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AN ACT in relation to taxes.

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

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

6 (35 ILCS 200/18-185)

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

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

"Extension limitation" means (a) the lesser of 5% or the percentage increase in the Consumer Price Index during the l2-month calendar year preceding the levy year or (b) the rate 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 19 or more inhabitants.

20 "Taxing district" has the same meaning provided in Section 1-150, except as otherwise provided in this Section. 21 For the 1991 through 1994 levy years only, "taxing district" 22 includes only each non-home rule taxing district having the 23 majority of its 1990 equalized assessed value within any 24 25 county or counties contiguous to a county with 3,000,000 or more inhabitants. Beginning with the 1995 levy year, "taxing 26 27 district " includes only each non-home rule taxing district subject to this Law before the 1995 levy year and each 28 non-home rule taxing district not subject to this Law before 29 the 1995 levy year having the majority of its 1994 equalized 30 assessed value in an affected county or counties. Beginning 31

1 with the levy year in which this Law becomes applicable to a 2 taxing district as provided in Section 18-213, "taxing 3 district" also includes those taxing districts made subject 4 to this Law as provided in Section 18-213.

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

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

"Aggregate extension" for the taxing districts to which 19 this Law did not apply before the 1995 levy year (except 20 21 taxing districts subject to this Law in accordance with 22 Section 18-213) means the annual corporate extension for the 23 taxing district and those special purpose extensions that are made annually for the taxing district, excluding special 24 25 purpose extensions: (a) made for the taxing district to pay interest or principal on general obligation bonds that were 26 approved by referendum; (b) made for any taxing district 27 to pay interest or principal on general obligation bonds issued 28 29 before March 1, 1995; (c) made for any taxing district to pay 30 interest or principal on bonds issued to refund or continue to refund those bonds issued before March 1, 1995; (d) made 31 for any taxing district to pay interest or principal on bonds 32 issued to refund or continue to refund bonds issued after 33 34 March 1, 1995 that were approved by referendum; (e) made for

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

32 "Aggregate extension" for all taxing districts to which 33 this Law applies in accordance with Section 18-213, except 34 for those taxing districts subject to paragraph (2) of

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

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1 the referendum making this Law applicable to the taxing 2 district is held; (h) made for payments of principal and interest on limited bonds, as defined in Section 3 of the 3 4 Local Government Debt Reform Act, in an amount not to exceed 5 the debt service extension base less the amount in items (b), definition 6 and (e) of this for non-referendum (C), 7 obligations, except obligations initially issued pursuant to referendum; (i) made for payments of principal and 8 interest 9 on bonds issued under Section 15 of the Local Government Debt Reform Act; and (j) made for a qualified airport authority to 10 11 pay interest or principal on general obligation bonds issued 12 for the purpose of paying obligations due under, or financing 13 airport facilities required to be acquired, constructed, installed or equipped pursuant to, contracts entered into 14 before March 1, 1996 (but not including any amendments to 15 16 such a contract taking effect on or after that date).

"Aggregate extension" for all taxing districts to which 17 this Law applies in accordance with paragraph (2) 18 of 19 subsection (e) of Section 18-213 means the annual corporate 20 extension for the taxing district and those special purpose 21 extensions that are made annually for the taxing district, 22 excluding special purpose extensions: (a) made for the taxing 23 district to pay interest or principal on general obligation bonds that were approved by referendum; (b) made for any 24 25 taxing district to pay interest or principal on general obligation bonds issued before the effective date of this 26 amendatory Act of 1997; (c) made for any taxing district 27 to pay interest or principal on bonds issued to refund or 28 continue to refund those bonds issued before the effective 29 30 date of this amendatory Act of 1997; (d) made for any taxing district to pay interest or principal on bonds issued to 31 refund or continue to refund bonds issued after the effective 32 date of this amendatory Act of 1997 if the bonds were 33 approved by referendum after the effective date of this 34

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

30 "Debt service extension base" means an amount equal to 31 that portion of the extension for a taxing district for the 32 1994 levy year, or for those taxing districts subject to this 33 Law in accordance with Section 18-213, except for those 34 subject to paragraph (2) of subsection (e) of Section 18-213,

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1 for the levy year in which the referendum making this Law 2 applicable to the taxing district is held, or for those taxing districts subject to this Law in accordance with 3 4 paragraph (2) of subsection (e) of Section 18-213 for the levy year, constituting an extension for payment of 5 1996 principal and interest on bonds issued by the taxing district 6 7 without referendum, but not including excluded non-referendum 8 bonds. For park districts (i) that were first subject to this Law in 1991 or 1995 and (ii) whose extension for the 9 10 1994 levy year for the payment of principal and interest on 11 bonds issued by the park district without referendum (but not 12 including excluded non-referendum bonds) was less than 51% of the amount for the 1991 levy year constituting an extension 13 for payment of principal and interest on bonds issued by the 14 15 park district without referendum (but not including excluded non-referendum bonds), "debt service extension base" means an 16 17 amount equal to that portion of the extension for the 1991 levy year constituting an extension for payment of principal 18 and interest on bonds issued by the park district without 19 referendum (but not including excluded non-referendum bonds). 20 The debt service extension base may be established or 21 increased as provided under Section 18-212. "Excluded 22 23 non-referendum bonds means (i) bonds authorized by Public Act 88-503 and issued under Section 20a of the Chicago Park 24 25 District Act for aquarium and museum projects; (ii) bonds issued under Section 15 of the Local Government Debt Reform 26 Act; and or (iii) refunding obligations issued to refund or 27 to continue to refund obligations initially issued pursuant 28 29 to referendum. The--debt--service--extension--base--may--be 30 established-or-increased-as-provided-under-Section-18-212.

31 "Special purpose extensions" include, but are not limited 32 to, extensions for levies made on an annual basis for 33 unemployment and workers' compensation, self-insurance, 34 contributions to pension plans, and extensions made pursuant

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to Section 6-601 of the Illinois Highway Code for a road district's permanent road fund whether levied annually or not. The extension for a special service area is not included in the aggregate extension.

5 "Aggregate extension base" means the taxing district's
6 last preceding aggregate extension as adjusted under Sections
7 18-215 through 18-230.

8 "Levy year" has the same meaning as "year" under Section9 1-155.

"New property" means (i) the assessed value, after final 10 11 board of review or board of appeals action, of new improvements or additions to existing improvements on any 12 parcel of real property that increase the assessed value of 13 that real property during the levy year multiplied by the 14 equalization factor issued by the Department under Section 15 16 17-30 and (ii) the assessed value, after final board of review or board of appeals action, of real property not 17 18 exempt from real estate taxation, which real property was 19 exempt from real estate taxation for any portion of the immediately preceding 20 levy year, multiplied by the 21 equalization factor issued by the Department under Section 22 17-30. In addition, the county clerk in a county containing 23 a population of 3,000,000 or more shall include in the 1997 recovered tax increment value for any school district, any 24 25 recovered tax increment value that was applicable to the 1995 26 tax year calculations.

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

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

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

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1 or parcel of real property removed from the redevelopment 2 project area over and above the initial equalized assessed 3 value of that real property before removal from the 4 redevelopment project area.

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

19 (Source: P.A. 90-485, eff. 1-1-98; 90-511, eff. 8-22-97; 20 90-568, eff. 1-1-99; 90-616, eff. 7-10-98; 90-655, eff. 21 7-30-98; 91-357, eff. 7-29-99; 91-478, eff. 11-1-99.)

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