

1 AN ACT concerning schools.

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  
8 may be cited as the Property Tax Extension Limitation Law.  
9 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.

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  
16 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  
21 Section 1-150, except as otherwise provided in this Section.  
22 For the 1991 through 1994 levy years only, "taxing district"  
23 includes only each non-home rule taxing district having the  
24 majority of its 1990 equalized assessed value within any  
25 county or counties contiguous to a county with 3,000,000 or  
26 more inhabitants. Beginning with the 1995 levy year, "taxing  
27 district" includes only each non-home rule taxing district  
28 subject to this Law before the 1995 levy year and each  
29 non-home rule taxing district not subject to this Law before  
30 the 1995 levy year having the majority of its 1994 equalized  
31 assessed value in an affected county or counties. Beginning

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

1 1991; (i) made for payments of principal and interest on  
2 limited bonds, as defined in Section 3 of the Local  
3 Government Debt Reform Act, in an amount not to exceed the  
4 debt service extension base less the amount in items (b),  
5 (c), (e), and (h) of this definition for non-referendum  
6 obligations, except obligations initially issued pursuant to  
7 referendum; (j) made for payments of principal and interest  
8 on bonds issued under Section 15 of the Local Government Debt  
9 Reform Act; and (k) made by a school district that  
10 participates in the Special Education District of Lake  
11 County, created by special education joint agreement under  
12 Section 10-22.31 of the School Code, for payment of the  
13 school district's share of the amounts required to be  
14 contributed by the Special Education District of Lake County  
15 to the Illinois Municipal Retirement Fund under Article 7 of  
16 the Illinois Pension Code; the amount of any extension under  
17 this item (k) shall be certified by the school district to  
18 the county clerk; and (l) made by a school district for  
19 special education purposes under Section 17-2.2a of the  
20 School Code.

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

1 issued to refund or continue to refund bonds issued after  
2 March 1, 1995 that were approved by referendum; (e) made for  
3 any taxing district to pay interest or principal on revenue  
4 bonds issued before March 1, 1995 for payment of which a  
5 property tax levy or the full faith and credit of the unit of  
6 local government is pledged; however, a tax for the payment  
7 of interest or principal on those bonds shall be made only  
8 after the governing body of the unit of local government  
9 finds that all other sources for payment are insufficient to  
10 make those payments; (f) made for payments under a building  
11 commission lease when the lease payments are for the  
12 retirement of bonds issued by the commission before March 1,  
13 1995 to pay for the building project; (g) made for payments  
14 due under installment contracts entered into before March 1,  
15 1995; (h) made for payments of principal and interest on  
16 bonds issued under the Metropolitan Water Reclamation  
17 District Act to finance construction projects initiated  
18 before October 1, 1991; (i) made for payments of principal  
19 and interest on limited bonds, as defined in Section 3 of the  
20 Local Government Debt Reform Act, in an amount not to exceed  
21 the debt service extension base less the amount in items (b),  
22 (c), and (e) of this definition for non-referendum  
23 obligations, except obligations initially issued pursuant to  
24 referendum and bonds described in subsection (h) of this  
25 definition; (j) made for payments of principal and interest  
26 on bonds issued under Section 15 of the Local Government Debt  
27 Reform Act; (k) made for payments of principal and interest  
28 on bonds authorized by Public Act 88-503 and issued under  
29 Section 20a of the Chicago Park District Act for aquarium or  
30 museum projects; (l) made for payments of principal and  
31 interest on bonds authorized by Public Act 87-1191 and issued  
32 under Section 42 of the Cook County Forest Preserve District  
33 Act for zoological park projects; and (m) made pursuant to  
34 Section 34-53.5 of the School Code, whether levied annually

1 or not; and (n) made by a school district for special  
2 education purposes under Section 17-2.2a of the School Code.

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

1 payments are for the retirement of bonds issued by the  
2 commission before the date on which the referendum making  
3 this Law applicable to the taxing district is held to pay for  
4 the building project; (g) made for payments due under  
5 installment contracts entered into before the date on which  
6 the referendum making this Law applicable to the taxing  
7 district is held; (h) made for payments of principal and  
8 interest on limited bonds, as defined in Section 3 of the  
9 Local Government Debt Reform Act, in an amount not to exceed  
10 the debt service extension base less the amount in items (b),  
11 (c), and (e) of this definition for non-referendum  
12 obligations, except obligations initially issued pursuant to  
13 referendum; (i) made for payments of principal and interest  
14 on bonds issued under Section 15 of the Local Government Debt  
15 Reform Act; and (j) made for a qualified airport authority to  
16 pay interest or principal on general obligation bonds issued  
17 for the purpose of paying obligations due under, or financing  
18 airport facilities required to be acquired, constructed,  
19 installed or equipped pursuant to, contracts entered into  
20 before March 1, 1996 (but not including any amendments to  
21 such a contract taking effect on or after that date); and (k)  
22 made by a school district for special education purposes  
23 under Section 17-2.2a of the School Code.

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

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

1 before March 1, 1996 (but not including any amendments to  
2 such a contract taking effect on or after that date); and (k)  
3 made by a school district for special education purposes  
4 under Section 17-2.2a of the School Code.

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

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

32 "Aggregate extension base" means the taxing district's  
33 last preceding aggregate extension as adjusted under Sections  
34 18-215 through 18-230.

1 "Levy year" has the same meaning as "year" under Section  
2 1-155.

