

HB1363



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB1363

Introduced 2/9/2011, by Rep. Donald L. Moffitt

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that levies by fire protection districts for pension contributions and insurance are exempt from the definition of "aggregate extension".

LRB097 05229 HLH 45279 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; (p) made by a fire protection district
18 for contributions to a firefighter's pension fund created under
19 Article 4 of the Illinois Pension Code; and (q) made by a fire
20 protection district for funding expenses related to insurance.

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

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

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

1 handicapped under subsection (c) of Section 7.06 of the Chicago
2 Park District Act; (p) made for contributions to a
3 firefighter's pension fund created under Article 4 of the
4 Illinois Pension Code, to the extent of the amount certified
5 under item (5) of Section 4-134 of the Illinois Pension Code;
6 ~~and~~ (q) made by Ford Heights School District 169 under Section
7 17-9.02 of the School Code; (r) made by a fire protection
8 district for contributions to a firefighter's pension fund
9 created under Article 4 of the Illinois Pension Code; and (s)
10 made by a fire protection district for funding expenses related
11 to insurance.

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

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

1 (e) of this definition for non-referendum obligations, except
2 obligations initially issued pursuant to referendum; (i) made
3 for payments of principal and interest on bonds issued under
4 Section 15 of the Local Government Debt Reform Act; (j) made
5 for a qualified airport authority to pay interest or principal
6 on general obligation bonds issued for the purpose of paying
7 obligations due under, or financing airport facilities
8 required to be acquired, constructed, installed or equipped
9 pursuant to, contracts entered into before March 1, 1996 (but
10 not including any amendments to such a contract taking effect
11 on or after that date); (k) made to fund expenses of providing
12 joint recreational programs for the handicapped under Section
13 5-8 of the Park District Code or Section 11-95-14 of the
14 Illinois Municipal Code; (l) made for contributions to a
15 firefighter's pension fund created under Article 4 of the
16 Illinois Pension Code, to the extent of the amount certified
17 under item (5) of Section 4-134 of the Illinois Pension Code;
18 ~~and~~ (m) made for the taxing district to pay interest or
19 principal on general obligation bonds issued pursuant to
20 Section 19-3.10 of the School Code; (n) made by a fire
21 protection district for contributions to a firefighter's
22 pension fund created under Article 4 of the Illinois Pension
23 Code; and (o) made by a fire protection district for funding
24 expenses related to insurance.

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 (m) made by a fire protection district for contributions to a
26 firefighter's pension fund created under Article 4 of the

1 Illinois Pension Code; and (n) made by a fire protection
2 district for funding expenses related to insurance.

3 "Debt service extension base" means an amount equal to that
4 portion of the extension for a taxing district for the 1994
5 levy year, or for those taxing districts subject to this Law in
6 accordance with Section 18-213, except for those subject to
7 paragraph (2) of subsection (e) of Section 18-213, for the levy
8 year in which the referendum making this Law applicable to the
9 taxing district is held, or for those taxing districts subject
10 to this Law in accordance with paragraph (2) of subsection (e)
11 of Section 18-213 for the 1996 levy year, constituting an
12 extension for payment of principal and interest on bonds issued
13 by the taxing district without referendum, but not including
14 excluded non-referendum bonds. For park districts (i) that were
15 first subject to this Law in 1991 or 1995 and (ii) whose
16 extension for the 1994 levy year for the payment of principal
17 and interest on bonds issued by the park district without
18 referendum (but not including excluded non-referendum bonds)
19 was less than 51% of the amount for the 1991 levy year
20 constituting an extension for payment of principal and interest
21 on bonds issued by the park district without referendum (but
22 not including excluded non-referendum bonds), "debt service
23 extension base" means an amount equal to that portion of the
24 extension for the 1991 levy year constituting an extension for
25 payment of principal and interest on bonds issued by the park
26 district without referendum (but not including excluded

1 non-referendum bonds). A debt service extension base
2 established or increased at any time pursuant to any provision
3 of this Law, except Section 18-212, shall be increased each
4 year commencing with the later of (i) the 2009 levy year or
5 (ii) the first levy year in which this Law becomes applicable
6 to the taxing district, by the lesser of 5% or the percentage
7 increase in the Consumer Price Index during the 12-month
8 calendar year preceding the levy year. The debt service
9 extension base may be established or increased as provided
10 under Section 18-212. "Excluded non-referendum bonds" means
11 (i) bonds authorized by Public Act 88-503 and issued under
12 Section 20a of the Chicago Park District Act for aquarium and
13 museum projects; (ii) bonds issued under Section 15 of the
14 Local Government Debt Reform Act; or (iii) refunding
15 obligations issued to refund or to continue to refund
16 obligations initially issued pursuant to referendum.

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

25 "Aggregate extension base" means the taxing district's
26 last preceding aggregate extension as adjusted under Sections

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

18 "Levy year" has the same meaning as "year" under Section
19 1-155.

20 "New property" means (i) the assessed value, after final
21 board of review or board of appeals action, of new improvements
22 or additions to existing improvements on any parcel of real
23 property that increase the assessed value of that real property
24 during the levy year multiplied by the equalization factor
25 issued by the Department under Section 17-30, (ii) the assessed
26 value, after final board of review or board of appeals action,

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

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

24 "Recovered tax increment value" means, except as otherwise
25 provided in this paragraph, the amount of the current year's
26 equalized assessed value, in the first year after a

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

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

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

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

9 (Source: P.A. 95-90, eff. 1-1-08; 95-331, eff. 8-21-07; 95-404,
10 eff. 1-1-08; 95-876, eff. 8-21-08; 96-501, eff. 8-14-09;
11 96-517, eff. 8-14-09; 96-1000, eff. 7-2-10; 96-1202, eff.
12 7-22-10.)