



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0591

Introduced 2/5/2007, 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. Provides that the aggregate extension of the school district does not include any extension made: (i) for fire prevention and safety purposes under the School Code; and (ii) to pay the principle and interest on fire prevention and safety bonds issued under the School Code or on bonds issued to refund any fire prevention and safety bonds. Effective immediately.

LRB095 07897 BDD 28059 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Section 18-185 as follows:

6 (35 ILCS 200/18-185)

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

10 "Consumer Price Index" means the Consumer Price Index for
11 All Urban Consumers for all items published by the United
12 States Department of Labor.

13 "Extension limitation" means (a) the lesser of 5% or the
14 percentage increase in the Consumer Price Index during the
15 12-month calendar year preceding the levy year or (b) the rate
16 of increase approved by voters under Section 18-205.

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

20 "Taxing district" has the same meaning provided in Section
21 1-150, except as otherwise provided in this Section. For the
22 1991 through 1994 levy years only, "taxing district" includes
23 only each non-home rule taxing district having the majority of

1 its 1990 equalized assessed value within any county or counties
2 contiguous to a county with 3,000,000 or more inhabitants.
3 Beginning with the 1995 levy year, "taxing district" includes
4 only each non-home rule taxing district subject to this Law
5 before the 1995 levy year and each non-home rule taxing
6 district not subject to this Law before the 1995 levy year
7 having the majority of its 1994 equalized assessed value in an
8 affected county or counties. Beginning with the levy year in
9 which this Law becomes applicable to a taxing district as
10 provided in Section 18-213, "taxing district" also includes
11 those taxing districts made subject to this Law as provided in
12 Section 18-213.

13 "Aggregate extension" for taxing districts to which this
14 Law applied before the 1995 levy year means the annual
15 corporate extension for the taxing district and those special
16 purpose extensions that are made annually for the taxing
17 district, excluding special purpose extensions: (a) made for
18 the taxing district to pay interest or principal on general
19 obligation bonds that were approved by referendum; (b) made for
20 any taxing district to pay interest or principal on general
21 obligation bonds issued before October 1, 1991; (c) made for
22 any taxing district to pay interest or principal on bonds
23 issued to refund or continue to refund those bonds issued
24 before October 1, 1991; (d) made for any taxing district to pay
25 interest or principal on bonds issued to refund or continue to
26 refund bonds issued after October 1, 1991 that were approved by

1 referendum; (e) made for any taxing district to pay interest or
2 principal on revenue bonds issued before October 1, 1991 for
3 payment of which a property tax levy or the full faith and
4 credit of the unit of local government is pledged; however, a
5 tax for the payment of interest or principal on those bonds
6 shall be made only after the governing body of the unit of
7 local government finds that all other sources for payment are
8 insufficient to make those payments; (f) made for payments
9 under a building commission lease when the lease payments are
10 for the retirement of bonds issued by the commission before
11 October 1, 1991, to pay for the building project; (g) made for
12 payments due under installment contracts entered into before
13 October 1, 1991; (h) made for payments of principal and
14 interest on bonds issued under the Metropolitan Water
15 Reclamation District Act to finance construction projects
16 initiated before October 1, 1991; (i) made for payments of
17 principal and interest on limited bonds, as defined in Section
18 3 of the Local Government Debt Reform Act, in an amount not to
19 exceed the debt service extension base less the amount in items
20 (b), (c), (e), and (h) of this definition for non-referendum
21 obligations, except obligations initially issued pursuant to
22 referendum; (j) made for payments of principal and interest on
23 bonds issued under Section 15 of the Local Government Debt
24 Reform Act; (k) made by a school district that participates in
25 the Special Education District of Lake County, created by
26 special education joint agreement under Section 10-22.31 of the

1 School Code, for payment of the school district's share of the
2 amounts required to be contributed by the Special Education
3 District of Lake County to the Illinois Municipal Retirement
4 Fund under Article 7 of the Illinois Pension Code; the amount
5 of any extension under this item (k) shall be certified by the
6 school district to the county clerk; (l) made to fund expenses
7 of providing joint recreational programs for the handicapped
8 under Section 5-8 of the Park District Code or Section 11-95-14
9 of the Illinois Municipal Code; (m) made for temporary
10 relocation loan repayment purposes pursuant to Sections 2-3.77
11 and 17-2.2d of the School Code; (n) made for payment of
12 principal and interest on any bonds issued under the authority
13 of Section 17-2.2d of the School Code; ~~and~~ (o) made for
14 contributions to a firefighter's pension fund created under
15 Article 4 of the Illinois Pension Code, to the extent of the
16 amount certified under item (5) of Section 4-134 of the
17 Illinois Pension Code; and (p) made for fire prevention and
18 safety purposes under Section 17-2.11 of the School Code and to
19 pay the principle and interest on fire prevention and safety
20 bonds issued under Section 17-2.11 of the School Code after the
21 effective date of this amendatory Act of the 95th General
22 Assembly or on bonds issued to refund any fire prevention and
23 safety bonds issued after the effective date of this amendatory
24 Act of the 95th General Assembly.

