



Filed: 3/30/2006

09400SB0702ham001

LRB094 08536 BDD 57722 a

1 AMENDMENT TO SENATE BILL 702

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 702 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing  
5 Sections 18-165 and 18-185 and by adding Division 14 to Article  
6 10 as follows:

7 (35 ILCS 200/Art. 10 Div. 14 heading new)

8 DIVISION 14. VALUATION OF CERTAIN LEASES OF EXEMPT PROPERTY

9 (35 ILCS 200/10-365 new)

10 Sec. 10-365. U.S. Military Public/Private Residential  
11 Developments. PPV Leases must be classified and valued as set  
12 forth in Sections 10-370 through 10-380 during the period  
13 beginning January 1, 2006 and ending with the earlier of the  
14 year 50 years after January 1, 2006 or the year in which a PPV  
15 Lease terminates.

16 (35 ILCS 200/10-370 new)

17 Sec. 10-370. Definitions. For the purposes of this Division  
18 14:

19 (a) "PPV Lease" means a leasehold interest in property that  
20 is exempt from taxation under Section 15-50 of this Code and  
21 that is leased, pursuant to authority set forth in Chapter 10  
22 of the United States Code, to another whose property is not

1 exempt for the purpose of, after January 1, 2006, the design,  
2 finance, construction, renovation, management, operation, and  
3 maintenance of rental housing units and associated  
4 improvements at naval training and related naval support  
5 facilities in the State of Illinois.

6 (b) "Net operating income" means all revenues received  
7 minus the lesser of (i) 42% of all revenues or (ii) actual  
8 expenses before interest, taxes, depreciation, and  
9 amortization.

10 (c) "Tax load factor" means the level of assessment, as set  
11 forth under item (b) of Section 9-145 or under Section 9-150,  
12 multiplied by the cumulative tax rate for the current taxable  
13 year.

14 (35 ILCS 200/10-375 new)

15 Sec. 10-375. Valuation.

16 (a) A PPV Lease must be valued at its fair cash value, as  
17 provided under item (b) of Section 9-145 or under Section  
18 9-150.

19 (b) The fair cash value of a PPV Lease must be determined  
20 by using an income capitalization approach.

21 (c) To determine the fair cash value of a PPV Lease, the  
22 net operating income is divided by (i) a rate of 7.75% plus  
23 (ii) the actual or most recently ascertainable tax load factor  
24 for the subject year.

25 (d) By April 15 of each year, the holder of a PPV Lease  
26 must report to the chief county assessment officer in each  
27 county in which the leasehold property is located the annual  
28 gross income and expenses derived and incurred from the PPV  
29 Lease, including the rental of leased property for each  
30 military housing facility subject to a PPV Lease.

31 (35 ILCS 200/10-380 new)

32 Sec. 10-380. For the taxable years 2006, 2007, 2008, and

1 2009, the chief county assessment officer in the county in  
2 which property subject to a PPV Lease is located shall apply  
3 the provisions of 10-370(b)(i) and 10-375(c)(i) of this  
4 Division 14 in assessing and determining the value of any PPV  
5 lease for purposes of the property tax laws of this State.

6 (35 ILCS 200/18-165)

7 Sec. 18-165. Abatement of taxes.

8 (a) Any taxing district, upon a majority vote of its  
9 governing authority, may, after the determination of the  
10 assessed valuation of its property, order the clerk of that  
11 county to abate any portion of its taxes on the following types  
12 of property:

13 (1) Commercial and industrial.

