



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB1482

Introduced 2/21/2007, by Rep. David R. Leitch - Jerry L. Mitchell - Roger L. Eddy - Michael K. Smith - Cynthia Soto

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185  
105 ILCS 5/17-2.7 new

Amends the School Code. Allows the school board of any district (other than the Chicago school district) to cause a proposition to levy an annual tax for gas and electric utility expenses to be submitted to the voters of the district at a regular scheduled election. Provides that if a majority of the votes cast on the question is in favor thereof, then the school board may levy the tax annually thereafter. Provides that any funds received from the imposition of the tax must be deposited into the utility fund of the school district. Provides that any surplus moneys in the utility fund may be rolled over to cover expenses for the following fiscal year. Provides that an extension made for gas and electric utility expense purposes is excluded from the definition of "aggregate extension" under the Property Tax Extension Limitation Law of the Property Tax Code.

LRB095 07886 NHT 28047 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning education.

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 gas and electric  
18 utility expense purposes pursuant to Section 17-2.7 of the  
19 School Code.

20 "Aggregate extension" for the taxing districts to which  
21 this Law did not apply before the 1995 levy year (except taxing  
22 districts subject to this Law in accordance with Section  
23 18-213) means the annual corporate extension for the taxing  
24 district and those special purpose extensions that are made  
25 annually for the taxing district, excluding special purpose  
26 extensions: (a) made for the taxing district to pay interest or

1 principal on general obligation bonds that were approved by  
2 referendum; (b) made for any taxing district to pay interest or  
3 principal on general obligation bonds issued before March 1,  
4 1995; (c) made for any taxing district to pay interest or  
5 principal on bonds issued to refund or continue to refund those  
6 bonds issued before March 1, 1995; (d) made for any taxing  
7 district to pay interest or principal on bonds issued to refund  
8 or continue to refund bonds issued after March 1, 1995 that  
9 were approved by referendum; (e) made for any taxing district  
10 to pay interest or principal on revenue bonds issued before  
11 March 1, 1995 for payment of which a property tax levy or the  
12 full faith and credit of the unit of local government is  
13 pledged; however, a tax for the payment of interest or  
14 principal on those bonds shall be made only after the governing  
15 body of the unit of local government finds that all other  
16 sources for payment are insufficient to make those payments;  
17 (f) made for payments under a building commission lease when  
18 the lease payments are for the retirement of bonds issued by  
19 the commission before March 1, 1995 to pay for the building  
20 project; (g) made for payments due under installment contracts  
21 entered into before March 1, 1995; (h) made for payments of  
22 principal and interest on bonds issued under the Metropolitan  
23 Water Reclamation District Act to finance construction  
24 projects initiated before October 1, 1991; (h-4) made for  
25 stormwater management purposes by the Metropolitan Water  
26 Reclamation District of Greater Chicago under Section 12 of the

1 Metropolitan Water Reclamation District Act; (i) made for  
2 payments of principal and interest on limited bonds, as defined  
3 in Section 3 of the Local Government Debt Reform Act, in an  
4 amount not to exceed the debt service extension base less the  
5 amount in items (b), (c), and (e) of this definition for  
6 non-referendum obligations, except obligations initially  
7 issued pursuant to referendum and bonds described in subsection  
8 (h) of this definition; (j) made for payments of principal and  
9 interest on bonds issued under Section 15 of the Local  
10 Government Debt Reform Act; (k) made for payments of principal  
11 and interest on bonds authorized by Public Act 88-503 and  
12 issued under Section 20a of the Chicago Park District Act for  
13 aquarium or museum projects; (l) made for payments of principal  
14 and interest on bonds authorized by Public Act 87-1191 or  
15 93-601 and (i) issued pursuant to Section 21.2 of the Cook  
16 County Forest Preserve District Act, (ii) issued under Section  
17 42 of the Cook County Forest Preserve District Act for  
18 zoological park projects, or (iii) issued under Section 44.1 of  
19 the Cook County Forest Preserve District Act for botanical  
20 gardens projects; (m) made pursuant to Section 34-53.5 of the  
21 School Code, whether levied annually or not; (n) made to fund  
22 expenses of providing joint recreational programs for the  
23 handicapped under Section 5-8 of the Park District Code or  
24 Section 11-95-14 of the Illinois Municipal Code; (o) made by  
25 the Chicago Park District for recreational programs for the  
26 handicapped under subsection (c) of Section 7.06 of the Chicago

1 Park District Act; (p) made for contributions to a  
2 firefighter's pension fund created under Article 4 of the  
3 Illinois Pension Code, to the extent of the amount certified  
4 under item (5) of Section 4-134 of the Illinois Pension Code;  
5 and (q) made by Ford Heights School District 169 under Section  
6 17-9.02 of the School Code.

