

SB3195



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3195

Introduced 2/9/2010, by Sen. William Delgado

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that the extension limitation may not be less than 1%. Effective immediately.

LRB096 19260 HLH 34651 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, but not less
16 than 1%, or (b) the rate of increase approved by voters under
17 Section 18-205.

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

21 "Taxing district" has the same meaning provided in Section
22 1-150, except as otherwise provided in this Section. For the
23 1991 through 1994 levy years only, "taxing district" includes

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

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

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

1 special education joint agreement under Section 10-22.31 of the
2 School Code, for payment of the school district's share of the
3 amounts required to be contributed by the Special Education
4 District of Lake County to the Illinois Municipal Retirement
5 Fund under Article 7 of the Illinois Pension Code; the amount
6 of any extension under this item (k) shall be certified by the
7 school district to the county clerk; (l) made to fund expenses
8 of providing joint recreational programs for the handicapped
9 under Section 5-8 of the Park District Code or Section 11-95-14
10 of the Illinois Municipal Code; (m) made for temporary
11 relocation loan repayment purposes pursuant to Sections 2-3.77
12 and 17-2.2d of the School Code; (n) made for payment of
13 principal and interest on any bonds issued under the authority
14 of Section 17-2.2d of the School Code; and (o) made for
15 contributions to a firefighter's pension fund created under
16 Article 4 of the Illinois Pension Code, to the extent of the
17 amount certified under item (5) of Section 4-134 of the
18 Illinois Pension Code.

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

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

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

1 firefighter's pension fund created under Article 4 of the
2 Illinois Pension Code, to the extent of the amount certified
3 under item (5) of Section 4-134 of the Illinois Pension Code;
4 and (q) made by Ford Heights School District 169 under Section
5 17-9.02 of the School Code.

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

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

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

15 "Aggregate extension" for all taxing districts to which
16 this Law applies in accordance with paragraph (2) of subsection
17 (e) of Section 18-213 means the annual corporate extension for
18 the taxing district and those special purpose extensions that
19 are made annually for the taxing district, excluding special
20 purpose extensions: (a) made for the taxing district to pay
21 interest or principal on general obligation bonds that were
22 approved by referendum; (b) made for any taxing district to pay
23 interest or principal on general obligation bonds issued before
24 the effective date of this amendatory Act of 1997; (c) made for
25 any taxing district to pay interest or principal on bonds
26 issued to refund or continue to refund those bonds issued

1 before the effective date of this amendatory Act of 1997; (d)
2 made for any taxing district to pay interest or principal on
3 bonds issued to refund or continue to refund bonds issued after
4 the effective date of this amendatory Act of 1997 if the bonds
5 were approved by referendum after the effective date of this
6 amendatory Act of 1997; (e) made for any taxing district to pay
7 interest or principal on revenue bonds issued before the
8 effective date of this amendatory Act of 1997 for payment of
9 which a property tax levy or the full faith and credit of the
10 unit of local government is pledged; however, a tax for the
11 payment of interest or principal on those bonds shall be made
12 only after the governing body of the unit of local government
13 finds that all other sources for payment are insufficient to
14 make those payments; (f) made for payments under a building
15 commission lease when the lease payments are for the retirement
16 of bonds issued by the commission before the effective date of
17 this amendatory Act of 1997 to pay for the building project;
18 (g) made for payments due under installment contracts entered
19 into before the effective date of this amendatory Act of 1997;
20 (h) made for payments of principal and interest on limited
21 bonds, as defined in Section 3 of the Local Government Debt
22 Reform Act, in an amount not to exceed the debt service
23 extension base less the amount in items (b), (c), and (e) of
24 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; and (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 "Debt service extension base" means an amount equal to that
16 portion of the extension for a taxing district for the 1994
17 levy year, or for those taxing districts subject to this Law in
18 accordance with Section 18-213, except for those subject to
19 paragraph (2) of subsection (e) of Section 18-213, for the levy
20 year in which the referendum making this Law applicable to the
21 taxing district is held, or for those taxing districts subject
22 to this Law in accordance with paragraph (2) of subsection (e)
23 of Section 18-213 for the 1996 levy year, constituting an
24 extension for payment of principal and interest on bonds issued
25 by the taxing district without referendum, increased each year,
26 commencing with the 2009 levy year, by the lesser of 5% or the

1 percentage increase in the Consumer Price Index during the
2 12-month calendar year preceding the levy year, but not
3 including excluded non-referendum bonds. For park districts
4 (i) that were first subject to this Law in 1991 or 1995 and
5 (ii) whose extension for the 1994 levy year for the payment of
6 principal and interest on bonds issued by the park district
7 without referendum (but not including excluded non-referendum
8 bonds) was less than 51% of the amount for the 1991 levy year
9 constituting an extension for payment of principal and interest
10 on bonds issued by the park district without referendum (but
11 not including excluded non-referendum bonds), "debt service
12 extension base" means an amount equal to that portion of the
13 extension for the 1991 levy year constituting an extension for
14 payment of principal and interest on bonds issued by the park
15 district without referendum (but not including excluded
16 non-referendum bonds). The debt service extension base may be
17 established or increased as provided under Section 18-212.
18 "Excluded non-referendum bonds" means (i) bonds authorized by
19 Public Act 88-503 and issued under Section 20a of the Chicago
20 Park District Act for aquarium and museum projects; (ii) bonds
21 issued under Section 15 of the Local Government Debt Reform
22 Act; or (iii) refunding obligations issued to refund or to
23 continue to refund obligations initially issued pursuant to
24 referendum.

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

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

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

26 "Levy year" has the same meaning as "year" under Section

1 1-155.

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

1 1995 tax year calculations.

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

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

1 the Tax Increment Allocation Development Act in the Illinois
2 Municipal Code, previously established under the Industrial
3 Jobs Recovery Law in the Illinois Municipal Code, or previously
4 established under the Economic Development Area Tax Increment
5 Allocation Act, by an amount equal to the 1994 equalized
6 assessed value of each taxable lot, block, tract, or parcel of
7 real property in the redevelopment project area over and above
8 the initial equalized assessed value of each property in the
9 redevelopment project area. In the first year after a
10 municipality removes a taxable lot, block, tract, or parcel of
11 real property from a redevelopment project area established
12 under the Tax Increment Allocation Development Act in the
13 Illinois Municipal Code, the Industrial Jobs Recovery Law in
14 the Illinois Municipal Code, or the Economic Development Area
15 Tax Increment Allocation Act, "recovered tax increment value"
16 means the amount of the current year's equalized assessed value
17 of each taxable lot, block, tract, or parcel of real property
18 removed from the redevelopment project area over and above the
19 initial equalized assessed value of that real property before
20 removal from the redevelopment project area.

21 Except as otherwise provided in this Section, "limiting
22 rate" means a fraction the numerator of which is the last
23 preceding aggregate extension base times an amount equal to one
24 plus the extension limitation defined in this Section and the
25 denominator of which is the current year's equalized assessed
26 value of all real property in the territory under the

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

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.