



Illinois Department of Revenue

# **Property Tax Extension Limitation Law**



**Technical Manual**



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# Introduction

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## Purpose

This publication introduces and explains the main technical aspects of the Property Tax Extension Limitation Law (PTELL). The information presented here should be supplemented by reading the pertinent statutes, administrative rules, and court cases.

Questions about the PTELL should be directed to the taxing district's legal counsel, the State's Attorney, or the Property Tax Division of the Illinois Department of Revenue.

## **The PTELL does not “cap” individual property assessments.**

The PTELL does not limit property assessment increases. Local assessment officials determine each property’s assessed value as prescribed by the Illinois Property Tax Code.

## **The PTELL limits the yearly increase in a non-home rule taxing district’s property taxes billed.**

The annual tax increase for PTELL funds is limited to 5 percent or the rate of inflation<sup>1</sup>, whichever is less. The PTELL slows the growth of property tax revenues to taxing districts when property values are increasing faster than the rate of inflation. As a whole, property owners have some protection from tax bills that increase because the market value of their property is rising rapidly.

## **The PTELL does not “cap” individual property tax bills.**

An individual tax bill may increase more than the PTELL limit. Some of the reasons tax bills could increase more than the rate of inflation are listed below.

- One of the taxing districts on the tax bill is not subject to the PTELL (e.g., home rule municipality or special service area).
- One of the taxing districts issued new bonds.
- Voters approved an increase using one of four referenda options allowed by the PTELL.
- The property was reassessed.
- The property had a homestead exemption or preferential assessment that was removed.
- The property has a greater share of the tax burden because the assessed value of other property decreased.

## **The PTELL does not apply to all taxing districts.**

Only non-home rule taxing districts are subject to the PTELL<sup>2</sup>.

- Non-home rule taxing districts with a majority of the EAV in Cook and the collar counties are under the PTELL<sup>3</sup>.
- Non-home rule taxing districts in all other counties are under the PTELL if approved by referendum<sup>4</sup>.

<sup>1</sup> Equal to the annual increase in the Consumer Price Index (CPI).

<sup>2</sup> Tax extensions made by home rule taxing districts and special service areas are not subject to the PTELL (Article 27 of the Property Tax Code).

<sup>3</sup> The PTELL was originally passed in 1991 and applied to non-home rule taxing districts with a majority of their 1990 EAV in the “collar counties” (i.e., DuPage, Kane, Lake, McHenry, and Will). Non-home rule taxing districts with a majority of their 1994 EAV in Cook were added in 1995.

<sup>4</sup> Beginning in 1996, extensions made by non-home rule taxing districts in all other counties in Illinois are under the PTELL if every county in which the district is located has held a referendum asking if voters want the PTELL to be applicable, and if the majority of the EAV of the district is in counties where voters have approved the referendum; or non-home rule taxing districts with part of their EAV in Cook or the collar counties if every other county in which the district is located has held a referendum asking if voters want the PTELL to be applicable, and if the majority of the EAV in the district is in counties where voters have approved the referendum and in Cook and the collar counties.

# Summary

## **The PTELL may not apply to some of a taxing district's funds.**

The most common exceptions are taxes billed by special service areas and extensions for certain bonds. Payments for bonds issued without voter approval are subject to strict limitations.

## **PTELL taxing districts do not get less money; they just cannot raise as much from property taxes as they would be able to without the PTELL.**

Generally, the yearly increase in taxes a district may bill for PTELL funds is limited to the rate of inflation. The law does allow amounts greater than inflation to be billed in each of the following situations:

- New property (generally new construction) is added to the tax rolls.
- The taxing district annexes property.
- Voters approve one of four referenda allowed under the PTELL to increase the taxes billed.
- A Tax Increment Financing (TIF) district expires. (The amount that had been available as the TIF increment is then available to the taxing district.).

The county clerk makes these allowances when the tax rate is computed.

## **PTELL taxing districts can ask voters to approve an increase greater than the PTELL allows.**

A taxing district may determine that it needs to raise more of its budget from local property taxes than the PTELL allows. In this case, it must seek voter approval using one or more of the four referenda options allowed by the PTELL. The four options are listed below.

- 1 Increase the extension limitation<sup>5</sup> (Section 18-205)
- 2 Increase the limiting rate<sup>5</sup> (Section 18-190)
- 3 Levy for a new tax rate (Section 18-190)
- 4 Increase the debt service extension base (Section 18-212)

A PTELL taxing district must use one of these referenda options. It **may not** use any other proposition found in Illinois statutes, including those questions asked using Sections 18-120 and 18-125 of the Property Tax Code.

Any referenda authorized by the PTELL are exempt from the limit of three public policy questions for a taxing district at an election.

<sup>5</sup> Supplemental ballot information is required.



Key terms and concepts that are used in the PTELL are listed below.

- Aggregate extension
- Aggregate extension base
- Extension limitation
- Limiting rate
- New rate
- New property
- Debt service extension base

## Aggregate extension

The “aggregate extension” is the total of the district’s tax rates for funds that are subject to the PTELL. Funds subject to the PTELL include the annual corporate extension for the taxing district and annual special purpose extensions. Other examples include extensions for insurance, self-insurance, self-insurance tort liability, pension plans, unemployment compensation, workers’ compensation, FICA, audit, and, whether levied annually or not, road district permanent road funds.

## Non-PTELL fund extensions (*i.e.*, “non-capped funds”)

Section 18-185 of the Property Tax Code lists the fund extensions that are excluded from the aggregate extension. These funds are “exempt from the tax cap” (*i.e.*, tax increases may be more than 5 percent or the inflationary increase, whichever is less)<sup>6</sup>. The most common exemptions are extensions made for special service areas and certain bonds if the bonds were issued before a cutoff date. The cutoff date varies depending on when the taxing district became subject to the PTELL<sup>7</sup>. Bond issues that may be exempt are listed below:

- General obligation bonds issued prior to the cutoff date
- Bonds issued to refund or to continue to refund bonds that were issued prior to the cutoff date
- General obligation bonds issued on or after the cutoff date, if approved by referendum
- Bonds issued to refund or to continue to refund voter-approved general obligation bonds
- Alternate bonds, sometimes called “double-barreled bonds,” issued under Section 15 of the Local Government Debt Reform Act
- Limited bonds, if the payments do not exceed the debt service extension base minus certain offsetting amounts
- Building commission leases used to retire bonds issued by the commission before the cutoff date

<sup>6</sup> These funds are still limited by any other laws or rates specified by statute.

<sup>7</sup> **October 1, 1991** — Taxing districts with a majority of their 1990 EAV in the collar counties of DuPage, Kane, Lake, McHenry, and/or Will

**March 1, 1995** — Taxing districts with a majority of their EAV in Cook County, or were not previously subject to the PTELL and were in Cook and the collar counties

**March 7, 1997** — Taxing districts with a portion of their EAV in a collar county and became subject to the PTELL on January 1, 1997, under Section 18-213(E)(2) of the Property Tax Code

**All other districts** — For districts that become subject to the PTELL by referendum under Section 18-213 of the Property Tax Code, the date on which the referendum making the district subject to the PTELL is held.

# Key Terms

An installment contract or lease purchase agreement is exempt if all of the following conditions are met:

- The agreement was made before the taxing district became subject to the PTELL.
- The contract or agreement required the taxing district to purchase the property.
- The payments are made from funds levied specifically for pay for the installment contract or lease/purchase agreement.

Section 18-185 has four “aggregate extension” definitions.

- The first definition applies to taxing districts with a majority of their EAV in the collar counties.
- The second definition applies to taxing districts with a majority of their EAV in Cook County.
- The third definition applies to taxing districts that are under the PTELL by referendum.
- The fourth definition applies to taxing districts with a portion of their EAV in a collar county and become subject to PTELL under Section 18-213(E)(2) of the Property Tax Code.

Other common extensions that are exempt from PTELL include joint recreation programs for the handicapped and firefighter pension fund.

## Aggregate extension base

Simply put, the aggregate extension base is the prior year’s aggregate extension, the starting point or “base” on which the PTELL tax rate will be calculated. Generally, the district’s aggregate extension base from the previous year is used to calculate any extension increase for the current year. There are, however some exceptions.

- If taxing districts merge or consolidate, the aggregate extensions of the consolidating districts are added to arrive at a new aggregate extension for the new district. See Section 18-215 of the Property Tax Code.
- If a taxing district transfers a service to another district, the portion of the aggregate extension base that pays for that service is transferred to the district taking over the service. See Section 18-215 of the Property Tax Code.
- If a new taxing district is formed that does not have an aggregate extension base, or if a taxing district does not have an aggregate extension base because it has never extended taxes under the PTELL, then the district must ask voters to approve the aggregate extension amount before it levies for the first time. This question may be placed on a ballot at the same election as the referendum creating the new district. See Section 18-210 of the Property Tax Code.
- If, during the previous levy year, a taxing district had a decreased aggregate extension compared to the preceding levy year, the aggregate extension base is the highest aggregate extension in any of the last three preceding levy years. This provision applies to **any** reductions in extensions, including abatements.

# Key Terms

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## Example:

Assume a district's aggregate extensions for the three prior years were as follows:

**2007** - \$600,000                      **2006** - \$750,000                      **2005** - \$720,000

Since the 2007 aggregate extension was reduced from what it had been in 2006, the district's aggregate extension base becomes the highest of the extensions for the three previous years: 2005, 2006, and 2007. The aggregate extension base for 2008 is \$750,000.

**Note** → This provision may be used only the **first** year after the aggregate extension is reduced.

- If a taxing district is located in two or more counties and estimated EAVs were used to extend taxes in the prior year, then the current year's aggregate extension base is reset to what it would have been if actual values had been used to extend taxes the prior year.
- If a taxing district is located in two or more counties and an adjustment under Section 18-135(c) of the Property Tax Code was made in the prior year, then the current year's aggregate extension base is reset to what it would have been if the adjustments were not required.

# Key Terms

## Extension limitation (*i.e.*, “amount of inflation” or “CPI increase”)

The growth in a taxing district’s aggregate extension base (sum of all extensions for funds subject to the PTELL) is limited to 5 percent or the rate of inflation, whichever is less. The inflationary increase is equal to the percentage change in the Consumer Price Index (CPI), and is called the “limitation”. The CPI used is the national CPI for all urban consumers for all items as published by the United States Department of Labor, Bureau of Labor Statistics. The applicable December-to-December change is generally available in the middle of January. The web page for the CPI increase is [bls.gov/cpi/](http://bls.gov/cpi/). The calculated CPI to use when extending taxes is also available on the department’s web site at [tax.illinois.gov](http://tax.illinois.gov).

The CPI is calculated as shown in the following example:

### Example:

- 1 For the 2007 levy year (taxes paid in 2008) determine the applicable CPI increase by comparing the December 2006 CPI to the December 2005 CPI.  
December 2006 CPI was 201.8  
December 2005 CPI was 196.8.
- 2 Divide the 2006 CPI by the 2005 CPI  
 $201.8 \div 196.8 = 1.025$
- 3 To express the result as a percentage increase, subtract 1 and multiply by 100.  
 $(1.025 - 1) \times 100 = 2.5\% \text{ increase}$

This increase is less than 5 percent. Therefore, the limitation for levy year 2007 for taxes paid in 2008 is 2.5 percent, unless voters approve a higher limitation.

This inflationary increase is applied to the district’s prior year aggregate extension of the funds subject to the PTELL. The prior year’s aggregate extension is multiplied by the inflationary increase to determine the general amount of taxes that can be extended for those funds during the current year.

## Extension limitation referendum provisions

A taxing district may determine that it needs more tax revenues than what the inflationary increase allows. Section 18-205 of the PTELL allows the taxing district to ask voters to approve a higher inflationary increase. See Page 21.

# Key Terms

## History of CPIs Used for the PTELL

Year	December CPI-U	Percent change from previous December	Percent used for PTELL	Levy year	Year taxes paid
1989	126.1	—			
1990	133.8	6.1	5.0 (5% Max)	1991	1992
1991	137.9	3.1	3.1	1992	1993
1992	141.9	2.9	2.9	1993	1994
1993	145.8	2.7	2.7 (5% for Cook)	1994	1995
1994	149.7	2.7	2.7	1995	1996
1995	153.5	2.5	2.5	1996	1997
1996	158.6	3.3	3.3	1997	1998
1997	161.3	1.7	1.7	1998	1999
1998	163.9	1.6	1.6	1999	2000
1999	168.3	2.7	2.7	2000	2001
2000	174.0	3.4	3.4	2001	2002
2001	176.7	1.6	1.6	2002	2003
2002	180.9	2.4	2.4	2003	2004
2003	184.3	1.9	1.9	2004	2005
2004	190.3	3.3	3.3	2005	2006
2005	196.8	3.4	3.4	2006	2007
2006	201.8	2.5	2.5	2007	2008

For Cook County, the limitation for 1994 was 5.0 percent as specified by the “One-Year Property Tax Extension Limitation Law.” See Section 18-246 *et seq.* of the Property Tax Code.

This information is available on our web site [tax.illinois.gov](http://tax.illinois.gov)

# Key Terms

## Limiting rate

The limiting rate is the district's maximum aggregate tax rate for funds under the PTELL. The sum of all tax rates for funds subject to the PTELL cannot exceed the limiting rate. The limiting rate formula is below.

$$\text{Limiting rate} = \frac{A \times (1 + I)}{\text{CEAV} - \text{NP} - \text{AX} - \text{TIF} + \text{DIS}}$$

Where:

- A = aggregate extension base (prior year total taxes billed for funds subject to the PTELL)
- I = inflationary increase (CPI or 5 percent, whichever is less; or other amount approved by voters for the levy year)
- CEAV = current EAV of district used in setting preliminary rates
- NP = new property
- AX = current EAV of any annexations
- TIF = recovered tax increment value (after the TIF expires)
- DIS = current EAV of any disconnections

The limiting rate formula allows a taxing district to receive additional taxes in proportion to the value of property annexed, new property construction, and the TIF increment the year that the TIF expires. If property is disconnected from the district, the extension is reduced proportionally.

