



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB4724

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 purpose of making contributions to a firefighter's pension fund are exempt from the definition of "aggregate extension".

LRB098 19061 HLH 54211 b

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, including special purpose levies made
18 for this purpose by a fire protection district; and (p) made
19 for road purposes in the first year after a township assumes
20 the rights, powers, duties, assets, property, liabilities,
21 obligations, and responsibilities of a road district abolished
22 under the provisions of Section 6-133 of the Illinois Highway
23 Code.

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, and
9 including special purpose levies made for this purpose by a
10 fire protection district; and (q) made by Ford Heights School
11 District 169 under Section 17-9.02 of the School Code.

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

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

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

22 "Aggregate extension" for all taxing districts to which
23 this Law applies in accordance with paragraph (2) of subsection
24 (e) of Section 18-213 means the annual corporate extension for
25 the taxing district and those special purpose extensions that
26 are made annually for the taxing district, excluding special

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

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

24 "Debt service extension base" means an amount equal to that
25 portion of the extension for a taxing district for the 1994
26 levy year, or for those taxing districts subject to this Law in

1 accordance with Section 18-213, except for those subject to
2 paragraph (2) of subsection (e) of Section 18-213, for the levy
3 year in which the referendum making this Law applicable to the
4 taxing district is held, or for those taxing districts subject
5 to this Law in accordance with paragraph (2) of subsection (e)
6 of Section 18-213 for the 1996 levy year, constituting an
7 extension for payment of principal and interest on bonds issued
8 by the taxing district without referendum, but not including
9 excluded non-referendum bonds. For park districts (i) that were
10 first subject to this Law in 1991 or 1995 and (ii) whose
11 extension for the 1994 levy year for the payment of principal
12 and interest on bonds issued by the park district without
13 referendum (but not including excluded non-referendum bonds)
14 was less than 51% of the amount for the 1991 levy year
15 constituting an extension for payment of principal and interest
16 on bonds issued by the park district without referendum (but
17 not including excluded non-referendum bonds), "debt service
18 extension base" means an amount equal to that portion of the
19 extension for the 1991 levy year constituting an extension for
20 payment of principal and interest on bonds issued by the park
21 district without referendum (but not including excluded
22 non-referendum bonds). A debt service extension base
23 established or increased at any time pursuant to any provision
24 of this Law, except Section 18-212, shall be increased each
25 year commencing with the later of (i) the 2009 levy year or
26 (ii) the first levy year in which this Law becomes applicable

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

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

20 "Aggregate extension base" means the taxing district's
21 last preceding aggregate extension as adjusted under Sections
22 18-135, 18-215, and 18-230. An adjustment under Section 18-135
23 shall be made for the 2007 levy year and all subsequent levy
24 years whenever one or more counties within which a taxing
25 district is located (i) used estimated valuations or rates when
26 extending taxes in the taxing district for the last preceding

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

13 Notwithstanding any other provision of law, for levy year
14 2012, the aggregate extension base for West Northfield School
15 District No. 31 in Cook County shall be \$12,654,592.

16 "Levy year" has the same meaning as "year" under Section
17 1-155.

18 "New property" means (i) the assessed value, after final
19 board of review or board of appeals action, of new improvements
20 or additions to existing improvements on any parcel of real
21 property that increase the assessed value of that real property
22 during the levy year multiplied by the equalization factor
23 issued by the Department under Section 17-30, (ii) the assessed
24 value, after final board of review or board of appeals action,
25 of real property not exempt from real estate taxation, which
26 real property was exempt from real estate taxation for any

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

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

25 "Recovered tax increment value" means, except as otherwise
26 provided in this paragraph, the amount of the current year's

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

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

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

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

10 In the case of a taxing district that obtained referendum
11 approval for an increased limiting rate on March 20, 2012, the
12 limiting rate for tax year 2012 shall be the rate that
13 generates the approximate total amount of taxes extendable for
14 that tax year, as set forth in the proposition approved by the
15 voters; this rate shall be the final rate applied by the county
16 clerk for the aggregate of all capped funds of the district for
17 tax year 2012.

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