



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB5609

by Rep. Donald L. Moffitt

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that levies by fire protection districts for insurance are excluded from the definition of "aggregate extension". Provides that all special purpose extensions made by a fire protection district for contributions to a firefighter's pension fund are excluded from the definition of "aggregate extension" (currently, only to the extent of the certification under the Illinois Pension Code).

LRB099 19224 HLH 43616 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 persons with
8 disabilities under Section 5-8 of the Park District Code or
9 Section 11-95-14 of the Illinois Municipal Code; (m) made for
10 temporary relocation loan repayment purposes pursuant to
11 Sections 2-3.77 and 17-2.2d of the School Code; (n) made for
12 payment of principal and interest on any bonds issued under the
13 authority 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, except that all special purpose
18 extensions made by a fire protection district for contributions
19 to a firefighter's pension fund created under Article 4 of the
20 Illinois Pension Code are excluded; ~~and~~ (p) made for road
21 purposes in the first year after a township assumes the rights,
22 powers, duties, assets, property, liabilities, obligations,
23 and responsibilities of a road district abolished under the
24 provisions of Section 6-133 of the Illinois Highway Code; and
25 (q) made by a fire protection district for funding expenses
26 related to insurance.

1 "Aggregate extension" for the taxing districts to which
2 this Law did not apply before the 1995 levy year (except taxing
3 districts subject to this Law in accordance with Section
4 18-213) means the annual corporate extension for the taxing
5 district and those special purpose extensions that are made
6 annually for the taxing district, excluding special purpose
7 extensions: (a) made for the taxing district to pay interest or
8 principal on general obligation bonds that were approved by
9 referendum; (b) made for any taxing district to pay interest or
10 principal on general obligation bonds issued before March 1,
11 1995; (c) made for any taxing district to pay interest or
12 principal on bonds issued to refund or continue to refund those
13 bonds issued before March 1, 1995; (d) made for any taxing
14 district to pay interest or principal on bonds issued to refund
15 or continue to refund bonds issued after March 1, 1995 that
16 were approved by referendum; (e) made for any taxing district
17 to pay interest or principal on revenue bonds issued before
18 March 1, 1995 for payment of which a property tax levy or the
19 full faith and credit of the unit of local government is
20 pledged; however, a tax for the payment of interest or
21 principal on those bonds shall be made only after the governing
22 body of the unit of local government finds that all other
23 sources for payment are insufficient to make those payments;
24 (f) made for payments under a building commission lease when
25 the lease payments are for the retirement of bonds issued by
26 the commission before March 1, 1995 to pay for the building

1 project; (g) made for payments due under installment contracts
2 entered into before March 1, 1995; (h) made for payments of
3 principal and interest on bonds issued under the Metropolitan
4 Water Reclamation District Act to finance construction
5 projects initiated before October 1, 1991; (h-4) made for
6 stormwater management purposes by the Metropolitan Water
7 Reclamation District of Greater Chicago under Section 12 of the
8 Metropolitan Water Reclamation District Act; (i) made for
9 payments of principal and interest on limited bonds, as defined
10 in Section 3 of the Local Government Debt Reform Act, in an
11 amount not to exceed the debt service extension base less the
12 amount in items (b), (c), and (e) of this definition for
13 non-referendum obligations, except obligations initially
14 issued pursuant to referendum and bonds described in subsection
15 (h) of this definition; (j) made for payments of principal and
16 interest on bonds issued under Section 15 of the Local
17 Government Debt Reform Act; (k) made for payments of principal
18 and interest on bonds authorized by Public Act 88-503 and
19 issued under Section 20a of the Chicago Park District Act for
20 aquarium or museum projects; (l) made for payments of principal
21 and interest on bonds authorized by Public Act 87-1191 or
22 93-601 and (i) issued pursuant to Section 21.2 of the Cook
23 County Forest Preserve District Act, (ii) issued under Section
24 42 of the Cook County Forest Preserve District Act for
25 zoological park projects, or (iii) issued under Section 44.1 of
26 the Cook County Forest Preserve District Act for botanical

