



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB4723

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 special purpose levies made by a fire protection district for the purposes of insurance, torts, and risk management programs are exempt from the definition of "aggregate extension".

LRB098 19056 HLH 54206 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 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; (o) made for
14 contributions to a firefighter's pension fund created under
15 Article 4 of the Illinois Pension Code, to the extent of the
16 amount certified under item (5) of Section 4-134 of the
17 Illinois Pension Code; ~~and~~ (p) made for road purposes in the
18 first year after a township assumes the rights, powers, duties,
19 assets, property, liabilities, obligations, and
20 responsibilities of a road district abolished under the
21 provisions of Section 6-133 of the Illinois Highway Code; and
22 (q) made by a fire protection district for the purposes of
23 insurance, torts, and risk management programs.

24 "Aggregate extension" for the taxing districts to which
25 this Law did not apply before the 1995 levy year (except taxing
26 districts subject to this Law in accordance with Section

1 18-213) means the annual corporate extension for the taxing
2 district and those special purpose extensions that are made
3 annually for the taxing district, excluding special purpose
4 extensions: (a) made for the taxing district to pay interest or
5 principal on general obligation bonds that were approved by
6 referendum; (b) made for any taxing district to pay interest or
7 principal on general obligation bonds issued before March 1,
8 1995; (c) made for any taxing district to pay interest or
9 principal on bonds issued to refund or continue to refund those
10 bonds issued before March 1, 1995; (d) made for any taxing
11 district to pay interest or principal on bonds issued to refund
12 or continue to refund bonds issued after March 1, 1995 that
13 were approved by referendum; (e) made for any taxing district
14 to pay interest or principal on revenue bonds issued before
15 March 1, 1995 for payment of which a property tax levy or the
16 full faith and credit of the unit of local government is
17 pledged; however, a tax for the payment of interest or
18 principal on those bonds shall be made only after the governing
19 body of the unit of local government finds that all other
20 sources for payment are insufficient to make those payments;
21 (f) made for payments under a building commission lease when
22 the lease payments are for the retirement of bonds issued by
23 the commission before March 1, 1995 to pay for the building
24 project; (g) made for payments due under installment contracts
25 entered into before March 1, 1995; (h) made for payments of
26 principal and interest on bonds issued under the Metropolitan

1 Water Reclamation District Act to finance construction
2 projects initiated before October 1, 1991; (h-4) made for
3 stormwater management purposes by the Metropolitan Water
4 Reclamation District of Greater Chicago under Section 12 of the
5 Metropolitan Water Reclamation District Act; (i) made for
6 payments of principal and interest on limited bonds, as defined
7 in Section 3 of the Local Government Debt Reform Act, in an
8 amount not to exceed the debt service extension base less the
9 amount in items (b), (c), and (e) of this definition for
10 non-referendum obligations, except obligations initially
11 issued pursuant to referendum and bonds described in subsection
12 (h) of this definition; (j) made for payments of principal and
13 interest on bonds issued under Section 15 of the Local
14 Government Debt Reform Act; (k) made for payments of principal
15 and interest on bonds authorized by Public Act 88-503 and
16 issued under Section 20a of the Chicago Park District Act for
17 aquarium or museum projects; (l) made for payments of principal
18 and interest on bonds authorized by Public Act 87-1191 or
19 93-601 and (i) issued pursuant to Section 21.2 of the Cook
20 County Forest Preserve District Act, (ii) issued under Section
21 42 of the Cook County Forest Preserve District Act for
22 zoological park projects, or (iii) issued under Section 44.1 of
23 the Cook County Forest Preserve District Act for botanical
24 gardens projects; (m) made pursuant to Section 34-53.5 of the
25 School Code, whether levied annually or not; (n) made to fund
26 expenses of providing joint recreational programs for the

1 handicapped under Section 5-8 of the Park District Code or
2 Section 11-95-14 of the Illinois Municipal Code; (o) made by
3 the Chicago Park District for recreational programs for the
4 handicapped under subsection (c) of Section 7.06 of the Chicago
5 Park District Act; (p) made for contributions to a
6 firefighter's pension fund created under Article 4 of the
7 Illinois Pension Code, to the extent of the amount certified
8 under item (5) of Section 4-134 of the Illinois Pension Code;
9 ~~and~~ (q) made by Ford Heights School District 169 under Section
10 17-9.02 of the School Code; and (r) made by a fire protection
11 district for the purposes of insurance, torts, and risk
12 management programs.

