

1 AN ACT concerning schools.

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

4 ARTICLE 5

5 Section 5-5. The School Code is amended by changing  
6 Section 18-8.05 as follows:

7 (105 ILCS 5/18-8.05)

8 Sec. 18-8.05. Basis for apportionment of general State  
9 financial aid and supplemental general State aid to the  
10 common schools for the 1998-1999 and subsequent school years.

11 (A) General Provisions.

12 (1) The provisions of this Section apply to the  
13 1998-1999 and subsequent school years. The system of general  
14 State financial aid provided for in this Section is designed  
15 to assure that, through a combination of State financial aid  
16 and required local resources, the financial support provided  
17 each pupil in Average Daily Attendance equals or exceeds a  
18 prescribed per pupil Foundation Level. This formula approach  
19 imputes a level of per pupil Available Local Resources and  
20 provides for the basis to calculate a per pupil level of  
21 general State financial aid that, when added to Available  
22 Local Resources, equals or exceeds the Foundation Level. The  
23 amount of per pupil general State financial aid for school  
24 districts, in general, varies in inverse relation to  
25 Available Local Resources. Per pupil amounts are based upon  
26 each school district's Average Daily Attendance as that term  
27 is defined in this Section.

28 (2) In addition to general State financial aid, school  
29 districts with specified levels or concentrations of pupils  
30 from low income households are eligible to receive

1 supplemental general State financial aid grants as provided  
2 pursuant to subsection (H). The supplemental State aid grants  
3 provided for school districts under subsection (H) shall be  
4 appropriated for distribution to school districts as part of  
5 the same line item in which the general State financial aid  
6 of school districts is appropriated under this Section.

7 (3) To receive financial assistance under this Section,  
8 school districts are required to file claims with the State  
9 Board of Education, subject to the following requirements:

10 (a) Any school district which fails for any given  
11 school year to maintain school as required by law, or to  
12 maintain a recognized school is not eligible to file for  
13 such school year any claim upon the Common School Fund.  
14 In case of nonrecognition of one or more attendance  
15 centers in a school district otherwise operating  
16 recognized schools, the claim of the district shall be  
17 reduced in the proportion which the Average Daily  
18 Attendance in the attendance center or centers bear to  
19 the Average Daily Attendance in the school district. A  
20 "recognized school" means any public school which meets  
21 the standards as established for recognition by the State  
22 Board of Education. A school district or attendance  
23 center not having recognition status at the end of a  
24 school term is entitled to receive State aid payments due  
25 upon a legal claim which was filed while it was  
26 recognized.

27 (b) School district claims filed under this Section  
28 are subject to Sections 18-9, 18-10, and 18-12, except as  
29 otherwise provided in this Section.

30 (c) If a school district operates a full year  
31 school under Section 10-19.1, the general State aid to  
32 the school district shall be determined by the State  
33 Board of Education in accordance with this Section as  
34 near as may be applicable.

1 (d) (Blank).

2 (4) Except as provided in subsections (H) and (L), the  
3 board of any district receiving any of the grants provided  
4 for in this Section may apply those funds to any fund so  
5 received for which that board is authorized to make  
6 expenditures by law.

7 School districts are not required to exert a minimum  
8 Operating Tax Rate in order to qualify for assistance under  
9 this Section.

10 (5) As used in this Section the following terms, when  
11 capitalized, shall have the meaning ascribed herein:

12 (a) "Average Daily Attendance": A count of pupil  
13 attendance in school, averaged as provided for in  
14 subsection (C) and utilized in deriving per pupil  
15 financial support levels.

16 (b) "Available Local Resources": A computation of  
17 local financial support, calculated on the basis of  
18 Average Daily Attendance and derived as provided pursuant  
19 to subsection (D).

20 (c) "Corporate Personal Property Replacement  
21 Taxes": Funds paid to local school districts pursuant to  
22 "An Act in relation to the abolition of ad valorem  
23 personal property tax and the replacement of revenues  
24 lost thereby, and amending and repealing certain Acts and  
25 parts of Acts in connection therewith", certified August  
26 14, 1979, as amended (Public Act 81-1st S.S.-1).

27 (d) "Foundation Level": A prescribed level of per  
28 pupil financial support as provided for in subsection  
29 (B).

30 (e) "Operating Tax Rate": All school district  
31 property taxes extended for all purposes, except Bond and  
32 Interest, Summer School, Rent, Capital Improvement, and  
33 Vocational Education Building purposes.

34 (B) Foundation Level.

1           (1) The Foundation Level is a figure established by the  
2 State representing the minimum level of per pupil financial  
3 support that should be available to provide for the basic  
4 education of each pupil in Average Daily Attendance. As set  
5 forth in this Section, each school district is assumed to  
6 exert a sufficient local taxing effort such that, in  
7 combination with the aggregate of general State financial aid  
8 provided the district, an aggregate of State and local  
9 resources are available to meet the basic education needs of  
10 pupils in the district.

11           (2) For the 1998-1999 school year, the Foundation Level  
12 of support is \$4,225. For the 1999-2000 school year, the  
13 Foundation Level of support is \$4,325. For the 2000-2001  
14 school year, the Foundation Level of support is \$4,425. For  
15 the 2001-2002 and 2002-2003 school years, the Foundation  
16 Level of support is \$4,560.

17           (3) For the 2003-2004 ~~2001-2002~~ school year and each  
18 school year thereafter, the Foundation Level of support is  
19 \$5,665 ~~\$4,560~~ or such greater amount as may be established by  
20 law by the General Assembly.

21 (C) Average Daily Attendance.

22           (1) For purposes of calculating general State aid  
23 pursuant to subsection (E), an Average Daily Attendance  
24 figure shall be utilized. The Average Daily Attendance  
25 figure for formula calculation purposes shall be the monthly  
26 average of the actual number of pupils in attendance of each  
27 school district, as further averaged for the best 3 months of  
28 pupil attendance for each school district. In compiling the  
29 figures for the number of pupils in attendance, school  
30 districts and the State Board of Education shall, for  
31 purposes of general State aid funding, conform attendance  
32 figures to the requirements of subsection (F).

33           (2) The Average Daily Attendance figures utilized in  
34 subsection (E) shall be the requisite attendance data for the

1 school year immediately preceding the school year for which  
2 general State aid is being calculated or the average of the  
3 attendance data for the 3 preceding school years, whichever  
4 is greater. The Average Daily Attendance figures utilized in  
5 subsection (H) shall be the requisite attendance data for the  
6 school year immediately preceding the school year for which  
7 general State aid is being calculated.

8 (D) Available Local Resources.

9 (1) For purposes of calculating general State aid  
10 pursuant to subsection (E), a representation of Available  
11 Local Resources per pupil, as that term is defined and  
12 determined in this subsection, shall be utilized. Available  
13 Local Resources per pupil shall include a calculated dollar  
14 amount representing local school district revenues from local  
15 property taxes and from Corporate Personal Property  
16 Replacement Taxes, expressed on the basis of pupils in  
17 Average Daily Attendance.

18 (2) In determining a school district's revenue from  
19 local property taxes, the State Board of Education shall  
20 utilize the equalized assessed valuation of all taxable  
21 property of each school district as of September 30 of the  
22 previous year. The equalized assessed valuation utilized  
23 shall be obtained and determined as provided in subsection  
24 (G).

25 (3) For school districts maintaining grades kindergarten  
26 through 12, local property tax revenues per pupil shall be  
27 calculated as the product of the applicable equalized  
28 assessed valuation for the district multiplied by 3.00%, and  
29 divided by the district's Average Daily Attendance figure.  
30 For school districts maintaining grades kindergarten through  
31 8, local property tax revenues per pupil shall be calculated  
32 as the product of the applicable equalized assessed valuation  
33 for the district multiplied by 2.30%, and divided by the  
34 district's Average Daily Attendance figure. For school

1 districts maintaining grades 9 through 12, local property tax  
2 revenues per pupil shall be the applicable equalized assessed  
3 valuation of the district multiplied by 1.05%, and divided by  
4 the district's Average Daily Attendance figure.

5 (4) The Corporate Personal Property Replacement Taxes  
6 paid to each school district during the calendar year 2 years  
7 before the calendar year in which a school year begins,  
8 divided by the Average Daily Attendance figure for that  
9 district, shall be added to the local property tax revenues  
10 per pupil as derived by the application of the immediately  
11 preceding paragraph (3). The sum of these per pupil figures  
12 for each school district shall constitute Available Local  
13 Resources as that term is utilized in subsection (E) in the  
14 calculation of general State aid.

15 (E) Computation of General State Aid.

16 (1) For each school year, the amount of general State  
17 aid allotted to a school district shall be computed by the  
18 State Board of Education as provided in this subsection.

19 (2) For any school district for which Available Local  
20 Resources per pupil is less than the product of 0.93 times  
21 the Foundation Level, general State aid for that district  
22 shall be calculated as an amount equal to the Foundation  
23 Level minus Available Local Resources, multiplied by the  
24 Average Daily Attendance of the school district.

25 (3) For any school district for which Available Local  
26 Resources per pupil is equal to or greater than the product  
27 of 0.93 times the Foundation Level and less than the product  
28 of 1.75 times the Foundation Level, the general State aid per  
29 pupil shall be a decimal proportion of the Foundation Level  
30 derived using a linear algorithm. Under this linear  
31 algorithm, the calculated general State aid per pupil shall  
32 decline in direct linear fashion from 0.07 times the  
33 Foundation Level for a school district with Available Local  
34 Resources equal to the product of 0.93 times the Foundation

1 Level, to 0.05 times the Foundation Level for a school  
2 district with Available Local Resources equal to the product  
3 of 1.75 times the Foundation Level. The allocation of  
4 general State aid for school districts subject to this  
5 paragraph 3 shall be the calculated general State aid per  
6 pupil figure multiplied by the Average Daily Attendance of  
7 the school district.

8 (4) For any school district for which Available Local  
9 Resources per pupil equals or exceeds the product of 1.75  
10 times the Foundation Level, the general State aid for the  
11 school district shall be calculated as the product of \$218  
12 multiplied by the Average Daily Attendance of the school  
13 district.

14 (5) The amount of general State aid allocated to a  
15 school district for the 1999-2000 school year meeting the  
16 requirements set forth in paragraph (4) of subsection (G)  
17 shall be increased by an amount equal to the general State  
18 aid that would have been received by the district for the  
19 1998-1999 school year by utilizing the Extension Limitation  
20 Equalized Assessed Valuation as calculated in paragraph (4)  
21 of subsection (G) less the general State aid allotted for the  
22 1998-1999 school year. This amount shall be deemed a one  
23 time increase, and shall not affect any future general State  
24 aid allocations.

25 (F) Compilation of Average Daily Attendance.

26 (1) Each school district shall, by July 1 of each year,  
27 submit to the State Board of Education, on forms prescribed  
28 by the State Board of Education, attendance figures for the  
29 school year that began in the preceding calendar year. The  
30 attendance information so transmitted shall identify the  
31 average daily attendance figures for each month of the school  
32 year. Beginning with the general State aid claim form for  
33 the 2002-2003 school year, districts shall calculate Average  
34 Daily Attendance as provided in subdivisions (a), (b), and

1 (c) of this paragraph (1).

2 (a) In districts that do not hold year-round  
3 classes, days of attendance in August shall be added to  
4 the month of September and any days of attendance in June  
5 shall be added to the month of May.

6 (b) In districts in which all buildings hold  
7 year-round classes, days of attendance in July and August  
8 shall be added to the month of September and any days of  
9 attendance in June shall be added to the month of May.

10 (c) In districts in which some buildings, but not  
11 all, hold year-round classes, for the non-year-round  
12 buildings, days of attendance in August shall be added to  
13 the month of September and any days of attendance in June  
14 shall be added to the month of May. The average daily  
15 attendance for the year-round buildings shall be computed  
16 as provided in subdivision (b) of this paragraph (1). To  
17 calculate the Average Daily Attendance for the district,  
18 the average daily attendance for the year-round buildings  
19 shall be multiplied by the days in session for the  
20 non-year-round buildings for each month and added to the  
21 monthly attendance of the non-year-round buildings.

22 Except as otherwise provided in this Section, days of  
23 attendance by pupils shall be counted only for sessions of  
24 not less than 5 clock hours of school work per day under  
25 direct supervision of: (i) teachers, or (ii) non-teaching  
26 personnel or volunteer personnel when engaging in  
27 non-teaching duties and supervising in those instances  
28 specified in subsection (a) of Section 10-22.34 and paragraph  
29 10 of Section 34-18, with pupils of legal school age and in  
30 kindergarten and grades 1 through 12.

31 Days of attendance by tuition pupils shall be accredited  
32 only to the districts that pay the tuition to a recognized  
33 school.

34 (2) Days of attendance by pupils of less than 5 clock



1 hours of school shall be subject to the following provisions  
2 in the compilation of Average Daily Attendance.

3 (a) Pupils regularly enrolled in a public school  
4 for only a part of the school day may be counted on the  
5 basis of 1/6 day for every class hour of instruction of  
6 40 minutes or more attended pursuant to such enrollment,  
7 unless a pupil is enrolled in a block-schedule format of  
8 80 minutes or more of instruction, in which case the  
9 pupil may be counted on the basis of the proportion of  
10 minutes of school work completed each day to the minimum  
11 number of minutes that school work is required to be held  
12 that day.

