

SB3106



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3106

Introduced 2/8/2010, by Sen. James A. DeLeo

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Exempts extensions made by school districts for special education purposes from the definition of aggregate extension. Effective immediately.

LRB096 18976 HLH 34364 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 4 of the Illinois Pension Code, to the extent of the
16 amount certified under item (5) of Section 4-134 of the
17 Illinois Pension Code; and (p) beginning in levy year 2011,
18 made for special education purposes under Section 17-2.2a of
19 the School Code.

20 "Aggregate extension" for the taxing districts to which
21 this Law did not apply before the 1995 levy year (except taxing
22 districts subject to this Law in accordance with Section
23 18-213) means the annual corporate extension for the taxing
24 district and those special purpose extensions that are made
25 annually for the taxing district, excluding special purpose
26 extensions: (a) made for the taxing district to pay interest or

1 principal on general obligation bonds that were approved by
2 referendum; (b) made for any taxing district to pay interest or
3 principal on general obligation bonds issued before March 1,
4 1995; (c) made for any taxing district to pay interest or
5 principal on bonds issued to refund or continue to refund those
6 bonds issued before March 1, 1995; (d) made for any taxing
7 district to pay interest or principal on bonds issued to refund
8 or continue to refund bonds issued after March 1, 1995 that
9 were approved by referendum; (e) made for any taxing district
10 to pay interest or principal on revenue bonds issued before
11 March 1, 1995 for payment of which a property tax levy or the
12 full faith and credit of the unit of local government is
13 pledged; however, a tax for the payment of interest or
14 principal on those bonds shall be made only after the governing
15 body of the unit of local government finds that all other
16 sources for payment are insufficient to make those payments;
17 (f) made for payments under a building commission lease when
18 the lease payments are for the retirement of bonds issued by
19 the commission before March 1, 1995 to pay for the building
20 project; (g) made for payments due under installment contracts
21 entered into before March 1, 1995; (h) made for payments of
22 principal and interest on bonds issued under the Metropolitan
23 Water Reclamation District Act to finance construction
24 projects initiated before October 1, 1991; (h-4) made for
25 stormwater management purposes by the Metropolitan Water
26 Reclamation District of Greater Chicago under Section 12 of the

1 Metropolitan Water Reclamation District Act; (i) made for
2 payments of principal and interest on limited bonds, as defined
3 in Section 3 of the Local Government Debt Reform Act, in an
4 amount not to exceed the debt service extension base less the
5 amount in items (b), (c), and (e) of this definition for
6 non-referendum obligations, except obligations initially
7 issued pursuant to referendum and bonds described in subsection
8 (h) of this definition; (j) made for payments of principal and
9 interest on bonds issued under Section 15 of the Local
10 Government Debt Reform Act; (k) made for payments of principal
11 and interest on bonds authorized by Public Act 88-503 and
12 issued under Section 20a of the Chicago Park District Act for
13 aquarium or museum projects; (l) made for payments of principal
14 and interest on bonds authorized by Public Act 87-1191 or
15 93-601 and (i) issued pursuant to Section 21.2 of the Cook
16 County Forest Preserve District Act, (ii) issued under Section
17 42 of the Cook County Forest Preserve District Act for
18 zoological park projects, or (iii) issued under Section 44.1 of
19 the Cook County Forest Preserve District Act for botanical
20 gardens projects; (m) made pursuant to Section 34-53.5 of the
21 School Code, whether levied annually or not; (n) made to fund
22 expenses of providing joint recreational programs for the
23 handicapped under Section 5-8 of the Park District Code or
24 Section 11-95-14 of the Illinois Municipal Code; (o) made by
25 the Chicago Park District for recreational programs for the
26 handicapped under subsection (c) of Section 7.06 of the Chicago

1 Park District Act; (p) made for contributions to a
2 firefighter's pension fund created under Article 4 of the
3 Illinois Pension Code, to the extent of the amount certified
4 under item (5) of Section 4-134 of the Illinois Pension Code;
5 ~~and~~ (q) made by Ford Heights School District 169 under Section
6 17-9.02 of the School Code; and (r) beginning in levy year
7 2011, made for special education purposes under Section 17-2.2a
8 of the School Code.

9 "Aggregate extension" for all taxing districts to which
10 this Law applies in accordance with Section 18-213, except for
11 those taxing districts subject to paragraph (2) of subsection
12 (e) of Section 18-213, means the annual corporate extension for
13 the taxing district and those special purpose extensions that
14 are made annually for the taxing district, excluding special
15 purpose extensions: (a) made for the taxing district to pay
16 interest or principal on general obligation bonds that were
17 approved by referendum; (b) made for any taxing district to pay
18 interest or principal on general obligation bonds issued before
19 the date on which the referendum making this Law applicable to
20 the taxing district is held; (c) made for any taxing district
21 to pay interest or principal on bonds issued to refund or
22 continue to refund those bonds issued before the date on which
23 the referendum making this Law applicable to the taxing
24 district is held; (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 the date on which the referendum

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

1 Section 15 of the Local Government Debt Reform Act; (j) made
2 for a qualified airport authority to pay interest or principal
3 on general obligation bonds issued for the purpose of paying
4 obligations due under, or financing airport facilities
5 required to be acquired, constructed, installed or equipped
6 pursuant to, contracts entered into before March 1, 1996 (but
7 not including any amendments to such a contract taking effect
8 on or after that date); (k) made to fund expenses of providing
9 joint recreational programs for the handicapped under Section
10 5-8 of the Park District Code or Section 11-95-14 of the
11 Illinois Municipal Code; (l) made for contributions to a
12 firefighter's pension fund created under Article 4 of the
13 Illinois Pension Code, to the extent of the amount certified
14 under item (5) of Section 4-134 of the Illinois Pension Code;
15 ~~and~~ (m) made for the taxing district to pay interest or
16 principal on general obligation bonds issued pursuant to
17 Section 19-3.10 of the School Code; and (n) beginning in levy
18 year 2011, made for special education purposes under Section
19 17-2.2a of the School Code.