1 gardens projects; (m) made pursuant to Section 34-53.5 of the
2 School Code, whether levied annually or not; (n) made to fund
3 expenses of providing joint recreational programs for persons
4 with disabilities under Section 5-8 of the Park District Code
5 or Section 11-95-14 of the Illinois Municipal Code; (o) made by
6 the Chicago Park District for recreational programs for persons
7 with disabilities under subsection (c) of Section 7.06 of the
8 Chicago Park District Act; (p) 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 except that all special purpose extensions made by a fire
13 protection district for contributions to a firefighter's
14 pension fund created under Article 4 of the Illinois Pension
15 Code are excluded; ~~and~~ (q) made by Ford Heights School District
16 169 under Section 17-9.02 of the School Code; and (r) made by a
17 fire protection district for funding expenses related to
18 insurance.

19 "Aggregate extension" for all taxing districts to which
20 this Law applies in accordance with Section 18-213, except for
21 those taxing districts subject to paragraph (2) of subsection
22 (e) of Section 18-213, means the annual corporate extension for
23 the taxing district and those special purpose extensions that
24 are made annually for the taxing district, excluding special
25 purpose extensions: (a) made for the taxing district to pay
26 interest or principal on general obligation bonds that were

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

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

1 pension fund created under Article 4 of the Illinois Pension
2 Code are excluded; ~~and~~ (m) made for the taxing district to pay
3 interest or principal on general obligation bonds issued
4 pursuant to Section 19-3.10 of the School Code; and (n) made by
5 a fire protection district for funding expenses related to
6 insurance.

7 "Aggregate extension" for all taxing districts to which
8 this Law applies in accordance with 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 effective date of this amendatory Act of 1997; (c) made for
17 any taxing district to pay interest or principal on bonds
18 issued to refund or continue to refund those bonds issued
19 before the effective date of this amendatory Act of 1997; (d)
20 made for any taxing district to pay interest or principal on
21 bonds issued to refund or continue to refund bonds issued after
22 the effective date of this amendatory Act of 1997 if the bonds
23 were approved by referendum after the effective date of this
24 amendatory Act of 1997; (e) made for any taxing district to pay
25 interest or principal on revenue bonds issued before the
26 effective date of this amendatory Act of 1997 for payment of

1 which a property tax levy or the full faith and credit of the
2 unit of local government is pledged; however, a tax for the
3 payment of interest or principal on those bonds shall be made
4 only after the governing body of the unit of local government
5 finds that all other sources for payment are insufficient to
6 make those payments; (f) made for payments under a building
7 commission lease when the lease payments are for the retirement
8 of bonds issued by the commission before the effective date of
9 this amendatory Act of 1997 to pay for the building project;
10 (g) made for payments due under installment contracts entered
11 into before the effective date of this amendatory Act of 1997;
12 (h) made for payments of principal and interest on limited
13 bonds, as defined in Section 3 of the Local Government Debt
14 Reform Act, in an amount not to exceed the debt service
15 extension base less the amount in items (b), (c), and (e) of
16 this definition for non-referendum obligations, except
17 obligations initially issued pursuant to referendum; (i) made
18 for payments of principal and interest on bonds issued under
19 Section 15 of the Local Government Debt Reform Act; (j) made
20 for a qualified airport authority to pay interest or principal
21 on general obligation bonds issued for the purpose of paying
22 obligations due under, or financing airport facilities
23 required to be acquired, constructed, installed or equipped
24 pursuant to, contracts entered into before March 1, 1996 (but
25 not including any amendments to such a contract taking effect
26 on or after that date); (k) made to fund expenses of providing

1 joint recreational programs for persons with disabilities
2 under Section 5-8 of the Park District Code or Section 11-95-14
3 of the Illinois Municipal Code; and (l) made for contributions
4 to a firefighter's pension fund created under Article 4 of the
5 Illinois Pension Code, to the extent of the amount certified
6 under item (5) of Section 4-134 of the Illinois Pension Code,
7 except that all special purpose extensions made by a fire
8 protection district for contributions to a firefighter's
9 pension fund created under Article 4 of the Illinois Pension
10 Code are excluded; and (m) made by a fire protection district
11 for funding expenses related to insurance.