3 "New property" means (i) the assessed value, after final  
4 board of review or board of appeals action, of new  
5 improvements or additions to existing improvements on any  
6 parcel of real property that increase the assessed value of  
7 that real property during the levy year multiplied by the  
8 equalization factor issued by the Department under Section  
9 17-30 and (ii) the assessed value, after final board of  
10 review or board of appeals action, of real property not  
11 exempt from real estate taxation, which real property was  
12 exempt from real estate taxation for any portion of the  
13 immediately preceding levy year, multiplied by the  
14 equalization factor issued by the Department under Section  
15 17-30. In addition, the county clerk in a county containing a  
16 population of 3,000,000 or more shall include in the 1997  
17 recovered tax increment value for any school district, any  
18 recovered tax increment value that was applicable to the 1995  
19 tax year calculations.

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

24 "Recovered tax increment value" means, except as  
25 otherwise provided in this paragraph, the amount of the  
26 current year's equalized assessed value, in the first year  
27 after a municipality terminates the designation of an area as  
28 a redevelopment project area previously established under the  
29 Tax Increment Allocation Development Act in the Illinois  
30 Municipal Code, previously established under the Industrial  
31 Jobs Recovery Law in the Illinois Municipal Code, or  
32 previously established under the Economic Development Area  
33 Tax Increment Allocation Act, of each taxable lot, block,  
34 tract, or parcel of real property in the redevelopment

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

32 Except as otherwise provided in this Section, "limiting  
33 rate" means a fraction the numerator of which is the last  
34 preceding aggregate extension base times an amount equal to

1 one plus the extension limitation defined in this Section and  
 2 the denominator of which is the current year's equalized  
 3 assessed value of all real property in the territory under  
 4 the jurisdiction of the taxing district during the prior levy  
 5 year. For those taxing districts that reduced their  
 6 aggregate extension for the last preceding levy year, the  
 7 highest aggregate extension in any of the last 3 preceding  
 8 levy years shall be used for the purpose of computing the  
 9 limiting rate. The denominator shall not include new  
 10 property. The denominator shall not include the recovered  
 11 tax increment value.

12 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;  
 13 92-547, eff. 6-13-02.)

14 Section 10. The School Code is amended by changing  
 15 Section 17-2.2a as follows:

16 (105 ILCS 5/17-2.2a) (from Ch. 122, par. 17-2.2a)

17 Sec. 17-2.2a. (a) Tax for special education programs.  
 18 The school board of any district having a population of less  
 19 than 500,000 inhabitants may, by proper resolution, levy an  
 20 annual tax upon the value as equalized or assessed by the  
 21 Department of Revenue, for special education purposes,  
 22 including the purposes authorized by Section 10-22.31b as  
 23 follows:

24 (1) districts maintaining only grades kindergarten  
 25 through 8, and prior to July 1, 1970, districts  
 26 maintaining only grades 1 through 8, 0.05% ÷02%;

27 (2) districts maintaining only grades 9 through 12,  
 28 0.05% ÷02%;

29 (3) districts maintaining only grades kindergarten  
 30 through 12, and prior to July 1, 1970, districts  
 31 maintaining only grades 1 through 12, 0.10% ÷04%.

32 The revenue raised by such tax shall be used only for

1 special education purposes, including the construction and  
2 maintenance of special education facilities.

3 Upon proper resolution of the school board, the school  
4 district may accumulate such funds for special education  
5 building purposes for a period of 8 years.

6 Buildings constructed under the provisions of this  
7 Section shall comply with the building code authorized under  
8 Section 2-3.12.

9 If it is no longer feasible or economical to utilize  
10 classroom facilities constructed with revenues raised and  
11 accumulated by the tax for special education building  
12 purposes, the district, or cooperative district by unanimous  
13 consent, may with the approval of the regional superintendent  
14 of schools and the State Superintendent of Education use such  
15 facilities for regular school purposes. The district or  
16 cooperative of districts shall make comparable facilities  
17 available for special education purposes at another  
18 attendance center which is in a more practical location due  
19 to the proximity of the students served.

20 (b) If the school board of any district that has levied  
21 the tax authorized by this Section determines that the  
22 accumulated funds from such tax and from the \$1,000 State  
23 reimbursement per professional worker received under Section  
24 14-13.02 are no longer required for special education  
25 building purposes, the board may by proper resolution  
26 transfer such funds to any other fund to be used for any  
27 special education purposes authorized by Article 14. Such  
28 transfer shall not be made until after the regional  
29 superintendent has certified to the State Superintendent of  
30 Education that adequate housing provisions have been made for  
31 all children with disabilities residing in the school  
32 district.

33 (c) The tax rate limits specified in this Section may be  
34 increased to .40% by districts maintaining only grades

1 kindergarten through 8 or only grades 9 through 12, and to  
2 .80% by districts maintaining grades kindergarten through 12,  
3 upon the approval of a proposition to effect such increase by  
4 a majority of the electors voting on such proposition at a  
5 regular scheduled election. The proposition may be initiated  
6 by resolution of the school board and shall be certified by  
7 the secretary to the proper election authorities for  
8 submission in accordance with the general election law. If  
9 at such election a majority of the votes cast on the  
10 proposition is in favor thereof, the school board may  
11 thereafter until such authority is revoked in like manner  
12 levy annually the tax so authorized.

13 (Source: P.A. 89-397, eff. 8-20-95; 90-757, eff. 8-14-98.)

14 Section 99. Effective date. This Act takes effect on  
15 July 1, 2003.