

1 AMENDMENT TO HOUSE BILL 5734

2 AMENDMENT NO. _____. Amend House Bill 5734 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing
5 Section 18-185 and adding Section 18-190.5 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"

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

14 "Aggregate extension" for taxing districts to which this
15 Law applied before the 1995 levy year means the annual
16 corporate extension for the taxing district and those special
17 purpose extensions that are made annually for the taxing
18 district, excluding special purpose extensions: (a) made for
19 the taxing district to pay interest or principal on general
20 obligation bonds that were approved by referendum; (b) made
21 for any taxing district to pay interest or principal on
22 general obligation bonds issued before October 1, 1991; (c)
23 made for any taxing district to pay interest or principal on
24 bonds issued to refund or continue to refund those bonds
25 issued before October 1, 1991; (d) made for any taxing
26 district to pay interest or principal on bonds issued to
27 refund or continue to refund bonds issued after October 1,
28 1991 that were approved by referendum; (e) made for any
29 taxing district to pay interest or principal on revenue bonds
30 issued before October 1, 1991 for payment of which a property
31 tax levy or the full faith and credit of the unit of local
32 government is pledged; however, a tax for the payment of
33 interest or principal on those bonds shall be made only after
34 the governing body of the unit of local government finds that

1 all other sources for payment are insufficient to make those
2 payments; (f) made for payments under a building commission
3 lease when the lease payments are for the retirement of bonds
4 issued by the commission before October 1, 1991, to pay for
5 the building project; (g) made for payments due under
6 installment contracts entered into before October 1, 1991;
7 (h) made for payments of principal and interest on bonds
8 issued under the Metropolitan Water Reclamation District Act
9 to finance construction projects initiated before October 1,
10 1991; (i) made for payments of principal and interest on
11 limited bonds, as defined in Section 3 of the Local
12 Government Debt Reform Act, in an amount not to exceed the
13 debt service extension base less the amount in items (b),
14 (c), (e), and (h) of this definition for non-referendum
15 obligations, except obligations initially issued pursuant to
16 referendum; (j) made for payments of principal and interest
17 on bonds issued under Section 15 of the Local Government Debt
18 Reform Act; and (k) made by a school district that
19 participates in the Special Education District of Lake
20 County, created by special education joint agreement under
21 Section 10-22.31 of the School Code, for payment of the
22 school district's share of the amounts required to be
23 contributed by the Special Education District of Lake County
24 to the Illinois Municipal Retirement Fund under Article 7 of
25 the Illinois Pension Code; the amount of any extension under
26 this item (k) shall be certified by the school district to
27 the county clerk.

28 "Aggregate extension" for the taxing districts to which
29 this Law did not apply before the 1995 levy year (except
30 taxing districts subject to this Law in accordance with
31 Section 18-213) means the annual corporate extension for the
32 taxing district and those special purpose extensions that are
33 made annually for the taxing district, excluding special
34 purpose extensions: (a) made for the taxing district to pay

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

1 on bonds authorized by Public Act 88-503 and issued under
2 Section 20a of the Chicago Park District Act for aquarium or
3 museum projects; and (l) made for payments of principal and
4 interest on bonds authorized by Public Act 87-1191 and issued
5 under Section 42 of the Cook County Forest Preserve District
6 Act for zoological park projects; and (m) made pursuant to
7 Section 34-53.5 of the School Code, whether levied annually
8 or not.

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

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

28 "Aggregate extension" for all taxing districts to which
29 this Law applies in accordance with paragraph (2) of
30 subsection (e) of Section 18-213 means the annual corporate
31 extension for the taxing district and those special purpose
32 extensions that are made annually for the taxing district,
33 excluding special purpose extensions: (a) made for the taxing
34 district to pay interest or principal on general obligation

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

1 pay interest or principal on general obligation bonds issued
2 for the purpose of paying obligations due under, or financing
3 airport facilities required to be acquired, constructed,
4 installed or equipped pursuant to, contracts entered into
5 before March 1, 1996 (but not including any amendments to
6 such a contract taking effect on or after that date).

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

26 "Special purpose extensions" include, but are not limited
27 to, extensions for levies made on an annual basis for
28 unemployment and workers' compensation, self-insurance,
29 contributions to pension plans, and extensions made pursuant
30 to Section 6-601 of the Illinois Highway Code for a road
31 district's permanent road fund whether levied annually or
32 not. The extension for a special service area is not
33 included in the aggregate extension.

34 "Aggregate extension base" means the taxing district's

1 last preceding aggregate extension as adjusted under Sections
2 18-215 through 18-230.

3 "Levy year" has the same meaning as "year" under Section
4 1-155.

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

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

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

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

34 Except as otherwise provided in this Section, "limiting

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

14 (Source: P.A. 90-485, eff. 1-1-98; 90-511, eff. 8-22-97;
 15 90-568, eff. 1-1-99; 90-616, eff. 7-10-98; 90-655, eff.
 16 7-30-98; 91-357, eff. 7-29-99; 91-478, eff. 11-1-99.)

