

**SB1937**



**97TH GENERAL ASSEMBLY**

**State of Illinois**

**2011 and 2012**

**SB1937**

Introduced 2/10/2011, 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 2%. Effective immediately.

LRB097 08077 HLH 48200 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 2%, 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, but not including  
26 excluded non-referendum bonds. For park districts (i) that were

1 first subject to this Law in 1991 or 1995 and (ii) whose  
2 extension for the 1994 levy year for the payment of principal  
3 and interest on bonds issued by the park district without  
4 referendum (but not including excluded non-referendum bonds)  
5 was less than 51% of the amount for the 1991 levy year  
6 constituting an extension for payment of principal and interest  
7 on bonds issued by the park district without referendum (but  
8 not including excluded non-referendum bonds), "debt service  
9 extension base" means an amount equal to that portion of the  
10 extension for the 1991 levy year constituting an extension for  
11 payment of principal and interest on bonds issued by the park  
12 district without referendum (but not including excluded  
13 non-referendum bonds). A debt service extension base  
14 established or increased at any time pursuant to any provision  
15 of this Law, except Section 18-212, shall be increased each  
16 year commencing with the later of (i) the 2009 levy year or  
17 (ii) the first levy year in which this Law becomes applicable  
18 to the taxing district, by the lesser of 5% or the percentage  
19 increase in the Consumer Price Index during the 12-month  
20 calendar year preceding the levy year. The debt service  
21 extension base may be established or increased as provided  
22 under Section 18-212. "Excluded non-referendum bonds" means  
23 (i) bonds authorized by Public Act 88-503 and issued under  
24 Section 20a of the Chicago Park District Act for aquarium and  
25 museum projects; (ii) bonds issued under Section 15 of the  
26 Local Government Debt Reform Act; or (iii) refunding

1 obligations issued to refund or to continue to refund  
2 obligations initially issued pursuant to referendum.

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

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

1 last levy year, or (ii) the tax extension for the last  
2 preceding levy year had not been adjusted as required by  
3 subsection (c) of Section 18-135.

4 "Levy year" has the same meaning as "year" under Section  
5 1-155.

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

1 market value. In addition, the county clerk in a county  
2 containing a population of 3,000,000 or more shall include in  
3 the 1997 recovered tax increment value for any school district,  
4 any recovered tax increment value that was applicable to the  
5 1995 tax year calculations.

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

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



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

25 Except as otherwise provided in this Section, "limiting  
26 rate" means a fraction the numerator of which is the last

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

21 (Source: P.A. 95-90, eff. 1-1-08; 95-331, eff. 8-21-07; 95-404,  
22 eff. 1-1-08; 95-876, eff. 8-21-08; 96-501, eff. 8-14-09;  
23 96-517, eff. 8-14-09; 96-1000, eff. 7-2-10; 96-1202, eff.  
24 7-22-10.)

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.