

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 Sections 18-135 and 18-185 as follows:

6 (35 ILCS 200/18-135)

7 Sec. 18-135. Taxing district in 2 or more counties.

8 (a) Notwithstanding any other provisions to the contrary,
9 in counties which have an overlapping taxing district or
10 districts that extend into one or more other counties, the
11 county clerk, upon receipt of the assessments from the Board of
12 Review or Board of Appeals, and of the equalization factor from
13 the Department, may use estimated valuations or estimated
14 rates, as provided in subsection (b) of this Section, for the
15 overlapping taxing district or districts if the county clerk in
16 any other county into which the overlapping taxing district or
17 districts extend cannot certify the actual valuations or rates
18 for the district or districts.

19 (b) If the county clerk of a county which has an
20 overlapping taxing district which extends into another county
21 has not received the certified valuations or rates from the
22 county clerk of any county into which such districts overlap,
23 he or she may subsequent to March 15, make written demand for
24 actual or estimated valuations or rates upon the county clerk
25 of that county. Within 10 days of receiving a written demand,
26 the county clerk receiving the demand shall furnish certified
27 or estimated valuations or rates for the overlapping taxing
28 district, as pertaining to his or her county, to the county
29 clerk who made the request. If no valuations or rates are
30 received, the requesting county may make the estimate.

31 (c) If the use of estimated valuations or rates results in
32 over or under extension for the overlapping taxing district in

1 the county using estimated valuations or rates, the county
2 clerk shall make appropriate adjustments in the subsequent
3 year. Any adjustments necessitated by the estimation procedure
4 authorized by this Section shall be made by increasing or
5 decreasing the tax extension by fund for each taxing district
6 where the estimation procedures were used.

7 (d) For taxing districts subject to the Property Tax
8 Extension Limitation Law, the adjustment for paragraph (c)
9 shall be made after the limiting rate has been calculated using
10 the aggregate extension base, as defined in Section 18-185,
11 adjusted for the over or under extension due to the use of an
12 estimated valuation by the county on the last preceding
13 aggregate extension.

14 (Source: P.A. 90-291, eff. 1-1-98.)

15 (35 ILCS 200/18-185)

16 Sec. 18-185. Short title; definitions. This Division 5 may
17 be cited as the Property Tax Extension Limitation Law. As used
18 in this Division 5:

19 "Consumer Price Index" means the Consumer Price Index for
20 All Urban Consumers for all items published by the United
21 States Department of Labor.

22 "Extension limitation" means (a) the lesser of 5% or the
23 percentage increase in the Consumer Price Index during the
24 12-month calendar year preceding the levy year or (b) the rate
25 of increase approved by voters under Section 18-205.

26 "Affected county" means a county of 3,000,000 or more
27 inhabitants or a county contiguous to a county of 3,000,000 or
28 more inhabitants.

29 "Taxing district" has the same meaning provided in Section
30 1-150, except as otherwise provided in this Section. For the
31 1991 through 1994 levy years only, "taxing district" includes
32 only each non-home rule taxing district having the majority of
33 its 1990 equalized assessed value within any county or counties
34 contiguous to a county with 3,000,000 or more inhabitants.
35 Beginning with the 1995 levy year, "taxing district" includes

1 only each non-home rule taxing district subject to this Law
2 before the 1995 levy year and each non-home rule taxing
3 district not subject to this Law before the 1995 levy year
4 having the majority of its 1994 equalized assessed value in an
5 affected county or counties. Beginning with the levy year in
6 which this Law becomes applicable to a taxing district as
7 provided in Section 18-213, "taxing district" also includes
8 those taxing districts made subject to this Law as provided in
9 Section 18-213.

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

1 interest on bonds issued under the Metropolitan Water
2 Reclamation District Act to finance construction projects
3 initiated before October 1, 1991; (i) made for payments of
4 principal and interest on limited bonds, as defined in Section
5 3 of the Local Government Debt Reform Act, in an amount not to
6 exceed the debt service extension base less the amount in items
7 (b), (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 on
10 bonds issued under Section 15 of the Local Government Debt
11 Reform Act; (k) made by a school district that participates in
12 the Special Education District of Lake County, created by
13 special education joint agreement under Section 10-22.31 of the
14 School Code, for payment of the school district's share of the
15 amounts required to be contributed by the Special Education
16 District of Lake County to the Illinois Municipal Retirement
17 Fund under Article 7 of the Illinois Pension Code; the amount
18 of any extension under this item (k) shall be certified by the
19 school district to the county clerk; (l) made to fund expenses
20 of providing joint recreational programs for the handicapped
21 under Section 5-8 of the Park District Code or Section 11-95-14
22 of the Illinois Municipal Code; (m) made for temporary
23 relocation loan repayment purposes pursuant to Sections 2-3.77
24 and 17-2.2d of the School Code; ~~and~~ (n) made for payment of
25 principal and interest on any bonds issued under the authority
26 of Section 17-2.2d of the School Code; and (o) ~~(m)~~ made for
27 contributions to a firefighter's pension fund created under
28 Article 4 of the Illinois Pension Code, to the extent of the
29 amount certified under item (5) of Section 4-134 of the
30 Illinois Pension Code.