14 (A) The property of any commercial or industrial  
15 firm, including but not limited to the property of (i)  
16 any firm that is used for collecting, separating,  
17 storing, or processing recyclable materials, locating  
18 within the taxing district during the immediately  
19 preceding year from another state, territory, or  
20 country, or having been newly created within this State  
21 during the immediately preceding year, or expanding an  
22 existing facility, or (ii) any firm that is used for  
23 the generation and transmission of electricity  
24 locating within the taxing district during the  
25 immediately preceding year or expanding its presence  
26 within the taxing district during the immediately  
27 preceding year by construction of a new electric  
28 generating facility that uses natural gas as its fuel,  
29 or any firm that is used for production operations at a  
30 new, expanded, or reopened coal mine within the taxing  
31 district, that has been certified as a High Impact  
32 Business by the Illinois Department of Commerce and  
33 Economic Opportunity ~~Community Affairs~~. The property

1 of any firm used for the generation and transmission of  
2 electricity shall include all property of the firm used  
3 for transmission facilities as defined in Section 5.5  
4 of the Illinois Enterprise Zone Act. The abatement  
5 shall not exceed a period of 10 years and the aggregate  
6 amount of abated taxes for all taxing districts  
7 combined shall not exceed \$4,000,000.

8 (A-5) Any property in the taxing district of a new  
9 electric generating facility, as defined in Section  
10 605-332 of the Department of Commerce and Economic  
11 Opportunity ~~Community Affairs~~ Law of the Civil  
12 Administrative Code of Illinois. The abatement shall  
13 not exceed a period of 10 years. The abatement shall be  
14 subject to the following limitations:

15 (i) if the equalized assessed valuation of the  
16 new electric generating facility is equal to or  
17 greater than \$25,000,000 but less than  
18 \$50,000,000, then the abatement may not exceed (i)  
19 over the entire term of the abatement, 5% of the  
20 taxing district's aggregate taxes from the new  
21 electric generating facility and (ii) in any one  
22 year of abatement, 20% of the taxing district's  
23 taxes from the new electric generating facility;

24 (ii) if the equalized assessed valuation of  
25 the new electric generating facility is equal to or  
26 greater than \$50,000,000 but less than  
27 \$75,000,000, then the abatement may not exceed (i)  
28 over the entire term of the abatement, 10% of the  
29 taxing district's aggregate taxes from the new  
30 electric generating facility and (ii) in any one  
31 year of abatement, 35% of the taxing district's  
32 taxes from the new electric generating facility;

33 (iii) if the equalized assessed valuation of  
34 the new electric generating facility is equal to or

1 greater than \$75,000,000 but less than  
2 \$100,000,000, then the abatement may not exceed  
3 (i) over the entire term of the abatement, 20% of  
4 the taxing district's aggregate taxes from the new  
5 electric generating facility and (ii) in any one  
6 year of abatement, 50% of the taxing district's  
7 taxes from the new electric generating facility;

8 (iv) if the equalized assessed valuation of  
9 the new electric generating facility is equal to or  
10 greater than \$100,000,000 but less than  
11 \$125,000,000, then the abatement may not exceed  
12 (i) over the entire term of the abatement, 30% of  
13 the taxing district's aggregate taxes from the new  
14 electric generating facility and (ii) in any one  
15 year of abatement, 60% of the taxing district's  
16 taxes from the new electric generating facility;

17 (v) if the equalized assessed valuation of the  
18 new electric generating facility is equal to or  
19 greater than \$125,000,000 but less than  
20 \$150,000,000, then the abatement may not exceed  
21 (i) over the entire term of the abatement, 40% of  
22 the taxing district's aggregate taxes from the new  
23 electric generating facility and (ii) in any one  
24 year of abatement, 60% of the taxing district's  
25 taxes from the new electric generating facility;

26 (vi) if the equalized assessed valuation of  
27 the new electric generating facility is equal to or  
28 greater than \$150,000,000, then the abatement may  
29 not exceed (i) over the entire term of the  
30 abatement, 50% of the taxing district's aggregate  
31 taxes from the new electric generating facility  
32 and (ii) in any one year of abatement, 60% of the  
33 taxing district's taxes from the new electric  
34 generating facility.

1           The abatement is not effective unless the owner of  
2           the new electric generating facility agrees to repay to  
3           the taxing district all amounts previously abated,  
4           together with interest computed at the rate and in the  
5           manner provided for delinquent taxes, in the event that  
6           the owner of the new electric generating facility  
7           closes the new electric generating facility before the  
8           expiration of the entire term of the abatement.

