

1 AN ACT concerning taxation.

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  
8 may be cited as the Property Tax Extension Limitation Law.  
9 As used 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 the percentage increase in the Consumer Price Index in  
17 the 1998 levy year, or (b) the rate of increase approved by  
18 voters under Section 18-205.

19 "Affected county" means a county of 3,000,000 or more  
20 inhabitants or a county contiguous to a county of 3,000,000  
21 or more inhabitants.

22 "Taxing district" has the same meaning provided in  
23 Section 1-150, except as otherwise provided in this Section.  
24 For the 1991 through 1994 levy years only, "taxing district"  
25 includes only each non-home rule taxing district having the  
26 majority of its 1990 equalized assessed value within any  
27 county or counties contiguous to a county with 3,000,000 or  
28 more inhabitants. Beginning with the 1995 levy year, "taxing  
29 district" includes only each non-home rule taxing district  
30 subject to this Law before the 1995 levy year and each  
31 non-home rule taxing district not subject to this Law before

1 the 1995 levy year having the majority of its 1994 equalized  
2 assessed value in an affected county or counties. Beginning  
3 with the levy year in which this Law becomes applicable to a  
4 taxing district as provided in Section 18-213, "taxing  
5 district" also includes those taxing districts made subject  
6 to this Law as provided in Section 18-213.

7 "Aggregate extension" for taxing districts to which this  
8 Law applied before the 1995 levy year means the annual  
9 corporate extension for the taxing district and those special  
10 purpose extensions that are made annually for the taxing  
11 district, excluding special purpose extensions: (a) made for  
12 the taxing district to pay interest or principal on general  
13 obligation bonds that were approved by referendum; (b) made  
14 for any taxing district to pay interest or principal on  
15 general obligation bonds issued before October 1, 1991; (c)  
16 made for any taxing district to pay interest or principal on  
17 bonds issued to refund or continue to refund those bonds  
18 issued before October 1, 1991; (d) made for any taxing  
19 district to pay interest or principal on bonds issued to  
20 refund or continue to refund bonds issued after October 1,  
21 1991 that were approved by referendum; (e) made for any  
22 taxing district to pay interest or principal on revenue bonds  
23 issued before October 1, 1991 for payment of which a property  
24 tax levy or the full faith and credit of the unit of local  
25 government is pledged; however, a tax for the payment of  
26 interest or principal on those bonds shall be made only after  
27 the governing body of the unit of local government finds that  
28 all other sources for payment are insufficient to make those  
29 payments; (f) made for payments under a building commission  
30 lease when the lease payments are for the retirement of bonds  
31 issued by the commission before October 1, 1991, to pay for  
32 the building project; (g) made for payments due under  
33 installment contracts entered into before October 1, 1991;  
34 (h) made for payments of principal and interest on bonds

1 issued under the Metropolitan Water Reclamation District Act  
2 to finance construction projects initiated before October 1,  
3 1991; (i) made for payments of principal and interest on  
4 limited bonds, as defined in Section 3 of the Local  
5 Government Debt Reform Act, in an amount not to exceed the  
6 debt service extension base less the amount in items (b),  
7 (c), (e), and (h) of this definition for non-referendum  
8 obligations, except obligations initially issued pursuant to  
9 referendum; (j) made for payments of principal and interest  
10 on bonds issued under Section 15 of the Local Government Debt  
11 Reform Act; and (k) made by a school district that  
12 participates in the Special Education District of Lake  
13 County, created by special education joint agreement under  
14 Section 10-22.31 of the School Code, for payment of the  
15 school district's share of the amounts required to be  
16 contributed by the Special Education District of Lake County  
17 to the Illinois Municipal Retirement Fund under Article 7 of  
18 the Illinois Pension Code; the amount of any extension under  
19 this item (k) shall be certified by the school district to  
20 the county clerk.