**Note** If a new taxing district is created or does not have an aggregate extension base, the taxing district must hold a referendum as prescribed by Section 18-210 of the Property Tax Code to set its aggregate extension. It is not required to hold a referendum under Section 18-190. The limiting rate will be calculated in subsequent years.

The county clerk makes several computations to implement the PTELL. First, the clerk computes the tax rate needed for each fund to produce the amount of taxes requested. The tax rate for the fund cannot exceed any statutorily prescribed maximum rate ceiling. Next, the individual fund rates are added to determine a preliminary aggregate rate for the district. Finally, the clerk calculates the PTELL "limiting rate" and compares the preliminary aggregate rate to the limiting rate. If the aggregate rate exceeds the limiting rate, then each rate is reduced proportionally unless the taxing district instructs the county clerk to reduce the rates in another way. If a taxing district does not want rates reduced proportionally, it should pass a resolution or ordinance that gives specific instructions to the county clerk (e.g., to reduce the corporate rate to a dollar amount or to a percentage of the levy). If specific instructions to the clerk (e.g., to reduce the corporate rate to a dollar amount or to a percentage of the levy). See Section 18-195 of the Property Tax Code.

Adjustments to the calculated limiting rate are required in two specific situations.

- If a taxing district is located in two or more counties and estimated EAVs were used to extend taxes in the prior year, then the current year's aggregate extension base is reset to what it would have been if actual values had been used to extend taxes the prior year.
- If a taxing district is located in two or more counties and an adjustment under Section 18-135(c) of the Property Tax Code was made in the prior year, then the current year's aggregate extension base is reset to what it would have been if the adjustments were not required.

## Example:

A school district's boundaries are in two counties. County A, the county with a majority of the district's EAV, is ready to extend taxes. County B is not done with the assessment work for the year and gives County A an estimate of the EAV. The estimate is higher than the actual EAV.

**Year 1** — County A extends taxes using the estimated EAV. The estimate is too high and taxes are over-extended in County A.

**Year 2** — Year 1 County B actual EAV is known. The aggregate extension base is adjusted to reflect the actual EAV. An adjustment under Section 18-135(c) of the Property Tax Code is required to correct the over-extension in Year 1. Actual EAV for both counties is known in Year 2.

**Year 3** — An adjustment to the aggregate extension base is made to reflect the adjustments made under Section 18-135(c) of the Property Tax Code.

## Procedure used in Year 2

- 1 Calculate PTELL limiting rate using a “reset” aggregate extension base. Do not use Year 1 capped fund extensions as the aggregate extension base. Reset the aggregate extension base to what the capped funds extensions would have been if the actual EAV had been used in Year 1. In this example, the aggregate extension base in Year 2 will be lower than the aggregate taxes for PTELL funds extended in Year 1.
- 2 Certify this limiting rate to the Illinois Department of Revenue, who will then forward the rate to the Illinois State Board of Education (ISBE). ISBE will use this limiting rate to calculate state aid payments.
- 3 Make Section 18-135(c) adjustments. In this example, the individuals fund rates will be reduced because taxes were over-extended in Year 1.
- 4 Extend taxes using the rates computed after the Section 18-135(c) adjustments are made.

## Procedure used in Year 3

- 1 Calculate PTELL limiting rate using a “reset” aggregate extension base. Do not use the actual extension for capped funds from Year 2 as the aggregate extension base (after Section 18-135(c) adjustments). Reset the aggregate extension base to what the Year 2 extensions would have been if the Section 18-135(c) were not made. In this example, the aggregate extension base will be higher.
- 2 Certify this limiting rate to the Illinois Department of Revenue, who will then forward the limiting rate to the Illinois State Board of Education (ISBE). ISBE will use this limiting rate to calculate state aid payments.
- 3 Extend taxes.

## Estimating property tax revenues

As a short cut, the taxing district can estimate the property tax revenue that will be available under the PTELL before it levies. To do this, increase the prior year aggregate extension by the limitation inflation increase and then add a percentage increase that reflects the best estimate of the new property. The aggregate extension base will be known after taxes are extended for the prior year. The limitation will be known early in the levy year as

# Key Terms

soon as the CPI for the December prior to the levy year is published. The EAV for the levy year for the taxing district will have to be estimated if the tax base is not final before the district levies. New property may be estimated based on recent trends and other available information, such as major new construction in the district.

## **Example (assumes no annexations, expiring TIFs, or disconnections):**

Prior extension was \$100,000, the limitation is 2.5 percent, and new property has been about 5 percent of the tax base. Estimate is  $\$100,000 \times 1.025 \times 1.05 = \$107,625$ .

## **Separate limiting rates**

Generally, one limiting rate is calculated for each taxing district, not for each fund. The law does allow, however, for separate limiting rates to be calculated in the following three circumstances. See Section 18-195 of the Property Tax Code.

- A corporate authority of a village may make a written request to the county clerk to have separate limiting rates calculated for library funds and for the aggregate of other village funds to reduce the funds as may be required by the PTELL.
- A county or township community mental health board may request the county clerk to calculate a separate limiting rate for the community mental health funds.
- A county or township board for care and treatment of persons with a developmental disability may direct the county clerk to calculate separate limiting rates for these funds and for the aggregate of the other county or township funds.

When separate limiting rates are calculated, the affected district must tell the county clerk how to reduce rates other than proportionally.

## **Individual fund maximum rates**

Unlike non-PTELL taxing districts, a taxing district is not required to hold a referendum to increase the rate for a specific fund. This is because the PTELL requires a taxing district to pass other referenda to increase the amount of taxes it can bill.

Before the 2006 levy year<sup>8</sup> (taxes paid in 2007), the county clerk calculated a tax rate for each fund using the levy amount requested by the taxing district. If the rate was higher than the maximum statutory ceiling or any voter-approved rate, the rate was reduced to the maximum rate. Next, all rates subject to the PTELL were summed to produce an aggregate tax rate for the district. If the sum of these rates exceeded the limiting rate, then the clerk reduced each fund proportionally unless directed by the taxing district to reduce them in another way.

<sup>8</sup> See Public Act 94-976.



Beginning with the 2006 levy year, a fund for a taxing district may exceed a voter-approved rate as long as it does not exceed a statutorily prescribed maximum rate ceiling (that cannot be exceeded by referendum or otherwise)<sup>9</sup>. The sum of all rates (*i.e.*, the aggregate preliminary tax rate) still cannot exceed the limiting rate. In other words, to make up the difference in “Fund A”, adjustments may need to be made to other funds to offset the increase in Fund A.

### Example:

An Illinois statute sets a tax rate of 5 cents for a fund that may be increased if voters approve, but the statute specifies the rate cannot exceed 10 cents. The taxing district’s voters have approved a rate of 8 cents prior to the 2006 levy year (taxes paid in 2007). Beginning with the 2006 levy year, this voter-approved rate of 8 cents can be exceeded, up to the 10 cents set by statute.

Other examples are shown below.

- 1 The statute that governs Fund A sets a rate that cannot be increased by referendum. Taxes may be extended up to and including this statutory rate ceiling if the aggregate rate of funds subject to the PTELL does not exceed the limiting rate.
- 2 The statute that governs Fund B sets a minimum tax rate that can be increased by referendum, but the rate cannot exceed a maximum tax rate identified in statute (*i.e.*, statute provides a range). Taxes may be extended using a rate up to and including the statutory ceiling even if voters have not approved a rate equal to the statutory rate ceiling. The aggregate rate of funds subject to the PTELL cannot exceed the limiting rate.
- 3 The statute that governs Fund C identifies a tax rate that can be increased by referendum (no statutory ceiling). Taxes may be extended using the rate needed to produce the levy even if voters have not approved a rate equal to the rate needed to produce the levy. The aggregate rate of funds subject to the PTELL cannot exceed the limiting rate.
- 4 The statute that governs Fund D sets a rate based on the district’s population. Taxes may be extended using the rate needed to produce the levy (up to any statutory rate ceiling for the district’s population, if applicable) as long as the aggregate rate of funds subject to the PTELL does not exceed the limiting rate.
- 5 The statute that governs Fund E does not identify a minimum or maximum rate, only that it is set by referendum. The district has levied for the fund previously at the amount approved by referendum. Taxes may be extended using the rate needed to produce the levy even if voters have not approved a rate equal to the rate needed to produce the levy. The aggregate rate of funds subject to the PTELL cannot exceed the limiting rate.

**Note** The Illinois Department of Revenue has published a list of all fund maximum rates and associated statutory references that govern those rates. This document is available on our web site at [tax.illinois.gov](http://tax.illinois.gov).

- 9 The PTELL supercedes provisions in Section 18-190 of the Property Tax Code. The PTELL allows for higher individual fund tax rates than what was previously the district’s maximum rate, within limits.
  - 1) If the statute that governs a fund includes a statutory rate ceiling (*i.e.*, identifies a specific rate that cannot be increased by referendum or otherwise), then taxes for that fund may never be extended at a rate higher than the statutory ceiling.
  - 2) The sum of all rates subject to the PTELL cannot exceed the limiting rate.

# Key Terms

## Limiting rate referendum

A taxing district may determine that it needs more tax revenues than what the limiting rate allows. The PTELL allows the taxing district to ask voters to approve a higher limiting rate for up to four years. The ballot must identify the proposed increase, the proposed maximum limiting rate, and each levy year to which the proposed increase will apply. A voter-approved limiting rate increase replaces the limiting rate the county clerk would have calculated otherwise. This limiting rate becomes the tax rate for the levy years (up to four) specified on the ballot. After that, the limiting rate will be calculated as it would normally. Because the voter-approved limiting rate replaces the rate that would otherwise be calculated, the district's tax extension increase will not be limited to the lesser of the CPI increase or 5 percent. See Page 22.

## PTELL and tax increment financing districts (TIFs)

The TIF is not directly limited by the PTELL. The amount the TIF will receive is equal to the tax rate times the incremental increase in the EAV. The limitation may result in a lower tax rate than would otherwise have been extended. If so, the TIF will receive less than it would have without the limitation.

The TIF increment is excluded in calculating the limiting rate for a district. Section 18-235 of the Property Tax Code provides that the portion of the taxes that go to the TIF are not included in the district's extension base when computing the numerator of the limiting rate. Likewise, the value of the increment is not included in the current year EAV in the denominator of the limiting rate.

When a TIF is dissolved, the taxing district is allowed to reclaim the recovered tax increment value. The county clerk will calculate the increment one more year and remove it from the denominator of the limiting rate in the same manner as new property is removed. This will give the taxing district an increase in its aggregate extension base in proportion to the TIF increment for the dissolved TIF.

## New rate

Section 18-190 of the Property Tax Code requires the governing body of a taxing district to submit any new rate to the voters before levying for it.

- A "new rate" is any fund for which the district has **never** levied (includes new funds enacted by the General Assembly).
- A "new rate" is also tax extended for a fund that is subject to backdoor referendum provisions if the taxing district has not levied for that fund in the last three years (even if the district has levied for the fund at some point in the past).

See Page 23.

If the district **has** levied for the fund in the last three years, but has not levied an amount sufficient to be at a statutory ceiling, or it is subject to an annual backdoor referendum, it may extend taxes for that fund up to any statutory ceiling; backdoor referendum provisions do not apply. This is because the sum of rates for all funds cannot exceed the limiting rate. This allows the taxing district some flexibility from year to year for specific funds but the limiting rate assures limited growth in extensions. If a taxing district wishes to extend taxes at a rate higher than the limiting rate, it may ask voters to approve an increase.

If separate statutes govern a particular fund (e.g., the corporate fund) and a taxing district has never levied under one of the applicable statutes, it must ask voters to approve a new rate before levying for the other fund.

### Example:

Two separate statutes govern the corporate fund of a park district. A park district has levied for one fund at the rate of 0.100%, but has never levied for the additional corporate fund (equal to 0.250%). If the park district wishes to extend taxes using the additional corporate fund, then it must ask voters to approve a “new rate” for the additional 0.250% because it has never levied for that fund. If approved, it may then extend taxes for both funds at a combined rate of 0.350%.

## New property

Under the PTELL, taxing districts receive an additional allowance in proportion to the new property in the district.

“New property” includes the assessed value of

- new improvements or additions to existing improvements on any parcel of real property that increased the assessed value of that real property during the levy year. It does not include maintenance and repair.
- property that was exempt during the prior levy year but reclassified and assessed as non-exempt during the current levy year.
- new improvements or additions to existing improvements that increase the assessed value of property during the levy year in an enterprise zone only to the extent taxes are not abated on this new property. To the extent taxes are no longer abated on this property, it is new property the first year the abatement ceases.

The value of the new property is limited to the actual assessed value added by the new improvement, multiplied by the state equalization factor (multiplier). The general homestead, senior citizens homestead, and senior citizens assessment freeze homestead exemption are not subtracted before the value of new property is determined.

Where there is a long-term building project and the assessor revalues the property each year based on the construction completed on the assessment date, the annual increase in value (amount of construction completed between the prior and current assessment dates) is considered new property.

For the first levy year, the dollar amount of new property for each PTELL taxing district must be reported to the county clerk by the supervisor of assessments or county assessor. The value reported to the county clerk must be the final value for the new property after final board of review action.

For subsequent levy years, the township assessors, multi-township assessors, supervisors of assessments, county assessors, and boards of review enter their assessment of new property located in PTELL taxing districts in the assessment books in separate columns specifically designated for new property.

# Key Terms

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“New property” **does not** include the following categories of property.