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

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

26 "Special purpose extensions" include, but are not limited

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

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

1 Notwithstanding any other provision of law, for levy year
2 2012, the aggregate extension base for West Northfield School
3 District No. 31 in Cook County shall be \$12,654,592.

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, (iii) in counties that classify in accordance
23 with Section 4 of Article IX of the Illinois Constitution, an
24 incentive property's additional assessed value resulting from
25 a scheduled increase in the level of assessment as applied to
26 the first year final board of review market value, and (iv) any

1 increase in assessed value due to oil or gas production from an
2 oil or gas well required to be permitted under the Hydraulic
3 Fracturing Regulatory Act that was not produced in or accounted
4 for during the previous levy year. In addition, the county
5 clerk in a county containing a population of 3,000,000 or more
6 shall include in the 1997 recovered tax increment value for any
7 school district, any recovered tax increment value that was
8 applicable to the 1995 tax year calculations.

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

13 "Recovered tax increment value" means, except as otherwise
14 provided in this paragraph, the amount of the current year's
15 equalized assessed value, in the first year after a
16 municipality terminates the designation of an area as a
17 redevelopment project area previously established under the
18 Tax Increment Allocation Development Act in the Illinois
19 Municipal Code, previously established under the Industrial
20 Jobs Recovery Law in the Illinois Municipal Code, previously
21 established under the Economic Development Project Area Tax
22 Increment Act of 1995, or previously established under the
23 Economic Development Area Tax Increment Allocation Act, of each
24 taxable lot, block, tract, or parcel of real property in the
25 redevelopment project area over and above the initial equalized
26 assessed value of each property in the redevelopment project

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

1 removal from the redevelopment project area.

2 Except as otherwise provided in this Section, "limiting
3 rate" means a fraction the numerator of which is the last
4 preceding aggregate extension base times an amount equal to one
5 plus the extension limitation defined in this Section and the
6 denominator of which is the current year's equalized assessed
7 value of all real property in the territory under the
8 jurisdiction of the taxing district during the prior levy year.
9 For those taxing districts that reduced their aggregate
10 extension for the last preceding levy year, the highest
11 aggregate extension in any of the last 3 preceding levy years
12 shall be used for the purpose of computing the limiting rate.
13 The denominator shall not include new property or the recovered
14 tax increment value. If a new rate, a rate decrease, or a
15 limiting rate increase has been approved at an election held
16 after March 21, 2006, then (i) the otherwise applicable
17 limiting rate shall be increased by the amount of the new rate
18 or shall be reduced by the amount of the rate decrease, as the
19 case may be, or (ii) in the case of a limiting rate increase,
20 the limiting rate shall be equal to the rate set forth in the
21 proposition approved by the voters for each of the years
22 specified in the proposition, after which the limiting rate of
23 the taxing district shall be calculated as otherwise provided.
24 In the case of a taxing district that obtained referendum
25 approval for an increased limiting rate on March 20, 2012, the
26 limiting rate for tax year 2012 shall be the rate that

1 generates the approximate total amount of taxes extendable for
2 that tax year, as set forth in the proposition approved by the
3 voters; this rate shall be the final rate applied by the county
4 clerk for the aggregate of all capped funds of the district for
5 tax year 2012.

6 (Source: P.A. 98-6, eff. 3-29-13; 98-23, eff. 6-17-13; 99-143,
7 eff. 7-27-15.)