13 (b) Days of attendance may be less than 5 clock  
14 hours on the opening and closing of the school term, and  
15 upon the first day of pupil attendance, if preceded by a  
16 day or days utilized as an institute or teachers'  
17 workshop.

18 (c) A session of 4 or more clock hours may be  
19 counted as a day of attendance upon certification by the  
20 regional superintendent, and approved by the State  
21 Superintendent of Education to the extent that the  
22 district has been forced to use daily multiple sessions.

23 (d) A session of 3 or more clock hours may be  
24 counted as a day of attendance (1) when the remainder of  
25 the school day or at least 2 hours in the evening of that  
26 day is utilized for an in-service training program for  
27 teachers, up to a maximum of 5 days per school year of  
28 which a maximum of 4 days of such 5 days may be used for  
29 parent-teacher conferences, provided a district conducts  
30 an in-service training program for teachers which has  
31 been approved by the State Superintendent of Education;  
32 or, in lieu of 4 such days, 2 full days may be used, in  
33 which event each such day may be counted as a day of  
34 attendance; and (2) when days in addition to those

1 provided in item (1) are scheduled by a school pursuant  
2 to its school improvement plan adopted under Article 34  
3 or its revised or amended school improvement plan adopted  
4 under Article 2, provided that (i) such sessions of 3 or  
5 more clock hours are scheduled to occur at regular  
6 intervals, (ii) the remainder of the school days in which  
7 such sessions occur are utilized for in-service training  
8 programs or other staff development activities for  
9 teachers, and (iii) a sufficient number of minutes of  
10 school work under the direct supervision of teachers are  
11 added to the school days between such regularly scheduled  
12 sessions to accumulate not less than the number of  
13 minutes by which such sessions of 3 or more clock hours  
14 fall short of 5 clock hours. Any full days used for the  
15 purposes of this paragraph shall not be considered for  
16 computing average daily attendance. Days scheduled for  
17 in-service training programs, staff development  
18 activities, or parent-teacher conferences may be  
19 scheduled separately for different grade levels and  
20 different attendance centers of the district.

21 (e) A session of not less than one clock hour of  
22 teaching hospitalized or homebound pupils on-site or by  
23 telephone to the classroom may be counted as 1/2 day of  
24 attendance, however these pupils must receive 4 or more  
25 clock hours of instruction to be counted for a full day  
26 of attendance.

27 (f) A session of at least 4 clock hours may be  
28 counted as a day of attendance for first grade pupils,  
29 and pupils in full day kindergartens, and a session of 2  
30 or more hours may be counted as 1/2 day of attendance by  
31 pupils in kindergartens which provide only 1/2 day of  
32 attendance.

33 (g) For children with disabilities who are below  
34 the age of 6 years and who cannot attend 2 or more clock

1 hours because of their disability or immaturity, a  
2 session of not less than one clock hour may be counted as  
3 1/2 day of attendance; however for such children whose  
4 educational needs so require a session of 4 or more clock  
5 hours may be counted as a full day of attendance.

6 (h) A recognized kindergarten which provides for  
7 only 1/2 day of attendance by each pupil shall not have  
8 more than 1/2 day of attendance counted in any one day.  
9 However, kindergartens may count 2 1/2 days of attendance  
10 in any 5 consecutive school days. When a pupil attends  
11 such a kindergarten for 2 half days on any one school  
12 day, the pupil shall have the following day as a day  
13 absent from school, unless the school district obtains  
14 permission in writing from the State Superintendent of  
15 Education. Attendance at kindergartens which provide for  
16 a full day of attendance by each pupil shall be counted  
17 the same as attendance by first grade pupils. Only the  
18 first year of attendance in one kindergarten shall be  
19 counted, except in case of children who entered the  
20 kindergarten in their fifth year whose educational  
21 development requires a second year of kindergarten as  
22 determined under the rules and regulations of the State  
23 Board of Education.

24 (G) Equalized Assessed Valuation Data.

25 (1) For purposes of the calculation of Available Local  
26 Resources required pursuant to subsection (D), the State  
27 Board of Education shall secure from the Department of  
28 Revenue the value as equalized or assessed by the Department  
29 of Revenue of all taxable property of every school district,  
30 together with (i) the applicable tax rate used in extending  
31 taxes for the funds of the district as of September 30 of the  
32 previous year and (ii) the limiting rate for all school  
33 districts subject to property tax extension limitations as  
34 imposed under the Property Tax Extension Limitation Law.

1           This equalized assessed valuation, as adjusted further by  
2 the requirements of this subsection, shall be utilized in the  
3 calculation of Available Local Resources.

4           (2) The equalized assessed valuation in paragraph (1)  
5 shall be adjusted, as applicable, in the following manner:

6           (a) For the purposes of calculating State aid under  
7 this Section, with respect to any part of a school  
8 district within a redevelopment project area in respect  
9 to which a municipality has adopted tax increment  
10 allocation financing pursuant to the Tax Increment  
11 Allocation Redevelopment Act, Sections 11-74.4-1 through  
12 11-74.4-11 of the Illinois Municipal Code or the  
13 Industrial Jobs Recovery Law, Sections 11-74.6-1 through  
14 11-74.6-50 of the Illinois Municipal Code, no part of the  
15 current equalized assessed valuation of real property  
16 located in any such project area which is attributable to  
17 an increase above the total initial equalized assessed  
18 valuation of such property shall be used as part of the  
19 equalized assessed valuation of the district, until such  
20 time as all redevelopment project costs have been paid,  
21 as provided in Section 11-74.4-8 of the Tax Increment  
22 Allocation Redevelopment Act or in Section 11-74.6-35 of  
23 the Industrial Jobs Recovery Law. For the purpose of the  
24 equalized assessed valuation of the district, the total  
25 initial equalized assessed valuation or the current  
26 equalized assessed valuation, whichever is lower, shall  
27 be used until such time as all redevelopment project  
28 costs have been paid.

29           (b) The real property equalized assessed valuation  
30 for a school district shall be adjusted by subtracting  
31 from the real property value as equalized or assessed by  
32 the Department of Revenue for the district an amount  
33 computed by dividing the amount of any abatement of taxes  
34 under Section 18-170 of the Property Tax Code by 3.00%

1 for a district maintaining grades kindergarten through  
2 12, by 2.30% for a district maintaining grades  
3 kindergarten through 8, or by 1.05% for a district  
4 maintaining grades 9 through 12 and adjusted by an amount  
5 computed by dividing the amount of any abatement of taxes  
6 under subsection (a) of Section 18-165 of the Property  
7 Tax Code by the same percentage rates for district type  
8 as specified in this subparagraph (b).

9 (3) For the 1999-2000 school year and each school year  
10 thereafter, if a school district meets all of the criteria of  
11 this subsection (G)(3), the school district's Available Local  
12 Resources shall be calculated under subsection (D) using the  
13 district's Extension Limitation Equalized Assessed Valuation  
14 as calculated under this subsection (G)(3).

15 For purposes of this subsection (G)(3) the following  
16 terms shall have the following meanings:

17 "Budget Year": The school year for which general  
18 State aid is calculated and awarded under subsection (E).

19 "Base Tax Year": The property tax levy year used to  
20 calculate the Budget Year allocation of general State  
21 aid.

22 "Preceding Tax Year": The property tax levy year  
23 immediately preceding the Base Tax Year.

24 "Base Tax Year's Tax Extension": The product of the  
25 equalized assessed valuation utilized by the County Clerk  
26 in the Base Tax Year multiplied by the limiting rate as  
27 calculated by the County Clerk and defined in the  
28 Property Tax Extension Limitation Law.

29 "Preceding Tax Year's Tax Extension": The product of  
30 the equalized assessed valuation utilized by the County  
31 Clerk in the Preceding Tax Year multiplied by the  
32 Operating Tax Rate as defined in subsection (A).

33 "Extension Limitation Ratio": A numerical ratio,  
34 certified by the County Clerk, in which the numerator is

1 the Base Tax Year's Tax Extension and the denominator is  
2 the Preceding Tax Year's Tax Extension.

3 "Operating Tax Rate": The operating tax rate as  
4 defined in subsection (A).

5 If a school district is subject to property tax extension  
6 limitations as imposed under the Property Tax Extension  
7 Limitation Law, the State Board of Education shall calculate  
8 the Extension Limitation Equalized Assessed Valuation of that  
9 district. For the 1999-2000 school year, the Extension  
10 Limitation Equalized Assessed Valuation of a school district  
11 as calculated by the State Board of Education shall be equal  
12 to the product of the district's 1996 Equalized Assessed  
13 Valuation and the district's Extension Limitation Ratio. For  
14 the 2000-2001 school year and each school year thereafter,  
15 the Extension Limitation Equalized Assessed Valuation of a  
16 school district as calculated by the State Board of Education  
17 shall be equal to the product of the Equalized Assessed  
18 Valuation last used in the calculation of general State aid  
19 and the district's Extension Limitation Ratio. If the  
20 Extension Limitation Equalized Assessed Valuation of a school  
21 district as calculated under this subsection (G)(3) is less  
22 than the district's equalized assessed valuation as  
23 calculated pursuant to subsections (G)(1) and (G)(2), then  
24 for purposes of calculating the district's general State aid  
25 for the Budget Year pursuant to subsection (E), that  
26 Extension Limitation Equalized Assessed Valuation shall be  
27 utilized to calculate the district's Available Local  
28 Resources under subsection (D).

29 (4) For the purposes of calculating general State aid  
30 for the 1999-2000 school year only, if a school district  
31 experienced a triennial reassessment on the equalized  
32 assessed valuation used in calculating its general State  
33 financial aid apportionment for the 1998-1999 school year,  
34 the State Board of Education shall calculate the Extension

1 Limitation Equalized Assessed Valuation that would have been  
2 used to calculate the district's 1998-1999 general State aid.  
3 This amount shall equal the product of the equalized assessed  
4 valuation used to calculate general State aid for the  
5 1997-1998 school year and the district's Extension Limitation  
6 Ratio. If the Extension Limitation Equalized Assessed  
7 Valuation of the school district as calculated under this  
8 paragraph (4) is less than the district's equalized assessed  
9 valuation utilized in calculating the district's 1998-1999  
10 general State aid allocation, then for purposes of  
11 calculating the district's general State aid pursuant to  
12 paragraph (5) of subsection (E), that Extension Limitation  
13 Equalized Assessed Valuation shall be utilized to calculate  
14 the district's Available Local Resources.

15 (5) For school districts having a majority of their  
16 equalized assessed valuation in any county except Cook,  
17 DuPage, Kane, Lake, McHenry, or Will, if the amount of  
18 general State aid allocated to the school district for the  
19 1999-2000 school year under the provisions of subsection (E),  
20 (H), and (J) of this Section is less than the amount of  
21 general State aid allocated to the district for the 1998-1999  
22 school year under these subsections, then the general State  
23 aid of the district for the 1999-2000 school year only shall  
24 be increased by the difference between these amounts. The  
25 total payments made under this paragraph (5) shall not exceed  
26 \$14,000,000. Claims shall be prorated if they exceed  
27 \$14,000,000.

28 (H) Supplemental General State Aid.

29 (1) In addition to the general State aid a school  
30 district is allotted pursuant to subsection (E), qualifying  
31 school districts shall receive a grant, paid in conjunction  
32 with a district's payments of general State aid, for  
33 supplemental general State aid based upon the concentration  
34 level of children from low-income households within the

1 school district. Supplemental State aid grants provided for  
2 school districts under this subsection shall be appropriated  
3 for distribution to school districts as part of the same line  
4 item in which the general State financial aid of school  
5 districts is appropriated under this Section.

6 (1.5) This paragraph (1.5) applies only to those school  
7 years preceding the 2003-2004 school year. For purposes of  
8 this subsection (H), the term "Low-Income Concentration  
9 Level" shall be the low-income eligible pupil count from the  
10 most recently available federal census divided by the Average  
11 Daily Attendance of the school district. If, however, (i) the  
12 percentage decrease from the 2 most recent federal censuses  
13 in the low-income eligible pupil count of a high school  
14 district with fewer than 400 students exceeds by 75% or more  
15 the percentage change in the total low-income eligible pupil  
16 count of contiguous elementary school districts, whose  
17 boundaries are coterminous with the high school district, or  
18 (ii) a high school district within 2 counties and serving 5  
19 elementary school districts, whose boundaries are coterminous  
20 with the high school district, has a percentage decrease from  
21 the 2 most recent federal censuses in the low-income eligible  
22 pupil count and there is a percentage increase in the total  
23 low-income eligible pupil count of a majority of the  
24 elementary school districts in excess of 50% from the 2 most  
25 recent federal censuses, then the high school district's  
26 low-income eligible pupil count from the earlier federal  
27 census shall be the number used as the low-income eligible  
28 pupil count for the high school district, for purposes of  
29 this subsection (H). The changes made to this paragraph (1)  
30 by Public Act 92-28 shall apply to supplemental general State  
31 aid grants for school years preceding the 2003-2004 school  
32 year that are paid in fiscal year 1999 ~~or and-in-each-fiscal~~  
33 year thereafter and to any State aid payments made in fiscal  
34 year 1994 through fiscal year 1998 pursuant to subsection



1 1(n) of Section 18-8 of this Code (which was repealed on July  
2 1, 1998), and any high school district that is affected by  
3 Public Act 92-28 is entitled to a recomputation of its  
4 supplemental general State aid grant or State aid paid in any  
5 of those fiscal years. This recomputation shall not be  
6 affected by any other funding.

