



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB2501

Introduced 1/6/2010, by Sen. Susan Garrett

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that, for school districts that (i) do not otherwise have a debt service extension base, (ii) were organized after October 1, 1991 as a result of the consolidation of not less than 3 school districts, at least one of which provided education to not less than 150 dependents of United States military personnel at the time of the consolidation, and (iii) provide education to not less than 150 dependents of United States military personnel at some time during calendar year 2009, "debt service extension base" means an amount equal to that portion of the extensions for the 1994 levy year constituting extensions for payment of principal and interest on bonds issued without referendum (but not including excluded non-referendum bonds) by the school districts that consolidated to form the new school district.

LRB096 15538 HLH 30768 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 200/18-185)

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

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

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

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

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

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

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

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

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

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

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

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

1 Illinois Pension Code, to the extent of the amount certified
2 under item (5) of Section 4-134 of the Illinois Pension Code;
3 and (q) made by Ford Heights School District 169 under Section
4 17-9.02 of the School Code.

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

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

1 required to be acquired, constructed, installed or equipped
2 pursuant to, contracts entered into before March 1, 1996 (but
3 not including any amendments to such a contract taking effect
4 on or after that date); (k) made to fund expenses of providing
5 joint recreational programs for the handicapped under Section
6 5-8 of the Park District Code or Section 11-95-14 of the
7 Illinois Municipal Code; (l) made for contributions to a
8 firefighter's pension fund created under Article 4 of the
9 Illinois Pension Code, to the extent of the amount certified
10 under item (5) of Section 4-134 of the Illinois Pension Code;
11 and (m) made for the taxing district to pay interest or
12 principal on general obligation bonds issued pursuant to
13 Section 19-3.10 of the School Code.

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

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

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

14 "Debt service extension base" means an amount equal to that
15 portion of the extension for a taxing district for the 1994
16 levy year, or for those taxing districts subject to this Law in
17 accordance with Section 18-213, except for those subject to
18 paragraph (2) of subsection (e) of Section 18-213, for the levy
19 year in which the referendum making this Law applicable to the
20 taxing district is held, or for those taxing districts subject
21 to this Law in accordance with paragraph (2) of subsection (e)
22 of Section 18-213 for the 1996 levy year, constituting an
23 extension for payment of principal and interest on bonds issued
24 by the taxing district without referendum, increased each year,
25 commencing with the 2009 levy year, by the lesser of 5% or the
26 percentage increase in the Consumer Price Index during the

1 12-month calendar year preceding the levy year, but not
2 including excluded non-referendum bonds. For park districts
3 (i) that were first subject to this Law in 1991 or 1995 and
4 (ii) whose extension for the 1994 levy year for the payment of
5 principal and interest on bonds issued by the park district
6 without referendum (but not including excluded non-referendum
7 bonds) 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). For school districts that (i) do not
16 otherwise have a debt service extension base, (ii) were
17 organized after October 1, 1991 as a result of the
18 consolidation of not less than 3 school districts, at least one
19 of which provided education to not less than 150 dependents of
20 United States military personnel at the time of the
21 consolidation, and (iii) provide education to not less than 150
22 dependents of United States military personnel at some time
23 during calendar year 2009, "debt service extension base" means
24 an amount equal to that portion of the extensions for the 1994
25 levy year constituting extensions for payment of principal and
26 interest on bonds issued without referendum (but not including

1 excluded non-referendum bonds) by the school districts that
2 consolidated to form the new school district. The debt service
3 extension base may be established or increased as provided
4 under Section 18-212. "Excluded non-referendum bonds" means
5 (i) bonds authorized by Public Act 88-503 and issued under
6 Section 20a of the Chicago Park District Act for aquarium and
7 museum projects; (ii) bonds issued under Section 15 of the
8 Local Government Debt Reform Act; or (iii) refunding
9 obligations issued to refund or to continue to refund
10 obligations initially issued pursuant to referendum.

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

19 "Aggregate extension base" means the taxing district's
20 last preceding aggregate extension as adjusted under Sections
21 18-135, 18-215, and 18-230. An adjustment under Section 18-135
22 shall be made for the 2007 levy year and all subsequent levy
23 years whenever one or more counties within which a taxing
24 district is located (i) used estimated valuations or rates when
25 extending taxes in the taxing district for the last preceding
26 levy year that resulted in the over or under extension of

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

12 "Levy year" has the same meaning as "year" under Section
13 1-155.

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

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

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

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

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

1 Tax Increment Allocation Act, "recovered tax increment value"
2 means the amount of the current year's equalized assessed value
3 of each taxable lot, block, tract, or parcel of real property
4 removed from the redevelopment project area over and above the
5 initial equalized assessed value of that real property before
6 removal from the redevelopment project area.

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

1 specified in the proposition, after which the limiting rate of
2 the taxing district shall be calculated as otherwise provided.

3 (Source: P.A. 95-90, eff. 1-1-08; 95-331, eff. 8-21-07; 95-404,
4 eff. 1-1-08; 95-876, eff. 8-21-08; 96-501, eff. 8-14-09;
5 96-517, eff. 8-14-09; revised 9-15-09.)