13 "Aggregate extension" for all taxing districts to which
14 this Law applies in accordance with Section 18-213, except for
15 those taxing districts subject to 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 date on which the referendum making this Law applicable to
24 the taxing district is held; (c) made for any taxing district
25 to pay interest or principal on bonds issued to refund or
26 continue to refund those bonds issued before the date on which

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

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

24 "Aggregate extension" for all taxing districts to which
25 this Law applies in accordance with paragraph (2) of subsection
26 (e) of Section 18-213 means the annual corporate extension for

1 the taxing district and those special purpose extensions that
2 are made annually for the taxing district, excluding special
3 purpose extensions: (a) made for the taxing district to pay
4 interest or principal on general obligation bonds that were
5 approved by referendum; (b) made for any taxing district to pay
6 interest or principal on general obligation bonds issued before
7 the effective date of this amendatory Act of 1997; (c) made for
8 any taxing district to pay interest or principal on bonds
9 issued to refund or continue to refund those bonds issued
10 before the effective date of this amendatory Act of 1997; (d)
11 made for any taxing district to pay interest or principal on
12 bonds issued to refund or continue to refund bonds issued after
13 the effective date of this amendatory Act of 1997 if the bonds
14 were approved by referendum after the effective date of this
15 amendatory Act of 1997; (e) made for any taxing district to pay
16 interest or principal on revenue bonds issued before the
17 effective date of this amendatory Act of 1997 for payment of
18 which a property tax levy or the full faith and credit of the
19 unit of local government is pledged; however, a tax for the
20 payment of interest or principal on those bonds shall be made
21 only after the governing body of the unit of local government
22 finds that all other sources for payment are insufficient to
23 make those payments; (f) made for payments under a building
24 commission lease when the lease payments are for the retirement
25 of bonds issued by the commission before the effective date of
26 this amendatory Act of 1997 to pay for the building project;

1 (g) made for payments due under installment contracts entered
2 into before the effective date of this amendatory Act of 1997;
3 (h) made for payments of principal and interest on limited
4 bonds, as defined in Section 3 of the Local Government Debt
5 Reform Act, in an amount not to exceed the debt service
6 extension base less the amount in items (b), (c), and (e) of
7 this definition for non-referendum obligations, except
8 obligations initially issued pursuant to referendum; (i) made
9 for payments of principal and interest on bonds issued under
10 Section 15 of the Local Government Debt Reform Act; (j) made
11 for a qualified airport authority to pay interest or principal
12 on general obligation bonds issued for the purpose of paying
13 obligations due under, or financing airport facilities
14 required to be acquired, constructed, installed or equipped
15 pursuant to, contracts entered into before March 1, 1996 (but
16 not including any amendments to such a contract taking effect
17 on or after that date); (k) made to fund expenses of providing
18 joint recreational programs for the handicapped under Section
19 5-8 of the Park District Code or Section 11-95-14 of the
20 Illinois Municipal Code; and (l) made for contributions to a
21 firefighter's pension fund created under Article 4 of the
22 Illinois Pension Code, to the extent of the amount certified
23 under item (5) of Section 4-134 of the Illinois Pension Code;
24 and (m) made by a fire protection district for the purposes of
25 insurance, torts, and risk management programs.