7 (1.10) This paragraph (1.10) applies to the 2003-2004  
8 school year and each school year thereafter. For purposes of  
9 this subsection (4), the term "Low-Income Concentration  
10 Level" shall be the low-income eligible pupil count (as  
11 determined by the Department of Human Services based on the  
12 number of pupils who are eligible for at least one of the  
13 following low income programs: Medicaid, KidCare, TANF, and  
14 Food Stamps) divided by the Average Daily Attendance of the  
15 school district.

16 (2) Supplemental general State aid pursuant to this  
17 subsection (H) shall be provided as follows for the  
18 1998-1999, 1999-2000, and 2000-2001 school years only:

19 (a) For any school district with a Low Income  
20 Concentration Level of at least 20% and less than 35%,  
21 the grant for any school year shall be \$800 multiplied by  
22 the low income eligible pupil count.

23 (b) For any school district with a Low Income  
24 Concentration Level of at least 35% and less than 50%,  
25 the grant for the 1998-1999 school year shall be \$1,100  
26 multiplied by the low income eligible pupil count.

27 (c) For any school district with a Low Income  
28 Concentration Level of at least 50% and less than 60%,  
29 the grant for the 1998-99 school year shall be \$1,500  
30 multiplied by the low income eligible pupil count.

31 (d) For any school district with a Low Income  
32 Concentration Level of 60% or more, the grant for the  
33 1998-99 school year shall be \$1,900 multiplied by the low  
34 income eligible pupil count.

1           (e) For the 1999-2000 school year, the per pupil  
2 amount specified in subparagraphs (b), (c), and (d)  
3 immediately above shall be increased to \$1,243, \$1,600,  
4 and \$2,000, respectively.

5           (f) For the 2000-2001 school year, the per pupil  
6 amounts specified in subparagraphs (b), (c), and (d)  
7 immediately above shall be \$1,273, \$1,640, and \$2,050,  
8 respectively.

9           (2.5) Supplemental general State aid pursuant to this  
10 subsection (H) shall be provided as follows for the 2002-2003  
11 school year ~~and each school year thereafter~~:

12           (a) For any school district with a Low Income  
13 Concentration Level of less than 10%, the grant for each  
14 school year shall be \$355 multiplied by the low income  
15 eligible pupil count.

16           (b) For any school district with a Low Income  
17 Concentration Level of at least 10% and less than 20%,  
18 the grant for each school year shall be \$675 multiplied  
19 by the low income eligible pupil count.

20           (c) For any school district with a Low Income  
21 Concentration Level of at least 20% and less than 35%,  
22 the grant for each school year shall be \$1,330 multiplied  
23 by the low income eligible pupil count.

24           (d) For any school district with a Low Income  
25 Concentration Level of at least 35% and less than 50%,  
26 the grant for each school year shall be \$1,362 multiplied  
27 by the low income eligible pupil count.

28           (e) For any school district with a Low Income  
29 Concentration Level of at least 50% and less than 60%,  
30 the grant for each school year shall be \$1,680 multiplied  
31 by the low income eligible pupil count.

32           (f) For any school district with a Low Income  
33 Concentration Level of 60% or more, the grant for each  
34 school year shall be \$2,080 multiplied by the low income

1 eligible pupil count.

2 (2.10) Supplemental general State aid pursuant to this  
3 subsection (H) shall be provided as follows for the 2003-2004  
4 school year and each school year thereafter:

5 (a) For any school district with a Low Income  
6 Concentration Level of 15% or less, the grant for each  
7 school year shall be \$355 multiplied by the low income  
8 eligible pupil count.

9 (b) For any school district with a Low Income  
10 Concentration Level greater than 15%, the grant for each  
11 school year shall be \$294.25 added to \$2,700 and  
12 multiplied by the square of the Low Income Concentration  
13 Level, all multiplied by the low income eligible pupil  
14 count.

15 (3) School districts with an Average Daily Attendance of  
16 more than 1,000 and less than 50,000 that qualify for  
17 supplemental general State aid pursuant to this subsection  
18 shall submit a plan to the State Board of Education prior to  
19 October 30 of each year for the use of the funds resulting  
20 from this grant of supplemental general State aid for the  
21 improvement of instruction in which priority is given to  
22 meeting the education needs of disadvantaged children. Such  
23 plan shall be submitted in accordance with rules and  
24 regulations promulgated by the State Board of Education.

25 (4) School districts with an Average Daily Attendance of  
26 50,000 or more that qualify for supplemental general State  
27 aid pursuant to this subsection shall be required to  
28 distribute from funds available pursuant to this Section, no  
29 less than \$261,000,000 in accordance with the following  
30 requirements:

31 (a) The required amounts shall be distributed to  
32 the attendance centers within the district in proportion  
33 to the number of pupils enrolled at each attendance  
34 center who are eligible to receive free or reduced-price

1 lunches or breakfasts under the federal Child Nutrition  
2 Act of 1966 and under the National School Lunch Act  
3 during the immediately preceding school year.

4 (b) The distribution of these portions of  
5 supplemental and general State aid among attendance  
6 centers according to these requirements shall not be  
7 compensated for or contravened by adjustments of the  
8 total of other funds appropriated to any attendance  
9 centers, and the Board of Education shall utilize funding  
10 from one or several sources in order to fully implement  
11 this provision annually prior to the opening of school.

12 (c) Each attendance center shall be provided by the  
13 school district a distribution of noncategorical funds  
14 and other categorical funds to which an attendance center  
15 is entitled under law in order that the general State aid  
16 and supplemental general State aid provided by  
17 application of this subsection supplements rather than  
18 supplants the noncategorical funds and other categorical  
19 funds provided by the school district to the attendance  
20 centers.

21 (d) Any funds made available under this subsection  
22 that by reason of the provisions of this subsection are  
23 not required to be allocated and provided to attendance  
24 centers may be used and appropriated by the board of the  
25 district for any lawful school purpose.

26 (e) Funds received by an attendance center pursuant  
27 to this subsection shall be used by the attendance center  
28 at the discretion of the principal and local school  
29 council for programs to improve educational opportunities  
30 at qualifying schools through the following programs and  
31 services: early childhood education, reduced class size  
32 or improved adult to student classroom ratio, enrichment  
33 programs, remedial assistance, attendance improvement,  
34 and other educationally beneficial expenditures which

1 supplement the regular and basic programs as determined  
2 by the State Board of Education. Funds provided shall not  
3 be expended for any political or lobbying purposes as  
4 defined by board rule.

5 (f) Each district subject to the provisions of this  
6 subdivision (H)(4) shall submit an acceptable plan to  
7 meet the educational needs of disadvantaged children, in  
8 compliance with the requirements of this paragraph, to  
9 the State Board of Education prior to July 15 of each  
10 year. This plan shall be consistent with the decisions of  
11 local school councils concerning the school expenditure  
12 plans developed in accordance with part 4 of Section  
13 34-2.3. The State Board shall approve or reject the plan  
14 within 60 days after its submission. If the plan is  
15 rejected, the district shall give written notice of  
16 intent to modify the plan within 15 days of the  
17 notification of rejection and then submit a modified plan  
18 within 30 days after the date of the written notice of  
19 intent to modify. Districts may amend approved plans  
20 pursuant to rules promulgated by the State Board of  
21 Education.

22 Upon notification by the State Board of Education  
23 that the district has not submitted a plan prior to July  
24 15 or a modified plan within the time period specified  
25 herein, the State aid funds affected by that plan or  
26 modified plan shall be withheld by the State Board of  
27 Education until a plan or modified plan is submitted.

28 If the district fails to distribute State aid to  
29 attendance centers in accordance with an approved plan,  
30 the plan for the following year shall allocate funds, in  
31 addition to the funds otherwise required by this  
32 subsection, to those attendance centers which were  
33 underfunded during the previous year in amounts equal to  
34 such underfunding.

1           For purposes of determining compliance with this  
2 subsection in relation to the requirements of attendance  
3 center funding, each district subject to the provisions  
4 of this subsection shall submit as a separate document by  
5 December 1 of each year a report of expenditure data for  
6 the prior year in addition to any modification of its  
7 current plan. If it is determined that there has been a  
8 failure to comply with the expenditure provisions of this  
9 subsection regarding contravention or supplanting, the  
10 State Superintendent of Education shall, within 60 days  
11 of receipt of the report, notify the district and any  
12 affected local school council. The district shall within  
13 45 days of receipt of that notification inform the State  
14 Superintendent of Education of the remedial or corrective  
15 action to be taken, whether by amendment of the current  
16 plan, if feasible, or by adjustment in the plan for the  
17 following year. Failure to provide the expenditure  
18 report or the notification of remedial or corrective  
19 action in a timely manner shall result in a withholding  
20 of the affected funds.

21           The State Board of Education shall promulgate rules  
22 and regulations to implement the provisions of this  
23 subsection. No funds shall be released under this  
24 subdivision (H)(4) to any district that has not submitted  
25 a plan that has been approved by the State Board of  
26 Education.

27 (I) General State Aid for Newly Configured School Districts.

28           (1) For a new school district formed by combining  
29 property included totally within 2 or more previously  
30 existing school districts, for its first year of existence  
31 the general State aid and supplemental general State aid  
32 calculated under this Section shall be computed for the new  
33 district and for the previously existing districts for which  
34 property is totally included within the new district. If the

1 computation on the basis of the previously existing districts  
2 is greater, a supplementary payment equal to the difference  
3 shall be made for the first 4 years of existence of the new  
4 district.

5 (2) For a school district which annexes all of the  
6 territory of one or more entire other school districts, for  
7 the first year during which the change of boundaries  
8 attributable to such annexation becomes effective for all  
9 purposes as determined under Section 7-9 or 7A-8, the general  
10 State aid and supplemental general State aid calculated under  
11 this Section shall be computed for the annexing district as  
12 constituted after the annexation and for the annexing and  
13 each annexed district as constituted prior to the annexation;  
14 and if the computation on the basis of the annexing and  
15 annexed districts as constituted prior to the annexation is  
16 greater, a supplementary payment equal to the difference  
17 shall be made for the first 4 years of existence of the  
18 annexing school district as constituted upon such annexation.

19 (3) For 2 or more school districts which annex all of  
20 the territory of one or more entire other school districts,  
21 and for 2 or more community unit districts which result upon  
22 the division (pursuant to petition under Section 11A-2) of  
23 one or more other unit school districts into 2 or more parts  
24 and which together include all of the parts into which such  
25 other unit school district or districts are so divided, for  
26 the first year during which the change of boundaries  
27 attributable to such annexation or division becomes effective  
28 for all purposes as determined under Section 7-9 or 11A-10,  
29 as the case may be, the general State aid and supplemental  
30 general State aid calculated under this Section shall be  
31 computed for each annexing or resulting district as  
32 constituted after the annexation or division and for each  
33 annexing and annexed district, or for each resulting and  
34 divided district, as constituted prior to the annexation or

1 division; and if the aggregate of the general State aid and  
2 supplemental general State aid as so computed for the  
3 annexing or resulting districts as constituted after the  
4 annexation or division is less than the aggregate of the  
5 general State aid and supplemental general State aid as so  
6 computed for the annexing and annexed districts, or for the  
7 resulting and divided districts, as constituted prior to the  
8 annexation or division, then a supplementary payment equal to  
9 the difference shall be made and allocated between or among  
10 the annexing or resulting districts, as constituted upon such  
11 annexation or division, for the first 4 years of their  
12 existence. The total difference payment shall be allocated  
13 between or among the annexing or resulting districts in the  
14 same ratio as the pupil enrollment from that portion of the  
15 annexed or divided district or districts which is annexed to  
16 or included in each such annexing or resulting district bears  
17 to the total pupil enrollment from the entire annexed or  
18 divided district or districts, as such pupil enrollment is  
19 determined for the school year last ending prior to the date  
20 when the change of boundaries attributable to the annexation  
21 or division becomes effective for all purposes. The amount  
22 of the total difference payment and the amount thereof to be  
23 allocated to the annexing or resulting districts shall be  
24 computed by the State Board of Education on the basis of  
25 pupil enrollment and other data which shall be certified to  
26 the State Board of Education, on forms which it shall provide  
27 for that purpose, by the regional superintendent of schools  
28 for each educational service region in which the annexing and  
29 annexed districts, or resulting and divided districts are  
30 located.

31 (3.5) Claims for financial assistance under this  
32 subsection (I) shall not be recomputed except as expressly  
33 provided under this Section.

34 (4) Any supplementary payment made under this subsection



1 (I) shall be treated as separate from all other payments made  
2 pursuant to this Section.

3 (J) Supplementary Grants in Aid.

4 (0.05) This subsection (J) applies only to school years  
5 preceding the 2003-2004 school year.

6 (1) Notwithstanding any other provisions of this  
7 Section, the amount of the aggregate general State aid in  
8 combination with supplemental general State aid under this  
9 Section for which each school district is eligible shall be  
10 no less than the amount of the aggregate general State aid  
11 entitlement that was received by the district under Section  
12 18-8 (exclusive of amounts received under subsections 5(p)  
13 and 5(p-5) of that Section) for the 1997-98 school year,  
14 pursuant to the provisions of that Section as it was then in  
15 effect. If a school district qualifies to receive a  
16 supplementary payment made under this subsection (J), the  
17 amount of the aggregate general State aid in combination with  
18 supplemental general State aid under this Section which that  
19 district is eligible to receive for each school year shall be  
20 no less than the amount of the aggregate general State aid  
21 entitlement that was received by the district under Section  
22 18-8 (exclusive of amounts received under subsections 5(p)  
23 and 5(p-5) of that Section) for the 1997-1998 school year,  
24 pursuant to the provisions of that Section as it was then in  
25 effect.