- 1 Property that received a prorated assessment in the prior year as damaged, uninhabitable property under Section 9-180 of the Property Tax Code, or as damaged property in a disaster area under Section 13-5 of the Property Tax Code. There are, however, three exceptions.
  - If new improvements are added to the parcel, these improvements are new property.
  - If square footage is added to the structure, this addition is new property.
  - If the property was completely destroyed and rebuilt, then the rebuilt structure is new property.
- 2 Property on which the assessment has increased under Section 10-50 of the Property Tax Code (phase-out of historic residence assessment) and property on which the assessment under Section 10-45 of the Property Tax Code (historic residence assessment) has been revoked.
- 3 Property that was exempt on January 1 of the levy year and that was reclassified and assessed as nonexempt during the levy year.
- 4 The portion of property receiving the homestead improvement exemption under Section 15-180 of the Property Tax Code. However, any portion of increased value that exceeds the maximum homestead improvement amount is considered new property and is added the first year it is assessed. The additional assessment attributable to the removal or expiration of the homestead improvement exemption is new property in the year of the removal or expiration. The value of the new property is the most recent assessed value of that portion for which the homestead improvement exemption is removed or has expired multiplied by the equalization factor.
- 5 Omitted property assessed under Section 9-265 of the Property Tax Code.
- 6 New improvements or additions to existing improvements on property in a redevelopment project area, as defined in the Tax Increment Allocation Redevelopment Act [65 ILCS 5/Art. II, Div. 74.4], the Industrial Jobs Recovery Law [65 ILCS 5/Art. II, Div. 74.6] or the Economic Development Area Tax Increment Allocation Act [20 ILCS 620], that increased the assessed value of property during the levy year.
- 7 Any increases in the assessment of land (including subdivisions).

## Debt service extension base (DSEB)

The PTELL allows county clerks to continue to extend taxes for a taxing district's bonds that are issued without referendum at a level called the "DSEB". The DSEB is the aggregate extension for principle and interest payments for non-referendum bonds that the taxing district issued before the "cutoff date". The levy year establishing the DSEB is specified by statute as follows:

- **1994** — For taxing districts subject to the PTELL in 1995 and prior years (Cook and the collar counties)
- **1996** — For districts that have a portion of their EAV in a collar county and became subject to the PTELL on January 1, 1997, under Section 18-213(e)(2) of the Property Tax Code
- **The year in which the referendum was held making the district subject to the PTELL** — For districts that become subject to the PTELL by referendum under Section 18-231 of the Property Tax Code

The following bonds are not included in a district's DSEB:

- 1 Alternate bonds, sometimes called "double-barreled bonds," issued under Section 15 of the Local Government Debt Reform Act
- 2 Refunding obligations issued to refund or to continue to refund obligations initially issued pursuant to referendum
- 3 Bonds authorized by Public Act 88-503 and issued under Section 20a of the Chicago Park District Act for aquarium and museum projects

The DSEB can be established or increased by referendum. Once established, the DSEB does not increase except by referendum under Section 18-212. See Page 24.

As debt is paid, retired, or refinanced, the taxing district may use the available portion of the DSEB to issue two kinds of bonds:

- Limited bonds, to the extent the payments do not exceed the debt service extension base minus certain offsetting amounts identified in Section 18-185
- Alternate bonds, sometimes called "double-barreled bonds", issued under Section 15 of the Local Government Debt Reform Act

Limited bonds are general obligation bonds that are issued without referendum. These bonds must be identified as limited bonds by the governing authority at the time they are issued under Section 3 of the Local Government Debt Reform Act. (Extension for the district, or for bonds to refund these bonds, or for preexisting revenue bonds being paid from property tax.) See Section 18-185 of the Property Tax Code.

### Example:

For the 2005 levy year, a collar county clerk extended \$100,000 in debt service for bonds issued before the cutoff date without referendum by a taxing district subject to the PTELL. Some of these bonds were retired in 2006, and the extension for these bonds was \$20,000 of the \$100,000 in the DSEB. The district issues more non-referendum bonds and identifies them as limited bonds. The debt service on these new limited bonds is scheduled to be \$15,000 annually. The extension for these limited bonds is excluded from the aggregate extension up to the DSEB (\$100,000) minus the continuing extension for non-referendum bonds that are excluded from the PTELL (\$80,000). The available exclusion is \$100,000 minus \$80,000, or \$20,000. Since the debt service for the new limited bonds is only \$15,000, the entire \$15,000 is excluded from the aggregate extension base.

# PTELL Referenda Options

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## Extension limitation referendum

Section 18-205 allows taxing district to ask voters to approve a higher inflationary increase than the PTELL allows. The increase must be approved before the levy date of the first levy year affected. The referendum must be conducted at a regularly scheduled election and comply with the Election Code. The ballot question must identify the proposed inflation percentage increase (extension limitation), and each levy year to which the proposed increase will apply.

The specific ballot is below. The votes must be recorded as “Yes” or “No”.

“Shall the extension limitation under the Property Tax Extension Limitation Law for (insert the legal name, number, if any, and county or counties of the taxing district and geographic or other common name by which a school or community college district is known and referred to), Illinois, be increased from the lesser of 5% or the percentage increase in the Consumer Price Index over the prior levy year to (insert the percentage of the proposed increase)% per year for (insert each levy year for which the increased extension limitation will apply)?”

## Supplemental ballot information

The taxing district must provide supplemental ballot and election notices information when asking voters to approve an increase in the extension limitation. The information must be certified to the county clerk when the ballot question is certified. Because it is essential that this information is accurate, taxing districts may wish to contact each county clerk before certifying the information. Required information is listed below.

- 1 The additional tax a property owner with a home valued at \$100,000 would pay
- 2 If the question is to increase the extension limitation for more than one year, the additional tax the same property owner with a home valued at \$100,000 would be expected to pay in each subsequent year, based on a three-year average percentage increase in the district’s equalized assessed value minus any new property in the district.

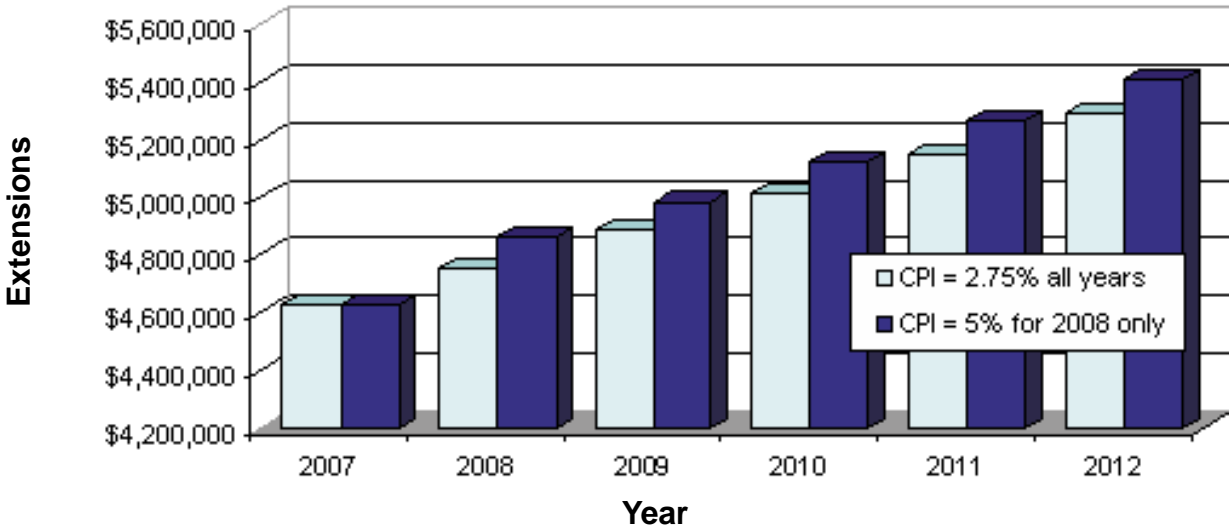
A referendum to increase the limitation is in effect only for the levy year specified on the ballot. Future levy years will be affected, however, because the base on which future increases are calculated will have been increased by the additional aggregate extensions allowed by law.

### Example:

To illustrate the effect of a voter-approved increase in the CPI to 5 percent for levy year 2008, presume that the inflationary increase for all other years is 2.75 percent. The effect of the one-time increase not only provides additional revenues for that levy year, it increases the aggregate extension base in the next year. Thus, the inflationary increase produces more revenues without asking voters to approve another increase.

# PTELL Referenda Options

## CPI Referendum



## Limiting rate referendum

Section 18-190 allows taxing districts to ask voters to approve a higher limiting rate for up to four years. The ballot must identify the proposed increase, the proposed maximum limiting rate, and each levy year to which the proposed increase will apply.

The specific ballot question is below. Votes must be recorded as “Yes” or “No”

“Shall the limiting rate under the Property Tax Extension Limitation Law for ... (insert legal name, number, if any, and county or counties of taxing district and geographic or other common name by which a school or community college district is known and referred to), Illinois, be increased by an additional amount equal to ...% above the limiting rate for levy year ... (insert the most recent levy year for which the limiting rate of the taxing district is known at the time the submission of the proposition is initiated by the taxing district) and be equal to ...% of the equalized assessed value of the taxable property therein for levy year(s) (insert each levy year for which the increase will be applicable, which years must be consecutive and may not exceed 4)?”

A voter-approved limiting rate increase replaces the limiting rate the county clerk would have calculated otherwise. This limiting rate becomes the tax rate for the levy years specified on the ballot. After that, the limiting rate will be calculated as it would normally. Because the voter-approved limiting rate replaces the rate that would otherwise be calculated, the district's tax extension increase will not be limited to the lesser of the CPI increase or 5 percent.

The taxing district may ask voters to approve a limiting rate increase for a levy year before the year in which the referendum is held if the referendum is canvassed more than 30 days before taxes are extended (*i.e.*, the final rates are calculated and certified) in all counties in which the district is located. The taxing district must notify the county clerk of each county in which it is located within two days after the canvass that the increased limiting rate applies to the prior year's levy. Taxing districts are not required to adopt a new levy if the previously adopted levy is large enough to use the new limiting rate.

# PTELL Referenda Options

## Supplemental ballot information

The PTELL also requires the taxing district to provide supplemental ballot and election notices information when asking voters to approve an increase in the limiting rate. Required information is listed below.

- 1 Amount of taxes extended at the most recent limiting rate versus the amount of taxes that will be extended if the referendum passes
- 2 The additional tax a property owner with a home valued at \$100,000 would pay
- 3 If the question is to increase the limiting rate for more than one year, the additional tax the same property owner with a home valued at \$100,000 would be expected to pay in each subsequent year, based on a three-year average percentage increase in the district's equalized assessed value minus any new property in the district
- 4 If the question is to increase the limiting rate, a statement that the limiting rate on the ballot will be used instead of the computation in the PTELL

## New rate referendum

Section 18-205 requires taxing districts to ask voters to approve a new rate before it extends taxes for that fund. The specific ballot question is below. The votes must be recorded as "Yes" or "No".

"Shall ... (insert legal name, number, if any, and county or counties of taxing district and geographic or other common name by which a school or community college district is known and referred to), Illinois, be authorized to levy a new tax for ... purposes and have an additional tax of ...% of the equalized assessed value of the taxable property therein extended for such purposes?"

A new rate referendum under Section 18-190 is required in each of the following circumstances:

- The taxing district has **never** levied for a fund.
- In the last three levy years, the taxing district has not levied for a fund that is subject to backdoor referendum (even if the district has levied for the fund at some point in the past).
- The General Assembly enacts a new fund and the taxing district wishes to levy a tax for that fund (*i.e.*, the district has never levied for that fund).

A new rate referendum under Section 18-190 is not required in each of the following circumstances:

- A taxing district **has** levied for a fund previously, even if it has not done so recently. The only exception is when a taxing district wishes to levy for a fund subject to backdoor referendum and has not done so in any of the last three levy years.
- A service is transferred from one taxing district to another and the district to which the service is transferred receives a portion of the former district's aggregate extension base for the transferred service.



# PTELL Referenda Options

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## DSEB referendum

Section 18-212 allows taxing districts to ask voters to approve an increase in the district's DSEB. The specific ballot question is below. Votes must be recorded as "Yes" or "No"

"Shall the debt service extension base under the Property Tax Extension Limitation Law for ... (taxing district name) ... for payment of principal and interest on limited bonds be .... ((established at \$ ....) . (or) (increased from \$ .... to \$ ....)) .. for the ..... levy year and all subsequent levy years?"

**Note** → A taxing district also has the option of submitting the question of issuing any bond directly to the voters of the district under Section 18-190 of the Property Tax Code. If the voters approve the bonds, they are excluded from the PTELL limitation; if the voters do not approve the bonds, they may not be issued. Both unlimited tax general obligation bonds or notes and bonds otherwise subject to backdoor referendum provisions must be submitted to voters directly before they are issued (unless they can be issued as limited bonds under the district's DSEB and the district identifies them as such).

# PTELL by Referendum

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County boards of all counties except Cook, DuPage, Lake, McHenry, and Will counties decide whether or not to allow voters to choose if property tax extension increases should be limited. The county board can place the issue on the ballot at any election other than a consolidated primary election by passing an ordinance or resolution at least 65 days before the election. The referendum provision is in Section 18-213 of the Property Tax Code.

Referenda authorized by the PTELL are exempt from the requirement that taxing districts may have only three public policy questions on a ballot. The question is placed on a separate ballot and is worded as shown below.

“Shall the Property Tax Extension Limitation Law (35 ILCS 200/18-185 through 18-245), which limits annual property tax extension increases, apply to non-home rule taxing districts with all or a portion of their equalized assessed value located in (name of county)?”

## The county clerk’s role

Once a county board agrees to have a PTELL referendum, the county clerk has two major responsibilities. One is ensuring that the question is placed on the ballot, either by doing so directly or by sending a certified copy of the ordinance or resolution to the proper election authorities so they can place it on the ballot. The other occurs immediately after the referendum when the county clerk must notify all taxing districts located in the county and the Illinois Department of Revenue that the referendum was held and report its result.

## Effect on taxing districts

If the voters approve the referendum, the PTELL applies to all non-home rule taxing districts that are located entirely within the county.

A taxing district that overlaps two or more counties is treated differently. Two conditions must be met before the district becomes subject to the PTELL.