9           The authorization of taxing districts to abate  
10          taxes under this subdivision (a) (1) (A-5) expires on  
11          January 1, 2010.

12          (B) The property of any commercial or industrial  
13          development of at least 500 acres having been created  
14          within the taxing district. The abatement shall not  
15          exceed a period of 20 years and the aggregate amount of  
16          abated taxes for all taxing districts combined shall  
17          not exceed \$12,000,000.

18          (C) The property of any commercial or industrial  
19          firm currently located in the taxing district that  
20          expands a facility or its number of employees. The  
21          abatement shall not exceed a period of 10 years and the  
22          aggregate amount of abated taxes for all taxing  
23          districts combined shall not exceed \$4,000,000. The  
24          abatement period may be renewed at the option of the  
25          taxing districts.

26          (2) Horse racing. Any property in the taxing district  
27          which is used for the racing of horses and upon which  
28          capital improvements consisting of expansion, improvement  
29          or replacement of existing facilities have been made since  
30          July 1, 1987. The combined abatements for such property  
31          from all taxing districts in any county shall not exceed  
32          \$5,000,000 annually and shall not exceed a period of 10  
33          years.

34          (3) Auto racing. Any property designed exclusively for

1 the racing of motor vehicles. Such abatement shall not  
2 exceed a period of 10 years.

3 (4) Academic or research institute. The property of any  
4 academic or research institute in the taxing district that  
5 (i) is an exempt organization under paragraph (3) of  
6 Section 501(c) of the Internal Revenue Code, (ii) operates  
7 for the benefit of the public by actually and exclusively  
8 performing scientific research and making the results of  
9 the research available to the interested public on a  
10 non-discriminatory basis, and (iii) employs more than 100  
11 employees. An abatement granted under this paragraph shall  
12 be for at least 15 years and the aggregate amount of abated  
13 taxes for all taxing districts combined shall not exceed  
14 \$5,000,000.

15 (5) Housing for older persons. Any property in the  
16 taxing district that is devoted exclusively to affordable  
17 housing for older households. For purposes of this  
18 paragraph, "older households" means those households (i)  
19 living in housing provided under any State or federal  
20 program that the Department of Human Rights determines is  
21 specifically designed and operated to assist elderly  
22 persons and is solely occupied by persons 55 years of age  
23 or older and (ii) whose annual income does not exceed 80%  
24 of the area gross median income, adjusted for family size,  
25 as such gross income and median income are determined from  
26 time to time by the United States Department of Housing and  
27 Urban Development. The abatement shall not exceed a period  
28 of 15 years, and the aggregate amount of abated taxes for  
29 all taxing districts shall not exceed \$3,000,000.

30 (6) Historical society. For assessment years 1998  
31 through 2008, the property of an historical society  
32 qualifying as an exempt organization under Section  
33 501(c)(3) of the federal Internal Revenue Code.

34 (7) Recreational facilities. Any property in the

1 taxing district (i) that is used for a municipal airport,  
2 (ii) that is subject to a leasehold assessment under  
3 Section 9-195 of this Code and (iii) which is sublet from a  
4 park district that is leasing the property from a  
5 municipality, but only if the property is used exclusively  
6 for recreational facilities or for parking lots used  
7 exclusively for those facilities. The abatement shall not  
8 exceed a period of 10 years.