21 "Aggregate extension" for the taxing districts to which  
22 this Law did not apply before the 1995 levy year (except  
23 taxing districts subject to this Law in accordance with  
24 Section 18-213) means the annual corporate extension for the  
25 taxing district and those special purpose extensions that are  
26 made annually for the taxing district, excluding special  
27 purpose extensions: (a) made for the taxing district to pay  
28 interest or principal on general obligation bonds that were  
29 approved by referendum; (b) made for any taxing district to  
30 pay interest or principal on general obligation bonds issued  
31 before March 1, 1995; (c) made for any taxing district to pay  
32 interest or principal on bonds issued to refund or continue  
33 to refund those bonds issued before March 1, 1995; (d) made  
34 for any taxing district to pay interest or principal on bonds

1 issued to refund or continue to refund bonds issued after  
2 March 1, 1995 that were approved by referendum; (e) made for  
3 any taxing district to pay interest or principal on revenue  
4 bonds issued before March 1, 1995 for payment of which a  
5 property tax levy or the full faith and credit of the unit of  
6 local government is pledged; however, a tax for the payment  
7 of interest or principal on those bonds shall be made only  
8 after the governing body of the unit of local government  
9 finds that all other sources for payment are insufficient to  
10 make those payments; (f) made for payments under a building  
11 commission lease when the lease payments are for the  
12 retirement of bonds issued by the commission before March 1,  
13 1995 to pay for the building project; (g) made for payments  
14 due under installment contracts entered into before March 1,  
15 1995; (h) made for payments of principal and interest on  
16 bonds issued under the Metropolitan Water Reclamation  
17 District Act to finance construction projects initiated  
18 before October 1, 1991; (i) made for payments of principal  
19 and interest on limited bonds, as defined in Section 3 of the  
20 Local Government Debt Reform Act, in an amount not to exceed  
21 the debt service extension base less the amount in items (b),  
22 (c), and (e) of this definition for non-referendum  
23 obligations, except obligations initially issued pursuant to  
24 referendum and bonds described in subsection (h) of this  
25 definition; (j) made for payments of principal and interest  
26 on bonds issued under Section 15 of the Local Government Debt  
27 Reform Act; (k) made for payments of principal and interest  
28 on bonds authorized by Public Act 88-503 and issued under  
29 Section 20a of the Chicago Park District Act for aquarium or  
30 museum projects; and (l) made for payments of principal and  
31 interest on bonds authorized by Public Act 87-1191 and issued  
32 under Section 42 of the Cook County Forest Preserve District  
33 Act for zoological park projects.

34 "Aggregate extension" for all taxing districts to which

1 this Law applies in accordance with Section 18-213, except  
2 for those taxing districts subject to paragraph (2) of  
3 subsection (e) of Section 18-213, means the annual corporate  
4 extension for the taxing district and those special purpose  
5 extensions that are made annually for the taxing district,  
6 excluding special purpose extensions: (a) made for the taxing  
7 district to pay interest or principal on general obligation  
8 bonds that were approved by referendum; (b) made for any  
9 taxing district to pay interest or principal on general  
10 obligation bonds issued before the date on which the  
11 referendum making this Law applicable to the taxing district  
12 is held; (c) made for any taxing district to pay interest or  
13 principal on bonds issued to refund or continue to refund  
14 those bonds issued before the date on which the referendum  
15 making this Law applicable to the taxing district is held;  
16 (d) made for any taxing district to pay interest or principal  
17 on bonds issued to refund or continue to refund bonds issued  
18 after the date on which the referendum making this Law  
19 applicable to the taxing district is held if the bonds were  
20 approved by referendum after the date on which the referendum  
21 making this Law applicable to the taxing district is held;  
22 (e) made for any taxing district to pay interest or principal  
23 on revenue bonds issued before the date on which the  
24 referendum making this Law applicable to the taxing district  
25 is held for payment of which a property tax levy or the full  
26 faith and credit of the unit of local government is pledged;  
27 however, a tax for the payment of interest or principal on  
28 those bonds shall be made only after the governing body of  
29 the unit of local government finds that all other sources for  
30 payment are insufficient to make those payments; (f) made for  
31 payments under a building commission lease when the lease  
32 payments are for the retirement of bonds issued by the  
33 commission before the date on which the referendum making  
34 this Law applicable to the taxing district is held to pay for

1 the building project; (g) made for payments due under  
2 installment contracts entered into before the date on which  
3 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  
6 Local Government Debt Reform Act, in an amount not to exceed  
7 the debt service extension base less the amount in items (b),  
8 (c), and (e) of this definition for non-referendum  
9 obligations, except obligations initially issued pursuant to  
10 referendum; (i) made for payments of principal and interest  
11 on bonds issued under Section 15 of the Local Government Debt  
12 Reform Act; and (j) made for a qualified airport authority to  
13 pay interest or principal on general obligation bonds issued  
14 for the purpose of paying obligations due under, or financing  
15 airport facilities required to be acquired, constructed,  
16 installed or equipped pursuant to, contracts entered into  
17 before March 1, 1996 (but not including any amendments to  
18 such a contract taking effect on or after that date).