- 1 All counties in which the district is located must have held referenda except for the portion of the district that overlaps in Cook County or the collar counties.
- 2 A majority of the taxing district’s EAV must be located in counties where voters have approved the referenda. In making this calculation, the EAV of any portion of the district that overlaps in Cook or the collar counties is included with the EAV of the counties where the voters approved the referenda.

If these two conditions are met, the entire district becomes subject to the PTELL, even the portion in any county where voters rejected the referendum.

After the final referendum is held, the Illinois Department of Revenue will notify the taxing district and the county clerks of all the counties in which the district is located whether or not the district is subject to the PTELL.

## Effective date

For taxing districts located entirely within a county, the PTELL applies to levies for the year immediately following a voter-approved PTELL referendum. For example, if voters approved a referendum in November 2008, districts in the county will first be affected for 2009 taxes, payable in 2010.

# The PTELL Referendum

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For taxing districts that overlap two or more counties, the PTELL applies to levies for the year immediately following the referendum that makes the district subject to the PTELL.

## Example:

A taxing district overlaps three counties. Two of those counties have held referenda at which voters approved the question of applying the PTELL to taxing districts in their county, in 1996 and 1998. The third county has not held a referendum. Only 1 percent of the tax base of the district is in the third county. The taxing district is not subject to the PTELL because all three counties must hold the referendum.

The third county holds the referendum in 2010, but voters do not approve the referendum. The taxing district is now subject to the PTELL although the third county rejected the measure because a majority of its EAV is in counties where voters have approved the referendum.

When determining the limiting rate, the EAV for the 2009 levy year will be used because it is the levy year immediately preceding the year of the final referendum. Bonds issued before the date of the referendum in 2010 are excluded from the limitation (*i.e.*, the cutoff date). This is true even though the referendum in 2010 resulted in voters in that county rejecting the PTELL. Extensions for the 2010 levy year will be used to determine the debt service extension base because this is the year of the final referendum.

## Rescinding the referendum

The county board in counties other than Cook and the collar counties may again put the PTELL question to the voters using the same referendum process and ballot question that made taxing districts subject to the PTELL. The provision for rescinding the referendum is in Section 18-214.

“Shall the Property Tax Extension Limitation Law (35 ILCS 200/18-185 through 35 ILCS 200/18-245), which limits annual property tax extension increases, apply to non-home rule taxing districts with all or a portion of their equalized assessed valuation located in (name of county)?”

If the voters reject the PTELL at this referendum, taxing districts located entirely within the county will no longer be subject to the PTELL.

## Effect on taxing districts

A taxing district that overlaps two or more counties and that is subject to the PTELL by referendum will no longer be subject to the PTELL if two conditions are met.

First, the question must be put on the ballot in each county that is outside Cook or the collar counties in which the district overlaps unless the county’s voters rejected the most recent PTELL referendum.

Second, a majority of the taxing district’s equalized assessed value, other than equalized assessed value in Cook or the collar counties, must be located in counties where voters have rejected the most recent PTELL referendum.

# The PTELL Referendum

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If these two conditions are met, the entire taxing district will no longer be subject to the PTELL, even the portion in any county where voters have approved this referendum. The Department of Revenue will then notify the district and the county clerks of all the counties in which the district is located that the district is no longer subject to the PTELL.

## **Effective date**

The PTELL does not apply to levies made for the year immediately following a referendum that results in a taxing district no longer being subject to the PTELL.

# The PTELL's Effect on Tax Rates

Each year a taxing district determines its budget and how much of that budget must be raised from property taxes. The taxing district certifies the requested amount, called its "levy" to the county clerk, who determines the tax rate needed to produce the amount requested. To calculate the tax rate, the taxing district's revenue request, or levy, is divided by the district's tax base (*i.e.*, the total equalized assessed value (EAV) of all property in the taxing district). As long as the taxing district does not exceed the statutory maximum tax rate<sup>10</sup> or the calculated limiting rate, taxes are billed, or "extended", at that rate. The greater the tax base, the smaller the tax rate needed to produce the levy.

## Example 1:

Tax base increases 8 percent each year.

Taxing district extends \$2.1 million.

Year	Tax base (EAV) (in millions)	Extension (taxes billed, in millions)	Tax rate
1	30.00	\$2.10	7.00%
2	32.40	\$2.10	6.94%
3	34.99	\$2.10	6.43%
4	37.79	\$2.10	5.95%
5	40.81	\$2.10	5.51%
6	44.08	\$2.10	5.10%
7	47.61	\$2.10	4.73%
8	51.41	\$2.10	4.38%
9	55.53	\$2.10	4.05%
10	59.97	\$2.10	3.75%

## Example 2:

Tax base increases 8 percent each year.

Taxing district extends taxes at 7 percent aggregate rate.

Year	EAV (in millions)	Extension (taxes billed, in millions)	Tax rate
1	30.00	2.10	7.00%
2	32.40	2.27	7.00%
3	34.99	2.45	7.00%
4	37.79	2.65	7.00%
5	40.81	2.86	7.00%
6	44.08	3.09	7.00%
7	47.61	3.33	7.00%
8	51.41	3.60	7.00%
9	55.53	3.89	7.00%
10	59.97	4.20	7.00%

<sup>10</sup> Some rates are simply set by statute; some are set by statute but may be increased if approved by the voters; and some are allowed by statute but subject to voter repeal (*i.e.*, "backdoor referendum").

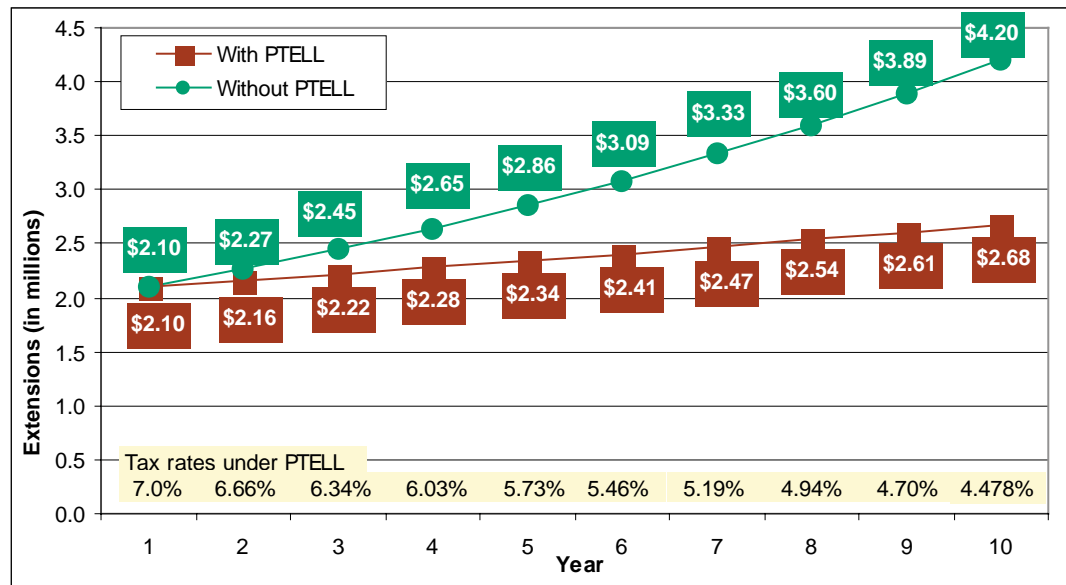
# The PTELL's Effect on Tax Rates

## The tax rate under PTELL

Because increases to a taxing district's extension are limited under the PTELL, the practical effect of the PTELL is to deliberately reduce the tax rates imposed on property owners by taxing districts, especially in areas where the tax base is increasing faster than the rate of inflation. A common misconception is that a taxing district's budget is "cut" because of the PTELL. Although it is true that the district may not be able to extend taxes at the full, original tax rate because that rate has been driven down or "eroded", taxing districts **do** receive an inflationary increase each year (plus additional increases allowed by PTELL).

In the following example, a taxing district has an EAV of \$30 million dollars in year one. The district's EAV increases 8 percent each year. In this example, there is no new property, voter-approved rate increases, or any other provision allowed by PTELL for a taxing district to capture additional revenues. The CPI is 2.75 percent each year. Figure 3 shows the extensions with and without PTELL (presumes an aggregate rate of 7.0 percent is extended each year without PTELL).

### Example 3:



# Rate Increase Factor

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The provision in Section 18-230 authorizing a rate increase factor and factors for four subsequent years is eliminated for all referenda held after March 21, 2006. This is because PTELL taxing districts are no longer authorized to hold a referendum to increase its maximum rate for a fund that is subject to the PTELL. Instead, it must ask voters to approve an increase in the limiting rate (Section 18-190) or in the inflationary increase (Section 18-205).

- 1** If the taxing district held a successful referendum before March 21, 2006, and the taxing district did not extend taxes at the new voter-approved maximum rate, the district may still receive a factor for up to four subsequent years.
- 2** If the successful referendum was held on or before that date but the increase was effective for the 2006 levy year (taxes paid in 2007), a rate increase factor will be computed and an adjustment will be made to the limiting rate as before Public Act 94-976 because the referendum was held before the March 21, 2006 cutoff date.
- 3** If a successful referendum was held on or before that date, the increase is effective for the 2006 levy year (taxes paid in 2007), the voter-approved rate is below the statutory ceiling, and the taxing district wishes to levy an amount that would produce a rate equal to the statutory ceiling, then the rate increase factor under Section 18-230 is computed. Under Section 18-190, the taxing district can levy the amount needed to produce the rate as long as the sum of all rates does not exceed the district's limiting rate.
- 4** If a referendum was held on or before March 21, 2006, the district is still receiving an adjustment under Section 18-230, and the district now asks voters to approve an increase in the limiting rate, then the limiting rate referendum supersedes the previous referendum. In other words, the district cannot get both an adjustment under Section 18-230 and the higher limiting rate.

If a taxing district holds a referendum after March 21, 2005, to levy for a new rate, the new rate is added to the limiting rate instead of making an adjustment as was done previously. The taxing district must use the form of the ballot prescribed by Section 18-190 for a new rate and include the supplemental information.





# Tax Extension Instructions for County Clerks

## Example A - Levy year 2007 extension example (basic steps)

### Section 1: Obtain the following for each district subject to the PTELL.

- 1 Extensions for 2007 tax year for the funds that are subject to the PTELL (*i.e.*, aggregate extension base)
- 2 Equalized assessed value (EAV) for 2007 tax year (taxes payable in 2008)
- 3 2007 levies filed by district

- 4 Assessed value of new property for the district

### Section 2: Extend taxes as follows.

- 5 Compute preliminary tax rates for the district by fund as usual. (These are preliminary rates because they may be reduced by the PTELL. A preliminary rate cannot be greater than the statutory maximum rate for the fund.)
- 6 Add the preliminary rates for those funds subject to the PTELL.
- 7 Compute the numerator of the limiting rate. Multiply the 2005 aggregate extension base by one plus the limit (1.034) or other limitation passed by referendum under Section 18-205 of the Property Tax Code.
- 8 Compute the denominator of the limiting rate by subtracting from the 2007 EAV the product of the assessed value of new property from Line 4 times the county multiplier.
- 9 Compute the limiting rate by dividing the numerator from Line 7 by the denominator from Line 8.
- 10 Compare the total of the preliminary rates from Line 6 to the limiting rate from Line 9. If the total of the preliminary rates from Line 6 is less than or equal to the limiting rate from Line 9, the district is not affected by the PTELL. Do not continue to Lines 11 and 12. Extend taxes as usual. If the total of the preliminary rates from Line 6 is greater than the limiting rate from Line 9, the district is affected by PTELL. Complete Lines 11 and 12.
- 11 Reduce the preliminary rates from Line 5 that are subject to the PTELL by multiplying them by a factor equal to the limiting rate from Line 9 divided by the total of the preliminary rates from Line 6.
- 11a \*Under Section 18-195 of the Property Tax Code, a taxing district may direct the county clerk to reduce the extensions by different amounts, provided the limiting rate and the maximum rate for a fund is not exceeded.
- 12 Extend taxes using the rates computed in Line 11
- 13 Compute reduction to the extension due to the law, if applicable.

County multiplier is 1.0000. Change in CPI is 3.4%.  
Aggregate extension base year is 2006.