26 (2) If, as provided in paragraph (1) of this subsection  
27 (J), a school district is to receive aggregate general State  
28 aid in combination with supplemental general State aid under  
29 this Section for the 1998-99 school year and any subsequent  
30 school year that in any such school year is less than the  
31 amount of the aggregate general State aid entitlement that  
32 the district received for the 1997-98 school year, the school  
33 district shall also receive, from a separate appropriation  
34 made for purposes of this subsection (J), a supplementary

1 payment that is equal to the amount of the difference in the  
2 aggregate State aid figures as described in paragraph (1).

3 (3) (Blank).

4 (K) Grants to Laboratory and Alternative Schools.

5 In calculating the amount to be paid to the governing  
6 board of a public university that operates a laboratory  
7 school under this Section or to any alternative school that  
8 is operated by a regional superintendent of schools, the  
9 State Board of Education shall require by rule such reporting  
10 requirements as it deems necessary.

11 As used in this Section, "laboratory school" means a  
12 public school which is created and operated by a public  
13 university and approved by the State Board of Education. The  
14 governing board of a public university which receives funds  
15 from the State Board under this subsection (K) may not  
16 increase the number of students enrolled in its laboratory  
17 school from a single district, if that district is already  
18 sending 50 or more students, except under a mutual agreement  
19 between the school board of a student's district of residence  
20 and the university which operates the laboratory school. A  
21 laboratory school may not have more than 1,000 students,  
22 excluding students with disabilities in a special education  
23 program.

24 As used in this Section, "alternative school" means a  
25 public school which is created and operated by a Regional  
26 Superintendent of Schools and approved by the State Board of  
27 Education. Such alternative schools may offer courses of  
28 instruction for which credit is given in regular school  
29 programs, courses to prepare students for the high school  
30 equivalency testing program or vocational and occupational  
31 training. A regional superintendent of schools may contract  
32 with a school district or a public community college district  
33 to operate an alternative school. An alternative school  
34 serving more than one educational service region may be

1 established by the regional superintendents of schools of the  
2 affected educational service regions. An alternative school  
3 serving more than one educational service region may be  
4 operated under such terms as the regional superintendents of  
5 schools of those educational service regions may agree.

6 Each laboratory and alternative school shall file, on  
7 forms provided by the State Superintendent of Education, an  
8 annual State aid claim which states the Average Daily  
9 Attendance of the school's students by month. The best 3  
10 months' Average Daily Attendance shall be computed for each  
11 school. The general State aid entitlement shall be computed  
12 by multiplying the applicable Average Daily Attendance by the  
13 Foundation Level as determined under this Section.

14 (L) Payments, Additional Grants in Aid and Other  
15 Requirements.

16 (1) For a school district operating under the financial  
17 supervision of an Authority created under Article 34A, the  
18 general State aid otherwise payable to that district under  
19 this Section, but not the supplemental general State aid,  
20 shall be reduced by an amount equal to the budget for the  
21 operations of the Authority as certified by the Authority to  
22 the State Board of Education, and an amount equal to such  
23 reduction shall be paid to the Authority created for such  
24 district for its operating expenses in the manner provided in  
25 Section 18-11. The remainder of general State school aid for  
26 any such district shall be paid in accordance with Article  
27 34A when that Article provides for a disposition other than  
28 that provided by this Article.

29 (2) (Blank).

30 (3) Summer school. Summer school payments shall be made  
31 as provided in Section 18-4.3.

32 (M) Education Funding Advisory Board.

33 The Education Funding Advisory Board, hereinafter in this

1 subsection (M) referred to as the "Board", is hereby created.  
2 The Board shall consist of 5 members who are appointed by the  
3 Governor, by and with the advice and consent of the Senate.  
4 The members appointed shall include representatives of  
5 education, business, and the general public. One of the  
6 members so appointed shall be designated by the Governor at  
7 the time the appointment is made as the chairperson of the  
8 Board. The initial members of the Board may be appointed any  
9 time after the effective date of this amendatory Act of 1997.  
10 The regular term of each member of the Board shall be for 4  
11 years from the third Monday of January of the year in which  
12 the term of the member's appointment is to commence, except  
13 that of the 5 initial members appointed to serve on the  
14 Board, the member who is appointed as the chairperson shall  
15 serve for a term that commences on the date of his or her  
16 appointment and expires on the third Monday of January, 2002,  
17 and the remaining 4 members, by lots drawn at the first  
18 meeting of the Board that is held after all 5 members are  
19 appointed, shall determine 2 of their number to serve for  
20 terms that commence on the date of their respective  
21 appointments and expire on the third Monday of January, 2001,  
22 and 2 of their number to serve for terms that commence on the  
23 date of their respective appointments and expire on the third  
24 Monday of January, 2000. All members appointed to serve on  
25 the Board shall serve until their respective successors are  
26 appointed and confirmed. Vacancies shall be filled in the  
27 same manner as original appointments. If a vacancy in  
28 membership occurs at a time when the Senate is not in  
29 session, the Governor shall make a temporary appointment  
30 until the next meeting of the Senate, when he or she shall  
31 appoint, by and with the advice and consent of the Senate, a  
32 person to fill that membership for the unexpired term. If  
33 the Senate is not in session when the initial appointments  
34 are made, those appointments shall be made as in the case of

1 vacancies.

2 The Education Funding Advisory Board shall be deemed  
3 established, and the initial members appointed by the  
4 Governor to serve as members of the Board shall take office,  
5 on the date that the Governor makes his or her appointment of  
6 the fifth initial member of the Board, whether those initial  
7 members are then serving pursuant to appointment and  
8 confirmation or pursuant to temporary appointments that are  
9 made by the Governor as in the case of vacancies.

10 The State Board of Education shall provide such staff  
11 assistance to the Education Funding Advisory Board as is  
12 reasonably required for the proper performance by the Board  
13 of its responsibilities.

14 For school years after the 2000-2001 school year, the  
15 Education Funding Advisory Board, in consultation with the  
16 State Board of Education, shall make recommendations as  
17 provided in this subsection (M) to the General Assembly for  
18 the foundation level under subdivision (B)(3) of this Section  
19 and for the supplemental general State aid grant level under  
20 subsection (H) of this Section for districts with high  
21 concentrations of children from poverty. The recommended  
22 foundation level shall be determined based on a methodology  
23 which incorporates the basic education expenditures of  
24 low-spending schools exhibiting high academic performance.  
25 The Education Funding Advisory Board shall make such  
26 recommendations to the General Assembly on January 1 of odd  
27 numbered years, beginning January 1, 2001.

28 (N) (Blank).

29 (O) References.

30 (1) References in other laws to the various subdivisions  
31 of Section 18-8 as that Section existed before its repeal and  
32 replacement by this Section 18-8.05 shall be deemed to refer  
33 to the corresponding provisions of this Section 18-8.05, to

1 the extent that those references remain applicable.

2 (2) References in other laws to State Chapter 1 funds  
3 shall be deemed to refer to the supplemental general State  
4 aid provided under subsection (H) of this Section.

5 (Source: P.A. 91-24, eff. 7-1-99; 91-93, eff. 7-9-99; 91-96,  
6 eff. 7-9-99; 91-111, eff. 7-14-99; 91-357, eff. 7-29-99;  
7 91-533, eff. 8-13-99; 92-7, eff. 6-29-01; 92-16, eff.  
8 6-28-01; 92-28, eff. 7-1-01; 92-29, eff. 7-1-01; 92-269, eff.  
9 8-7-01; 92-604, eff. 7-1-02; 92-651, eff. 7-11-02; 92-636,  
10 eff. 7-11-02; revised 7-26-02.)

11 Section 5-10. The State Aid Continuing Appropriation Law  
12 is amended by changing Sections 15-10, 15-15, and 15-25 and  
13 adding Section 15-21 as follows:

14 (105 ILCS 235/15-10)

15 (Section scheduled to be repealed on June 30, 2003)

16 Sec. 15-10. Annual budget; recommendation. The Governor  
17 shall include a Common School Fund recommendation to the  
18 State Board of Education in the ~~fiscal-year-1999-through-2003~~  
19 annual Budget Budgets sufficient to fund ~~(i)~~ the General  
20 State Aid Formula set forth in subsection (E) (Computation of  
21 General State Aid) and subsection (H) (Supplemental General  
22 State Aid) of Section 18-8.05 of the School Code and ~~(ii)-the~~  
23 ~~supplementary-payments-for--school--districts--set--forth--in~~  
24 ~~subsection--(J)--(Supplementary--Grants--in--Aid)--of-Section~~  
25 ~~18-8.05-of-the-School-Code.~~

26 (Source: P.A. 92-7, eff. 6-29-01; 92-597, eff. 6-28-02.)

27 (105 ILCS 235/15-15)

28 (Section scheduled to be repealed on June 30, 2003)

29 Sec. 15-15. State Aid Formula; Funding. The General  
30 Assembly shall annually make Common School Fund  
31 appropriations to the State Board of Education in ~~fiscal~~

1 years--1999--through--2003 sufficient to fund (i) the General  
 2 State Aid Formula set forth in subsection (E) (Computation of  
 3 General State Aid) and subsection (H) (Supplemental General  
 4 State Aid) of Section 18-8.05 of the School Code and (ii) the  
 5 supplementary--payments--for--school--districts--set--forth--in  
 6 subsection-(J)--(Supplementary--Grants--in--Aid)--of--Section  
 7 18-8.05-of-the-School-Code.

8 (Source: P.A. 92-7, eff. 6-29-01; 92-597, eff. 6-28-02.)

9 (105 ILCS 235/15-21 new)

10 Sec. 15-21. Continuing appropriation. If the General  
 11 Assembly fails to make Common School Fund appropriations to  
 12 the State Board of Education in fiscal year 2004 or in any  
 13 fiscal year thereafter sufficient to fund the General State  
 14 Aid Formula set forth in subsection (E) (Computation of  
 15 General State Aid) and subsection (H) (Supplemental General  
 16 State Aid) of Section 18-8.05 of the School Code, this Law  
 17 shall constitute an irrevocable and continuing appropriation  
 18 from the Common School Fund of all amounts necessary for  
 19 those purposes.

20 (105 ILCS 235/15-25)

21 (Section scheduled to be repealed on June 30, 2003)

22 ~~Sec. 15-25. Repeal. This Article is repealed--June--30,~~  
 23 ~~2003.~~ Section 15-20 of this Article is repealed June 30,  
 24 2002.

25 (Source: P.A. 92-7, eff. 6-29-01; 92-597, eff. 6-28-02.)

26 ARTICLE 10

27 Section 10-5. The Election Code is amended by changing  
 28 Section 28-2 as follows:

29 (10 ILCS 5/28-2) (from Ch. 46, par. 28-2)

1           Sec. 28-2. (a) Except as otherwise provided in this  
2 Section, petitions for the submission of public questions to  
3 referendum must be filed with the appropriate officer or  
4 board not less than 78 days prior to a regular election to be  
5 eligible for submission on the ballot at such election; and  
6 petitions for the submission of a question under Section  
7 18-120 of the Property Tax Code must be filed with the  
8 appropriate officer or board not more than 10 months nor less  
9 than 6 months prior to the election at which such question is  
10 to be submitted to the voters.

11           (b) However, petitions for the submission of a public  
12 question to referendum which proposes the creation or  
13 formation of a political subdivision must be filed with the  
14 appropriate officer or board not less than 108 days prior to  
15 a regular election to be eligible for submission on the  
16 ballot at such election.

17           (c) Resolutions or ordinances of governing boards of  
18 political subdivisions which initiate the submission of  
19 public questions pursuant to law must be adopted not less  
20 than 65 days before a regularly scheduled election to be  
21 eligible for submission on the ballot at such election.

22           (d) A petition, resolution or ordinance initiating the  
23 submission of a public question may specify a regular  
24 election at which the question is to be submitted, and must  
25 so specify if the statute authorizing the public question  
26 requires submission at a particular election. However, no  
27 petition, resolution or ordinance initiating the submission  
28 of a public question, other than a legislative resolution  
29 initiating an amendment to the Constitution, may specify such  
30 submission at an election more than one year after the date  
31 on which it is filed or adopted, as the case may be. A  
32 petition, resolution or ordinance initiating a public  
33 question which specifies a particular election at which the  
34 question is to be submitted shall be so limited, and shall



1 not be valid as to any other election, other than an  
2 emergency referendum ordered pursuant to Section 2A-1.4.

3 (e) If a petition initiating a public question does not  
4 specify a regularly scheduled election, the public question  
5 shall be submitted to referendum at the next regular election  
6 occurring not less than 78 days after the filing of the  
7 petition, or not less than 108 days after the filing of a  
8 petition for referendum to create a political subdivision.  
9 If a resolution or ordinance initiating a public question  
10 does not specify a regularly scheduled election, the public  
11 question shall be submitted to referendum at the next regular  
12 election occurring not less than 65 days after the adoption  
13 of the resolution or ordinance.