9 (8) Relocated corporate headquarters. If approval  
10 occurs within 5 years after the effective date of this  
11 amendatory Act of the 92nd General Assembly, any property  
12 or a portion of any property in a taxing district that is  
13 used by an eligible business for a corporate headquarters  
14 as defined in the Corporate Headquarters Relocation Act.  
15 Instead of an abatement under this paragraph (8), a taxing  
16 district may enter into an agreement with an eligible  
17 business to make annual payments to that eligible business  
18 in an amount not to exceed the property taxes paid directly  
19 or indirectly by that eligible business to the taxing  
20 district and any other taxing districts for premises  
21 occupied pursuant to a written lease and may make those  
22 payments without the need for an annual appropriation. No  
23 school district, however, may enter into an agreement with,  
24 or abate taxes for, an eligible business unless the  
25 municipality in which the corporate headquarters is  
26 located agrees to provide funding to the school district in  
27 an amount equal to the amount abated or paid by the school  
28 district as provided in this paragraph (8). Any abatement  
29 ordered or agreement entered into under this paragraph (8)  
30 may be effective for the entire term specified by the  
31 taxing district, except the term of the abatement or annual  
32 payments may not exceed 20 years.

33 (9) United States Military Public/Private Residential  
34 Developments. Each building, structure, or other



1 improvement designed, financed, constructed, renovated,  
2 managed, operated, or maintained after January 1, 2006  
3 under a "PPV Lease", as set forth under Division 14 of  
4 Article 10, and any such PPV lease.

5 (b) Upon a majority vote of its governing authority, any  
6 municipality may, after the determination of the assessed  
7 valuation of its property, order the county clerk to abate any  
8 portion of its taxes on any property that is located within the  
9 corporate limits of the municipality in accordance with Section  
10 8-3-18 of the Illinois Municipal Code.

11 (Source: P.A. 92-12, eff. 7-1-01; 92-207, eff. 8-1-01; 92-247,  
12 eff. 8-3-01; 92-651, eff. 7-11-02; 93-270, eff. 7-22-03;  
13 revised 12-6-03.)

14 (35 ILCS 200/18-185)

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

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

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

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

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

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

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

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

34 "Aggregate extension" for the taxing districts to which

1 this Law did not apply before the 1995 levy year (except taxing  
2 districts subject to this Law in accordance with Section  
3 18-213) means the annual corporate extension for the taxing  
4 district and those special purpose extensions that are made  
5 annually for the taxing district, excluding special purpose  
6 extensions: (a) made for the taxing district to pay interest or  
7 principal on general obligation bonds that were approved by  
8 referendum; (b) made for any taxing district to pay interest or  
9 principal on general obligation bonds issued before March 1,  
10 1995; (c) made for any taxing district to pay interest or  
11 principal on bonds issued to refund or continue to refund those  
12 bonds issued before March 1, 1995; (d) made for any taxing  
13 district to pay interest or principal on bonds issued to refund  
14 or continue to refund bonds issued after March 1, 1995 that  
15 were approved by referendum; (e) made for any taxing district  
16 to pay interest or principal on revenue bonds issued before  
17 March 1, 1995 for payment of which a property tax levy or the  
18 full faith and credit of the unit of local government is  
19 pledged; however, a tax for the payment of interest or  
20 principal on those bonds shall be made only after the governing  
21 body of the unit of local government finds that all other  
22 sources for payment are insufficient to make those payments;  
23 (f) made for payments under a building commission lease when  
24 the lease payments are for the retirement of bonds issued by  
25 the commission before March 1, 1995 to pay for the building  
26 project; (g) made for payments due under installment contracts  
27 entered into before March 1, 1995; (h) made for payments of  
28 principal and interest on bonds issued under the Metropolitan  
29 Water Reclamation District Act to finance construction  
30 projects initiated before October 1, 1991; (h-4) made for  
31 stormwater management purposes by the Metropolitan Water  
32 Reclamation District of Greater Chicago under Section 12 of the  
33 Metropolitan Water Reclamation District Act; (i) made for  
34 payments of principal and interest on limited bonds, as defined