1	Extensions for 2007 tax year: (corporate and recreation)	\$	270,000
2	2007 EAV:	\$	10,400,000
3	2007 levies:		
	Corporate	\$	280,000
	Recreation	\$	20,000
	Bonds (not subject to the PTELL)	\$	100,000
4	New property:	\$	400,000
5	Compute preliminary tax rates:		
	Corporate	$\$280,000 \div \$10,400,000 =$	.02692
	Recreation	$\$20,000 \div \$10,400,000 =$	.00192
	Bonds	$\$100,000 \div 10,400,000 =$	.00962
6	Add preliminary rates:	$.02692 + .00192 =$	.02884
7	Numerator:	$\$270,000 \times 1.034 =$	\$279,180
8	Denominator:	$\$10,400,000 - (\$400,000 \times 1.0000) =$	\$10,000,000
9	Limiting rate:	$\$279,180 \div \$10,000,000 =$	.02792
10	Total of the preliminary rates from Line 6 (.02884) is greater than the limiting rate from Line 9 (.02792). <b><i>District is affected by the law.</i></b>		
11	Factor to reduce rates:	$.02792 \div .02884 =$	.9681
	New rates:		
	Corporate	$.02692 \times .9681 =$	.02606
	Recreation	$.00192 \times .9615 =$	<u>.00186</u>
	<b>Total rate</b>		<b>.02792</b>
11a	When the sum of rates exceed the limiting rate the clerk can reduce them proportionally unless directed otherwise by the taxing district.*		
12	Extend taxes:		
	Corporate	$.02606 \times \$10,400,000 =$	\$ 271,024
	Recreation	$.00185 \times \$10,400,000 =$	\$ 19,344
	Bonds	$.00962 \times \$10,400,000 =$	<u>\$ 100,048</u>
			\$ 390,416
13	Extension reduction due to law:		
	Corporate	$\$280,000 - \$271,024 =$	\$ 8,976
	Recreation	$\$20,000 - \$19,344 =$	<u>\$ 656</u>
			\$ 9,632

# Tax Extension Instructions for County Clerks

## Example B - Levy year 2007 extension example with TIF

### Section 1: Obtain the following for each district subject to the PTELL.

- 1 Extensions for 2007 tax year for funds subject to the PTELL (excluding extensions for the TIF increment)
- 2 Equalized assessed value (EAV) for 2007 tax year (taxes payable in 2008), including TIF increment
- 3 2007 levies filed by district
- 4 Assessed value of new property located inside the district but outside of the TIF
- 5 TIF increment

### Section 2: Extend taxes as follows:

- 6 Compute preliminary tax rates for the district by fund as usual. (These are preliminary rates because they may be reduced by the PTELL. A preliminary rate cannot be greater than the maximum statutory rate for the fund.)  
Divide the levy for each fund by the 2008 EAV minus the TIF increment.
- 7 Add the preliminary rates for those funds subject to the PTELL.
- 8 Compute the numerator of the limiting rate. Multiply the 2006 aggregate extension base (excluding extensions for the TIF increment) by one plus the limitation (1.034) or other limitation passed by referendum under Section 18-205 of the Property Tax Code.
- 9 Compute the denominator of the limiting rate by subtracting from the 2007 EAV (excluding the TIF increment) the product of the assessed value of new property from Line 4 (located inside the district but outside of the TIF) times the county multiplier. (New construction which is a part of the TIF increment is not new property under the PTELL.)
- 10 Compute the limiting rate by dividing the numerator from Line 8 by the denominator from Line 9.
- 11 Compare the total of the preliminary rates from Line 9 to the limiting rate from Line 10. If the total of the preliminary rates from Line 9 is less than or equal to the limiting rate from Line 10, the district is not affected by the PTELL. Do not continue to Lines 14 and 15. Extend taxes as usual. If the total of the preliminary rates from Line 9 is greater than the limiting rate from Line 10, the district is affected by the PTELL. Complete Lines 14 and 15.
- 11a\* Under Section 18-195 of the Property Tax Code, a taxing district may direct the county clerk to reduce the extensions by different amounts, provided the limiting rate and the maximum rate for a fund is not exceeded
- 12 Reduce the preliminary rates from Line 8 that are subject to the PTELL by multiplying them by a factor equal to the limiting rate from Line 10 divided by the total of the preliminary rates from Line 9\*.

County multiplier is 1.0000. Change in CPI is 3.4%  
Aggregate extension base year is 2006.

1	2006 extensions, excluding TIF extensions	\$	260,000
2	2007 EAV:	\$	10,000,000
3	2007 levies:		
	Corporate	\$	264,000
	Tort liability	\$	23,000
	Bonds (not subject to the law)	\$	90,000
4	New property	\$	100,000
5	TIF increment	\$	1,000,000

6	Compute preliminary tax rates:		
	Corporate		
	$\$264,000 \div (10,000,000 - \$1,000,000)$	=	.02933
	Tort liability		
	$\$23,000 \div \$10,000,000 - \$1,000,000)$	=	.00256
	Bonds		
	$\$90,000 \div \$10,000,000 - \$1,000,000)$	=	<u>.01000</u>
7	Add preliminary rates: .02933 + .00256	=	.03189

8 Numerator:  $\$260,000 \times 1.034$  = \$268,840

9 Denominator:  
 $\$9,000,000 - (\$100,000 \times 1.0000)$  = \$8,900,000

10 Limiting rate:  $\$268,840 \div \$8,900,000$  = .03021

11 Total of the preliminary rates from Line 7 (.03189) is greater than the limiting rate from Line 10 (.0321).  
**District is affected by the PTELL**

11a When the sum of rates exceeds the limiting rate the clerk can reduce them proportionally unless directed otherwise by the taxing district\*.

12	Factor to reduce rates: $.03021 \div .03189$	=	.94732
	New rates:		
	Corporate $.02933 \times .94732$	=	.02778
	Tort liability $.00256 \times .94732$	=	<u>.00243</u>
			.03021

# Tax Extension Instructions for County Clerks

13 Extend taxes using the rates computed in Line 14.

13 Extend taxes:

Total extension to district and TIF		
Corporate	.02778 x \$10,000,000	= \$ 277,800
Tort liability	.00243 x \$10,000,000	= \$ 24,300
Bonds	.01000 x \$10,000,000	= \$ 100,000
<b>Total</b>		<b>\$ 402,100</b>

Extension to district only (rates multiplied by 2007 EAV without TIF increment)

Corporate	.02778 x \$9,000,000	= \$ 250,020
Tort liability	.00243 x \$9,000,000	= \$ 21,870
Bonds	.01000 x \$9,000,000	= \$ 90,000
<b>Total</b>		<b>\$ 361,890</b>

14 Compute the reduction to the extension due to the law, if applicable

14 Extension reduction due to law:

With TIF

Corporate	\$264,000 - \$277,800	= \$ 13,800
Recreation	\$23,000 - \$24,300	= \$ 1,300
		= \$ 15,100

Without TIF

Corporate	\$264,000 - \$250,020	= \$ 13,980
Recreation	\$23,000 - \$21,870	= \$ 1,130
		= \$ 15,110

# PTELL Legislation History

**Note** The descriptions do not provide a comprehensive listing of every detail in the legislation. The Illinois Department of Revenue, its employees, other agencies of the state of Illinois, and the state of Illinois make no warranty and assume no liability of responsibility for the completeness, accuracy, format, and nature of the information in this publication or its use or misuse.

## Public Act 87-17

**Effective October 1, 1991**

Enacted the Property Tax Extension Limitation Act (PTELA), effective for the 1991 levy year for all non-home rule taxing districts with a majority of their 1990 EAV in the collar counties of DuPage, Kane, Lake, McHenry, or Will.

Exempted from the limitation the extensions for bonds issued before October 1, 1991, and certain other commitments made before this cutoff date.

Provided that referenda made under the PTELA are exempt from the requirement that taxing districts may have only three referenda on a ballot as mandated in the Election Code.

Provided authority for taxing districts to put any bond, even a non-referendum bond, on the ballot. Required voter-approval before levying any new rate, or taking advantage of a new maximum rate.

Provided an extension limitation for Cook County based on the prior year EAV of a taxing district.

Added a uniform levy date of the last Tuesday in December for all taxing districts.

## Public Act 88-455

**Effective January 1, 1994**

Recodified the Revenue Act of 1939 into the Property Tax Code. (The limitation became The Property Tax Extension Limitation Law [PTELL] in the Property Tax Code.)

## Public Act 89-1

**Effective February 12, 1995**

Subjected Cook County taxing districts to the PTELL as follows:

- Beginning with the 1994 levy year, the new One-Year Property Tax Extension Limitation Law applied to non-home rule districts in Cook and the collar counties that were not previously subject to the PTELL effective for the 1994 levy year. (The limitation for the 1994 levy year was 5 percent.)
- Cook County taxing districts were subjected to the PTELL beginning with the 1995 levy year.

Exempted from the limitation the extensions for bonds issued before March 1, 1995, and certain other commitments made before this cutoff date for taxing districts added by this Public Act.

Deleted Section 18-220 concerning disconnected property and added disconnected property to Section 18-225 of the Property Tax Code.

## Public Act 89-138

**Effective July 14, 1995**

Revised the definition of new property to include property exempt in the immediately prior year which is not now exempt.

## Public Act 89-385

**Effective August 18, 1995**

Allowed a taxing district to continue to extend taxes for non-referendum bonds at the same level as it did in 1994. That level was defined as the "debt service extension base."

Provided for increasing or establishing the debt service base by referendum. Bonds to be paid under this provision must be labeled "limited bonds" under the Local Government Debt Reform Act.

Exempted alternate bonds or double-barreled bonds issued under Section 15 of the Local Government Debt Reform Act from the limitation.

## Public Act 89-436

**Effective January 1, 1996**

Created a deduction from the denominator of the limiting rate for the recovered tax increment value, thus allowing capped taxing districts to access the TIF increment as though it was new construction after a TIF is dissolved.

## Public Act 89-510

**Effective July 11, 1996**

Allowed county boards to call for a referendum to establish the PTELL for non-home rule districts in the county, effective for the levy year after the referendum is held.

Exempted from the limitation the extensions for bonds issued before the date of the referendum making the district subject to the PTELL and certain other commitments made before this cutoff date.

# PTELL Legislation History

Established the debt service extension base for non-referendum bonds for taxing districts made subject to the PTELL by referendum as the extension for this type of bond for the levy year in which the referendum is held.

## Public Act 89-718

**Effective March 7, 1997**

Allowed county boards of counties that are subject to the PTELL by referendum to give voters the opportunity to rescind the PTELL using the same referendum process as that used to make the county subject to the PTELL. A referendum can be held in a county only at the request of the county board.

## Public Act 90-056

**Effective June 30, 1999**

Amends the PTELL to provide that notices required in connection with the submission of public questions on or after July 1, 1999, shall be as set forth in Section 12-5 of the Election Code.

## Public Act 90-320

**Effective January 1, 1998**

Beginning on January 1, 1998 and thereafter, the EAV of all property for the computation of the amount to be extended within Cook County is the sum of (i) the EAV of such property for the year immediately preceding the levy year as established by the assessment and equalization process for the year immediately prior to the levy year, (ii) the EAV of any property that qualifies as new property, as defined in Section 18-185, or annexed property, as defined in Section 18-225, for the current levy year, and (iii) any recovered tax increment value, as defined in Section 18-185, for the current levy year, less the EAV of any property that qualifies as disconnected property, as defined in Section 18-225, for the current levy year.

## Public Act 90-339

**Effective August 8, 1997**

Amends the PTELL to provide that, upon written request of a corporate authority of a village, the county clerk shall calculate separate limiting rates for library funds and for the aggregate of other village funds in order to reduce the funds as may be required by the PTELL.

## Public Act 90-485

**Effective January 1, 1998**

The amount of bonds issued under the Metropolitan Water Reclamation District Act as limited bonds and paid for from the debt service exten-

sion base is increased. The bonds excluded from the PTELL in Section (h) are treated as though they had been issued by referendum. Therefore, the payments on these bonds are not deducted from the debt service extension base amount in calculating the amount of limited bonds payments that can be exempt from the PTELL.

## Public Act 90-511

**Effective August 22, 1997**

Extensions made by a school district that participates in the Special Education District of Lake County (SEDLC) are excluded from the PTELL to the extent of the school district's contribution to the SEDLC's required contribution to the Illinois Municipal Retirement Fund. The school district must certify the amount of the extension to the county clerk.

## Public Act 90-568

**Effective January 1, 1999**

When taxes are extended for the 1997 levy year, a non-home rule taxing district's recovered tax increment (TIF) must be increased by an amount equal to the 1994 EAV of each taxable lot, block, tract, or parcel of real property in the redevelopment project area above the initial EAV of each property in the redevelopment project area if the following conditions are met:

- The taxing district became subject to the PTELL for the 1995 levy year because a majority of its 1994 EAV was in an affected county.
- The municipality terminated the designation of an area in 1993 as a redevelopment project area previously established under the Tax Increment Allocation Act, Industrial Jobs Recovery Law, or the Economic Development Area Tax Increment Allocation Act.

## Public Act 90-616

**Effective July 10, 1998**

When computing the limiting rate for the PTELL, the Cook County clerk must include any recovered tax increment value that was applicable to the 1995 tax year calculations in the 1997 recovered tax increment value for any school district.

# PTELL Legislation History

## **Public Act 90-652**

**Effective July 28, 1998**

Beginning with the 1998 levy year, a county or township community mental health board may request the county clerk to calculate a separate limiting rate for the community health funds.

## **Public Act 90-653**

**Effective July 29, 1998**

Qualifying school districts subject to property tax extension limitations as imposed under the provisions of the PTELL may receive a general state aid adjustment grant. Eligibility for this grant is determined annually and claims for grant payments are paid subject to appropriations made. One of the qualifications to receive this grant is to certify that the school district had its Preliminary Tax Rate extension for the Base Tax Year reduced as a result of the Property Tax Extension Limitation Law.

## **Public Act 90-655**

**Effective July 1, 1998**

First 1998 General Revisory Act

## **Public Act 90-719**

**Effective August 7, 1998**

The provisions of Section 18-190 requiring a referendum to establish a new levy do not apply when two or more taxing districts merge and the service and the corresponding portion of the aggregate extension base transferred to a taxing district are for a service for which the transferee taxing district does not currently levy.

## **Public Act 90-812**

**Effective January 26, 1999**

Amends the Local Government Debt Reform Act, the Property Tax Code, the Illinois Pension Code, the Illinois Municipal Code, and the Public Library District Act of 1991, to require a notice of publication 10 to 45 days prior to the election, rather than the current 10 to 30 day notice requirement. This requirement affects elections held on or after November 1, 1998.

Also amends the School Code to provide three alternatives for the notice of bond referendum, instead of the one provided by current law.

## **Public Act 91-57**

**Effective June 30, 1999**

Amends the PTELL to provide that notices required in connection with the submission of public questions on or after July 1, 1999, shall be as set forth in Section 12-5 of the Election Code.

## **Public Act 91-111**

**Effective July 14, 1999**

Amends the School Code to provide that local resources, as a component of the school aid formula, shall be determined using an equalized assessed valuation of the district's taxable property with consideration given to the limitations of the PTELL on the growth in district property tax revenues. For school districts having a majority of their EAV in any county except Cook, DuPage, Kane, Lake, McHenry, or Will, if the amount of general state aid allocated to the school district for the 1999-2000 school year is less than the amount of general state aid allocated to the district for the 1998-1999 school year, then the general state aid of the district for the 1999-2000 school shall be increased by the difference between these amounts.

Requires that the State Board of Education secure from the Illinois Department of Revenue the limiting rate for all school districts subject to limitations under the PTELL.