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



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

1 on general obligation bonds issued for the purpose of paying  
2 obligations due under, or financing airport facilities  
3 required to be acquired, constructed, installed or equipped  
4 pursuant to, contracts entered into before March 1, 1996 (but  
5 not including any amendments to such a contract taking effect  
6 on or after that date); (k) made to fund expenses of providing  
7 joint recreational programs for the handicapped under Section  
8 5-8 of the Park District Code or Section 11-95-14 of the  
9 Illinois Municipal Code; ~~and~~ (l) made for contributions to a  
10 firefighter's pension fund created under Article 4 of the  
11 Illinois Pension Code, to the extent of the amount certified  
12 under item (5) of Section 4-134 of the Illinois Pension Code;  
13 and (m) made for gas and electric utility expense purposes  
14 pursuant to Section 17-2.7 of the School Code.

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

1 before the effective date of this amendatory Act of 1997; (d)  
2 made for any taxing district to pay interest or principal on  
3 bonds issued to refund or continue to refund bonds issued after  
4 the effective date of this amendatory Act of 1997 if the bonds  
5 were approved by referendum after the effective date of this  
6 amendatory Act of 1997; (e) made for any taxing district to pay  
7 interest or principal on revenue bonds issued before the  
8 effective date of this amendatory Act of 1997 for payment of  
9 which a property tax levy or the full faith and credit of the  
10 unit of local government is pledged; however, a tax for the  
11 payment of interest or principal on those bonds shall be made  
12 only after the governing body of the unit of local government  
13 finds that all other sources for payment are insufficient to  
14 make those payments; (f) made for payments under a building  
15 commission lease when the lease payments are for the retirement  
16 of bonds issued by the commission before the effective date of  
17 this amendatory Act of 1997 to pay for the building project;  
18 (g) made for payments due under installment contracts entered  
19 into before the effective date of this amendatory Act of 1997;  
20 (h) made for payments of principal and interest on limited  
21 bonds, as defined in Section 3 of the Local Government Debt  
22 Reform Act, in an amount not to exceed the debt service  
23 extension base less the amount in items (b), (c), and (e) of  
24 this definition for non-referendum obligations, except  
25 obligations initially issued pursuant to referendum; (i) made  
26 for payments of principal and interest on bonds issued under

1 Section 15 of the Local Government Debt Reform Act; (j) made  
2 for a qualified airport authority to pay interest or principal  
3 on general obligation bonds issued for the purpose of paying  
4 obligations due under, or financing airport facilities  
5 required to be acquired, constructed, installed or equipped  
6 pursuant to, contracts entered into before March 1, 1996 (but  
7 not including any amendments to such a contract taking effect  
8 on or after that date); (k) made to fund expenses of providing  
9 joint recreational programs for the handicapped under Section  
10 5-8 of the Park District Code or Section 11-95-14 of the  
11 Illinois Municipal Code; ~~and~~ (l) made for contributions to a  
12 firefighter's pension fund created under Article 4 of the  
13 Illinois Pension Code, to the extent of the amount certified  
14 under item (5) of Section 4-134 of the Illinois Pension Code;  
15 and (m) made for gas and electric utility expense purposes  
16 pursuant to Section 17-2.7 of the School Code.

