



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB4820

Introduced 01/18/06, by Rep. Roger L. Eddy

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Exempts from the extension limitation those extensions made for contributions to the Illinois Municipal Retirement Fund under the Illinois Pension Code or for contributions to any other pension fund under the Illinois Pension Code. Effective October 1, 2006.

LRB094 17124 BDD 52412 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning taxes.

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
24 its 1990 equalized assessed value within any county or counties
25 contiguous to a county with 3,000,000 or more inhabitants.
26 Beginning with the 1995 levy year, "taxing district" includes
27 only each non-home rule taxing district subject to this Law
28 before the 1995 levy year and each non-home rule taxing
29 district not subject to this Law before the 1995 levy year
30 having the majority of its 1994 equalized assessed value in an
31 affected county or counties. Beginning with the levy year in
32 which this Law becomes applicable to a taxing district as

1 provided in Section 18-213, "taxing district" also includes
2 those taxing districts made subject to this Law as provided in
3 Section 18-213.

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

1 (b), (c), (e), and (h) of this definition for non-referendum
2 obligations, except obligations initially issued pursuant to
3 referendum; (j) made for payments of principal and interest on
4 bonds issued under Section 15 of the Local Government Debt
5 Reform Act; (k) made by a school district that participates in
6 the Special Education District of Lake County, created by
7 special education joint agreement under Section 10-22.31 of the
8 School Code, for payment of the school district's share of the
9 amounts required to be contributed by the Special Education
10 District of Lake County to the Illinois Municipal Retirement
11 Fund under Article 7 of the Illinois Pension Code; the amount
12 of any extension under this item (k) shall be certified by the
13 school district to the county clerk; (l) made to fund expenses
14 of providing joint recreational programs for the handicapped
15 under Section 5-8 of the Park District Code or Section 11-95-14
16 of the Illinois Municipal Code; (m) made for temporary
17 relocation loan repayment purposes pursuant to Sections 2-3.77
18 and 17-2.2d of the School Code; ~~and~~ (n) made for payment of
19 principal and interest on any bonds issued under the authority
20 of Section 17-2.2d of the School Code; ~~and~~ (o) ~~(m)~~ made for
21 contributions to a firefighter's pension fund created under
22 Article 4 of the Illinois Pension Code, to the extent of the
23 amount certified under item (5) of Section 4-134 of the
24 Illinois Pension Code; and (p) made for contributions to the
25 Illinois Municipal Retirement Fund under Section 7-171 of the
26 Illinois Pension Code or for contributions to any other pension
27 fund under the Illinois Pension Code.

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

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

1 aquarium or museum projects; (l) made for payments of principal
2 and interest on bonds authorized by Public Act 87-1191 or
3 93-601 and (i) issued pursuant to Section 21.2 of the Cook
4 County Forest Preserve District Act, (ii) issued under Section
5 42 of the Cook County Forest Preserve District Act for
6 zoological park projects, or (iii) issued under Section 44.1 of
7 the Cook County Forest Preserve District Act for botanical
8 gardens projects; (m) made pursuant to Section 34-53.5 of the
9 School Code, whether levied annually or not; (n) made to fund
10 expenses of providing joint recreational programs for the
11 handicapped under Section 5-8 of the Park District Code or
12 Section 11-95-14 of the Illinois Municipal Code; (o) made by
13 the Chicago Park District for recreational programs for the
14 handicapped under subsection (c) of Section 7.06 of the Chicago
15 Park District Act; ~~and~~ (p) made for contributions to a
16 firefighter's pension fund created under Article 4 of the
17 Illinois Pension Code, to the extent of the amount certified
18 under item (5) of Section 4-134 of the Illinois Pension Code;
19 and (q) made for contributions to the Illinois Municipal
20 Retirement Fund under Section 7-171 of the Illinois Pension
21 Code or for contributions to any other pension fund under the
22 Illinois Pension Code.

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

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

1 not including any amendments to such a contract taking effect
2 on or after that date); (k) made to fund expenses of providing
3 joint recreational programs for the handicapped under Section
4 5-8 of the Park District Code or Section 11-95-14 of the
5 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
6 firefighter's pension fund created under Article 4 of the
7 Illinois Pension Code, to the extent of the amount certified
8 under item (5) of Section 4-134 of the Illinois Pension Code;
9 and (m) made for contributions to the Illinois Municipal
10 Retirement Fund under Section 7-171 of the Illinois Pension
11 Code or for contributions to any other pension fund under the
12 Illinois Pension Code.