14 (f) In the case of back door referenda, any limitations  
15 in another statute authorizing such a referendum which  
16 restrict the time in which the initiating petition may be  
17 validly filed shall apply to such petition, in addition to  
18 the filing deadlines specified in this Section for submission  
19 at a particular election. In the case of any back door  
20 referendum, the publication of the ordinance or resolution of  
21 the political subdivision shall include a notice of (1) the  
22 specific number of voters required to sign a petition  
23 requesting that a public question be submitted to the voters  
24 of the subdivision; (2) the time within which the petition  
25 must be filed; and (3) the date of the prospective  
26 referendum. The secretary or clerk of the political  
27 subdivision shall provide a petition form to any individual  
28 requesting one. As used herein, a "back door referendum" is  
29 the submission of a public question to the voters of a  
30 political subdivision, initiated by a petition of voters or  
31 residents of such political subdivision, to determine whether  
32 an action by the governing body of such subdivision shall be  
33 adopted or rejected.

34 (g) A petition for the incorporation or formation of a

1 new political subdivision whose officers are to be elected  
 2 rather than appointed must have attached to it an affidavit  
 3 attesting that at least 108 days and no more than 138 days  
 4 prior to such election notice of intention to file such  
 5 petition was published in a newspaper published within the  
 6 proposed political subdivision, or if none, in a newspaper of  
 7 general circulation within the territory of the proposed  
 8 political subdivision in substantially the following form:

9 NOTICE OF PETITION TO FORM A NEW.....

10 Residents of the territory described below are notified  
 11 that a petition will or has been filed in the Office  
 12 of.....requesting a referendum to establish a  
 13 new....., to be called the.....

14 \*The officers of the new.....will be elected on the  
 15 same day as the referendum. Candidates for the governing  
 16 board of the new.....may file nominating petitions with the  
 17 officer named above until.....

18 The territory proposed to comprise the new.....is  
 19 described as follows:

20 (description of territory included in petition)

21 (signature).....

22 Name and address of person or persons proposing  
 23 the new political subdivision.

24 \* Where applicable.

25 Failure to file such affidavit, or failure to publish the  
 26 required notice with the correct information contained  
 27 therein shall render the petition, and any referendum held  
 28 pursuant to such petition, null and void.

29 Notwithstanding the foregoing provisions of this  
 30 subsection (g) or any other provisions of this Code, the  
 31 publication of notice and affidavit requirements of this  
 32 subsection (g) shall not apply to any petition filed under  
 33 Article 7<sub>7</sub>, 7A, 11A, 11B, or 11D of the School Code nor to any  
 34 referendum held pursuant to any such petition, and neither

1 any petition filed under any of those Articles nor any  
2 referendum held pursuant to any such petition shall be  
3 rendered null and void because of the failure to file an  
4 affidavit or publish a notice with respect to the petition or  
5 referendum as required under this subsection (g) for  
6 petitions that are not filed under any of those Articles of  
7 the School Code.

8 (Source: P.A. 90-459, eff. 8-17-97.)

9 Section 10-10. The School Code is amended by changing  
10 Sections 2-3.25d, 3-14, 7-1, 7-2, 7-4, 7-6, 7-9, 11A-2,  
11 11A-3, 11A-8, 11B-2, 18-8.2, 18-8.3, and 18-8.5 and adding  
12 Sections 3-14.29, 18-8.6a, and 18-8.6b as follows:

13 (105 ILCS 5/2-3.25d) (from Ch. 122, par. 2-3.25d)

14 Sec. 2-3.25d. Academic watch list. Those schools that  
15 are not meeting the standards of academic performance  
16 measured by the State assessment of student performance as  
17 specified by the State Board of Education may be placed on an  
18 academic watch list established by the State Superintendent  
19 of Education after serving for 2 years on the State Board of  
20 Education Early Academic Warning List and shall be subject to  
21 an on-site visitation to determine whether extenuating  
22 circumstances exist as to why a school or schools should not  
23 be placed on an academic watch list by the State  
24 Superintendent of Education.

25 A school district that has one or more schools on the  
26 academic watch list shall submit a revised School Improvement  
27 Plan or amendments thereto setting forth the district's  
28 expectations for removing each school in the district from  
29 the academic watch list and for improving student performance  
30 in that school. Districts operating under Article 34 of The  
31 School Code may submit the School Improvement Plan required  
32 under Section 34-2.4. If any district submits a School

1 Improvement Plan which exceeds 2 years in duration, the Plan  
 2 shall contain provisions for evaluation and determination as  
 3 to the improvement of student performance or school  
 4 improvement after no later than 2 years. The revised School  
 5 Improvement Plan or amendments thereto shall be developed in  
 6 consultation with the staff of the affected school and must  
 7 be approved by the local board of education and the school's  
 8 local school council for districts operating under Article 34  
 9 of the School Code. Revised School Improvement Plans must be  
 10 submitted for approval to the State Superintendent of  
 11 Education pursuant to rules and regulations promulgated by  
 12 the State Board of Education. The revised School Improvement  
 13 Plan shall address specific, measurable outcomes for  
 14 improving student performance so that such performance equals  
 15 or exceeds standards set for the school by the State Board of  
 16 Education.

17 A school or schools shall remain on the academic watch  
 18 list for at least one full academic year. During each  
 19 academic year for which a school is on the academic watch  
 20 list it shall continue to be evaluated and assessed by the  
 21 State Board of Education as to whether it is meeting outcomes  
 22 identified in its revised School Improvement Plan.

23 Any school district organized on or after July 1, 2002  
 24 under Article 7, 7A, 11A, or 11B of this Code is exempted  
 25 from the provisions of this Section for a period of 5 years  
 26 commencing on the effective date of the reorganization.

27 The provisions of this Section are subject to the  
 28 provisions of Section 2-3.25k.

29 (Source: P.A. 89-398, eff. 8-20-95; 89-698, eff. 1-14-97.)

30 (105 ILCS 5/3-14) (from Ch. 122, par. 3-14)  
 31 Sec. 3-14. Duties of regional superintendent. The  
 32 regional superintendent of schools shall perform the duties  
 33 enumerated in the following Sections preceding Section 3-15

1 Sections-3-14.1-through-3-14.25.

2 (Source: P.A. 83-503.)

3 (105 ILCS 5/3-14.29 new)

4 Sec. 3-14.29. Reorganization feasibility study. To  
5 appoint a steering committee and serve as executive secretary  
6 in order to conduct a consolidation feasibility study for all  
7 school districts within the educational service region. The  
8 State Board of Education shall adopt rules to ensure that the  
9 study is standard in statewide scope. The steering committee  
10 shall have all of the following duties:

11 (1) To prepare a plan for the reorganization of  
12 school districts in the region into administrative units  
13 serving students in grades kindergarten through 12 with a  
14 minimum of 250 students in grades 9 through 12.

15 (2) To submit the feasibility study to the  
16 administration, school boards, and State legislators of  
17 the affected school districts.

18 (3) To facilitate the completion of additional  
19 studies if needed.

20 (105 ILCS 5/7-1) (from Ch. 122, par. 7-1)

21 Sec. 7-1. Districts in one educational service region -  
22 changing boundaries.

23 (a) School district boundaries lying entirely within any  
24 educational service region may be changed by detachment,  
25 annexation, division or dissolution or any combination  
26 thereof by the regional board of school trustees of such  
27 region, or by the State Superintendent of Education as  
28 provided in subsection (1) of Section 7-6, when petitioned by  
29 the boards of each district affected or by a majority of the  
30 registered voters in each district affected or by two-thirds  
31 of the registered voters in any territory proposed to be  
32 detached from one or more districts or in each of one or more

1 districts proposed to be annexed to another district.  
 2 Registered voters shall be determined by the official voter  
 3 registration lists as of the date the petition is filed. No  
 4 signatures shall be added after the date the petition is  
 5 filed. If there are no registered voters within the  
 6 territory proposed to be detached from one or more districts,  
 7 then the petition may be signed by all of the owners of  
 8 record of the real estate of the territory. Notwithstanding  
 9 any--other--provisions--of--this--Article,--if--pursuant--to--a  
 10 petition--filed--under--this--subsection--all--of--the--territory--of  
 11 a--school--district--is--to--be--annexed--to--another--school  
 12 district,--any--action--by--the--regional--board--of--school--trustees  
 13 or--State--Superintendent--of--Education--in--granting--or--approving  
 14 the--petition--and--any--change--in--school--district--boundaries  
 15 pursuant--to--that--action--is--subject--to--and--the--change--in  
 16 school--district--boundaries--shall--not--be--made--except--upon  
 17 approval--at--a--regular--scheduled--election,--in--the--manner  
 18 provided--by--Section--7-7.7,--of--a--proposition--for--the  
 19 annexation--of--all--of--the--territory--of--that--school--district--to  
 20 the--other--school--district.

21 Each page of the circulated petition shall include the  
 22 full prayer of the petition, and each signature contained  
 23 therein shall match the official signature and address of the  
 24 registered voters as recorded in the office of the election  
 25 authority having jurisdiction over the county. Each  
 26 petitioner shall also record the date of his signing. Each  
 27 page of the petition shall be signed by a circulator who has  
 28 witnessed the signature of each petitioner on that page. The  
 29 length of time for signatures to be valid, before filing of  
 30 the petition, shall not exceed 6 months.

31 Where there is only one school building in an approved  
 32 operating district, the building and building site may not be  
 33 included in any detachment proceeding unless petitioned by  
 34 two-thirds of the registered voters within the entire

1 district wherein the school is located.

2 (b) Any elementary or high school district with 100 or  
3 more of its students residing upon territory located entirely  
4 within a military base or installation operated and  
5 maintained by the government of the United States, or any  
6 unit school district or any combination of the above  
7 mentioned districts with 300 or more of its students residing  
8 upon territory located entirely within a military base or  
9 installation operated and maintained by the government of the  
10 United States, shall, upon the filing with the regional board  
11 of school trustees of a petition adopted by resolution of the  
12 board of education or a petition signed by a majority of the  
13 registered voters residing upon such military base or  
14 installation, have all of the territory lying entirely within  
15 such military base or installation detached from such school  
16 district, and a new school district comprised of such  
17 territory shall be created. The petition shall be filed with  
18 and decided solely by the regional board of school trustees  
19 of the region in which the regional superintendent of schools  
20 has supervision of the school district affected. The  
21 regional board of school trustees shall have no authority to  
22 deny the detachment and creation of a new school district  
23 requested in a proper petition filed under this subsection.  
24 This subsection shall apply only to those school districts  
25 having a population of not fewer than 1,000 and not more than  
26 500,000 residents, as ascertained by any special or general  
27 census.

28 The new school district shall tuition its students to the  
29 same districts that its students were previously attending  
30 and the districts from which the new district was detached  
31 shall continue to educate the students from the new district,  
32 until the federal government provides other arrangements.  
33 The federal government shall pay for the education of such  
34 children as required by Section 6 of Public Law 81-874.

1           If a school district created under this subsection (b)  
2 has not elected a school board and has not become operational  
3 within 2 years after the date of detachment, then this  
4 district is automatically dissolved and the territory of this  
5 district reverts to the school district from which the  
6 territory was detached or any successor district thereto.  
7 Any school district created under this subsection (b) on or  
8 before September 1, 1996 that has not elected a school board  
9 and has not been operational since September 1, 1996 is  
10 automatically dissolved on the effective date of this  
11 amendatory Act of 1999, and on this date the territory of  
12 this district reverts to the school district from which the  
13 territory was detached. For the automatic dissolution of a  
14 school district created under this subsection (b), the  
15 regional superintendent of schools who has supervision of the  
16 school district from which the territory was detached shall  
17 certify to the regional board of school trustees that the  
18 school district created under this subsection (b) has been  
19 automatically dissolved.

20           (Source: P.A. 90-459, eff. 8-17-97; 91-460, eff. 8-6-99.)

21           (105 ILCS 5/7-2) (from Ch. 122, par. 7-2)

22           Sec. 7-2. Districts in two or more counties; Change of  
23 boundaries. Boundaries of existing school districts lying  
24 within two or more counties may be changed by detachment,  
25 annexation, division, dissolution or any combination thereof  
26 by the concurrent action of, taken following a joint hearing  
27 before, the regional boards of school trustees of each region  
28 affected. For purposes of this Section and Section 7-6, an  
29 educational service region shall be deemed to be a region  
30 affected if any portion of the territory which the petition  
31 seeks to have detached from any school district is located in  
32 the region. The petition may be by the boards of each  
33 district affected, or by a majority of the legal voters



1 residing in each district affected, or by two-thirds of the  
 2 legal voters residing in any territory proposed to be  
 3 detached from one or more districts or in each of one or more  
 4 districts proposed to be annexed to another district. The  
 5 original petition shall be filed with the regional board of  
 6 school trustees of the region in which the territory being  
 7 detached is located or if territory is being detached from  
 8 more than one region then the petition shall be filed with  
 9 the regional board of school trustees of the region in which  
 10 the regional superintendent has supervision over the greatest  
 11 portion of such territory. A certified true copy of the  
 12 petition shall be filed with the regional board of school  
 13 trustees of each other region affected. Notwithstanding--any  
 14 other--provisions--of--this--Article,--if--pursuant--to--a--petition  
 15 filed--under--this--Section--all--of--the--territory--of--a--school  
 16 district--is--to--be--annexed--to--another--school--district,--any  
 17 action--by--the--regional--boards--of--school--trustees--in--granting  
 18 the--petition--and--any--changes--in--school--district--boundaries  
 19 pursuant--to--that--action--is--subject--to--and--the--change--in  
 20 school--district--boundaries--shall--not--be--made--except--upon  
 21 approval--at--a--regular--scheduled--election,--in--the--manner  
 22 provided--by--Section--7-7.7,--of--a--proposition--for--the  
 23 annexation--of--all--of--the--territory--of--that--school--district--to  
 24 the--other--school--district.