20 "Aggregate extension" for all taxing districts to which
21 this Law applies in accordance with 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 effective date of this amendatory Act of 1997; (c) made for
4 any taxing district to pay interest or principal on bonds
5 issued to refund or continue to refund those bonds issued
6 before the effective date of this amendatory Act of 1997; (d)
7 made for any taxing district to pay interest or principal on
8 bonds issued to refund or continue to refund bonds issued after
9 the effective date of this amendatory Act of 1997 if the bonds
10 were approved by referendum after the effective date of this
11 amendatory Act of 1997; (e) made for any taxing district to pay
12 interest or principal on revenue bonds issued before the
13 effective date of this amendatory Act of 1997 for payment of
14 which a property tax levy or the full faith and credit of the
15 unit of local government is pledged; however, a tax for the
16 payment of interest or principal on those bonds shall be made
17 only after the governing body of the unit of local government
18 finds that all other sources for payment are insufficient to
19 make those payments; (f) made for payments under a building
20 commission lease when the lease payments are for the retirement
21 of bonds issued by the commission before the effective date of
22 this amendatory Act of 1997 to pay for the building project;
23 (g) made for payments due under installment contracts entered
24 into before the effective date of this amendatory Act of 1997;
25 (h) made for payments of principal and interest on limited
26 bonds, as defined in Section 3 of the Local Government Debt

1 Reform Act, in an amount not to exceed the debt service
2 extension base less the amount in items (b), (c), and (e) of
3 this definition for non-referendum obligations, except
4 obligations initially issued pursuant to referendum; (i) made
5 for payments of principal and interest on bonds issued under
6 Section 15 of the Local Government Debt Reform Act; (j) made
7 for a qualified airport authority to pay interest or principal
8 on general obligation bonds issued for the purpose of paying
9 obligations due under, or financing airport facilities
10 required to be acquired, constructed, installed or equipped
11 pursuant to, contracts entered into before March 1, 1996 (but
12 not including any amendments to such a contract taking effect
13 on or after that date); (k) made to fund expenses of providing
14 joint recreational programs for the handicapped under Section
15 5-8 of the Park District Code or Section 11-95-14 of the
16 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
17 firefighter's pension fund created under Article 4 of the
18 Illinois Pension Code, to the extent of the amount certified
19 under item (5) of Section 4-134 of the Illinois Pension Code;
20 and (m) beginning in levy year 2011, made for special education
21 purposes under Section 17-2.2a of the School Code.

22 "Debt service extension base" means an amount equal to that
23 portion of the extension for a taxing district for the 1994
24 levy year, or for those taxing districts subject to this Law in
25 accordance with Section 18-213, except for those subject to
26 paragraph (2) of subsection (e) of Section 18-213, for the levy

1 year in which the referendum making this Law applicable to the
2 taxing district is held, or for those taxing districts subject
3 to this Law in accordance with paragraph (2) of subsection (e)
4 of Section 18-213 for the 1996 levy year, constituting an
5 extension for payment of principal and interest on bonds issued
6 by the taxing district without referendum, increased each year,
7 commencing with the 2009 levy year, by the lesser of 5% or the
8 percentage increase in the Consumer Price Index during the
9 12-month calendar year preceding the levy year, but not
10 including excluded non-referendum bonds. For park districts
11 (i) that were first subject to this Law in 1991 or 1995 and
12 (ii) whose extension for the 1994 levy year for the payment of
13 principal and interest on bonds issued by the park district
14 without referendum (but not including excluded non-referendum
15 bonds) 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 18-230. An adjustment under Section 18-135
17 shall be made for the 2007 levy year and all subsequent levy
18 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, previously
21 established under the Economic Development Project Area Tax
22 Increment Act of 1995, or previously established under the
23 Economic Development Area Tax Increment Allocation Act, of each
24 taxable lot, block, tract, or parcel of real property in the
25 redevelopment project area over and above the initial equalized
26 assessed value of each property in the redevelopment project

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

1 removal from the redevelopment project area.

2 Except as otherwise provided in this Section, "limiting
3 rate" means a fraction the numerator of which is the last
4 preceding aggregate extension base times an amount equal to one
5 plus the extension limitation defined in this Section and the
6 denominator of which is the current year's equalized assessed
7 value of all real property in the territory under the
8 jurisdiction of the taxing district during the prior levy year.
9 For those taxing districts that reduced their aggregate
10 extension for the last preceding levy year, the highest
11 aggregate extension in any of the last 3 preceding levy years
12 shall be used for the purpose of computing the limiting rate.
13 The denominator shall not include new property or the recovered
14 tax increment value. If a new rate, a rate decrease, or a
15 limiting rate increase has been approved at an election held
16 after March 21, 2006, then (i) the otherwise applicable
17 limiting rate shall be increased by the amount of the new rate
18 or shall be reduced by the amount of the rate decrease, as the
19 case may be, or (ii) in the case of a limiting rate increase,
20 the limiting rate shall be equal to the rate set forth in the
21 proposition approved by the voters for each of the years
22 specified in the proposition, after which the limiting rate of
23 the taxing district shall be calculated as otherwise provided.
24 (Source: P.A. 95-90, eff. 1-1-08; 95-331, eff. 8-21-07; 95-404,
25 eff. 1-1-08; 95-876, eff. 8-21-08; 96-501, eff. 8-14-09;
26 96-517, eff. 8-14-09; revised 9-15-09.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.