



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB1752

Introduced 2/9/2011, by Sen. M. Maggie Crotty

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Local Government Debt Reform Act, the Township Code, the Downstate Forest Preserve District Act, the Park District Code, the Metropolitan Water Reclamation District Act, and the School Code. Provides that earned interest included in the annual budget or appropriation ordinance of a governmental unit and earned interest designated as "Reserved" funds in a governmental unit's annual audit or financial reports shall not be construed to be earmarked or restricted unless the governing body specifically states that the interest is earmarked or restricted. Provides that any transfer of interest income prior to the effective date of the amendatory Act that would have been valid under the provisions of the amendatory Act is validated. Amends the Property Tax Code. In the Property Tax Extension Limitation Law, defines "new rate" as a tax included within a taxing district's aggregate extension that was newly authorized by statute after the affected taxing district first became subject to the Property Tax Extension Limitation Law. Provides that taxes that are not submitted to direct referendum under the Property Tax Extension Limitation Law and that are not new rates are validated. Contains provisions allowing taxing districts to accumulate balances in funds. Effective immediately.

LRB097 02704 HLH 42723 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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 Local Government Debt Reform Act is amended  
5 by changing Section 9 as follows:

6 (30 ILCS 350/9) (from Ch. 17, par. 6909)

7 Sec. 9. Provisions for interest.

8 (a) The proceeds of bonds may be used to provide for the  
9 payment of interest upon such bonds for a period not to exceed  
10 the greater of 2 years or a period ending 6 months after the  
11 estimated date of completion of the acquisition and  
12 construction of the project or accomplishment of the purpose  
13 for which such bonds are issued.

14 (b) In addition it shall be lawful for the governing body  
15 of any governmental unit issuing bonds to appropriate money for  
16 the purpose of paying interest on such bonds during the period  
17 stated in subsection (a) of this Section. Such appropriation  
18 may be made in the ordinance authorizing such bonds and shall  
19 be fully effective upon the effective date of such ordinance  
20 without any further notice, publication or approval  
21 whatsoever.

22 (c) The governing body of any governmental unit may  
23 authorize the transfer of interest earned on any of the moneys

1 of the governmental unit, including moneys set aside to pay  
2 debt service, into the fund of the governmental unit that is  
3 most in need of the interest. This subsection does not apply to  
4 any interest earned that has been earmarked or restricted by  
5 the governing body for a designated purpose. This subsection  
6 does not apply to any interest earned on any funds for the  
7 purpose of municipal retirement under the Illinois Pension Code  
8 and tort immunity under the Local Governmental and Governmental  
9 Employees Tort Immunity Act. Interest earned on those funds may  
10 be used only for the purposes authorized for the respective  
11 funds from which the interest earnings were derived. Neither  
12 the specific inclusion of earned interest in the annual budget  
13 or appropriation ordinance of any governmental unit nor  
14 designation of any such earned interest as "Reserved" funds in  
15 a governmental unit's annual audit or financial reports (under  
16 generally accepted accounting principles, under Government  
17 Accounting Standards Board (GASB) Statements 34, 37, and 38 or  
18 any further or successor GASB Statements, or both), shall  
19 constitute an earmarking of or restriction on any interest  
20 earned for a designated purpose under this subsection. No such  
21 interest earned shall be construed to be earmarked or  
22 restricted under this subsection unless the governing body  
23 specifically so states when doing so and specifically cites to  
24 this subsection as authorizing such earmarkings or  
25 restriction. Any transfer of interest income prior to the  
26 effective date of this amendatory Act of the 97th General

1 Assembly that would have been valid under the provisions of  
2 this amendatory Act of the 97th General Assembly is hereby  
3 validated.

4 (Source: P.A. 92-879, eff. 1-13-03.)

5 Section 10. The Property Tax Code is amended by changing  
6 Section 18-185 and by adding Section 23-50 as follows:

7 (35 ILCS 200/18-185)

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

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

14 "Extension limitation" means (a) the lesser of 5% or the  
15 percentage increase in the Consumer Price Index during the  
16 12-month calendar year preceding the levy year or (b) the rate  
17 of increase approved by voters under 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  
24 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.