25 The regional board of school trustees in whose region the  
 26 joint hearing on the original petition is conducted shall  
 27 send a certified true copy of the transcript of the hearing  
 28 to each other region affected. If there are no legal voters  
 29 residing within the territory proposed to be detached from  
 30 one or more districts, then the petition may be signed by all  
 31 of the owners of record of the real estate of the territory.  
 32 The annexing district is that district to which territory is  
 33 proposed to be added.

34 Where there is only one school building in an approved

1 operating district, the building and building site may not be  
2 included in any detachment proceeding unless petitioned by  
3 two-thirds of the eligible voters within the entire district  
4 wherein the school is located.

5 After September 23, 1983, no petition shall be filed  
6 under Sections 7-1 and 7-2 to form a new school district  
7 under this Article except that such a petition may be filed  
8 under Section 7-1 to form a new school district where the  
9 boundaries of such new school district lie entirely within  
10 the boundaries of a military base or installation operated  
11 and maintained by the government of the United States.

12 (Source: P.A. 90-459, eff. 8-17-97.)

13 (105 ILCS 5/7-4) (from Ch. 122, par. 7-4)

14 Sec. 7-4. Requirements for granting petitions. No  
15 petition shall be granted under Sections 7-1 or 7-2 of this  
16 Act:

17 (a) If there will be any non-high school territory  
18 resulting from the granting of the petition.

19 (b) Unless after granting the petition any community  
20 unit district, community consolidated district, elementary  
21 district or high school district created shall have a  
22 population of at least 2,000 and an equalized assessed  
23 valuation of at least \$6,000,000 based upon the last value as  
24 equalized by the Department of Revenue as of the date of  
25 filing of the petition.

26 (c) Unless the territory within any district so created  
27 or any district whose boundaries are affected by the granting  
28 of a petition shall after the granting thereof be compact and  
29 contiguous except as provided in Section 7-6 of this Act.  
30 The fact that a district is divided by territory lying within  
31 the corporate limits of the city of Chicago shall not render  
32 it non-compact or non-contiguous.

33 (d) To create any school district with a population of

1 less than 2,000 unless the State Board of Education and the  
2 regional superintendent of schools for the region in which  
3 the proposed district will lie shall certify to the regional  
4 board or boards of school trustees that the creation of such  
5 new district will not interfere with the ultimate  
6 reorganization of the territory of such proposed district as  
7 a part of a district having a population of 2,000 or more.  
8 ~~Notwithstanding any other provisions of this Article, the~~  
9 ~~granting or approval by a regional board or regional boards~~  
10 ~~of school trustees or by the State Superintendent of~~  
11 ~~Education of a petition that under subsection (b-5) of~~  
12 ~~Section 7-6 is required to request the submission of a~~  
13 ~~proposition at a regular scheduled election for the purpose~~  
14 ~~of voting for or against the annexation of the territory~~  
15 ~~described in the petition to the school district proposing to~~  
16 ~~annex that territory is subject to, and any change in school~~  
17 ~~district boundaries pursuant to the granting of the petition~~  
18 ~~shall not be made except upon approval of the proposition at~~  
19 ~~the election in the manner provided by Section 7-7.7.~~

20 (Source: P.A. 89-397, eff. 8-20-95; 90-459, eff. 8-17-97.)

21 (105 ILCS 5/7-6) (from Ch. 122, par. 7-6)

22 Sec. 7-6. Petition filing; Notice; Hearing; Decision.

23 (a) Upon the filing of a petition with the secretary of  
24 the regional board of school trustees under the provisions of  
25 Section 7-1 or 7-2 of this Act the secretary shall cause a  
26 copy of such petition to be given to each board of any  
27 district involved in the proposed boundary change and shall  
28 cause a notice thereof to be published once in a newspaper  
29 having general circulation within the area of the territory  
30 described in the petition for the proposed change of  
31 boundaries.

32 (b) When a joint hearing is required under the  
33 provisions of Section 7-2, the secretary also shall cause a

1 copy of the notice to be sent to the regional board of school  
2 trustees of each region affected. Notwithstanding the  
3 foregoing provisions of this Section, if the secretary of the  
4 regional board of school trustees with whom a petition is  
5 filed under Section 7-2 fails, within 30 days after the  
6 filing of such petition, to cause notice thereof to be  
7 published and sent as required by this Section, then the  
8 secretary of the regional board of school trustees of any  
9 other region affected may cause the required notice to be  
10 published and sent, and the joint hearing may be held in any  
11 region affected as provided in the notice so published.

12 (b-5) (Blank). ~~If a petition filed under subsection (a)~~  
13 ~~of Section 7-1 or under Section 7-2 proposes to annex all the~~  
14 ~~territory of a school district to another school district,~~  
15 ~~the petition shall request the submission of a proposition at~~  
16 ~~a regular scheduled election for the purpose of voting for or~~  
17 ~~against the annexation of the territory described in the~~  
18 ~~petition to the school district proposing to annex that~~  
19 ~~territory. No petition filed or election held under this~~  
20 ~~Article shall be null and void, invalidated, or deemed in~~  
21 ~~noncompliance with the Election Code because of a failure to~~  
22 ~~publish a notice with respect to the petition or referendum~~  
23 ~~as required under subsection (g) of Section 28-2 of that Code~~  
24 ~~for petitions that are not filed under this Article or~~  
25 ~~Article 7A, 11A, 11B, or 11D of the School Code.~~

26 (c) When a petition contains more than 10 signatures the  
27 petition shall designate a committee of 10 of the petitioners  
28 as attorney in fact for all petitioners, any 7 of whom may  
29 make binding stipulations on behalf of all petitioners as to  
30 any question with respect to the petition or hearing or joint  
31 hearing, and the regional board of school trustees, or  
32 regional boards of school trustees in cases of a joint  
33 hearing may accept such stipulation in lieu of evidence or  
34 proof of the matter stipulated. The committee of petitioners

1 shall have the same power to stipulate to accountings or  
2 waiver thereof between school districts; however, the  
3 regional board of school trustees, or regional boards of  
4 school trustees in cases of a joint hearing may refuse to  
5 accept such stipulation. Those designated as the committee of  
6 10 shall serve in that capacity until such time as the  
7 regional superintendent of schools or the committee of 10  
8 determines that, because of death, resignation, transfer of  
9 residency from the territory, or failure to qualify, the  
10 office of a particular member of the committee of 10 is  
11 vacant. Upon determination that a vacancy exists, the  
12 remaining members shall appoint a petitioner to fill the  
13 designated vacancy on the committee of 10. The appointment  
14 of any new members by the committee of 10 shall be made by a  
15 simple majority vote of the remaining designated members.

16 (d) The petition may be amended to withdraw not to  
17 exceed a total of 10% of the territory in the petition at any  
18 time prior to the hearing or joint hearing; provided that the  
19 petition shall after amendment comply with the requirements  
20 as to the number of signatures required on an original  
21 petition.

22 (e) The petitioners shall pay the expenses of publishing  
23 the notice and of any transcript taken at the hearing or  
24 joint hearing; and in case of an appeal from the decision of  
25 the regional board of school trustees, or regional boards of  
26 school trustees in cases of a joint hearing, or State  
27 Superintendent of Education in cases determined under  
28 subsection (1) of this Section, the appellants shall pay the  
29 cost of preparing the record for appeal.

30 (f) The notice shall state when the petition was filed,  
31 the description of the territory, the prayer of the petition  
32 and the return day on which the hearing or joint hearing upon  
33 the petition will be held which shall not be more than 15 nor  
34 less than 10 days after the publication of notice.

1           (g) On such return day or on a day to which the regional  
2 board of school trustees, or regional boards of school  
3 trustees in cases of a joint hearing shall continue the  
4 hearing or joint hearing the regional board of school  
5 trustees, or regional boards of school trustees in cases of a  
6 joint hearing shall hear the petition but may adjourn the  
7 hearing or joint hearing from time to time or may continue  
8 the matter for want of sufficient notice or other good cause.

9           (h) Prior to the hearing or joint hearing the secretary  
10 of the regional board of school trustees shall submit to the  
11 regional board of school trustees, or regional boards of  
12 school trustees in cases of a joint hearing maps showing the  
13 districts involved, a written report of financial and  
14 educational conditions of districts involved and the probable  
15 effect of the proposed changes. The reports and maps  
16 submitted shall be made a part of the record of the  
17 proceedings of the regional board of school trustees, or  
18 regional boards of school trustees in cases of a joint  
19 hearing. A copy of the report and maps submitted shall be  
20 sent by the secretary of the regional board of school  
21 trustees to each board of the districts involved, not less  
22 than 5 days prior to the day upon which the hearing or joint  
23 hearing is to be held.

24           (i) The regional board of school trustees, or regional  
25 boards of school trustees in cases of a joint hearing shall  
26 hear evidence as to the school needs and conditions of the  
27 territory in the area within and adjacent thereto and as to  
28 the ability of the districts affected to meet the standards  
29 of recognition as prescribed by the State Board of Education,  
30 and shall take into consideration the division of funds and  
31 assets which will result from the change of boundaries and  
32 shall determine whether it is to the best interests of the  
33 schools of the area and the educational welfare of the pupils  
34 that such change in boundaries be granted, and in case

1 non-high school territory is contained in the petition the  
2 normal high school attendance pattern of the children shall  
3 be taken into consideration. If the non-high school territory  
4 overlies an elementary district, a part of which is in a high  
5 school district, such territory may be annexed to such high  
6 school district even though not contiguous to the high school  
7 district. However, upon resolution by the regional board of  
8 school trustees, or regional boards of school trustees in  
9 cases of a joint hearing the secretary or secretaries thereof  
10 shall conduct the hearing or joint hearing upon any boundary  
11 petition and present a transcript of such hearing to the  
12 trustees who shall base their decision upon the transcript,  
13 maps and information and any presentation of counsel.

14 (j) At the hearing or joint hearing any resident of the  
15 territory described in the petition or any resident in any  
16 district affected by the proposed change of boundaries may  
17 appear in person or by an attorney in support of the petition  
18 or to object to the granting of the petition and may present  
19 evidence in support of his position.

20 (k) At the conclusion of the hearing, other than a joint  
21 hearing, the regional superintendent of schools as ex officio  
22 member of the regional board of school trustees shall within  
23 30 days enter an order either granting or denying the  
24 petition and shall deliver to the committee of petitioners,  
25 if any, and any person who has filed his appearance in  
26 writing at the hearing and any attorney who appears for any  
27 person and any objector who testifies at the hearing and the  
28 regional superintendent of schools a certified copy of its  
29 order.

30 (l) Notwithstanding the foregoing provisions of this  
31 Section, if within 9 months after a petition is submitted  
32 under the provisions of Section 7-1 the petition is not  
33 approved or denied by the regional board of school trustees  
34 and the order approving or denying that petition entered and

1 a copy thereof served as provided in this Section, the school  
2 boards or registered voters of the districts affected that  
3 submitted the petition (or the committee of 10, or an  
4 attorney acting on its behalf, if designated in the petition)  
5 may submit a copy of the petition directly to the State  
6 Superintendent of Education for approval or denial. The copy  
7 of the petition as so submitted shall be accompanied by a  
8 record of all proceedings had with respect to the petition up  
9 to the time the copy of the petition is submitted to the  
10 State Superintendent of Education (including a copy of any  
11 notice given or published, any certificate or other proof of  
12 publication, copies of any maps or written report of the  
13 financial and educational conditions of the school districts  
14 affected if furnished by the secretary of the regional board  
15 of school trustees, copies of any amendments to the petition  
16 and stipulations made, accepted or refused, a transcript of  
17 any hearing or part of a hearing held, continued or adjourned  
18 on the petition, and any orders entered with respect to the  
19 petition or any hearing held thereon). The school boards,  
20 registered voters or committee of 10 submitting the petition  
21 and record of proceedings to the State Superintendent of  
22 Education shall give written notice by certified mail, return  
23 receipt requested to the regional board of school trustees  
24 and to the secretary of that board that the petition has been  
25 submitted to the State Superintendent of Education for  
26 approval or denial, and shall furnish a copy of the notice so  
27 given to the State Superintendent of Education. The cost of  
28 assembling the record of proceedings for submission to the  
29 State Superintendent of Education shall be the responsibility  
30 of the school boards, registered voters or committee of 10  
31 that submits the petition and record of proceedings to the  
32 State Superintendent of Education. When a petition is  
33 submitted to the State Superintendent of Education in  
34 accordance with the provisions of this paragraph:



1           (1) The regional board of school trustees loses all  
2 jurisdiction over the petition and shall have no further  
3 authority to hear, approve, deny or otherwise act with  
4 respect to the petition.

5           (2) All jurisdiction over the petition and the  
6 right and duty to hear, approve, deny or otherwise act  
7 with respect to the petition is transferred to and shall  
8 be assumed and exercised by the State Superintendent of  
9 Education.

10          (3) The State Superintendent of Education shall not  
11 be required to repeat any proceedings that were conducted  
12 in accordance with the provisions of this Section prior  
13 to the time jurisdiction over the petition is transferred  
14 to him, but the State Superintendent of Education shall  
15 be required to give and publish any notices and hold or  
16 complete any hearings that were not given, held or  
17 completed by the regional board of school trustees or its  
18 secretary as required by this Section prior to the time  
19 jurisdiction over the petition is transferred to the  
20 State Superintendent of Education.