## **Public Act 91-357**

**Effective July 29, 1999**

First 1999 General Revisory Act

## **Public Act 91-478**

**Effective November 1, 1999**

Amends the Property Tax Code to provide that in the first year after a municipality removes taxable property from a redevelopment project area the "recovered tax increment value" means the amount of the current year's equalized assessed value (EAV) of the property removed, less the initial EAV of that real property before removal from the redevelopment project area.

## **Public Act 91-493**

**Effective August 13, 1999**

Amends the Local Government Debt Reform Act to allow local governments to either purchase or lease real or personal property under installment agreements that may not exceed 20 years or a greater length of time that is authorized by law.

# PTELL Legislation History

The governmental units are allowed to issue certificates of indebtedness evidencing the agreement. The certificates are valid regardless of whether there is an appropriation made in a budget adopted by the governmental unit. In addition, provides that governmental units may acquire or dispose of either real or personal property in "any manner, as the governing body shall determine, if the governmental unit will lease the property." Allows limited bonds to be levied at any time before March 1. Provides that bonds authorized by referendum or subject to backdoor referendum must be issued within five years after the referendum or three years after the end of the petition period for a backdoor referendum.

Amends the Municipal Code to extend from 10 to 20 years the time period in which a city with a population fewer than 1,000,000 must pay off a purchase or lease installment contract.

## **Public Act 91-859**

**Effective June 22, 2000**

Authorizes a county or township board, for care and treatment of persons with a developmental disability, to direct the county clerk to calculate separate limiting rates for these funds and for the aggregate of the other county or township funds under the PTELL beginning with the 2001 levy year.

## **Public Act 91-868**

**Effective June 22, 2000**

Provides that an authorizing ordinance adopted by local governments regarding bonds, subject to backdoor referendum, must be published at least once in a newspaper of general circulation in the governmental unit. The bill also allows, but does not require, the notice to be posted on the unit's internet page.

Sets forth an alternate bond approval referendum that can be used for any front door or back door referendum, for any election after July 1, 2000, which includes information, *i.e.*, a school district that has received a grant entitlement from the Illinois State Board of Education (ISBE), per the School Construction Law, to be financed in part with proceeds of a bond authorized by referendum, and provides wording for the ballot.

Further provides that debt services on alternate bonds issued as variable rate bonds shall be projected based on the rate for the most recent date shown in the General Obligation Bond Index of average municipal bond yields as published in

the most recent edition of The Bond Buyer. This bill also provides that amounts payable by a governmental unit and calculated at an agreed rate pursuant to an agreement in connection with the alternate bonds entered into at the time of issuance must be projected based on the agreed rate.

Amends the Public Library District Act of 1991 to provide that a library district may extend taxes to pay the principal and interest on bonds issued to refund general obligation bonds on taxable property that was in the district on the date that the bonds being refunded were issued. Further provides that the net interest rate on the refunding bonds may not exceed the net interest rate on the refunded bonds, the final maturity date of the refunding bonds may not extend beyond the final maturity date of the refunded bonds, and the debt service payable on the refunding bonds in any year may not exceed the debt service that would have been payable on the refunded bonds in that year.

## **Public Act 91-885**

**Effective July 6, 2000**

Amends the Property Tax Code to allow for the abatement, not to exceed 10 years, of property taxes for property that is used for a municipal airport, subject to certain leasehold assessments, and is sublet from a park district from a municipality, but only if the property is used exclusively for recreational facilities or parking lots for those facilities.

Amends the Illinois Municipal Code to provide that if property within a municipality also lies within a park district and is taxed for park or recreational purposes by both the municipality and the park district, the municipality may pay all or part of the park district tax for a period not to exceed 10 years.

Provides that for purposes of the PTELL, that the amount of the extension abatement shall continue to be included in the park district's aggregate extension base.

Amends the Park District Code and the Chicago Park District Act regarding criminal background investigations for applications for employment.

This appendix considers the interaction between the PTELL and the prior year EAV provision for Cook County. See Section 18-145 of the Property Tax Code.

# PTELL Legislation History

## Public Act 94-976

Effective June 30, 2006

Major changes are listed below.

A PTELL taxing district must use only the referenda options in the PTELL to raise more taxes than the cap allows. It **may not** use any other proposition found in Illinois statutes, including those based on Section 18-120 and Section 18-125 of the Property Tax Code.

Taxing districts may ask voters to approve an increase in the limiting rate for one or more levy years (but no more than four) as specified on the ballot.

Taxing districts may ask voters to approve an inflationary increase that is greater than allowed by the PTELL (*i.e.*, 5 percent or the CPI, whichever is less) for one or more levy years as specified on the ballot (only one year previously).

Significant new supplemental ballot and election notice information is required when a taxing district asks voters to approve an increase in the limitation (inflationary increase) or limiting rate.

The rate increase factor is eliminated for all referenda held after March 21, 2006. A PTELL taxing district is no longer authorized to hold a referendum to increase its maximum rate for a fund that is subject to the PTELL. Instead, it must ask voters to approve an increase in the limiting rate (Section 18-190) or in the inflationary increase (Section 18-205).

In some limited instances, taxing districts may exceed a voter-approved rate limit for a fund as long as the sum of all rates of funds subject to the PTELL does not exceed the limiting rate. A fund for a taxing district may exceed a voter-approved rate as long as it does not exceed a statutorily prescribed maximum rate ceiling (that cannot be exceeded by referendum or otherwise). The sum of all rates still cannot exceed the limiting rate.

## Public Act 95-90

Effective January 1, 2008

Adds projects previously established under the Economic Development Project Area Tax Increment Act of 1995 to the definition of "recovered tax increment".

## Public Act 95-404

Effective January 1, 2008

Beginning with levy year 2007 (taxes paid in 2008), the aggregate extension base is "reset" in two situations:

- If a taxing district is located in two or more counties and estimated EAVs were used to extend taxes in the prior year, then the current year's aggregate extension base is reset to what it would have been if actual values had been used to extend taxes the prior year.
- If a taxing district is located in two or more counties and an adjustment under Section 18-135(c) of the Property Tax Code was made in the prior year, then the current year's aggregate extension base is reset to what it would have been if the adjustments were not required.

Section 18-135 (d) stipulates that the adjustments under the 18-135 for a PTELL district are made **after** the limiting rate is calculated.



# PTELL Statute

**Note** This publication is provided solely as an information resource from information posted on the web site of the Illinois General Assembly at [www.legis.state.il.us/ilcs//chapterlist](http://www.legis.state.il.us/ilcs//chapterlist). It is not the official text of the Illinois Compiled Statutes (ILCS) as enacted into law and you should not cite this text as an authoritative source. The Illinois Department of Revenue, its employees, other agencies of the state of Illinois, and the state of Illinois make no warranty and assume no liability or responsibility for the completeness, accuracy, format, and nature of the information contained in this publication or its use or misuse.

Does not include text of Public Act 95-90 or Public Act 95-404.

## Division 5. Property Tax Extension Limitation Law

(35 ILCS 200/18-185)

**Sec. 18-185. Short title; definitions.**

This Division 5 may be cited as the Property Tax Extension Limitation Law. As used in this Division 5:

“Consumer Price Index” means the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor.

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

“Affected county” means a county of 3,000,000 or more inhabitants or a county contiguous to a county of 3,000,000 or more inhabitants.

“Taxing district” has the same meaning provided in Section 1-150, except as otherwise provided in this Section. For the 1991 through 1994 levy years only, “taxing district” includes only each non-home rule taxing district having the majority of its 1990 equalized assessed value within any county or counties contiguous to a county with 3,000,000 or more inhabitants. Beginning with the 1995 levy year, “taxing district” includes only each non-home rule taxing district subject to this Law before the 1995 levy year and each non-home rule taxing district not subject to this Law before the 1995 levy year having the majority of its 1994 equalized assessed value in an affected county or counties. Beginning with the levy year in which this Law becomes applicable to a taxing district as provided in Section 18-213, “taxing district” also includes those taxing districts made subject to this Law as provided in Section 18-213.

“Aggregate extension” for taxing districts to which this Law applied before the 1995 levy year means the annual corporate extension for the taxing district and those special purpose extensions that are made annually for the taxing district, excluding special purpose extensions: (a) made for the taxing district to pay interest or principal on general obligation bonds that were approved by referendum; (b) made for any taxing district to pay interest or principal on general obligation bonds

issued before October 1, 1991; (c) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund those bonds issued before October 1, 1991; (d) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund bonds issued after October 1, 1991 that were approved by referendum; (e) made for any taxing district to pay interest or principal on revenue bonds issued before October 1, 1991 for payment of which a property tax levy or the full faith and credit of the unit of local government is pledged; however, a tax for the payment of interest or principal on those bonds shall be made only after the governing body of the unit of local government finds that all other sources for payment are insufficient to make those payments; (f) made for payments under a building commission lease when the lease payments are for the retirement of bonds issued by the commission before October 1, 1991, to pay for the building project; (g) made for payments due under installment contracts entered into before October 1, 1991; (h) made for payments of principal and interest on bonds issued under the Metropolitan Water Reclamation District Act to finance construction projects initiated before October 1, 1991; (i) made for payments of principal and interest on limited bonds, as defined in Section 3 of the Local Government Debt Reform Act, in an amount not to exceed the debt service extension base less the amount in items (b), (c), (e), and (h) of this definition for non-referendum obligations, except obligations initially issued pursuant to referendum; (j) made for payments of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act; and (k) made by a school district that participates in the Special Education District of Lake County, created by special education joint agreement under Section 10-22.31 of the School Code, for payment of the school district's share of the amounts required to be contributed by the Special Education District of Lake County to the Illinois Municipal Retirement Fund under Article 7 of the Illinois Pension Code; the amount of any extension under this item (k) shall be certified by the school district to the county clerk.

“Aggregate extension” for the taxing districts to which this Law did not apply before the 1995 levy year (except taxing districts subject to this Law in accordance with Section 18-213) means the annual corporate extension for the taxing district and those special purpose extensions that

# PTELL Statute

are made annually for the taxing district, excluding special purpose extensions: (a) made for the taxing district to pay interest or principal on general obligation bonds that were approved by referendum; (b) made for any taxing district to pay interest or principal on general obligation bonds issued before March 1, 1995; (c) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund those bonds issued before March 1, 1995; (d) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund bonds issued after March 1, 1995 that were approved by referendum; (e) made for any taxing district to pay interest or principal on revenue bonds issued before March 1, 1995 for payment of which a property tax levy or the full faith and credit of the unit of local government is pledged; however, a tax for the payment of interest or principal on those bonds shall be made only after the governing body of the unit of local government finds that all other sources for payment are insufficient to make those payments; (f) made for payments under a building commission lease when the lease payments are for the retirement of bonds issued by the commission before March 1, 1995 to pay for the building project; (g) made for payments due under installment contracts entered into before March 1, 1995; (h) made for payments of principal and interest on bonds issued under the Metropolitan Water Reclamation District Act to finance construction projects initiated before October 1, 1991; (i) made for payments of principal and interest on limited bonds, as defined in Section 3 of the Local Government Debt Reform Act, in an amount not to exceed the debt service extension base less the amount in items (b), (c), and (e) of this definition for non-referendum obligations, except obligations initially issued pursuant to referendum and bonds described in subsection (h) of this definition; (j) made for payments of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act; (k) made for payments of principal and interest on bonds authorized by Public Act 88-503 and issued under Section 20a of the Chicago Park District Act for aquarium or museum projects; and (l) made for payments of principal and interest on bonds authorized by Public Act 87-1191 and issued under Section 42 of the Cook County Forest Preserve District Act for zoological park projects.

“Aggregate extension” for all taxing districts to which this Law applies in accordance with Section 18-213, except for those taxing districts subject to paragraph (2) of subsection (e) of Section 18-213, means the annual corporate extension for the taxing district and those special purpose extensions that are made annually for the taxing district, excluding special purpose extensions: (a) made for the taxing district to pay interest or principal on general obligation bonds that were

approved by referendum; (b) made for any taxing district to pay interest or principal on general obligation bonds issued before the date on which the referendum making this Law applicable to the taxing district is held; (c) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund those bonds issued before the date on which the referendum making this Law applicable to the taxing district is held; (d) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund bonds issued after the date on which the referendum making this Law applicable to the taxing district is held if the bonds were approved by referendum after the date on which the referendum making this Law applicable to the taxing district is held; (e) made for any taxing district to pay interest or principal on revenue bonds issued before the date on which the referendum making this Law applicable to the taxing district is held for payment of which a property tax levy or the full faith and credit of the unit of local government is pledged; however, a tax for the payment of interest or principal on those bonds shall be made only after the governing body of the unit of local government finds that all other sources for payment are insufficient to make those payments; (f) made for payments under a building commission lease when the lease payments are for the retirement of bonds issued by the commission before the date on which the referendum making this Law applicable to the taxing district is held to pay for the building project; (g) made for payments due under installment contracts entered into before the date on which the referendum making this Law applicable to the taxing district is held; (h) made for payments of principal and interest on limited bonds, as defined in Section 3 of the Local Government Debt Reform Act, in an amount not to exceed the debt service extension base less the amount in items (b), (c), and (e) of this definition for non-referendum obligations, except obligations initially issued pursuant to referendum; (i) made for payments of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act; and (j) made for a qualified airport authority to pay interest or principal on general obligation bonds issued for the purpose of paying obligations due under, or financing airport facilities required to be acquired, constructed, installed or equipped pursuant to, contracts entered into before March 1, 1996 (but not including any amendments to such a contract taking effect on or after that date).

