing district's
2 last preceding aggregate extension as adjusted under Sections
3 18-135, 18-215, and 18-230. An adjustment under Section 18-135
4 shall be made for the 2007 levy year and all subsequent levy
5 years whenever one or more counties within which a taxing
6 district is located (i) used estimated valuations or rates when
7 extending taxes in the taxing district for the last preceding
8 levy year that resulted in the over or under extension of
9 taxes, or (ii) increased or decreased the tax extension for the
10 last preceding levy year as required by Section 18-135(c).
11 Whenever an adjustment is required under Section 18-135, the
12 aggregate extension base of the taxing district shall be equal
13 to the amount that the aggregate extension of the taxing
14 district would have been for the last preceding levy year if
15 either or both (i) actual, rather than estimated, valuations or
16 rates had been used to calculate the extension of taxes for the
17 last levy year, or (ii) the tax extension for the last
18 preceding levy year had not been adjusted as required by
19 subsection (c) of Section 18-135.

20 "Levy year" has the same meaning as "year" under Section
21 1-155.

22 "New property" means (i) the assessed value, after final
23 board of review or board of appeals action, of new improvements
24 or additions to existing improvements on any parcel of real
25 property that increase the assessed value of that real property
26 during the levy year multiplied by the equalization factor

1 issued by the Department under Section 17-30, (ii) the assessed
2 value, after final board of review or board of appeals action,
3 of real property not exempt from real estate taxation, which
4 real property was exempt from real estate taxation for any
5 portion of the immediately preceding levy year, multiplied by
6 the equalization factor issued by the Department under Section
7 17-30, including the assessed value, upon final stabilization
8 of occupancy after new construction is complete, of any real
9 property located within the boundaries of an otherwise or
10 previously exempt military reservation that is intended for
11 residential use and owned by or leased to a private corporation
12 or other entity, and (iii) in counties that classify in
13 accordance with Section 4 of Article IX of the Illinois
14 Constitution, an incentive property's additional assessed
15 value resulting from a scheduled increase in the level of
16 assessment as applied to the first year final board of review
17 market value. In addition, the county clerk in a county
18 containing a population of 3,000,000 or more shall include in
19 the 1997 recovered tax increment value for any school district,
20 any recovered tax increment value that was applicable to the
21 1995 tax year calculations.

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

26 "Recovered tax increment value" means, except as otherwise

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

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

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

1 tax increment value. If a new rate, a rate decrease, or a
2 limiting rate increase has been approved at an election held
3 after March 21, 2006, then (i) the otherwise applicable
4 limiting rate shall be increased by the amount of the new rate
5 or shall be reduced by the amount of the rate decrease, as the
6 case may be, or (ii) in the case of a limiting rate increase,
7 the limiting rate shall be equal to the rate set forth in the
8 proposition approved by the voters for each of the years
9 specified in the proposition, after which the limiting rate of
10 the taxing district shall be calculated as otherwise provided.

11 (Source: P.A. 94-974, eff. 6-30-06; 94-976, eff. 6-30-06;
12 94-1078, eff. 1-9-07; 95-90, eff. 1-1-08; 95-331, eff. 8-21-07;
13 95-404, eff. 1-1-08; 95-876, eff. 8-21-08.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.