31 "Aggregate extension" for the taxing districts to which
32 this Law did not apply before the 1995 levy year (except taxing
33 districts subject to this Law in accordance with Section
34 18-213) means the annual corporate extension for the taxing
35 district and those special purpose extensions that are made
36 annually for the taxing district, excluding special purpose

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

1 Government Debt Reform Act; (k) made for payments of principal
2 and interest on bonds authorized by Public Act 88-503 and
3 issued under Section 20a of the Chicago Park District Act for
4 aquarium or museum projects; (l) made for payments of principal
5 and interest on bonds authorized by Public Act 87-1191 or
6 93-601 and (i) issued pursuant to Section 21.2 of the Cook
7 County Forest Preserve District Act, (ii) issued under Section
8 42 of the Cook County Forest Preserve District Act for
9 zoological park projects, or (iii) issued under Section 44.1 of
10 the Cook County Forest Preserve District Act for botanical
11 gardens projects; (m) made pursuant to Section 34-53.5 of the
12 School Code, whether levied annually or not; (n) made to fund
13 expenses of providing joint recreational programs for the
14 handicapped under Section 5-8 of the Park District Code or
15 Section 11-95-14 of the Illinois Municipal Code; (o) made by
16 the Chicago Park District for recreational programs for the
17 handicapped under subsection (c) of Section 7.06 of the Chicago
18 Park District Act; and (p) 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 "Aggregate extension" for all taxing districts to which
23 this Law applies in accordance with Section 18-213, except for
24 those taxing districts subject to paragraph (2) of subsection
25 (e) of Section 18-213, means the annual corporate extension for
26 the taxing district and those special purpose extensions that
27 are made annually for the taxing district, excluding special
28 purpose extensions: (a) made for the taxing district to pay
29 interest or principal on general obligation bonds that were
30 approved by referendum; (b) made for any taxing district to pay
31 interest or principal on general obligation bonds issued before
32 the date on which the referendum making this Law applicable to
33 the taxing district is held; (c) made for any taxing district
34 to pay interest or principal on bonds issued to refund or
35 continue to refund those bonds issued before the date on which
36 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
27 (e) of this definition for non-referendum obligations, except
28 obligations initially issued pursuant to referendum; (i) made
29 for payments of principal and interest on bonds issued under
30 Section 15 of the Local Government Debt Reform Act; (j) made
31 for a qualified airport authority to pay interest or principal
32 on general obligation bonds issued for the purpose of paying
33 obligations due under, or financing airport facilities
34 required to be acquired, constructed, installed or equipped
35 pursuant to, contracts entered into before March 1, 1996 (but
36 not including any amendments to such a contract taking effect

1 on or after that date); (k) made to fund expenses of providing
2 joint recreational programs for the handicapped under Section
3 5-8 of the Park District Code or Section 11-95-14 of the
4 Illinois Municipal Code; and (l) made for contributions to a
5 firefighter's pension fund created under Article 4 of the
6 Illinois Pension Code, to the extent of the amount certified
7 under item (5) of Section 4-134 of the Illinois Pension Code.

8 "Aggregate extension" for all taxing districts to which
9 this Law applies in accordance with paragraph (2) of subsection
10 (e) of Section 18-213 means the annual corporate extension for
11 the taxing district and those special purpose extensions that
12 are made annually for the taxing district, excluding special
13 purpose extensions: (a) made for the taxing district to pay
14 interest or principal on general obligation bonds that were
15 approved by referendum; (b) made for any taxing district to pay
16 interest or principal on general obligation bonds issued before
17 the effective date of this amendatory Act of 1997; (c) made for
18 any taxing district to pay interest or principal on bonds
19 issued to refund or continue to refund those bonds issued
20 before the effective date of this amendatory Act of 1997; (d)
21 made for any taxing district to pay interest or principal on
22 bonds issued to refund or continue to refund bonds issued after
23 the effective date of this amendatory Act of 1997 if the bonds
24 were approved by referendum after the effective date of this
25 amendatory Act of 1997; (e) made for any taxing district to pay
26 interest or principal on revenue bonds issued before the
27 effective date of this amendatory Act of 1997 for payment of
28 which a property tax levy or the full faith and credit of the
29 unit of local government is pledged; however, a tax for the
30 payment of interest or principal on those bonds shall be made
31 only after the governing body of the unit of local government
32 finds that all other sources for payment are insufficient to
33 make those payments; (f) made for payments under a building
34 commission lease when the lease payments are for the retirement
35 of bonds issued by the commission before the effective date of
36 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 "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
27 accordance with Section 18-213, except for those subject to
28 paragraph (2) of subsection (e) of Section 18-213, for the levy
29 year in which the referendum making this Law applicable to the
30 taxing district is held, or for those taxing districts subject
31 to this Law in accordance with paragraph (2) of subsection (e)
32 of Section 18-213 for the 1996 levy year, constituting an
33 extension for payment of principal and interest on bonds issued
34 by the taxing district without referendum, but not including
35 excluded non-referendum bonds. For park districts (i) that were
36 first subject to this Law in 1991 or 1995 and (ii) whose

