

# HB1214



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB1214

Introduced 02/08/11, by Rep. Al Riley

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Exempts special purpose extensions made by any taxing district for payment of that district's share of the amounts required to be contributed to any pension fund created under the Illinois Pension Code from the definition of "aggregate extension". Effective immediately.

LRB097 07405 HLH 47514 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 by any taxing district for  
18 payment of that district's share of the amounts required to be  
19 contributed to any pension fund created under the Illinois  
20 Pension Code.

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

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

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

1 handicapped under subsection (c) of Section 7.06 of the Chicago  
2 Park District Act; (p) made for contributions to a  
3 firefighter's pension fund created under Article 4 of the  
4 Illinois Pension Code, to the extent of the amount certified  
5 under item (5) of Section 4-134 of the Illinois Pension Code;  
6 ~~and~~ (q) made by Ford Heights School District 169 under Section  
7 17-9.02 of the School Code; and (r) made by any taxing district  
8 for payment of that district's share of the amounts required to  
9 be contributed to any pension fund created under the Illinois  
10 Pension Code.

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



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

1 obligations initially issued pursuant to referendum; (i) made  
2 for payments of principal and interest on bonds issued under  
3 Section 15 of the Local Government Debt Reform Act; (j) made  
4 for a qualified airport authority to pay interest or principal  
5 on general obligation bonds issued for the purpose of paying  
6 obligations due under, or financing airport facilities  
7 required to be acquired, constructed, installed or equipped  
8 pursuant to, contracts entered into before March 1, 1996 (but  
9 not including any amendments to such a contract taking effect  
10 on or after that date); (k) made to fund expenses of providing  
11 joint recreational programs for the handicapped under Section  
12 5-8 of the Park District Code or Section 11-95-14 of the  
13 Illinois Municipal Code; (l) made for contributions to a  
14 firefighter's pension fund created under Article 4 of the  
15 Illinois Pension Code, to the extent of the amount certified  
16 under item (5) of Section 4-134 of the Illinois Pension Code;  
17 ~~and~~ (m) made for the taxing district to pay interest or  
18 principal on general obligation bonds issued pursuant to  
19 Section 19-3.10 of the School Code; and (n) made by any taxing  
20 district for payment of that district's share of the amounts  
21 required to be contributed to any pension fund created under  
22 the Illinois Pension Code.

23 "Aggregate extension" for all taxing districts to which  
24 this Law applies in accordance with paragraph (2) of subsection  
25 (e) of Section 18-213 means the annual corporate extension for  
26 the taxing district and those special purpose extensions that

1 are made annually for the taxing district, excluding special  
2 purpose extensions: (a) made for the taxing district to pay  
3 interest or principal on general obligation bonds that were  
4 approved by referendum; (b) made for any taxing district to pay  
5 interest or principal on general obligation bonds issued before  
6 the effective date of this amendatory Act of 1997; (c) made for  
7 any taxing district to pay interest or principal on bonds  
8 issued to refund or continue to refund those bonds issued  
9 before the effective date of this amendatory Act of 1997; (d)  
10 made for any taxing district to pay interest or principal on  
11 bonds issued to refund or continue to refund bonds issued after  
12 the effective date of this amendatory Act of 1997 if the bonds  
13 were approved by referendum after the effective date of this  
14 amendatory Act of 1997; (e) made for any taxing district to pay  
15 interest or principal on revenue bonds issued before the  
16 effective date of this amendatory Act of 1997 for payment of  
17 which a property tax levy or the full faith and credit of the  
18 unit of local government is pledged; however, a tax for the  
19 payment of interest or principal on those bonds shall be made  
20 only after the governing body of the unit of local government  
21 finds that all other sources for payment are insufficient to  
22 make those payments; (f) made for payments under a building  
23 commission lease when the lease payments are for the retirement  
24 of bonds issued by the commission before the effective date of  
25 this amendatory Act of 1997 to pay for the building project;  
26 (g) made for payments due under installment contracts entered

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

26 "Debt service extension base" means an amount equal to that

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

1 year commencing with the later of (i) the 2009 levy year or  
2 (ii) the first levy year in which this Law becomes applicable  
3 to the taxing district, by the lesser of 5% or the percentage  
4 increase in the Consumer Price Index during the 12-month  
5 calendar year preceding the levy year. The debt service  
6 extension base may be established or increased as provided  
7 under Section 18-212. "Excluded non-referendum bonds" means  
8 (i) bonds authorized by Public Act 88-503 and issued under  
9 Section 20a of the Chicago Park District Act for aquarium and  
10 museum projects; (ii) bonds issued under Section 15 of the  
11 Local Government Debt Reform Act; or (iii) refunding  
12 obligations issued to refund or to continue to refund  
13 obligations initially issued pursuant to referendum.