1 in Section 3 of the Local Government Debt Reform Act, in an  
2 amount not to exceed the debt service extension base less the  
3 amount in items (b), (c), and (e) of this definition for  
4 non-referendum obligations, except obligations initially  
5 issued pursuant to referendum and bonds described in subsection  
6 (h) of this definition; (j) made for payments of principal and  
7 interest on bonds issued under Section 15 of the Local  
8 Government Debt Reform Act; (k) made for payments of principal  
9 and interest on bonds authorized by Public Act 88-503 and  
10 issued under Section 20a of the Chicago Park District Act for  
11 aquarium or museum projects; (l) made for payments of principal  
12 and interest on bonds authorized by Public Act 87-1191 or  
13 93-601 and (i) issued pursuant to Section 21.2 of the Cook  
14 County Forest Preserve District Act, (ii) issued under Section  
15 42 of the Cook County Forest Preserve District Act for  
16 zoological park projects, or (iii) issued under Section 44.1 of  
17 the Cook County Forest Preserve District Act for botanical  
18 gardens projects; (m) made pursuant to Section 34-53.5 of the  
19 School Code, whether levied annually or not; (n) made to fund  
20 expenses of providing joint recreational programs for the  
21 handicapped under Section 5-8 of the Park District Code or  
22 Section 11-95-14 of the Illinois Municipal Code; (o) made by  
23 the Chicago Park District for recreational programs for the  
24 handicapped under subsection (c) of Section 7.06 of the Chicago  
25 Park District Act; and (p) 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 "Aggregate extension" for all taxing districts to which  
30 this Law applies in accordance with Section 18-213, except for  
31 those taxing districts subject to paragraph (2) of subsection  
32 (e) of Section 18-213, means the annual corporate extension for  
33 the taxing district and those special purpose extensions that  
34 are made annually for the taxing district, excluding special

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

1 service extension base less the amount in items (b), (c), and  
2 (e) of this definition for non-referendum obligations, except  
3 obligations initially issued pursuant to referendum; (i) made  
4 for payments of principal and interest on bonds issued under  
5 Section 15 of the Local Government Debt Reform Act; (j) made  
6 for a qualified airport authority to pay interest or principal  
7 on general obligation bonds issued for the purpose of paying  
8 obligations due under, or financing airport facilities  
9 required to be acquired, constructed, installed or equipped  
10 pursuant to, contracts entered into before March 1, 1996 (but  
11 not including any amendments to such a contract taking effect  
12 on or after that date); (k) made to fund expenses of providing  
13 joint recreational programs for the handicapped under Section  
14 5-8 of the Park District Code or Section 11-95-14 of the  
15 Illinois Municipal Code; and (l) 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 "Aggregate extension" for all taxing districts to which  
20 this Law applies in accordance with paragraph (2) of subsection  
21 (e) of Section 18-213 means the annual corporate extension for  
22 the taxing district and those special purpose extensions that  
23 are made annually for the taxing district, excluding special  
24 purpose extensions: (a) made for the taxing district to pay  
25 interest or principal on general obligation bonds that were  
26 approved by referendum; (b) made for any taxing district to pay  
27 interest or principal on general obligation bonds issued before  
28 the effective date of this amendatory Act of 1997; (c) made for  
29 any taxing district to pay interest or principal on bonds  
30 issued to refund or continue to refund those bonds issued  
31 before the effective date of this amendatory Act of 1997; (d)  
32 made for any taxing district to pay interest or principal on  
33 bonds issued to refund or continue to refund bonds issued after  
34 the effective date of this amendatory Act of 1997 if the bonds

1 were approved by referendum after the effective date of this  
2 amendatory Act of 1997; (e) made for any taxing district to pay  
3 interest or principal on revenue bonds issued before the  
4 effective date of this amendatory Act of 1997 for payment of  
5 which a property tax levy or the full faith and credit of the  
6 unit of local government is pledged; however, a tax for the  
7 payment of interest or principal on those bonds shall be made  
8 only 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 retirement  
12 of bonds issued by the commission before the effective date of  
13 this amendatory Act of 1997 to pay for the building project;  
14 (g) made for payments due under installment contracts entered  
15 into before the effective date of this amendatory Act of 1997;  
16 (h) made for payments of principal and interest on limited  
17 bonds, as defined in Section 3 of the Local Government Debt  
18 Reform Act, in an amount not to exceed the debt service  
19 extension base less the amount in items (b), (c), and (e) of  
20 this definition for non-referendum obligations, except  
21 obligations initially issued pursuant to referendum; (i) made  
22 for payments of principal and interest on bonds issued under  
23 Section 15 of the Local Government Debt Reform Act; (j) made  
24 for a qualified airport authority to pay interest or principal  
25 on general obligation bonds issued for the purpose of paying  
26 obligations due under, or financing airport facilities  
27 required to be acquired, constructed, installed or equipped  
28 pursuant to, contracts entered into before March 1, 1996 (but  
29 not including any amendments to such a contract taking effect  
30 on or after that date); (k) made to fund expenses of providing  
31 joint recreational programs for the handicapped under Section  
32 5-8 of the Park District Code or Section 11-95-14 of the  
33 Illinois Municipal Code; and (l) made for contributions to a  
34 firefighter's pension fund created under Article 4 of the