1 extension for the 1994 levy year for the payment of principal
2 and interest on bonds issued by the park district without
3 referendum (but not including excluded non-referendum bonds)
4 was less than 51% of the amount for the 1991 levy year
5 constituting an extension for payment of principal and interest
6 on bonds issued by the park district without referendum (but
7 not including excluded non-referendum bonds), "debt service
8 extension base" means an amount equal to that portion of the
9 extension for the 1991 levy year constituting an extension for
10 payment of principal and interest on bonds issued by the park
11 district without referendum (but not including excluded
12 non-referendum bonds). The debt service extension base may be
13 established or increased as provided under Section 18-212.
14 "Excluded non-referendum bonds" means (i) bonds authorized by
15 Public Act 88-503 and issued under Section 20a of the Chicago
16 Park District Act for aquarium and museum projects; (ii) bonds
17 issued under Section 15 of the Local Government Debt Reform
18 Act; or (iii) refunding obligations issued to refund or to
19 continue to refund obligations initially issued pursuant to
20 referendum.

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

29 "Aggregate extension base" means the taxing district's
30 last preceding aggregate extension as adjusted under Sections
31 18-135, 18-215, and through 18-230. An adjustment under Section
32 18-135 shall be made for the 2005 levy year and all subsequent
33 levy years whenever one or more counties within which a taxing
34 district is located (i) used estimated valuations or rates when
35 extending taxes in the taxing district for the last preceding
36 levy year that resulted in the over or under extension of

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

12 "Levy year" has the same meaning as "year" under Section
13 1-155.

14 "New property" means (i) the assessed value, after final
15 board of review or board of appeals action, of new improvements
16 or additions to existing improvements on any parcel of real
17 property that increase the assessed value of that real property
18 during the levy year multiplied by the equalization factor
19 issued by the Department under Section 17-30, (ii) the assessed
20 value, after final board of review or board of appeals action,
21 of real property not exempt from real estate taxation, which
22 real property was exempt from real estate taxation for any
23 portion of the immediately preceding levy year, multiplied by
24 the equalization factor issued by the Department under Section
25 17-30, and (iii) in counties that classify in accordance with
26 Section 4 of Article IX of the Illinois Constitution, an
27 incentive property's additional assessed value resulting from
28 a scheduled increase in the level of assessment as applied to
29 the first year final board of review market value. In addition,
30 the county clerk in a county containing a population of
31 3,000,000 or more shall include in the 1997 recovered tax
32 increment value for any school district, any recovered tax
33 increment value that was applicable to the 1995 tax year
34 calculations.

35 "Qualified airport authority" means an airport authority
36 organized under the Airport Authorities Act and located in a

1 county bordering on the State of Wisconsin and having a
2 population in excess of 200,000 and not greater than 500,000.

3 "Recovered tax increment value" means, except as otherwise
4 provided in this paragraph, the amount of the current year's
5 equalized assessed value, in the first year after a
6 municipality terminates the designation of an area as a
7 redevelopment project area previously established under the
8 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, of each taxable lot, block, tract, or parcel of
13 real property in the redevelopment project area over and above
14 the initial equalized assessed value of each property in the
15 redevelopment project area. For the taxes which are extended
16 for the 1997 levy year, the recovered tax increment value for a
17 non-home rule taxing district that first became subject to this
18 Law for the 1995 levy year because a majority of its 1994
19 equalized assessed value was in an affected county or counties
20 shall be increased if a municipality terminated the designation
21 of an area in 1993 as a redevelopment project area previously
22 established under the Tax Increment Allocation Development Act
23 in the Illinois Municipal Code, previously established under
24 the Industrial Jobs Recovery Law in the Illinois Municipal
25 Code, or previously established under the Economic Development
26 Area Tax Increment Allocation Act, by an amount equal to the
27 1994 equalized assessed value of each taxable lot, block,
28 tract, or parcel of real property in the redevelopment project
29 area over and above the initial equalized assessed value of
30 each property in the redevelopment project area. In the first
31 year after a municipality removes a taxable lot, block, tract,
32 or parcel of real property from a redevelopment project area
33 established under the Tax Increment Allocation Development Act
34 in the Illinois Municipal Code, the Industrial Jobs Recovery
35 Law in the Illinois Municipal Code, or the Economic Development
36 Area Tax Increment Allocation Act, "recovered tax increment

1 value" means the amount of the current year's equalized
2 assessed value of each taxable lot, block, tract, or parcel of
3 real property removed from the redevelopment project area over
4 and above the initial equalized assessed value of that real
5 property before removal from the redevelopment project area.

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

19 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
20 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.
21 7-1-04; 93-690, eff. 7-1-04; 93-1049, eff. 11-17-04; revised
22 12-14-04.)