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

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



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

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

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

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

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

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

1 made for any taxing district to pay interest or principal on  
2 bonds issued to refund or continue to refund bonds issued after  
3 the effective date of this amendatory Act of 1997 if the bonds  
4 were approved by referendum after the effective date of this  
5 amendatory Act of 1997; (e) made for any taxing district to pay  
6 interest or principal on revenue bonds issued before the  
7 effective date of this amendatory Act of 1997 for payment of  
8 which a property tax levy or the full faith and credit of the  
9 unit of local government is pledged; however, a tax for the  
10 payment of interest or principal on those bonds shall be made  
11 only after the governing body of the unit of local government  
12 finds that all other sources for payment are insufficient to  
13 make those payments; (f) made for payments under a building  
14 commission lease when the lease payments are for the retirement  
15 of bonds issued by the commission before the effective date of  
16 this amendatory Act of 1997 to pay for the building project;  
17 (g) made for payments due under installment contracts entered  
18 into before the effective date of this amendatory Act of 1997;  
19 (h) made for payments of principal and interest on limited  
20 bonds, as defined in Section 3 of the Local Government Debt  
21 Reform Act, in an amount not to exceed the debt service  
22 extension base less the amount in items (b), (c), and (e) of  
23 this definition for non-referendum obligations, except  
24 obligations initially issued pursuant to referendum; (i) made  
25 for payments of principal and interest on bonds issued under  
26 Section 15 of the Local Government Debt Reform Act; (j) made

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

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

1 extension for the 1994 levy year for the payment of principal  
2 and interest on bonds issued by the park district without  
3 referendum (but not including excluded non-referendum bonds)  
4 was less than 51% of the amount for the 1991 levy year  
5 constituting an extension for payment of principal and interest  
6 on bonds issued by the park district without referendum (but  
7 not including excluded non-referendum bonds), "debt service  
8 extension base" means an amount equal to that portion of the  
9 extension for the 1991 levy year constituting an extension for  
10 payment of principal and interest on bonds issued by the park  
11 district without referendum (but not including excluded  
12 non-referendum bonds). A debt service extension base  
13 established or increased at any time pursuant to any provision  
14 of this Law, except Section 18-212, shall be increased each  
15 year commencing with the later of (i) the 2009 levy year or  
16 (ii) the first levy year in which this Law becomes applicable  
17 to the taxing district, by the lesser of 5% or the percentage  
18 increase in the Consumer Price Index during the 12-month  
19 calendar year preceding the levy year. The debt service  
20 extension base may be established or increased as provided  
21 under Section 18-212. "Excluded non-referendum bonds" means  
22 (i) bonds authorized by Public Act 88-503 and issued under  
23 Section 20a of the Chicago Park District Act for aquarium and  
24 museum projects; (ii) bonds issued under Section 15 of the  
25 Local Government Debt Reform Act; or (iii) refunding  
26 obligations issued to refund or to continue to refund

1 obligations initially issued pursuant to referendum.

2 "Special purpose extensions" include, but are not limited  
3 to, extensions for levies made on an annual basis for  
4 unemployment and workers' compensation, self-insurance,  
5 contributions to pension plans, and extensions made pursuant to  
6 Section 6-601 of the Illinois Highway Code for a road  
7 district's permanent road fund whether levied annually or not.  
8 The extension for a special service area is not included in the  
9 aggregate extension.

10 "Aggregate extension base" means the taxing district's  
11 last preceding aggregate extension as adjusted under Sections  
12 18-135, 18-215, and 18-230. An adjustment under Section 18-135  
13 shall be made for the 2007 levy year and all subsequent levy  
14 years whenever one or more counties within which a taxing  
15 district is located (i) used estimated valuations or rates when  
16 extending taxes in the taxing district for the last preceding  
17 levy year that resulted in the over or under extension of  
18 taxes, or (ii) increased or decreased the tax extension for the  
19 last preceding levy year as required by Section 18-135(c).  
20 Whenever an adjustment is required under Section 18-135, the  
21 aggregate extension base of the taxing district shall be equal  
22 to the amount that the aggregate extension of the taxing  
23 district would have been for the last preceding levy year if  
24 either or both (i) actual, rather than estimated, valuations or  
25 rates had been used to calculate the extension of taxes for the  
26 last levy year, or (ii) the tax extension for the last



1 preceding levy year had not been adjusted as required by  
2 subsection (c) of Section 18-135.

3 "Levy year" has the same meaning as "year" under Section  
4 1-155.

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

1 containing a population of 3,000,000 or more shall include in  
2 the 1997 recovered tax increment value for any school district,  
3 any recovered tax increment value that was applicable to the  
4 1995 tax year calculations.