13 "Aggregate extension" for all taxing districts to which
14 this Law applies in accordance with 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 effective date of this amendatory Act of 1997; (c) made for
23 any taxing district to pay interest or principal on bonds
24 issued to refund or continue to refund those bonds issued
25 before the effective date of this amendatory Act of 1997; (d)
26 made for any taxing district to pay interest or principal on
27 bonds issued to refund or continue to refund bonds issued after
28 the effective date of this amendatory Act of 1997 if the bonds
29 were approved by referendum after the effective date of this
30 amendatory Act of 1997; (e) made for any taxing district to pay
31 interest or principal on revenue bonds issued before the
32 effective date of this amendatory Act of 1997 for payment of
33 which a property tax levy or the full faith and credit of the
34 unit of local government is pledged; however, a tax for the
35 payment of interest or principal on those bonds shall be made
36 only after the governing body of the unit of local government

1 finds that all other sources for payment are insufficient to
2 make those payments; (f) made for payments under a building
3 commission lease when the lease payments are for the retirement
4 of bonds issued by the commission before the effective date of
5 this amendatory Act of 1997 to pay for the building project;
6 (g) made for payments due under installment contracts entered
7 into before the effective date of this amendatory Act of 1997;
8 (h) made for payments of principal and interest on limited
9 bonds, as defined in Section 3 of the Local Government Debt
10 Reform Act, in an amount not to exceed the debt service
11 extension base less the amount in items (b), (c), and (e) of
12 this definition for non-referendum obligations, except
13 obligations initially issued pursuant to referendum; (i) made
14 for payments of principal and interest on bonds issued under
15 Section 15 of the Local Government Debt Reform Act; (j) made
16 for a qualified airport authority to pay interest or principal
17 on general obligation bonds issued for the purpose of paying
18 obligations due under, or financing airport facilities
19 required to be acquired, constructed, installed or equipped
20 pursuant to, contracts entered into before March 1, 1996 (but
21 not including any amendments to such a contract taking effect
22 on or after that date); (k) made to fund expenses of providing
23 joint recreational programs for the handicapped under Section
24 5-8 of the Park District Code or Section 11-95-14 of the
25 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
26 firefighter's pension fund created under Article 4 of the
27 Illinois Pension Code, to the extent of the amount certified
28 under item (5) of Section 4-134 of the Illinois Pension Code;
29 and (m) made for contributions to the Illinois Municipal
30 Retirement Fund under Section 7-171 of the Illinois Pension
31 Code or for contributions to any other pension fund under the
32 Illinois Pension Code.

33 "Debt service extension base" means an amount equal to that
34 portion of the extension for a taxing district for the 1994
35 levy year, or for those taxing districts subject to this Law in
36 accordance with Section 18-213, except for those subject to

1 paragraph (2) of subsection (e) of Section 18-213, for the levy
2 year in which the referendum making this Law applicable to the
3 taxing district is held, or for those taxing districts subject
4 to this Law in accordance with paragraph (2) of subsection (e)
5 of Section 18-213 for the 1996 levy year, constituting an
6 extension for payment of principal and interest on bonds issued
7 by the taxing district without referendum, but not including
8 excluded non-referendum bonds. For park districts (i) that were
9 first subject to this Law in 1991 or 1995 and (ii) whose
10 extension for the 1994 levy year for the payment of principal
11 and interest on bonds issued by the park district without
12 referendum (but not including excluded non-referendum bonds)
13 was less than 51% of the amount for the 1991 levy year
14 constituting an extension for payment of principal and interest
15 on bonds issued by the park district without referendum (but
16 not including excluded non-referendum bonds), "debt service
17 extension base" means an amount equal to that portion of the
18 extension for the 1991 levy year constituting an extension for
19 payment of principal and interest on bonds issued by the park
20 district without referendum (but not including excluded
21 non-referendum bonds). The debt service extension base may be
22 established or increased as provided under Section 18-212.
23 "Excluded non-referendum bonds" means (i) bonds authorized by
24 Public Act 88-503 and issued under Section 20a of the Chicago
25 Park District Act for aquarium and museum projects; (ii) bonds
26 issued under Section 15 of the Local Government Debt Reform
27 Act; or (iii) refunding obligations issued to refund or to
28 continue to refund obligations initially issued pursuant to
29 referendum.

30 "Special purpose extensions" include, but are not limited
31 to, extensions for levies made on an annual basis for
32 unemployment and workers' compensation, self-insurance,
33 contributions to pension plans, and extensions made pursuant to
34 Section 6-601 of the Illinois Highway Code for a road
35 district's permanent road fund whether levied annually or not.
36 The extension for a special service area is not included in the

1 aggregate extension.

2 "Aggregate extension base" means the taxing district's
3 last preceding aggregate extension as adjusted under Sections
4 18-215 through 18-230.

5 "Levy year" has the same meaning as "year" under Section
6 1-155.

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

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

32 "Recovered tax increment value" means, except as otherwise
33 provided in this paragraph, the amount of the current year's
34 equalized assessed value, in the first year after a
35 municipality terminates the designation of an area as a
36 redevelopment project area previously established under the

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

35 Except as otherwise provided in this Section, "limiting
36 rate" means a fraction the numerator of which is the last

1 preceding aggregate extension base times an amount equal to one
2 plus the extension limitation defined in this Section and the
3 denominator of which is the current year's equalized assessed
4 value of all real property in the territory under the
5 jurisdiction of the taxing district during the prior levy year.
6 For those taxing districts that reduced their aggregate
7 extension for the last preceding levy year, the highest
8 aggregate extension in any of the last 3 preceding levy years
9 shall be used for the purpose of computing the limiting rate.
10 The denominator shall not include new property. The denominator
11 shall not include the recovered tax increment value.

12 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
13 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.
14 7-1-04; 93-690, eff. 7-1-04; 93-1049, eff. 11-17-04; revised
15 12-14-04.)

16 Section 99. Effective date. This Act takes effect October
17 1, 2006.