25 "Aggregate extension" for the taxing districts to which
26 this Law did not apply before the 1995 levy year (except taxing

1 districts subject to this Law in accordance with Section
2 18-213) means the annual corporate extension for the taxing
3 district and those special purpose extensions that are made
4 annually for the taxing district, excluding special purpose
5 extensions: (a) made for the taxing district to pay interest or
6 principal on general obligation bonds that were approved by
7 referendum; (b) made for any taxing district to pay interest or
8 principal on general obligation bonds issued before March 1,
9 1995; (c) made for any taxing district to pay interest or
10 principal on bonds issued to refund or continue to refund those
11 bonds issued before March 1, 1995; (d) made for any taxing
12 district to pay interest or principal on bonds issued to refund
13 or continue to refund bonds issued after March 1, 1995 that
14 were approved by referendum; (e) made for any taxing district
15 to pay interest or principal on revenue bonds issued before
16 March 1, 1995 for payment of which a property tax levy or the
17 full faith and credit of the unit of local government is
18 pledged; however, a tax for the payment of interest or
19 principal on those bonds shall be made only after the governing
20 body of the unit of local government finds that all other
21 sources for payment are insufficient to make those payments;
22 (f) made for payments under a building commission lease when
23 the lease payments are for the retirement of bonds issued by
24 the commission before March 1, 1995 to pay for the building
25 project; (g) made for payments due under installment contracts
26 entered into before March 1, 1995; (h) made for payments of

1 principal and interest on bonds issued under the Metropolitan
2 Water Reclamation District Act to finance construction
3 projects initiated before October 1, 1991; (h-4) made for
4 stormwater management purposes by the Metropolitan Water
5 Reclamation District of Greater Chicago under Section 12 of the
6 Metropolitan Water Reclamation District Act; (i) made for
7 payments of principal and interest on limited bonds, as defined
8 in Section 3 of the Local Government Debt Reform Act, in an
9 amount not to exceed the debt service extension base less the
10 amount in items (b), (c), and (e) of this definition for
11 non-referendum obligations, except obligations initially
12 issued pursuant to referendum and bonds described in subsection
13 (h) of this definition; (j) made for payments of principal and
14 interest on bonds issued under Section 15 of the Local
15 Government Debt Reform Act; (k) made for payments of principal
16 and interest on bonds authorized by Public Act 88-503 and
17 issued under Section 20a of the Chicago Park District Act for
18 aquarium or museum projects; (l) made for payments of principal
19 and interest on bonds authorized by Public Act 87-1191 or
20 93-601 and (i) issued pursuant to Section 21.2 of the Cook
21 County Forest Preserve District Act, (ii) issued under Section
22 42 of the Cook County Forest Preserve District Act for
23 zoological park projects, or (iii) issued under Section 44.1 of
24 the Cook County Forest Preserve District Act for botanical
25 gardens projects; (m) made pursuant to Section 34-53.5 of the
26 School Code, whether levied annually or not; (n) made to fund

1 expenses of providing joint recreational programs for the
2 handicapped under Section 5-8 of the Park District Code or
3 Section 11-95-14 of the Illinois Municipal Code; (o) made by
4 the Chicago Park District for recreational programs for the
5 handicapped under subsection (c) of Section 7.06 of the Chicago
6 Park District Act; (p) made for contributions to a
7 firefighter's pension fund created under Article 4 of the
8 Illinois Pension Code, to the extent of the amount certified
9 under item (5) of Section 4-134 of the Illinois Pension Code;
10 (q) made by Ford Heights School District 169 under Section
11 17-9.02 of the School Code; and (r) made for fire prevention
12 and safety purposes under Section 17-2.11 of the School Code
13 and to pay the principle and interest on fire prevention and
14 safety bonds issued under Section 17-2.11 of the School Code
15 after the effective date of this amendatory Act of the 95th
16 General Assembly or on bonds issued to refund any fire
17 prevention and safety bonds issued after the effective date of
18 this amendatory Act of the 95th General Assembly.

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

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

1 held to pay for the building project; (g) made for payments due
2 under installment contracts entered into before the date on
3 which the referendum making this Law applicable to the taxing
4 district is held; (h) made for payments of principal and
5 interest on limited bonds, as defined in Section 3 of the Local
6 Government Debt Reform Act, in an amount not to exceed the debt
7 service extension base less the amount in items (b), (c), and
8 (e) of this definition for non-referendum obligations, except
9 obligations initially issued pursuant to referendum; (i) made
10 for payments of principal and interest on bonds issued under
11 Section 15 of the Local Government Debt Reform Act; (j) made
12 for a qualified airport authority to pay interest or principal
13 on general obligation bonds issued for the purpose of paying
14 obligations due under, or financing airport facilities
15 required to be acquired, constructed, installed or equipped
16 pursuant to, contracts entered into before March 1, 1996 (but
17 not including any amendments to such a contract taking effect
18 on or after that date); (k) made to fund expenses of providing
19 joint recreational programs for the handicapped under Section
20 5-8 of the Park District Code or Section 11-95-14 of the
21 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
22 firefighter's pension fund created under Article 4 of the
23 Illinois Pension Code, to the extent of the amount certified
24 under item (5) of Section 4-134 of the Illinois Pension Code;
25 and (m) made for fire prevention and safety purposes under
26 Section 17-2.11 of the School Code and to pay the principle and