5 "New rate" means a tax included within a taxing district's  
6 aggregate extension that was newly authorized by statute after  
7 the affected taxing district first became subject to this Law.  
8 Any tax not submitted to direct referendum under the provisions  
9 of Section 18-190 of this Law that is not a new rate under the  
10 definition provided by this amendatory Act of the 97th General  
11 Assembly is hereby validated.

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

16 "Recovered tax increment value" means, except as otherwise  
17 provided in this paragraph, the amount of the current year's  
18 equalized assessed value, in the first year after a  
19 municipality terminates the designation of an area as a  
20 redevelopment project area previously established under the  
21 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, previously  
24 established under the Economic Development Project Area Tax  
25 Increment Act of 1995, or previously established under the  
26 Economic Development Area Tax Increment Allocation Act, of each

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

1 of each taxable lot, block, tract, or parcel of real property  
2 removed from the redevelopment project area over and above the  
3 initial equalized assessed value of that real property before  
4 removal from the redevelopment project area.

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

1 (Source: P.A. 95-90, eff. 1-1-08; 95-331, eff. 8-21-07; 95-404,  
2 eff. 1-1-08; 95-876, eff. 8-21-08; 96-501, eff. 8-14-09;  
3 96-517, eff. 8-14-09; 96-1000, eff. 7-2-10; 96-1202, eff.  
4 7-22-10.)

5 (35 ILCS 200/23-50 new)

6 Sec. 23-50. Taxing district; accumulated balances.  
7 Notwithstanding the provisions of Section 23-10, no objection  
8 to any property tax levied by any taxing body shall be  
9 sustained by any court on the basis of the accumulated balance  
10 in a fund if the fund balance is in compliance with this  
11 Section. A taxing district may accumulate a balance in any fund  
12 in an amount of up to the greater of 3 times the prior fiscal  
13 year expenditures in that fund or the total of the expenditures  
14 in that fund in the last 3 fiscal years before the district  
15 must overcome any presumption that there has been an abuse of  
16 discretion in such an accumulation. The district may overcome  
17 such a presumption by a preponderance of the evidence. Any  
18 accumulation of a balance in any fund in an amount of up to the  
19 greater of 3 times the prior year expenditures in that fund or  
20 the total of the expenditures in that fund in the last 3 fiscal  
21 years prior to the effective date of this amendatory Act of the  
22 97th General Assembly is hereby validated. Nothing in this  
23 Section shall be read to prohibit fund accumulations as may be  
24 otherwise permitted by law.

1           Section 15. The Township Code is amended by changing  
2 Section 245-20 as follows:

3           (60 ILCS 1/245-20)

4           Sec. 245-20. Transfer of interest income. The township  
5 board of any township, when requested by the treasurer, may  
6 authorize the transfer of interest earned on any of the moneys  
7 of the township into the fund of the township that is most in  
8 need of the interest. This Section does not apply to any  
9 interest earned that has been earmarked or restricted for a  
10 designated purpose. This Section does not apply to any interest  
11 earned on any funds for the purpose of municipal retirement  
12 under the Illinois Pension Code and tort immunity under the  
13 Local Governmental and Governmental Employees Tort Immunity  
14 Act. Interest earned on these funds may be used only for the  
15 purposes authorized for the respective funds from which the  
16 interest earnings were derived. Neither the specific inclusion  
17 of earned interest in the annual budget nor designation of any  
18 such earned interest as "Reserved" funds in annual financial  
19 reports (under generally accepted accounting principles, under  
20 Government Accounting Standards Board (GASB) Statements 34, 37  
21 and 38 or any further or successor GASB Statements, or both),  
22 shall constitute an earmarking of or restriction on any  
23 interest earned for a designated purpose under this Section. No  
24 such interest earned shall be construed to be earmarked or  
25 restricted under this Section unless the board specifically so

1 states when doing so and specifically cites to this Section as  
2 authorizing such earmarking or restriction. Nothing herein  
3 shall be construed to preclude any transfer of earned interest  
4 under the provisions of subsection (c) of Section 9 of the  
5 Local Government Debt Reform Act. Any transfer of interest  
6 income prior to the effective date of this amendatory Act of  
7 the 97th General Assembly that would have been valid under the  
8 provisions of this amendatory Act of the 97th General Assembly  
9 is hereby validated.

10 (Source: P.A. 92-107, eff. 7-20-01.)