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

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

32 "Debt service extension base" means an amount equal to  
33 that portion of the extension for a taxing district for the  
34 1994 levy year, or for those taxing districts subject to this

1 Law in accordance with Section 18-213, except for those  
2 subject to paragraph (2) of subsection (e) of Section 18-213,  
3 for the levy year in which the referendum making this Law  
4 applicable to the taxing district is held, or for those  
5 taxing districts subject to this Law in accordance with  
6 paragraph (2) of subsection (e) of Section 18-213 for the  
7 1996 levy year, constituting an extension for payment of  
8 principal and interest on bonds issued by the taxing district  
9 without referendum, but not including (i) bonds authorized by  
10 Public Act 88-503 and issued under Section 20a of the Chicago  
11 Park District Act for aquarium and museum projects; (ii)  
12 bonds issued under Section 15 of the Local Government Debt  
13 Reform Act; or (iii) refunding obligations issued to refund  
14 or to continue to refund obligations initially issued  
15 pursuant to referendum. The debt service extension base may  
16 be established or increased as provided under Section 18-212.

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

25 "Aggregate extension base" means the taxing district's  
26 last preceding aggregate extension as adjusted under Sections  
27 18-215 through 18-230.

28 "Levy year" has the same meaning as "year" under Section  
29 1-155.

30 "New property" means (i) the assessed value, after final  
31 board of review or board of appeals action, of new  
32 improvements or additions to existing improvements on any  
33 parcel of real property that increase the assessed value of  
34 that real property during the levy year multiplied by the



1 equalization factor issued by the Department under Section  
2 17-30 and (ii) the assessed value, after final board of  
3 review or board of appeals action, of real property not  
4 exempt from real estate taxation, which real property was  
5 exempt from real estate taxation for any portion of the  
6 immediately preceding levy year, multiplied by the  
7 equalization factor issued by the Department under Section  
8 17-30. In addition, the county clerk in a county containing  
9 a population of 3,000,000 or more shall include in the 1997  
10 recovered tax increment value for any school district, any  
11 recovered tax increment value that was applicable to the 1995  
12 tax year calculations.

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

17 "Recovered tax increment value" means, except as  
18 otherwise provided in this paragraph, the amount of the  
19 current year's equalized assessed value, in the first year  
20 after a municipality terminates the designation of an area as  
21 a redevelopment project area previously established under the  
22 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  
25 previously established under the Economic Development Area  
26 Tax Increment Allocation Act, of each taxable lot, block,  
27 tract, or parcel of real property in the redevelopment  
28 project area over and above the initial equalized assessed  
29 value of each property in the redevelopment project area.  
30 For the taxes which are extended for the 1997 levy year, the  
31 recovered tax increment value for a non-home rule taxing  
32 district that first became subject to this Law for the 1995  
33 levy year because a majority of its 1994 equalized assessed  
34 value was in an affected county or counties shall be

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

25 Except as otherwise provided in this Section, "limiting  
26 rate" means a fraction the numerator of which is the last  
27 preceding aggregate extension base times an amount equal to  
28 one plus the extension limitation defined in this Section and  
29 the denominator of which is the current year's equalized  
30 assessed value of all real property in the territory under  
31 the jurisdiction of the taxing district during the prior levy  
32 year. For those taxing districts that reduced their  
33 aggregate extension for the last preceding levy year, the  
34 highest aggregate extension in any of the last 3 preceding

1 levy years shall be used for the purpose of computing the  
2 limiting rate. The denominator shall not include new  
3 property. The denominator shall not include the recovered  
4 tax increment value.

5 (Source: P.A. 90-485, eff. 1-1-98; 90-511, eff. 8-22-97;  
6 90-568, eff. 1-1-99; 90-616, eff. 7-10-98; 90-655, eff.  
7 7-30-98; 91-357, eff. 7-29-99; 91-478, eff. 11-1-99.)

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.