1 interest on fire prevention and safety bonds issued under
2 Section 17-2.11 of the School Code after the effective date of
3 this amendatory Act of the 95th General Assembly or on bonds
4 issued to refund any fire prevention and safety bonds issued
5 after the effective date of this amendatory Act of the 95th
6 General Assembly.

7 "Aggregate extension" for all taxing districts to which
8 this Law applies in accordance with paragraph (2) of subsection
9 (e) of Section 18-213 means the annual corporate extension for
10 the taxing district and those special purpose extensions that
11 are made annually for the taxing district, excluding special
12 purpose extensions: (a) made for the taxing district to pay
13 interest or principal on general obligation bonds that were
14 approved by referendum; (b) made for any taxing district to pay
15 interest or principal on general obligation bonds issued before
16 the effective date of this amendatory Act of 1997; (c) made for
17 any taxing district to pay interest or principal on bonds
18 issued to refund or continue to refund those bonds issued
19 before the effective date of this amendatory Act of 1997; (d)
20 made for any taxing district to pay interest or principal on
21 bonds issued to refund or continue to refund bonds issued after
22 the effective date of this amendatory Act of 1997 if the bonds
23 were approved by referendum after the effective date of this
24 amendatory Act of 1997; (e) made for any taxing district to pay
25 interest or principal on revenue bonds issued before the
26 effective date of this amendatory Act of 1997 for payment of

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

1 joint recreational programs for the handicapped under Section
2 5-8 of the Park District Code or Section 11-95-14 of the
3 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
4 firefighter's pension fund created under Article 4 of the
5 Illinois Pension Code, to the extent of the amount certified
6 under item (5) of Section 4-134 of the Illinois Pension Code;
7 and (m) made for fire prevention and safety purposes under
8 Section 17-2.11 of the School Code and to pay the principle and
9 interest on fire prevention and safety bonds issued under
10 Section 17-2.11 of the School Code after the effective date of
11 this amendatory Act of the 95th General Assembly or on bonds
12 issued to refund any fire prevention and safety bonds issued
13 after the effective date of this amendatory Act of the 95th
14 General Assembly.

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

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

22 "Special purpose extensions" include, but are not limited
23 to, extensions for levies made on an annual basis for
24 unemployment and workers' compensation, self-insurance,
25 contributions to pension plans, and extensions made pursuant to
26 Section 6-601 of the Illinois Highway Code for a road

1 district's permanent road fund whether levied annually or not.
2 The extension for a special service area is not included in the
3 aggregate extension.

4 "Aggregate extension base" means the taxing district's
5 last preceding aggregate extension as adjusted under Sections
6 18-215 through 18-230.

7 "Levy year" has the same meaning as "year" under Section
8 1-155.

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

1 Constitution, an incentive property's additional assessed
2 value resulting from a scheduled increase in the level of
3 assessment as applied to the first year final board of review
4 market value. In addition, the county clerk in a county
5 containing a population of 3,000,000 or more shall include in
6 the 1997 recovered tax increment value for any school district,
7 any recovered tax increment value that was applicable to the
8 1995 tax year calculations.

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

13 "Recovered tax increment value" means, except as otherwise
14 provided in this paragraph, the amount of the current year's
15 equalized assessed value, in the first year after a
16 municipality terminates the designation of an area as a
17 redevelopment project area previously established under the
18 Tax Increment Allocation Development Act in the Illinois
19 Municipal Code, previously established under the Industrial
20 Jobs Recovery Law in the Illinois Municipal Code, or previously
21 established under the Economic Development Area Tax Increment
22 Allocation Act, of each taxable lot, block, tract, or parcel of
23 real property in the redevelopment project area over and above
24 the initial equalized assessed value of each property in the
25 redevelopment project area. For the taxes which are extended
26 for the 1997 levy year, the recovered tax increment value for a

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

26 Except as otherwise provided in this Section, "limiting

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

22 (Source: P.A. 93-601, eff. 1-1-04; 93-606, eff. 11-18-03;
23 93-612, eff. 11-18-03; 93-689, eff. 7-1-04; 93-690, eff.
24 7-1-04; 93-1049, eff. 11-17-04; 94-974, eff. 6-30-06; 94-976,
25 eff. 6-30-06; 94-1078, eff. 1-9-07; revised 1-11-07.)

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

1 becoming law.