11 Section 20. The Downstate Forest Preserve District Act is  
12 amended by changing Section 23 as follows:

13 (70 ILCS 805/23)

14 Sec. 23. Transfer of interest income. Each forest preserve  
15 district shall have the power to transfer the interest earned  
16 from any moneys of the district into the respective fund of the  
17 district that is most in need of the interest income, as  
18 determined by the board of commissioners. This Section does not  
19 apply to any interest earned that has been earmarked or  
20 restricted by the board for a designated purpose. This Section  
21 does not apply to any interest earned on any funds for purposes  
22 of the Illinois Municipal Retirement Fund under the Pension  
23 Code or tort immunity under the Local Governmental and  
24 Governmental Employees Tort Immunity Act. Interest earned on

1 these exempted funds shall be used only for the purposes  
2 authorized for the respective exempted funds from which the  
3 interest earnings were derived. Neither the specific inclusion  
4 of earned interest in the annual budget nor designation of any  
5 such earned interest as "Reserved" funds in annual financial  
6 reports (under generally accepted accounting principles, under  
7 Government Accounting Standards Board (GASB) Statements 34, 37  
8 and 38 or any further or successor GASB Statements, or both),  
9 shall constitute an earmarking of or restriction on any  
10 interest earned for a designated purpose under this Section. No  
11 such interest earned shall be construed to be earmarked or  
12 restricted under this Section unless the board specifically so  
13 states when doing so and specifically cites to this Section as  
14 authorizing such earmarking or restriction. Nothing herein  
15 shall be construed to preclude any transfer of earned interest  
16 under the provisions of subsection (c) of Section 9 of the  
17 Local Government Debt Reform Act. Any transfer of interest  
18 income prior to the effective date of this amendatory Act of  
19 the 97th General Assembly that would have been valid under the  
20 provisions of this amendatory Act of the 97th General Assembly  
21 is hereby validated.

22 (Source: P.A. 90-176, eff. 1-1-98.)

23 Section 25. The Park District Code is amended by changing  
24 Section 8-8a as follows:



1 (70 ILCS 1205/8-8a)

2 Sec. 8-8a. Transfer of interest income. Any park district,  
3 when requested by its treasurer, may transfer the interest  
4 earned on any of the moneys of the district into the fund of  
5 the district that is most in need of the interest. This Section  
6 does not apply to any interest earned that has been earmarked  
7 or restricted for a designated purpose. This Section does not  
8 apply to any interest earned on any funds for the purposes of  
9 municipal retirement under the Illinois Pension Code and tort  
10 immunity under the Local Governmental and Governmental  
11 Employees Tort Immunity Act. Interest earned on these funds may  
12 be used only for the purposes authorized for the respective  
13 funds from which the interest earnings were derived. Neither  
14 the specific inclusion of earned interest in the annual budget  
15 nor designation of any such earned interest as "Reserved" funds  
16 in annual financial reports (under generally accepted  
17 accounting principles, under Government Accounting Standards  
18 Board (GASB) Statements 34, 37 and 38 or any further or  
19 successor GASB Statements, or both), shall constitute an  
20 earmarking of or restriction on any interest earned for a  
21 designated purpose under this Section. No such interest earned  
22 shall be construed to be earmarked or restricted under this  
23 Section unless the board specifically so states when doing so  
24 and specifically cites to this Section as authorizing such  
25 earmarking or restriction. Nothing herein shall be construed to  
26 preclude any transfer of earned interest under the provisions

1 of subsection (c) of Section 9 of the Local Government Debt  
2 Reform Act. Any transfer of interest income prior to the  
3 effective date of this amendatory Act of the 97th General  
4 Assembly that would have been valid under the provisions of  
5 this amendatory Act of the 97th General Assembly is hereby  
6 validated.

7 (Source: P.A. 91-300, eff. 7-29-99.)

8 Section 30. The Metropolitan Water Reclamation District  
9 Act is amended by changing Section 5.9 as follows:

10 (70 ILCS 2605/5.9) (from Ch. 42, par. 324s)

11 Sec. 5.9. The board of trustees shall, at any time after  
12 March 1 of each fiscal year, have power, by a two-thirds vote  
13 of all the members of such body, to authorize the making of  
14 transfers within a department or between departments of sums of  
15 money appropriated for one corporate object or function to  
16 another corporate object or function. Any such action by the  
17 board of trustees shall be entered in the proceedings of the  
18 board. No appropriation for any object or function shall be  
19 reduced below an amount sufficient to cover all unliquidated  
20 and outstanding contracts or obligations certified from or  
21 against the appropriation for such purpose.