“Aggregate extension” for all taxing districts to which this Law applies in accordance with paragraph (2) of subsection (e) of Section 18-213 means the annual corporate extension for the taxing district and those special purpose extensions that are made annually for the taxing district, excluding special purpose extensions: (a) made

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for the taxing district to pay interest or principal on general obligation bonds that were approved by referendum; (b) made for any taxing district to pay interest or principal on general obligation bonds issued before the effective date of this amendatory Act of 1997; (c) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund those bonds issued before the effective date of this amendatory Act of 1997; (d) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund bonds issued after the effective date of this amendatory Act of 1997 if the bonds were approved by referendum after the effective date of this amendatory Act of 1997; (e) made for any taxing district to pay interest or principal on revenue bonds issued before the effective date of this amendatory Act of 1997 for payment of which a property tax levy or the full faith and credit of the unit of local government is pledged; however, a tax for the payment of interest or principal on those bonds shall be made only after the governing body of the unit of local government finds that all other sources for payment are insufficient to make those payments; (f) made for payments under a building commission lease when the lease payments are for the retirement of bonds issued by the commission before the effective date of this amendatory Act of 1997 to pay for the building project; (g) made for payments due under installment contracts entered into before the effective date of this amendatory Act of 1997; (h) made for payments of principal and interest on limited bonds, as defined in Section 3 of the Local Government Debt Reform Act, in an amount not to exceed the debt service extension base less the amount in items (b), (c), and (e) of this definition for non-referendum obligations, except obligations initially issued pursuant to referendum; (i) made for payments of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act; and (j) made for a qualified airport authority to pay interest or principal on general obligation bonds issued for the purpose of paying obligations due under, or financing airport facilities required to be acquired, constructed, installed or equipped pursuant to, contracts entered into before March 1, 1996 (but not including any amendments to such a contract taking effect on or after that date).

“Debt service extension base” means an amount equal to that portion of the extension for a taxing district for the 1994 levy year, or for those taxing districts subject to this Law in accordance with Section 18-213, except for those subject to paragraph (2) of subsection (e) of Section 18-213, for the levy year in which the referendum making this Law applicable to the taxing district is held, or for those taxing districts subject to this Law in accordance with paragraph (2) of subsection (e) of Section 18-213 for the 1996 levy year, constituting

an extension for payment of principal and interest on bonds issued by the taxing district without referendum, but not including (i) bonds authorized by Public Act 88-503 and issued under Section 20a of the Chicago Park District Act for aquarium and museum projects; (ii) bonds issued under Section 15 of the Local Government Debt Reform Act; or (iii) refunding obligations issued to refund or to continue to refund obligations initially issued pursuant to referendum. The debt service extension base may be established or increased as provided under Section 18-212.

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

“Aggregate extension base” means the taxing district’s last preceding aggregate extension as adjusted under Sections 18-215 through 18-230.

“Levy year” has the same meaning as “year” under Section 1-155.

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

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

“Recovered tax increment value” means, except as otherwise provided in this paragraph, the amount of the current year’s equalized assessed value, in the first year after a municipality terminates the designation of an area as a redevelopment project area previously established under the Tax Increment Allocation Development Act in

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the Illinois Municipal Code, previously established under the Industrial Jobs Recovery Law in the Illinois Municipal Code, or previously established under the Economic Development Area Tax Increment Allocation Act, of each taxable lot, block, tract, or parcel of real property in the redevelopment project area over and above the initial equalized assessed value of each property in the redevelopment project area. For the taxes which are extended for the 1997 levy year, the recovered tax increment value for a non-home rule taxing district that first became subject to this Law for the 1995 levy year because a majority of its 1994 equalized assessed value was in an affected county or counties shall be increased if a municipality terminated the designation of an area in 1993 as a redevelopment project area previously established under the Tax Increment Allocation Development Act in the Illinois Municipal Code, previously established under the Industrial Jobs Recovery Law in the Illinois Municipal Code, or previously established under the Economic Development Area Tax Increment Allocation Act, by an amount equal to the 1994 equalized assessed value of each taxable lot, block, tract, or parcel of real property in the redevelopment project area over and above the initial equalized assessed value of each property in the redevelopment project area. In the first year after a municipality removes a taxable lot, block, tract, or parcel of real property from a redevelopment project area established under the Tax Increment Allocation Development Act in the Illinois Municipal Code, the Industrial Jobs Recovery Law in the Illinois Municipal Code, or the Economic Development Area Tax Increment Allocation Act, "recovered tax increment value" means the amount of the current year's equalized assessed value of each taxable lot, block, tract, or parcel of real property removed from the redevelopment project area over and above the initial equalized assessed value of that real property before removal from the redevelopment project area.

Except as otherwise provided in this Section, "limiting rate" means a fraction the numerator of which is the last preceding aggregate extension base times an amount equal to one plus the extension limitation defined in this Section and the denominator of which is the current year's equalized assessed value of all real property in the territory under the jurisdiction of the taxing district during the prior levy year. For those taxing districts that reduced their aggregate extension for the last preceding levy year, the highest aggregate extension in any of the last 3 preceding levy years shall be used for the purpose of computing the limiting rate. The denominator shall not include

new property. The denominator shall not include the recovered tax increment value.

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

## **(35 ILCS 200/18-190)**

### **Sec. 18-190. Direct referendum; new rate or increased rate.**

If a new rate or a rate increase is authorized by statute to be imposed without referendum or is subject to a backdoor referendum, as defined in Section 28-2 of the Election Code, the governing body of the affected taxing district before levying the new rate or rate increase shall submit the new rate or rate increase to direct referendum under the provisions of Article 28 of the Election Code. Rates required to extend taxes on levies subject to a backdoor referendum in each year there is a levy are not new rates or rate increases under this Section if a levy has been made for the fund in one or more of the preceding 3 levy years. Changes made by this amendatory Act of 1997 to this Section in reference to rates required to extend taxes on levies subject to a backdoor referendum in each year there is a levy are declarative of existing law and not a new enactment. Whenever other applicable law authorizes a taxing district subject to the limitation with respect to its aggregate extension provided for in this Law to issue bonds or other obligations either without referendum or subject to backdoor referendum, the taxing district may elect for each separate bond issuance to submit the question of the issuance of the bonds or obligations directly to the voters of the taxing district, and if the referendum passes the taxing district is not required to comply with any backdoor referendum procedures or requirements set forth in the other applicable law. The direct referendum shall be initiated by ordinance or resolution of the governing body of the taxing district, and the question shall be certified to the proper election authorities in accordance with the provisions of the Election Code.

(Source: P.A. 88-455; 88-670, eff. 12-2-94; 89-385, eff. 8-18-95; 89-718, eff. 3-7-97.)

## **(35 ILCS 200/18-195)**

### **Sec. 18-195. Limitation.**

Tax extensions made under Sections 18-45 and 18-105 are further limited by the provisions of this Law.

For those taxing districts that have levied in any previous levy year for any funds included in the aggregate extension, the county clerk shall extend a rate for the sum of these funds that is no greater than the limiting rate.

For those taxing districts that have never levied for any funds included in the aggregate extension, the county clerk shall extend an amount no greater than the amount approved by the voters in a referendum under Section 18-210.

If the county clerk is required to reduce the aggregate extension of a taxing district by provisions of this Law, the county clerk shall proportionally reduce the extension for each fund unless otherwise requested by the taxing district.

Upon written request of the corporate authority of a village, the county clerk shall calculate separate limiting rates for the library funds and for the aggregate of the other village funds in order to reduce the funds as may be required under provisions of this Law. In calculating the limiting rate for the library, the county clerk shall use only the part of the aggregate extension base applicable to the library, and for any rate increase or decrease factor under Section 18-230 the county clerk shall use only any new rate or rate increase applicable to the library funds and the part of the rate applicable to the library in determining factors under that Section. The county clerk shall calculate the limiting rate for all other village funds using only the part of the aggregate extension base not applicable to the library, and for any rate increase or decrease factor under Section 18-230 the county clerk shall use only any new rate or rate increase not applicable to the library funds and the part of the rate not applicable to the library in determining factors under that Section. If the county clerk is required to reduce the aggregate extension of the library portion of the levy, the county clerk shall proportionally reduce the extension for each library fund unless otherwise requested by the library board. If the county clerk is required to reduce the aggregate extension of the portion of the levy not applicable to the library, the county clerk shall proportionally reduce the extension for each fund not applicable to the library unless otherwise requested by the village.

Beginning with the 1998 levy year upon written direction of a county or township community mental health board, the county clerk shall calculate separate limiting rates for the community mental health funds and for the aggregate of the other county or township funds in order to reduce the funds as may be required under provisions of this Law. In calculating the limiting rate for the community mental health funds, the county clerk shall use only the part of the aggregate extension base applicable to the community mental health funds; and for any rate increase or decrease factor under Section 18-230, the county clerk shall use only any new rate or rate increase applicable to the community mental health funds and the part of the rate applicable to the community mental health board in determining factors under that

Section. The county clerk shall calculate the limiting rate for all other county or township funds using only the part of the aggregate extension base not applicable to community mental health funds; and for any rate increase or decrease factor under Section 18-230, the county clerk shall use only any new rate or rate increase not applicable to the community mental health funds and the part of the rate not applicable to the community mental health board in determining factors under that Section. If the county clerk is required to reduce the aggregate extension of the community mental health board portion of the levy, the county clerk shall proportionally reduce the extension for each community mental health fund unless otherwise directed by the community mental health board. If the county clerk is required to reduce the aggregate extension of the portion of the levy not applicable to the community mental health board, the county clerk shall proportionally reduce the extension for each fund not applicable to the community mental health board unless otherwise directed by the county or township.

Beginning with the 2001 levy year upon written direction of a county or township board for care and treatment of persons with a developmental disability, the county clerk shall calculate separate limiting rates for the funds for persons with a developmental disability and for the aggregate of the other county or township funds in order to reduce the funds as may be required under provisions of this Law. In calculating the limiting rate for the funds for persons with a developmental disability, the county clerk shall use only the part of the aggregate extension base applicable to the funds for persons with a developmental disability; and for any rate increase or decrease factor under Section 18-230, the county clerk shall use only any new rate or rate increase applicable to the funds for persons with a developmental disability and the part of the rate applicable to the board for care and treatment of persons with a developmental disability in determining factors under that Section. The county clerk shall calculate the limiting rate for all other county or township funds using only the part of the aggregate extension base not applicable to funds for persons with a developmental disability; and for any rate increase or decrease factor under Section 18-230, the county clerk shall use only any new rate or rate increase not applicable to the funds for persons with a developmental disability and the part of the rate not applicable to the board for care and treatment of persons with a developmental disability in determining factors under that Section. If the county clerk is required to reduce the aggregate extension of the board for care and treatment of persons with a developmental disability portion of the levy, the county clerk shall proportionally reduce the extension for each fund for persons with a developmental disability unless otherwise

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directed by the board for care and treatment of persons with a developmental disability. If the county clerk is required to reduce the aggregate extension of the portion of the levy not applicable to the board for care and treatment of persons with a developmental disability, the county clerk shall proportionally reduce the extension for each fund not applicable to the board for care and treatment of persons with a developmental disability unless otherwise directed by the county or township.

(Source: P.A. 90-339, eff. 8-8-97; 90-652, eff. 7-28-98; 91-859, eff. 6-22-00.)

**(35 ILCS 200/18-200)**  
**Sec. 18-200. School Code.**

A school district's State aid shall not be reduced under the computation under subsections 5(a) through 5(h) of Part A of Section 18-8 of the School Code due to the operating tax rate falling from above the minimum requirement of that Section of the School Code to below the minimum requirement of that Section of the School Code due to the operation of this Law.

(Source: P.A. 87-17; 88-455.)

**(35 ILCS 200/18-205)**  
**Sec. 18-205. Referendum to increase the extension limitation.**

A taxing district is limited to an extension increase of 5% or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year, whichever is less. A taxing district may increase its extension limitation for a current levy year if that taxing district holds a referendum before the levy date at which a majority of voters voting on the issue approves adoption of a higher extension limitation. Referenda shall be conducted at a regularly scheduled election in accordance with the Election Code provided that notice of the referendum, if held before July 1, 1999, has been given in accordance with the provisions of Section 12-5 of the Election Code in effect at the time of the bond referendum, at least 10 and not more than 45 days before the date of the election, notwithstanding the time for publication otherwise imposed by Section 12-5. Notices required in connection with the submission of public questions on or after July 1, 1999 shall be as set forth in Section 12-5 of the Election Code. The question shall be presented in substantially the following manner:

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Shall the extension limitation under the Property Tax Extension Limitation Law for ... (taxing district name) ... be increased from ... (the lesser of 5% or the increase in the Consumer Price Index over the prior levy year) ...% to ... (percentage of proposed increase) ...% for the ... (levy year) ... levy year?	YES  ----- NO
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If a majority of voters voting on the issue approves the adoption of the increase, the increase shall be applicable for the levy year specified.

(Source: P.A. 90-812, eff. 1-26-99; 91-57, eff. 6-30-99.)

**(35 ILCS 200/18-210)**  
**Sec. 18-210. Establishing a new levy.**

Except as provided in Section 18-215, as it relates to a transfer of a service, before a county clerk may extend taxes for funds subject to the limitations of this Law, a new taxing district or a taxing district with an aggregate extension base of zero shall hold a referendum establishing a maximum aggregate extension for the levy year. The maximum aggregate extension is established for the current levy year if a taxing district has held a referendum before the levy date at which the majority voting on the issue approves its adoption. The referendum under this Section may be held at the same time as the referendum on creating a new taxing district. The question shall be submitted to the voters at a regularly scheduled election in accordance with the Election Code provided that notice of referendum, if held before July 1, 1999, has been given in accordance with the provisions of Section 12-5 of the Election Code in effect at the time of the bond referendum, at least 10 and not more than 45 days before the date of the election, notwithstanding the time for publication otherwise imposed by Section 12-5. Notices required in connection with the submission of public questions on or after July 1, 1999 shall be as set forth in Section 12-5 of the Election Code. The question shall be submitted in substantially the following form:

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Under the Property Tax Extension Limitation Law, may an aggregate extension not to exceed ... (aggregate extension amount) ... be made for the ... (taxing district name) ... for the ... (levy year) ... levy year?	YES  ----- NO
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If a majority of voters voting on the increase approves the adoption of the aggregate extension, the extension shall be effective for the levy year specified.

(Source: P.A. 90-812, eff. 1-26-99; 91-57, eff. 6-30-99.)