17 (35 ILCS 200/18-190.5 new)

18 Sec. 18-190.5. School districts. The requirements of
 19 Section 18-190 of this Code for a direct referendum on the
 20 imposition of a new or increased tax rate do not apply to tax
 21 levies that are not included in the aggregate extension for
 22 those taxing districts to which this Law did not apply before
 23 the 1995 levy year (except taxing districts subject to this
 24 Law in accordance with Section 18-213 of this Code) pursuant
 25 to clause (m) of Section 18-185 of this Code.

26 Section 10. The School Code is amended by adding Section
 27 34-53.5 as follows:

28 (105 ILCS 5/34-53.5 new)

29 Sec. 34-53.5. Capital improvement tax levy; purpose;
 30 maximum amount.

31 (a) For the purpose of providing a reliable source of

1 revenue for capital improvement purposes, including without
2 limitation (i) the construction and equipping of a new school
3 building or buildings or an addition or additions to an
4 existing school building or buildings, (ii) the purchase of
5 school grounds on which any new school building or an
6 addition to an existing school building is to be constructed
7 or located, (iii) both items (i) and (ii) of this subsection
8 (a), or (iv) the rehabilitation, renovation, and equipping of
9 an existing school building or buildings, the board may levy,
10 upon all taxable property of the school district, in calendar
11 year 2003, a capital improvement tax to produce, when
12 extended, an amount not to exceed the product attained by
13 multiplying (1) the percentage increase, if any, in the
14 Consumer Price Index for All Urban Consumers for all items
15 published by the United States Department of Labor for the 12
16 months ending 2 months prior to the month in which the levy
17 is adopted by (2) \$142,500,000. For example, if the
18 percentage increase in the Consumer Price Index is 2.5%, then
19 the computation would be \$142,500,000 x 0.025 = \$3,562,500.

20 (b) In each calendar year from 2004 through 2030, the
21 board may levy a capital improvement tax to produce, when
22 extended, an amount not to exceed the sum of (1) the maximum
23 amount that could have been levied by the board in the
24 preceding calendar year pursuant to this Section and (2) the
25 product obtained by multiplying (A) the sum of (i) the
26 maximum amount that could have been levied by the board in
27 the preceding calendar year pursuant to this Section and (ii)
28 \$142,500,000 by (B) the percentage increase, if any, in the
29 Consumer Price Index for All Urban Consumers for all items
30 published by the United States Department of Labor for the 12
31 months ending 2 months prior to the month in which the levy
32 is adopted.

33 (c) In calendar year 2031, the board may levy a capital
34 improvement tax to produce, when extended, an amount not to

1 exceed the sum of (1) the maximum amount that could have been
2 levied by the board in calendar year 2030 pursuant to this
3 Section, (2) \$142,500,000, and (3) the product obtained by
4 multiplying (A) the sum of (i) the maximum amount that could
5 have been levied by the board in calendar year 2030 pursuant
6 to this Section and (ii) \$142,500,000 by (B) the percentage
7 increase, if any, in the Consumer Price Index for All Urban
8 Consumers for all items published by the United States
9 Department of Labor for the 12 months ending 2 months prior
10 to the month in which the levy is adopted.

11 (d) In calendar year 2032 and each calendar year
12 thereafter, the board may levy a capital improvement tax to
13 produce, when extended, an amount not to exceed the sum of
14 (1) the maximum amount that could have been levied by the
15 board in the preceding calendar year pursuant to this Section
16 and (2) the product obtained by multiplying (A) the maximum
17 amount that could have been levied by the board in the
18 preceding calendar year pursuant to this Section by (B) the
19 percentage increase, if any, in the Consumer Price Index for
20 All Urban Consumers for all items published by the United
21 States Department of Labor for the 12 months ending 2 months
22 prior to the month in which the levy is adopted.

23 (e) An initial tax levy made by the board under this
24 Section must have the approval of the Chicago City Council,
25 by resolution, before the levy may be extended. The board
26 shall communicate its adoption of the initial tax levy by
27 delivering a certified copy of the levy resolution to the
28 Clerk of the City of Chicago. The Chicago City Council shall
29 have 60 days after receipt, by the Clerk of the City of
30 Chicago, of the certified resolution to approve or disapprove
31 the levy. The failure of the Chicago City Council to take
32 action to approve or disapprove the initial tax levy within
33 the 60-day period shall be deemed disapproval of the initial
34 tax levy. Upon the adoption of each subsequent levy by the

1 board under this Section, the board must notify the Chicago
2 City Council that the board has adopted the levy.

3 (f) The board may issue bonds, in accordance with the
4 Local Government Debt Reform Act, including Section 15 of
5 that Act, against any revenues to be collected from the
6 capital improvement tax in any year or years and may pledge,
7 pursuant to Section 13 of the Local Government Debt Reform
8 Act, those revenues as security for the payment of any such
9 bonds.

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