1 Illinois Pension Code, to the extent of the amount certified  
2 under item (5) of Section 4-134 of the Illinois Pension Code.

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

29 "Excluded non-referendum bonds" means (i) bonds authorized by  
30 Public Act 88-503 and issued under Section 20a of the Chicago  
31 Park District Act for aquarium and museum projects; (ii) bonds  
32 issued under Section 15 of the Local Government Debt Reform  
33 Act; or (iii) refunding obligations issued to refund or to  
34 continue to refund obligations initially issued pursuant to

1 referendum.

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

10 "Aggregate extension base" means the taxing district's  
11 last preceding aggregate extension as adjusted under Sections  
12 18-215 through 18-230.

13 "Levy year" has the same meaning as "year" under Section  
14 1-155.

15 "New property" means (i) the assessed value, after final  
16 board of review or board of appeals action, of new improvements  
17 or additions to existing improvements on any parcel of real  
18 property that increase the assessed value of that real property  
19 during the levy year multiplied by the equalization factor  
20 issued by the Department under Section 17-30, (ii) the assessed  
21 value, after final board of review or board of appeals action,  
22 of real property not exempt from real estate taxation, which  
23 real property was exempt from real estate taxation for any  
24 portion of the immediately preceding levy year, multiplied by  
25 the equalization factor issued by the Department under Section  
26 17-30, including the assessed value, upon final stabilization  
27 of occupancy after new construction is complete, of any real  
28 property located within the boundaries of an otherwise or  
29 previously exempt military reservation that is intended for  
30 residential use and owned by or leased to a private corporation  
31 or other entity, and (iii) in counties that classify in  
32 accordance with Section 4 of Article IX of the Illinois  
33 Constitution, an incentive property's additional assessed  
34 value resulting from a scheduled increase in the level of

1 assessment as applied to the first year final board of review  
2 market value. In addition, the county clerk in a county  
3 containing a population of 3,000,000 or more shall include in  
4 the 1997 recovered tax increment value for any school district,  
5 any recovered tax increment value that was applicable to the  
6 1995 tax year calculations.

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

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

1 1994 equalized assessed value of each taxable lot, block,  
2 tract, or parcel of real property in the redevelopment project  
3 area over and above the initial equalized assessed value of  
4 each property in the redevelopment project area. In the first  
5 year after a municipality removes a taxable lot, block, tract,  
6 or parcel of real property from a redevelopment project area  
7 established under the Tax Increment Allocation Development Act  
8 in the Illinois Municipal Code, the Industrial Jobs Recovery  
9 Law in the Illinois Municipal Code, or the Economic Development  
10 Area Tax Increment Allocation Act, "recovered tax increment  
11 value" means the amount of the current year's equalized  
12 assessed value of each taxable lot, block, tract, or parcel of  
13 real property removed from the redevelopment project area over  
14 and above the initial equalized assessed value of that real  
15 property before removal from the redevelopment project area.

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

29 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;  
30 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.  
31 7-1-04; 93-690, eff. 7-1-04; 93-1049, eff. 11-17-04; revised  
32 12-14-04.)

33 Section 99. Effective date. This Act takes effect upon

1 becoming law.".