## **(35 ILCS 200/18-212)**

### **Sec. 18-212. Referendum on debt service extension base.**

A taxing district may establish or increase its debt service extension base if (i) that taxing district holds a referendum before the date on which the levy must be filed with the county clerk of the county or counties in which the taxing district is situated and (ii) a majority of voters voting on the issue approves the establishment of or increase in the debt service extension base. Referenda under this Section shall be conducted at a regularly scheduled election in accordance with the Election Code. The governing body of the taxing district shall certify the question to the proper election authorities who shall submit the question to the electors of the taxing district in substantially the following form:

"Shall the debt service extension base under the Property Tax Extension Limitation Law for ... (taxing district name) ... for payment of principal and interest on limited bonds be .... ((established at \$ ....) . (or) (increased from \$ .... to \$ ....)) .. for the ..... levy year and all subsequent levy years?"

Votes on the question shall be recorded as "Yes" or "No".

If a majority of voters voting on the issue approves the establishment of or increase in the debt service extension base, the establishment of or increase in the debt service extension base shall be applicable for the levy years specified.

(Source: P.A. 89-385, eff. 8-18-95.)

## **(35 ILCS 200/18-213)**

### **Sec. 18-213. Referenda on applicability of the Property Tax Extension Limitation Law.**

(a) The provisions of this Section do not apply to a taxing district subject to this Law because a majority of its 1990 equalized assessed value is in a county or counties contiguous to a county of 3,000,000 or more inhabitants, or because a majority of its 1994 equalized assessed value is in an affected county and the taxing district was not subject to this Law before the 1995 levy year.

(b) The county board of a county that is not subject to this Law may, by ordinance or resolution, submit to the voters of the county the question of whether to make all non-home rule taxing

districts that have all or a portion of their equalized assessed valuation situated in the county subject to this Law in the manner set forth in this Section.

For purposes of this Section only:

"Taxing district" has the same meaning provided in Section 1-150.

"Equalized assessed valuation" means the equalized assessed valuation for a taxing district for the immediately preceding levy year.

(c) The ordinance or resolution shall request the submission of the proposition at any election, except a consolidated primary election, for the purpose of voting for or against making the Property Tax Extension Limitation Law applicable to all non-home rule taxing districts that have all or a portion of their equalized assessed valuation situated in the county.

The question shall be placed on a separate ballot and shall be in substantially the following form:

Shall the Property Tax Extension Limitation Law (35 ILCS 200/18-185 through 18-245), which limits annual property tax extension increases, apply to non-home rule taxing districts with all or a portion of their equalized assessed valuation located in (name of county)?

Votes on the question shall be recorded as "yes" or "no".

(d) The county clerk shall order the proposition submitted to the electors of the county at the election specified in the ordinance or resolution. If part of the county is under the jurisdiction of a board or boards of election commissioners, the county clerk shall submit a certified copy of the ordinance or resolution to each board of election commissioners, which shall order the proposition submitted to the electors of the taxing district within its jurisdiction at the election specified in the ordinance or resolution.

(e) (1) With respect to taxing districts having all of their equalized assessed valuation located in the county, if a majority of the votes cast on the proposition are in favor of the proposition, then this Law becomes applicable to the taxing district beginning on January 1 of the year following the date of the referendum.

(2) With respect to taxing districts that meet all the following conditions this Law shall become applicable to the taxing district beginning on January 1, 1997. The districts to which this paragraph (2) is applicable

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(A) do not have all of their equalized assessed valuation located in a single county,

(B) have equalized assessed valuation in an affected county,

(C) meet the condition that each county, other than an affected county, in which any of the equalized assessed valuation of the taxing district is located has held a referendum under this Section at any election, except a consolidated primary election, held prior to the effective date of this amendatory Act of 1997, and

(D) have a majority of the district's equalized assessed valuation located in one or more counties in each of which the voters have approved a referendum under this Section prior to the effective date of this amendatory Act of 1997. For purposes of this Section, in determining whether a majority of the equalized assessed valuation of the taxing district is located in one or more counties in which the voters have approved a referendum under this Section, the equalized assessed valuation of the taxing district in any affected county shall be included with the equalized assessed value of the taxing district in counties in which the voters have approved the referendum.

(3) With respect to taxing districts that do not have all of their equalized assessed valuation located in a single county and to which paragraph (2) of subsection (e) is not applicable, if each county other than an affected county in which any of the equalized assessed valuation of the taxing district is located has held a referendum under this Section at any election, except a consolidated primary election, held in any year and if a majority of the equalized assessed valuation of the taxing district is located in one or more counties that have each approved a referendum under this Section, then this Law shall become applicable to the taxing district on January 1 of the year following the year in which the last referendum in a county in which the taxing district has any equalized assessed valuation is held. For the purposes of this Law, the last referendum shall be deemed to be the referendum making this Law applicable to the taxing district. For purposes of this Section, in determining whether a majority of the equalized assessed valuation of the taxing district is located in one or more counties that have approved a referendum under this Section, the equalized assessed valuation of the taxing district in any affected county shall be included with the equalized assessed value

of the taxing district in counties that have approved the referendum.

(f) Immediately after a referendum is held under this Section, the county clerk of the county holding the referendum shall give notice of the referendum having been held and its results to all taxing districts that have all or a portion of their equalized assessed valuation located in the county, the county clerk of any other county in which any of the equalized assessed valuation of any taxing district is located, and the Department of Revenue. After the last referendum affecting a multi-county taxing district is held, the Department of Revenue shall determine whether the taxing district is subject to this Law and, if so, shall notify the taxing district and the county clerks of all of the counties in which a portion of the equalized assessed valuation of the taxing district is located that, beginning the following January 1, the taxing district is subject to this Law. For each taxing district subject to paragraph (2) of subsection (e) of this Section, the Department of Revenue shall notify the taxing district and the county clerks of all of the counties in which a portion of the equalized assessed valuation of the taxing district is located that, beginning January 1, 1997, the taxing district is subject to this Law.

(g) Referenda held under this Section shall be conducted in accordance with the Election Code.

(Source: P.A. 89-510, eff. 7-11-96; 89-718, eff. 3-7-97.)

## **(35 ILCS 200/18-214)**

### **Sec. 18-214. Referenda on removal of the applicability of the Property Tax Extension Limitation Law to non-home rule taxing districts.**

(a) The provisions of this Section do not apply to a taxing district that is subject to this Law because a majority of its 1990 equalized assessed value is in a county or counties contiguous to a county of 3,000,000 or more inhabitants, or because a majority of its 1994 equalized assessed value is in an affected county and the taxing district was not subject to this Law before the 1995 levy year.

(b) For purposes of this Section only:

“Taxing district” means any non-home rule taxing district that became subject to this Law under Section 18-213 of this Law.

“Equalized assessed valuation” means the equalized assessed valuation for a taxing district for the immediately preceding levy year.

(c) The county board of a county that became subject to this Law by a referendum approved by the voters of the county under Section



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18-213 may, by ordinance or resolution, in the manner set forth in this Section, submit to the voters of the county the question of whether this Law applies to all non-home rule taxing districts that have all or a portion of their equalized assessed valuation situated in the county in the manner set forth in this Section.

(d) The ordinance or resolution shall request the submission of the proposition at any election, except a consolidated primary election, for the purpose of voting for or against the continued application of the Property Tax Extension Limitation Law to all non-home rule taxing districts that have all or a portion of their equalized assessed valuation situated in the county.

The question shall be placed on a separate ballot and shall be in substantially the following form:

Shall the Property Tax Extension Limitation Law (35 ILCS 200/18-185 through 35 ILCS 200/18-245), which limits annual property tax extension increases, apply to non-home rule taxing districts with all or a portion of their equalized assessed valuation located in (name of county)?

Votes on the question shall be recorded as “yes” or “no”.

(e) The county clerk shall order the proposition submitted to the electors of the county at the election specified in the ordinance or resolution. If part of the county is under the jurisdiction of a board or boards of election commissioners, the county clerk shall submit a certified copy of the ordinance or resolution to each board of election commissioners, which shall order the proposition submitted to the electors of the taxing district within its jurisdiction at the election specified in the ordinance or resolution.

(f) With respect to taxing districts having all of their equalized assessed valuation located in one county, if a majority of the votes cast on the proposition are against the proposition, then this Law shall not apply to the taxing district beginning on January 1 of the year following the date of the referendum.

(g) With respect to taxing districts that do not have all of their equalized assessed valuation located in a single county, if both of the following conditions are met, then this Law shall no longer apply to the taxing district beginning on January 1 of the year following the date of the referendum.

(1) Each county in which the district has any equalized assessed valuation must either,  
 (i) have held a referendum under this Section,  
 (ii) be an affected county, or (iii) have held a referendum under Section 18-213 at which the voters rejected the proposition at the most

recent election at which the question was on the ballot in the county.

(2) The majority of the equalized assessed valuation of the taxing district, other than any equalized assessed valuation in an affected county, is in one or more counties in which the voters rejected the proposition. For purposes of this Section, in determining whether a majority of the equalized assessed valuation of the taxing district is located in one or more counties in which the voters have rejected the proposition under this Section, the equalized assessed valuation of any taxing district in a county which has held a referendum under Section 18-213 at which the voters rejected that proposition, at the most recent election at which the question was on the ballot in the county, will be included with the equalized assessed value of the taxing district in counties in which the voters have rejected the referendum held under this Section.

(h) Immediately after a referendum is held under this Section, the county clerk of the county holding the referendum shall give notice of the referendum having been held and its results to all taxing districts that have all or a portion of their equalized assessed valuation located in the county, the county clerk of any other county in which any of the equalized assessed valuation of any such taxing district is located, and the Department of Revenue. After the last referendum affecting a multi-county taxing district is held, the Department of Revenue shall determine whether the taxing district is no longer subject to this Law and, if the taxing district is no longer subject to this Law, the Department of Revenue shall notify the taxing district and the county clerks of all of the counties in which a portion of the equalized assessed valuation of the taxing district is located that, beginning on January 1 of the year following the date of the last referendum, the taxing district is no longer subject to this Law.

(Source: P.A. 89-718, eff. 3-7-97.)

**(35 ILCS 200/18-215)**  
**Sec. 18-215. Merging and consolidating taxing districts; transfer of service.**

For purposes of this Law, when 2 or more taxing districts merge or consolidate, the sum of the last preceding aggregate extensions for each taxing district shall be combined for the resulting merged or consolidated taxing district. When a service performed by one taxing district is transferred to another taxing district, that part of the aggregate extension base for that purpose shall be transferred and added to the aggregate extension base of the transferee taxing district for purposes of this Law and shall be deducted from the aggregate extension base of the transferor taxing

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district. If the service and corresponding portion of the aggregate extension base transferred to the taxing district are for a service that the transferee district does not currently levy for, the provisions of Section 18-190 of this Law requiring a referendum to establish a new levy shall not apply.

(Source: P.A. 90-719, eff. 8-7-98.)

## **(35 ILCS 200/18-220) Sec. 18-220. (Repealed).**

(Source: Repealed by P.A. 89-1, eff. 2-12-95.)

## **(35 ILCS 200/18-225) Sec. 18-225. Annexed or disconnected property.**

If property is annexed into the taxing district or is disconnected from a taxing district during the current levy year, the calculation of the limiting rate under Section 18-185 is not affected. The rates as limited under this Law are applied to all property in the district for the current levy year, excluding property that was annexed after the adoption of the levy for the current levy year.

(Source: P.A. 88-455; 89-1, eff. 2-12-95.)

## **(35 ILCS 200/18-230) Sec. 18-230. Rate increase or decrease factor.**

When a new rate or a rate increase or decrease first effective for the current levy year has been approved by referendum, the aggregate extension base, as adjusted in Sections 18-215 and 18-220, shall be multiplied by a rate increase (or decrease) factor. The numerator of the rate increase (or decrease) factor is the total combined rate for the funds that made up the aggregate extension for the taxing district for the prior year plus the rate increase approved or minus the rate decrease approved. The denominator of the rate increase or decrease factor is the total combined rate for the funds that made up the aggregate extension for the prior year. For those taxing districts for which a new rate or a rate increase has been approved by referendum held after December 31, 1988, and that did not increase their rate to the new maximum rate for that fund, the rate increase factor shall be adjusted for 4 levy years after the year of the referendum by a factor the numerator of which is the portion of the new or increased rate for which taxes were not extended plus the aggregate rate in effect for the levy year prior to the levy year in which the referendum was passed and the denominator of which is the aggregate rate in effect for the levy year prior to the levy year in which the referendum was passed.

(Source: P.A. 87-17; 88-455.)

## **(35 ILCS 200/18-235) Sec. 18-235. Tax increment financing districts.**

Extensions allocable to a special tax allocation fund and the amount of taxes abated under Sections 18-165 and 18-170 are not included in the aggregate extension base when computing the limiting rate.

(Source: P.A. 87-17; 88-455.)

## **(35 ILCS 200/18-240) Sec. 18-240. Certification of new property.**

(a) The township assessor, the multi-township assessor, the chief county assessment officer, the board of review, and the board of appeals shall cause the assessed value attributable to new property to be entered and certified in the assessment books under rules promulgated by the Department.

(b) For the levy year in which this Law first becomes applicable to a county pursuant to Section 18-213, the chief county assessment officer shall certify to the county clerk, after all changes by the board of review or board of appeals, as the case may be, the assessed value of new property by taxing districts for that levy year under rules promulgated by the Department.

(Source: P.A. 88-455; 89-510, eff. 1-1-97.)

## **(35 ILCS 200/18-243) Sec. 18-243. Severability.**

The provisions of the Property Tax Extension Limitation Law are severable under Section 1.31 of the Statute on Statutes.

(Source: P.A. 89-1, eff. 2-12-95.)

## **(35 ILCS 200/18-245) Sec. 18-245. Rules.**

The Department shall make and promulgate reasonable rules relating to the administration of the purposes and provisions of Sections 18-185 through 18-240 as may be necessary or appropriate.

(Source: P.A. 87-17; 88-455.)





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