21          (4) If so directed by the State Superintendent of  
22 Education, the regional superintendent of schools shall  
23 submit to the State Superintendent of Education and to  
24 such school boards as the State Superintendent of  
25 Education shall prescribe accurate maps and a written  
26 report of the financial and educational conditions of the  
27 districts affected and the probable effect of the  
28 proposed boundary changes.

29          (5) The State Superintendent is authorized to  
30 conduct further hearings, or appoint a hearing officer to  
31 conduct further hearings, on the petition even though a  
32 hearing thereon was held as provided in this Section  
33 prior to the time jurisdiction over the petition is  
34 transferred to the State Superintendent of Education.

1           (6) The State Superintendent of Education or the  
2 hearing officer shall hear evidence and approve or deny  
3 the petition and shall enter an order to that effect and  
4 deliver and serve the same as required in other cases to  
5 be done by the regional board of school trustees and the  
6 regional superintendent of schools as an ex officio  
7 member of that board.

8           (m) Within 10 days after the conclusion of a joint  
9 hearing required under the provisions of Section 7-2, each  
10 regional board of school trustees shall meet together and  
11 render a decision with regard to the joint hearing on the  
12 petition. If the regional boards of school trustees fail to  
13 enter a joint order either granting or denying the petition,  
14 the regional superintendent of schools for the educational  
15 service region in which the joint hearing is held shall enter  
16 an order denying the petition, and within 30 days after the  
17 conclusion of the joint hearing shall deliver a copy of the  
18 order denying the petition to the regional boards of school  
19 trustees of each region affected, to the committee of  
20 petitioners, if any, to any person who has filed his  
21 appearance in writing at the hearing and to any attorney who  
22 appears for any person at the joint hearing. If the regional  
23 boards of school trustees enter a joint order either granting  
24 or denying the petition, the regional superintendent of  
25 schools for the educational service region in which the joint  
26 hearing is held shall, within 30 days of the conclusion of  
27 the hearing, deliver a copy of the joint order to those same  
28 committees and persons as are entitled to receive copies of  
29 the regional superintendent's order in cases where the  
30 regional boards of school trustees have failed to enter a  
31 joint order.

32           (n) Within 10 days after service of a copy of the order  
33 granting or denying the petition, any person so served may  
34 petition for a rehearing and, upon sufficient cause being

1 shown, a rehearing may be granted. The filing of a petition  
 2 for rehearing shall operate as a stay of enforcement until  
 3 the regional board of school trustees, or regional boards of  
 4 school trustees in cases of a joint hearing, or State  
 5 Superintendent of Education in cases determined under  
 6 subsection (1) of this Section enter the final order on such  
 7 petition for rehearing.

8 (o) (Blank). ~~If a petition filed under subsection (a) of~~  
 9 ~~Section 7-1 or under Section 7-2 is required under the~~  
 10 ~~provisions of subsection (b-5) of this Section 7-6 to request~~  
 11 ~~submission of a proposition at a regular scheduled election~~  
 12 ~~for the purpose of voting for or against the annexation of~~  
 13 ~~the territory described in the petition to the school~~  
 14 ~~district proposing to annex that territory, and if the~~  
 15 ~~petition is granted or approved by the regional board or~~  
 16 ~~regional boards of school trustees or by the State~~  
 17 ~~Superintendent of Education, the proposition shall be placed~~  
 18 ~~on the ballot at the next regular scheduled election.~~

19 (Source: P.A. 90-459, eff. 8-17-97.)

20 (105 ILCS 5/7-9) (from Ch. 122, par. 7-9)

21 Sec. 7-9. Effective date of change. In case a petition is  
 22 filed for the creation of or the change of boundaries of or  
 23 for an election to vote upon a proposition of creating or  
 24 annexing territory to a school district after August 1, as  
 25 provided in this Article, and the change is granted or the  
 26 election carries, and no appeal is taken such change shall  
 27 become effective after the time for appeal has run for the  
 28 purpose of all elections; however, the change shall not  
 29 affect the administration of the schools until July 1  
 30 following the date the petition is granted or upon which the  
 31 election is held and the school boards of the districts as  
 32 they existed prior to the change shall exercise the same  
 33 power and authority over such territory until such date;

1 however, new districts shall be permitted to organize and  
2 elect officers within the time prescribed by the general  
3 election law.

4 In the event that the granting of a petition has become  
5 final, either through failure to seek Administrative Review  
6 or by the final decision of a court on review, the change in  
7 boundaries shall become effective forthwith. However, if the  
8 granting of the petition becomes final between September 1  
9 and June 30 of any year, the administration of and attendance  
10 at the schools shall not be affected until the following July  
11 1, when the change in boundaries shall become effective for  
12 all purposes. After the granting of a petition has become  
13 final, the date when the change shall become effective for  
14 purposes of administration and attendance may be accelerated  
15 or postponed by stipulation of each of the school boards of  
16 each district affected and approved by the regional board of  
17 school trustees or by the board of a special charter district  
18 with which the original petition is required to be filed.

19 (Source: P.A. 90-459, eff. 8-17-97.)

20 (105 ILCS 5/11A-2) (from Ch. 122, par. 11A-2)

21 Sec. 11A-2. Organization of community unit districts;  
22 territorial requirement. (1) Any contiguous and compact  
23 territory of at least \$12,000,000 equalized assessed  
24 valuation and having a population of not less than 4,000 and  
25 not more than 500,000, no part of which is included within  
26 any unit district, may be organized into a community unit  
27 school district as provided in this Article; (2) the  
28 territory of 2 or more entire unit school districts that are  
29 contiguous to each other and the territory of which taken as  
30 a whole is compact may be organized into a community unit  
31 school district as provided in this Article; or (3) the  
32 territory of one or more entire unit school districts that  
33 are contiguous to each other plus any contiguous and compact

1 territory, no part of which is included within any unit  
2 district, and the territory of which taken as a whole is  
3 compact may be organized into a community unit school  
4 district as provided in this Article; however, a petition or  
5 petitions may be filed hereunder proposing to divide a unit  
6 school district into 2 or more parts and proposing to include  
7 all of such parts in 2 or more community unit districts. As  
8 used in this Section, a unit school district includes, but is  
9 not limited to, a special charter unit school district.

10 The territory of any high school district and fewer than  
11 all of the elementary school districts included within the  
12 high school district may be organized into a community unit  
13 school district. Any such elementary school district not  
14 participating in the reorganization shall remain an  
15 elementary school district, and the territory of that  
16 elementary school district shall be designated a non-high  
17 school district pursuant to Article 12 of this Code.

18 The regional superintendent shall not accept for filing  
19 hereunder any petition which includes therein any territory  
20 already included as part of the territory described in  
21 another petition filed hereunder. Hearings on a petition  
22 filed hereunder shall not be commenced so long as any part of  
23 the territory described therein shall include territory  
24 described, whether by amendment or otherwise, in another  
25 petition filed hereunder. A petition may be filed hereunder  
26 which contains less than the required minimum equalized  
27 assessed valuation or population requirements provided that  
28 such a petition shall not be approved by the regional  
29 superintendent and State Superintendent unless it is  
30 determined: (1) that there is a compelling reason for  
31 granting the petition; (2) that the territory involved cannot  
32 currently be organized as part of a petition which meets the  
33 minimum requirements; (3) that the granting of the petition  
34 will not interfere with the ultimate reorganization of the

1 territory into a school district which meets the minimum  
 2 requirements; (4) that the granting of the petition is in the  
 3 best educational interests of the pupils affected; and (5)  
 4 that the granting of the petition is financially beneficial  
 5 to the affected school districts.

6 (Source: P.A. 88-555, eff. 7-27-94.)

7 (105 ILCS 5/11A-3) (from Ch. 122, par. 11A-3)

8 Sec. 11A-3. Petition filing; notice; hearing; decision.

9 A petition shall be filed with the Regional Superintendent of  
 10 the region in which the territory described in the petition  
 11 or that part of the territory with the greater per cent of  
 12 equalized assessed valuation is situated, agreed to signed by  
 13 the school boards of all of the affected school districts (by  
 14 resolution of each school board) or signed by at least 30% of  
 15 the registered voters in each affected school district at  
 16 least--200--voters--residing--in--at--least-3/4-of-the-school  
 17 districts-or-parts-of-districts-and-residing-in-the-territory  
 18 included-in-the-petition, or the petition may be filed by the  
 19 board of education of each of the school districts wholly--or  
 20 partially---included---in--the--territory--described--in--the  
 21 petition. A petition that--is--not--filed--by--the--board--of  
 22 education of each of the school districts wholly or partially  
 23 included--in--the--territory--described--in--the--petition--must  
 24 contain signatures from 50 legal resident voters from each of  
 25 the school districts wholly--or--partially--included--in--the  
 26 territory--described--in--the--petition--or--from--10%--of--the--legal  
 27 resident voters from each of the school districts--wholly--or  
 28 partially---included---in--the--territory--described--in--the  
 29 petition, whichever is lesser. Provided, however, that no  
 30 petition filed, or election held under this Article shall be  
 31 null or void or invalidated or deemed in noncompliance with  
 32 the Election Code for the failure of any person or persons  
 33 seeking the creation of a new school district hereunder to

1 publish a notice of intention to file such petition or to  
2 attach an affidavit attesting to the publication of such  
3 notice to such petition as required under subsection (g) of  
4 Section 28-2 of the Election Code for petitions that are not  
5 filed under Article 7A, 11A, 11B, or 11D of the School Code.  
6 The petition shall (1) request the submission of the  
7 proposition at a regular scheduled election for the purpose  
8 of voting for or against the establishment of a community  
9 unit school district in the territory; (2) describe the  
10 territory comprising the proposed district; (3) set forth the  
11 maximum tax rates for educational, operations and maintenance  
12 and the purchase and improvements of school grounds, pupil  
13 transportation, and fire prevention and safety purposes the  
14 proposed district shall be authorized to levy; and (4)  
15 designate a committee of 10 of the petitioners, any 7 of whom  
16 may at any time, prior to the final decision of the Regional  
17 Superintendent, amend the petition in all respects (except  
18 that there may not be an increase or decrease of more than  
19 25% of the territory to be included in the proposed  
20 district), and may make binding stipulations on behalf of all  
21 petitioners as to any question with respect to the petition  
22 or hearing and the Regional Superintendent may accept such  
23 stipulation instead of evidence or proof of the matter  
24 stipulated, which committee of petitioners may stipulate to  
25 accountings or waiver thereof between school districts;  
26 however, the Regional Superintendent may refuse to accept  
27 such stipulation; those designated as the Committee of Ten  
28 shall serve in such capacity until such time as the Regional  
29 Superintendent should determine that, because of death,  
30 resignation, transfer of residency from the territory,  
31 failure to qualify or for any other reason, the office of a  
32 particular member of the Committee is vacant. Failure of a  
33 person designated as a member of the Committee of Ten to sign  
34 the petition, whether filed prior or subsequent to September

1 23, 1983 (the effective date of P.A. 83-686), shall not  
2 disqualify such person as a member thereof and such person  
3 may sign the petition at any time prior to final disposition  
4 of the petition and the conclusion of the proceedings to form  
5 a unit district, including all litigation pertaining to the  
6 petition or proceedings. Upon determination by the Regional  
7 Superintendent that such vacancies exist, he shall so declare  
8 such vacancies and shall notify the remaining members to  
9 appoint a petitioner or petitioners, as the case may be, to  
10 fill the vacancies in the Committee of Ten so designated.  
11 Such appointment by the Committee of Ten of any such new  
12 membership shall be made by a simple majority vote of the  
13 designated remaining members. The Committee of Ten shall  
14 act, unless otherwise herein specified, by majority vote of  
15 the membership. The Committee of Ten may voluntarily dismiss  
16 their petition at any time before the final decision of the  
17 Regional Superintendent.

18 The petition may request that the referendum at which the  
19 proposition is submitted for the purpose of voting for or  
20 against the establishment of a community unit school district  
21 include as part of the proposition the election of board  
22 members by school board district rather than at large. Any  
23 petition requesting the election of board members by district  
24 shall divide the proposed school district into 7 school board  
25 districts, each of which must be compact and contiguous and  
26 substantially equal in population to each other school board  
27 district. Any election of board members by school board  
28 district shall proceed under the supervision of the Regional  
29 Superintendent as provided in Section 11A-8. The Committee of  
30 Ten may amend any petition approved by the Regional  
31 Superintendent and State Superintendent of Education prior to  
32 July 29, 1988 to include as part of the proposition the  
33 election of board members by district as provided above. The  
34 Regional Superintendent shall, following approval by the



1 State Superintendent of Education, submit the proposition as  
2 provided in the amended petition to the appropriate election  
3 authorities.

4 The petition may request that if the proposition to  
5 create a community unit school district is submitted to the  
6 voters at the consolidated election which occurs in April of  
7 odd-numbered years, at the general primary election which  
8 occurs in March of even-numbered years, at the nonpartisan  
9 election which occurs in November of odd-numbered years, or  
10 at the general election which occurs in November of  
11 even-numbered years, that at that same election a board of  
12 education be elected on a separate ballot to serve as the  
13 board of education of the proposed new district. Any  
14 election of board members at the same election at which the  
15 proposition to create the district to be served by that board  
16 is submitted to the voters shall proceed under the  
17 supervision of the Regional Superintendent as provided in  
18 Section 11A-8.