26 "Debt service extension base" means an amount equal to that

1 portion of the extension for a taxing district for the 1994
2 levy year, or for those taxing districts subject to this Law in
3 accordance with Section 18-213, except for those subject to
4 paragraph (2) of subsection (e) of Section 18-213, for the levy
5 year in which the referendum making this Law applicable to the
6 taxing district is held, or for those taxing districts subject
7 to this Law in accordance with paragraph (2) of subsection (e)
8 of Section 18-213 for the 1996 levy year, constituting an
9 extension for payment of principal and interest on bonds issued
10 by the taxing district without referendum, but not including
11 excluded non-referendum bonds. For park districts (i) that were
12 first subject to this Law in 1991 or 1995 and (ii) whose
13 extension for the 1994 levy year for the payment of principal
14 and interest on bonds issued by the park district without
15 referendum (but not including excluded non-referendum bonds)
16 was less than 51% of the amount for the 1991 levy year
17 constituting an extension for payment of principal and interest
18 on bonds issued by the park district without referendum (but
19 not including excluded non-referendum bonds), "debt service
20 extension base" means an amount equal to that portion of the
21 extension for the 1991 levy year constituting an extension for
22 payment of principal and interest on bonds issued by the park
23 district without referendum (but not including excluded
24 non-referendum bonds). A debt service extension base
25 established or increased at any time pursuant to any provision
26 of this Law, except Section 18-212, shall be increased each

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

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

22 "Aggregate extension base" means the taxing district's
23 last preceding aggregate extension as adjusted under Sections
24 18-135, 18-215, and 18-230. An adjustment under Section 18-135
25 shall be made for the 2007 levy year and all subsequent levy
26 years whenever one or more counties within which a taxing

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

15 Notwithstanding any other provision of law, for levy year
16 2012, the aggregate extension base for West Northfield School
17 District No. 31 in Cook County shall be \$12,654,592.

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, (iii) in counties that classify in accordance
11 with Section 4 of Article IX of the Illinois Constitution, an
12 incentive property's additional assessed value resulting from
13 a scheduled increase in the level of assessment as applied to
14 the first year final board of review market value, and (iv) any
15 increase in assessed value due to oil or gas production from an
16 oil or gas well required to be permitted under the Hydraulic
17 Fracturing Regulatory Act that was not produced in or accounted
18 for during the previous levy year. In addition, the county
19 clerk in a county containing a population of 3,000,000 or more
20 shall include in the 1997 recovered tax increment value for any
21 school district, any recovered tax increment value that was
22 applicable to the 1995 tax year calculations.

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

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

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

16 Except as otherwise provided in this Section, "limiting
17 rate" means a fraction the numerator of which is the last
18 preceding aggregate extension base times an amount equal to one
19 plus the extension limitation defined in this Section and the
20 denominator of which is the current year's equalized assessed
21 value of all real property in the territory under the
22 jurisdiction of the taxing district during the prior levy year.
23 For those taxing districts that reduced their aggregate
24 extension for the last preceding levy year, the highest
25 aggregate extension in any of the last 3 preceding levy years
26 shall be used for the purpose of computing the limiting rate.

1 The denominator shall not include new property or the recovered
2 tax increment value. If a new rate, a rate decrease, or a
3 limiting rate increase has been approved at an election held
4 after March 21, 2006, then (i) the otherwise applicable
5 limiting rate shall be increased by the amount of the new rate
6 or shall be reduced by the amount of the rate decrease, as the
7 case may be, or (ii) in the case of a limiting rate increase,
8 the limiting rate shall be equal to the rate set forth in the
9 proposition approved by the voters for each of the years
10 specified in the proposition, after which the limiting rate of
11 the taxing district shall be calculated as otherwise provided.
12 In the case of a taxing district that obtained referendum
13 approval for an increased limiting rate on March 20, 2012, the
14 limiting rate for tax year 2012 shall be the rate that
15 generates the approximate total amount of taxes extendable for
16 that tax year, as set forth in the proposition approved by the
17 voters; this rate shall be the final rate applied by the county
18 clerk for the aggregate of all capped funds of the district for
19 tax year 2012.

20 (Source: P.A. 97-611, eff. 1-1-12; 97-1154, eff. 1-25-13; 98-6,
21 eff. 3-29-13; 98-23, eff. 6-17-13.)