17 "Debt service extension base" means an amount equal to that  
18 portion of the extension for a taxing district for the 1994  
19 levy year, or for those taxing districts subject to this Law in  
20 accordance with Section 18-213, except for those subject to  
21 paragraph (2) of subsection (e) of Section 18-213, for the levy  
22 year in which the referendum making this Law applicable to the  
23 taxing district is held, or for those taxing districts subject  
24 to this Law in accordance with paragraph (2) of subsection (e)  
25 of Section 18-213 for the 1996 levy year, constituting an  
26 extension for payment of principal and interest on bonds issued

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

24 "Special purpose extensions" include, but are not limited  
25 to, extensions for levies made on an annual basis for  
26 unemployment and workers' compensation, self-insurance,

1 contributions to pension plans, and extensions made pursuant to  
2 Section 6-601 of the Illinois Highway Code for a road  
3 district's permanent road fund whether levied annually or not.  
4 The extension for a special service area is not included in the  
5 aggregate extension.

6 "Aggregate extension base" means the taxing district's  
7 last preceding aggregate extension as adjusted under Sections  
8 18-215 through 18-230.

9 "Levy year" has the same meaning as "year" under Section  
10 1-155.

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

1 or other entity, and (iii) in counties that classify in  
2 accordance with Section 4 of Article IX of the Illinois  
3 Constitution, an incentive property's additional assessed  
4 value resulting from a scheduled increase in the level of  
5 assessment as applied to the first year final board of review  
6 market value. In addition, the county clerk in a county  
7 containing a population of 3,000,000 or more shall include in  
8 the 1997 recovered tax increment value for any school district,  
9 any recovered tax increment value that was applicable to the  
10 1995 tax year calculations.

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

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

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



1 property before removal from the redevelopment project area.

2 Except as otherwise provided in this Section, "limiting  
3 rate" means a fraction the numerator of which is the last  
4 preceding aggregate extension base times an amount equal to one  
5 plus the extension limitation defined in this Section and the  
6 denominator of which is the current year's equalized assessed  
7 value of all real property in the territory under the  
8 jurisdiction of the taxing district during the prior levy year.  
9 For those taxing districts that reduced their aggregate  
10 extension for the last preceding levy year, the highest  
11 aggregate extension in any of the last 3 preceding levy years  
12 shall be used for the purpose of computing the limiting rate.  
13 The denominator shall not include new property or the recovered  
14 tax increment value. If a new rate, a rate decrease, or a  
15 limiting rate increase has been approved at an election held  
16 after March 21, 2006, then (i) the otherwise applicable  
17 limiting rate shall be increased by the amount of the new rate  
18 or shall be reduced by the amount of the rate decrease, as the  
19 case may be, or (ii) in the case of a limiting rate increase,  
20 the limiting rate shall be equal to the rate set forth in the  
21 proposition approved by the voters for each of the years  
22 specified in the proposition, after which the limiting rate of  
23 the taxing district shall be calculated as otherwise provided.  
24 (Source: P.A. 93-601, eff. 1-1-04; 93-606, eff. 11-18-03;  
25 93-612, eff. 11-18-03; 93-689, eff. 7-1-04; 93-690, eff.  
26 7-1-04; 93-1049, eff. 11-17-04; 94-974, eff. 6-30-06; 94-976,

1 eff. 6-30-06; 94-1078, eff. 1-9-07; revised 1-11-07.)

2 Section 10. The School Code is amended by adding Section  
3 17-2.7 as follows:

4 (105 ILCS 5/17-2.7 new)

5 Sec. 17-2.7. Tax for utility expenses. The school board of  
6 any district having a population of less than 500,000  
7 inhabitants may, by proper resolution, cause a proposition to  
8 levy an annual tax for gas and electric utility expenses to be  
9 submitted to the voters of the district at a regular scheduled  
10 election. The tax, to be levied upon the value of the taxable  
11 property within the territory of the school district as  
12 equalized or assessed by the Department of Revenue, must be at  
13 a rate that will produce a sum sufficient to pay the cost of  
14 gas and electric utility expenses. The school board shall  
15 certify the proposition to the proper election authority for  
16 submission in accordance with the general election law. If at  
17 such election a majority of the votes cast on the question is  
18 in favor thereof, then the school board may levy the tax  
19 annually thereafter until such authority is revoked in like  
20 manner.

21 Any funds received from the imposition of a tax under this  
22 Section must be deposited into the utility fund of the school  
23 district. Any surplus moneys in the utility fund may be rolled  
24 over to cover expenses for the following fiscal year.