22 The board of trustees, by a two-thirds vote of all its  
23 members, may transfer the interest earned on any moneys of the  
24 district into the district's fund or funds that are most in

1 need of the interest income, or the Metropolitan Water  
2 Reclamation District Retirement Fund. This authority does not  
3 apply to any interest that has been earmarked or restricted by  
4 the board for a designated purpose. This authority does not  
5 apply to any interest earned on any funds for purposes of the  
6 Metropolitan Water Reclamation District Retirement Fund or  
7 Reserve Claim Fund. Neither the specific inclusion of earned  
8 interest in the annual budget nor designation of any such  
9 earned interest as "Reserved" funds in annual financial reports  
10 (under generally accepted accounting principles, under  
11 Government Accounting Standards Board (GASB) Statements 34, 37  
12 and 38 or any further or successor GASB Statements, or both),  
13 shall constitute an earmarking of or restriction on any  
14 interest earned for a designated purpose under this Section. No  
15 such interest earned shall be construed to be earmarked or  
16 restricted under this Section unless the board specifically so  
17 states when doing so and specifically cites to this Section as  
18 authorizing such earmarking or restriction. Nothing herein  
19 shall be construed to preclude any transfer of earned interest  
20 under the provisions of subsection (c) of Section 9 of the  
21 Local Government Debt Reform Act. Any transfer of interest  
22 income prior to the effective date of this amendatory Act of  
23 the 97th General Assembly that would have been valid under the  
24 provisions of this amendatory Act of the 97th General Assembly  
25 is hereby validated.

26 The board of trustees, by a two-thirds vote of all its

1 members, may transfer fund balances between its Working Cash  
2 Funds.

3 (Source: P.A. 95-891, eff. 8-22-08.)

4 Section 35. The School Code is amended by changing Section  
5 10-22.44 as follows:

6 (105 ILCS 5/10-22.44) (from Ch. 122, par. 10-22.44)

7 Sec. 10-22.44. To transfer the interest earned from any  
8 moneys of the district in the respective fund of the district  
9 that is most in need of such interest income, as determined by  
10 the board. This Section does not apply to any interest earned  
11 which has been earmarked or restricted by the board for a  
12 designated purpose. This Section does not apply to any interest  
13 earned on any funds for purposes of Illinois Municipal  
14 Retirement under the Pension Code, Tort Immunity under the  
15 Local Governmental and Governmental Employees Tort Immunity  
16 Act, Fire Prevention, Safety, Energy Conservation and School  
17 Security Purposes under Section 17-2.11, and Capital  
18 Improvements under Section 17-2.3. Interest earned on these  
19 exempted funds shall be used only for the purposes authorized  
20 for the respective exempted funds from which the interest  
21 earnings were derived. Neither the specific inclusion of earned  
22 interest in the annual budget nor designation of any such  
23 earned interest as "Reserved" funds in annual financial reports  
24 (under generally accepted accounting principles, under

1 Government Accounting Standards Board (GASB) Statements 34, 37  
2 and 38 or any further or successor GASB Statements, or both),  
3 shall constitute an earmarking of or restriction on any  
4 interest earned for a designated purpose under this Section. No  
5 such interest earned shall be construed to be earmarked or  
6 restricted under this Section unless the board specifically so  
7 states when doing so and specifically cites to this Section as  
8 authorizing such earmarking or restriction. Nothing herein  
9 shall be construed to preclude any transfer of earned interest  
10 under the provisions of subsection (c) of Section 9 of the  
11 Local Government Debt Reform Act. Any transfer of interest  
12 income prior to the effective date of this amendatory Act of  
13 the 97th General Assembly that would have been valid under the  
14 provisions of this amendatory Act of the 97th General Assembly  
15 is hereby validated.

16 (Source: P.A. 87-984.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 30 ILCS 350/9 from Ch. 17, par. 6909

4 35 ILCS 200/18-185

5 35 ILCS 200/23-50 new

6 60 ILCS 1/245-20

7 70 ILCS 805/23

8 70 ILCS 1205/8-8a

9 70 ILCS 2605/5.9 from Ch. 42, par. 324s

10 105 ILCS 5/10-22.44 from Ch. 122, par. 10-22.44