14 "Special purpose extensions" include, but are not limited  
15 to, extensions for levies made on an annual basis for  
16 unemployment and workers' compensation, self-insurance,  
17 contributions to pension plans, and extensions made pursuant to  
18 Section 6-601 of the Illinois Highway Code for a road  
19 district's permanent road fund whether levied annually or not.  
20 The extension for a special service area is not included in the  
21 aggregate extension.

22 "Aggregate extension base" means the taxing district's  
23 last preceding aggregate extension as adjusted under Sections  
24 18-135, 18-215, and 18-230. An adjustment under Section 18-135  
25 shall be made for the 2007 levy year and all subsequent levy  
26 years whenever one or more counties within which a taxing

1 district is located (i) used estimated valuations or rates when  
2 extending taxes in the taxing district for the last preceding  
3 levy year that resulted in the over or under extension of  
4 taxes, or (ii) increased or decreased the tax extension for the  
5 last preceding levy year as required by Section 18-135(c).  
6 Whenever an adjustment is required under Section 18-135, the  
7 aggregate extension base of the taxing district shall be equal  
8 to the amount that the aggregate extension of the taxing  
9 district would have been for the last preceding levy year if  
10 either or both (i) actual, rather than estimated, valuations or  
11 rates had been used to calculate the extension of taxes for the  
12 last levy year, or (ii) the tax extension for the last  
13 preceding levy year had not been adjusted as required by  
14 subsection (c) of Section 18-135.

15 "Levy year" has the same meaning as "year" under Section  
16 1-155.

17 "New property" means (i) the assessed value, after final  
18 board of review or board of appeals action, of new improvements  
19 or additions to existing improvements on any parcel of real  
20 property that increase the assessed value of that real property  
21 during the levy year multiplied by the equalization factor  
22 issued by the Department under Section 17-30, (ii) the assessed  
23 value, after final board of review or board of appeals action,  
24 of real property not exempt from real estate taxation, which  
25 real property was exempt from real estate taxation for any  
26 portion of the immediately preceding levy year, multiplied by

1 the equalization factor issued by the Department under Section  
2 17-30, including the assessed value, upon final stabilization  
3 of occupancy after new construction is complete, of any real  
4 property located within the boundaries of an otherwise or  
5 previously exempt military reservation that is intended for  
6 residential use and owned by or leased to a private corporation  
7 or other entity, and (iii) in counties that classify in  
8 accordance with Section 4 of Article IX of the Illinois  
9 Constitution, an incentive property's additional assessed  
10 value resulting from a scheduled increase in the level of  
11 assessment as applied to the first year final board of review  
12 market value. In addition, the county clerk in a county  
13 containing a population of 3,000,000 or more shall include in  
14 the 1997 recovered tax increment value for any school district,  
15 any recovered tax increment value that was applicable to the  
16 1995 tax year calculations.

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

21 "Recovered tax increment value" means, except as otherwise  
22 provided in this paragraph, the amount of the current year's  
23 equalized assessed value, in the first year after a  
24 municipality terminates the designation of an area as a  
25 redevelopment project area previously established under the  
26 Tax Increment Allocation Development Act in the Illinois



1 Municipal Code, previously established under the Industrial  
2 Jobs Recovery Law in the Illinois Municipal Code, previously  
3 established under the Economic Development Project Area Tax  
4 Increment Act of 1995, or previously established under the  
5 Economic Development Area Tax Increment Allocation Act, of each  
6 taxable lot, block, tract, or parcel of real property in the  
7 redevelopment project area over and above the initial equalized  
8 assessed value of each property in the redevelopment project  
9 area. For the taxes which are extended for the 1997 levy year,  
10 the recovered tax increment value for a non-home rule taxing  
11 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 be increased  
14 if a municipality terminated the designation of an area in 1993  
15 as a redevelopment project area previously established under  
16 the 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, by an amount equal to the 1994 equalized  
21 assessed value of each taxable lot, block, tract, or parcel of  
22 real property in the redevelopment project area over and above  
23 the initial equalized assessed value of each property in the  
24 redevelopment project area. In the first year after a  
25 municipality removes a taxable lot, block, tract, or parcel of  
26 real property from a redevelopment project area established

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

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

1 case may be, or (ii) in the case of a limiting rate increase,  
2 the limiting rate shall be equal to the rate set forth in the  
3 proposition approved by the voters for each of the years  
4 specified in the proposition, after which the limiting rate of  
5 the taxing district shall be calculated as otherwise provided.

6 (Source: P.A. 95-90, eff. 1-1-08; 95-331, eff. 8-21-07; 95-404,  
7 eff. 1-1-08; 95-876, eff. 8-21-08; 96-501, eff. 8-14-09;  
8 96-517, eff. 8-14-09; 96-1000, eff. 7-2-10; 96-1202, eff.  
9 7-22-10.)

10 Section 99. Effective date. This Act takes effect upon  
11 becoming law.