19 The petition may also request that the referendum at  
20 which the proposition shall be submitted for the purpose of  
21 voting for or against the establishment of a community unit  
22 school district in the territory include a proposition on a  
23 separate ballot authorizing the issuance of bonds by the  
24 district when organized, in accordance with this Act. The  
25 principal amount of the bonds and the purposes of issuance  
26 shall be stated in such petition and in all notices and  
27 propositions submitted thereunder.

28 A petition to form a new community unit school district  
29 from the entire territory of 2 or more school districts may  
30 also request that the bonded indebtedness of each existing  
31 school district be assumed by the entire territory of the new  
32 community unit school district in the manner provided by  
33 subsection (b) of Section 11A-12.

34 Upon the filing of a petition with the Regional

1 Superintendent of the Region in which the greater portion of  
2 the equalized assessed valuation of the territory described  
3 in the petition lies, the Regional Superintendent shall cause  
4 a copy of such petition to be given to each board of any  
5 district involved in the proposed formation of the new  
6 district and shall cause a notice thereof to be published at  
7 least once each week for 3 successive weeks in at least one  
8 newspaper having general circulation within the area of the  
9 territory of the proposed district. The notice shall state  
10 when and to whom the petition was presented, the description  
11 of the territory of the proposed district, if requested in  
12 the petition a statement of the proposition to issue bonds  
13 and indicating the amount and purpose thereof, and the day on  
14 which the hearing upon the petition will be held. Not more  
15 than 30 days after the publication of notice the Regional  
16 Superintendent shall hold a hearing on the petition.

17 Upon the Regional Superintendent determining that the  
18 petition, as filed or amended, is proper and is in compliance  
19 with any applicable petition requirements set forth in the  
20 Election Code, he shall hear evidence as to the school needs  
21 and conditions of the territory and in the area within and  
22 adjacent thereto and take into consideration the division of  
23 funds and assets which will result from the organization of  
24 the district, and shall determine whether it is for the best  
25 interests of the schools of the area and the educational  
26 welfare of the pupils therein that such district be  
27 organized.

28 At the hearing, any resident in the proposed district or  
29 any district affected thereby may appear in support of the  
30 petition or to object thereto. The Regional Superintendent  
31 may adjourn the hearing from time to time. Within 14 days  
32 after the conclusion of the hearing the Regional  
33 Superintendent shall make a decision either approving or  
34 denying the petition. Upon the Regional Superintendent

1 approving or denying the petition he shall submit the  
2 petition and all evidence submitted to the State  
3 Superintendent of Education who shall, within 30 days after  
4 the decision of the Regional Superintendent, approve or deny  
5 the petition according to the following criteria:

6 He shall review the entire record of the proceedings had  
7 before the Regional Superintendent, including the transcript  
8 of said proceedings, and based upon a review of the same  
9 shall take into consideration:

10 (1) whether the proposed district will have  
11 sufficient size (pupil enrollment) and financial  
12 resources (assessed valuation) to provide and maintain a  
13 recognized educational program for grades kindergarten  
14 through 12;

15 (2) whether the proposed school district is for the  
16 best interests of the schools of the area and the  
17 educational welfare of the pupils therein; and

18 (3) whether the territory for the proposed school  
19 district is compact and contiguous for school purposes.

20 If the State Superintendent of Education denies the  
21 petition the reasons for such denial shall be communicated to  
22 appropriate groups, agencies or instrumentalities  
23 representing the petitioners.

24 If a majority of the voters in at least 2 community unit  
25 school districts have voted in favor of a proposition to  
26 create a new community unit school district, but the  
27 proposition was not approved under the standards set forth in  
28 Section 11A-8 of the School Code, then the members of the  
29 Committee of Ten shall submit an amended petition for  
30 consolidation to the boards of education of those districts  
31 as long as the territory involved is compact and contiguous.  
32 The petition submitted to the boards of education shall be  
33 identical in form and substance to the petition previously  
34 approved by the Regional Superintendent of Schools with the

1 sole exception that the territory comprising the proposed  
2 district shall be amended to include the compact and  
3 contiguous territory of those community unit school districts  
4 in which a majority of the voters voted in favor of the  
5 proposal.

6 Each board of education to which the petition is  
7 submitted shall meet and vote to approve or not approve the  
8 amended petition no more than 30 days after it has been filed  
9 with the board. The Regional Superintendent shall make  
10 available to each board of education with which a petition  
11 has been filed all transcripts and records of the previous  
12 petition hearing. The boards of education shall, by the  
13 appropriate resolution, approve or disapprove the amended  
14 petition. No board of education may approve an amended  
15 petition unless it first finds that the territory described  
16 in the petition is compact and contiguous.

17 If a majority of the members of each board of education  
18 to whom a petition is submitted votes in favor of the amended  
19 petition, the approved petition shall be transmitted by the  
20 secretary of each board of education to the State  
21 Superintendent of Education who shall, within 30 days of  
22 receipt, approve or deny the amended petition based on the  
23 criteria stated in this Section which governed the State  
24 Superintendent of Education in his initial review of the  
25 petition. If approved by the State Superintendent of  
26 Education, the petition shall be placed on the ballot at the  
27 next regularly scheduled election.

28 (Source: P.A. 87-10; 87-185; 87-839; 87-1270; 88-555, eff.  
29 7-27-94.)

30 (105 ILCS 5/11A-8) (from Ch. 122, par. 11A-8)  
31 Sec. 11A-8. Passage requirements.

32 (a) Except as otherwise provided by Section 11A-7, the  
33 proposition to create a community unit school district shall

1 be submitted only to the voters of the territory which  
2 comprises the proposed community unit school district, and if  
3 a majority of the voters in each of the affected school  
4 districts voting at such election vote in favor of the  
5 establishment of such community unit school district, the  
6 proposition shall be deemed to have passed. If a majority of  
7 the electors voting at the election vote in favor of the  
8 establishment of a community unit school district, the  
9 proposition shall be deemed to have passed. Unless the board  
10 of education of a new community unit school district is  
11 elected at the same election at which the proposition  
12 establishing that district is deemed to have passed, the  
13 regional superintendent of schools shall order an election to  
14 be held on the next regularly scheduled election date for the  
15 purpose of electing a board of education for that district.  
16 In either event, the board of education elected for a new  
17 community unit school district created under this Article  
18 shall consist of 7 members who shall have the terms and the  
19 powers and duties of school boards as defined in Article 10  
20 of this Act. Nomination papers filed under this Section are  
21 not valid unless the candidate named therein files with the  
22 regional superintendent a receipt from the county clerk  
23 showing that the candidate has filed a statement of economic  
24 interests as required by the Illinois Governmental Ethics  
25 Act. Such statement shall be so filed either previously  
26 during the calendar year in which his nomination papers were  
27 filed or within the period for the filing of nomination  
28 papers in accordance with the general election law. The  
29 regional superintendent shall perform the election duties  
30 assigned by law to the secretary of a school board for such  
31 election, and shall certify the officers and candidates  
32 therefor pursuant to the general election law.

33 (b) Except as otherwise provided in subsection (c), for  
34 school districts formed before January 1, 1975, if the

1 territory of such district is greater than 2 congressional  
2 townships or 72 square miles, then not more than 3 board  
3 members may be selected from any one congressional township,  
4 but congressional townships of less than 100 inhabitants  
5 shall not be considered for the purpose of such mandatory  
6 board representation, and in any such community unit district  
7 where at least 75% but not more than 90% of the population is  
8 in one congressional township 4 board members shall be  
9 selected therefrom and 3 board members shall be selected from  
10 the rest of the district, but in any such community unit  
11 district where more than 90% of the population is in one  
12 congressional township all board members may be selected from  
13 one or more congressional townships; and whenever the  
14 territory of any community unit district shall consist of not  
15 more than 2 congressional townships or 72 square miles, but  
16 shall consist of more than one congressional township, or 36  
17 square miles, outside of the corporate limits of any city,  
18 village or incorporated town within the school district, not  
19 more than 5 board members shall be selected from any city,  
20 village or incorporated town in such school district.

21 (c) The provisions of subsection (b) for mandatory board  
22 representation shall no longer apply to a community unit  
23 school district formed prior to January 1, 1975, and the  
24 members of the board of education shall be elected at large  
25 from within that school district and without restriction by  
26 area of residence within the district if both of the  
27 following conditions are met with respect to that district:

28 (1) A proposition for the election of board members  
29 at large and without restriction by area of residence  
30 within the district rather than in accordance with the  
31 provisions of subsection (b) for mandatory board  
32 representation is submitted to the school district's  
33 voters at a regular school election or at the general  
34 election as provided in this subsection (c).

1           (2) A majority of those voting at the election in  
2 each congressional township comprising the territory of  
3 the school district, including any congressional township  
4 of less than 100 inhabitants, vote in favor of the  
5 proposition.

6           The board of education of the school district may by  
7 resolution order submitted or, upon the petition of the  
8 lesser of 2,500 or 5% of the school district's registered  
9 voters, shall order submitted to the school district's voters  
10 at a regular school election or at the general election the  
11 proposition for the election of board members at large and  
12 without restriction by area of residence within the district  
13 rather than in accordance with the provisions of subsection  
14 (b) for mandatory board representation; and the proposition  
15 shall thereupon be certified by the board's secretary for  
16 submission. If a majority of those voting at the election in  
17 each congressional township comprising the territory of the  
18 school district, including any congressional township of less  
19 than 100 inhabitants, vote in favor of the proposition: (i)  
20 the proposition to elect board members at large and without  
21 restriction by area of residence within the district shall be  
22 deemed to have passed, (ii) new members of the board shall be  
23 elected at large and without restriction by area of residence  
24 within the district at the next regular school election, and  
25 (iii) the terms of office of the board members incumbent at  
26 the time the proposition is adopted shall expire when the new  
27 board members that are elected at large and without  
28 restriction by area of residence within the district have  
29 organized in accordance with Section 10-16. In a community  
30 unit school district that formerly elected its members under  
31 subsection (b) to successive terms not exceeding 4 years, the  
32 members elected at large and without restriction by area of  
33 residence within the district shall be elected for a term of  
34 4 years, and in a community unit school district that

1 formerly elected its members under subsection (b) to  
2 successive terms not exceeding 6 years, the members elected  
3 at large and without restriction by area of residence within  
4 the district shall be elected for a term of 6 years;  
5 provided, that in each case the terms of the board members  
6 initially elected at large and without restriction by area of  
7 residence within the district as provided in this subsection  
8 shall be staggered and determined in accordance with the  
9 provisions of Sections 10-10 and 10-16.

10 (Source: P.A. 89-129, eff. 7-14-95.)

11 (105 ILCS 5/11B-2) (from Ch. 122, par. 11B-2)

12 Sec. 11B-2. Combining entire districts. Any contiguous  
13 territory having an equalized assessed valuation of at least  
14 \$5,000,000 and having a population of not less than 1,500 and  
15 not more than 500,000 may be formed into a combined school  
16 district when the State Superintendent of Education approves  
17 a petition which is filed by the boards of each district  
18 affected or by 30% ~~10%~~ of the legal voters residing in each  
19 district affected, and when such petition is approved at an  
20 election called for the purpose of approving or denying said  
21 petition. The petition shall be filed with the Regional  
22 Superintendent of the region in which the greater portion of  
23 the equalized assessed valuation of the territory described  
24 in the petition is situated.

25 (Source: P.A. 83-1311.)

26 (105 ILCS 5/18-8.2) (from Ch. 122, par. 18-8.2)

27 Sec. 18-8.2. Supplementary State aid for new and for  
28 certain annexing districts.

29 (a) After the formation of a new district, a computation  
30 shall be made to determine the difference between the  
31 salaries and district-paid fringe benefits effective in each  
32 of the previously existing districts on June 30, prior to the



1 creation of the new district. For the first 4 years after  
2 the formation of the new district or if the new district was  
3 formed after October 31, 1982 and prior to the effective date  
4 of this amendatory Act of 1985, for the 3 years immediately  
5 following such effective date, a supplementary State aid  
6 reimbursement shall be paid to the new district equal to the  
7 difference between the sum of the salaries and district-paid  
8 fringe benefits earned by each of the certificated members  
9 and full-time, educational-support personnel of the new  
10 district while employed in one of the previously existing  
11 districts during the year immediately preceding the formation  
12 of the new district and the sum of the salaries and  
13 district-paid fringe benefits those certificated members and  
14 full-time, educational-support personnel would have been paid  
15 during the year immediately prior to the formation of the new  
16 district if placed on the salary schedule of the previously  
17 existing district with the highest salary schedule. For the  
18 5th, 6th, 7th, and 8th years after the formation of the new  
19 district, the supplementary State aid reimbursement shall be  
20 80%, 60%, 40%, and 20%, respectively, of the payment received  
21 during the first 4 years.

22 (b) After the territory of one or more school districts  
23 is annexed by one or more other school districts, or after  
24 the division (pursuant to petition under Section 11A-2) of a  
25 unit school district or districts into 2 or more parts which  
26 all are included in 2 or more other community unit districts  
27 resulting upon that division, a computation shall be made to  
28 determine the difference between the salaries and  
29 district-paid fringe benefits effective in each such annexed  
30 or divided district and in the annexing or resulting district  
31 or districts as they each were constituted on June 30  
32 preceding the date when the change of boundaries attributable  
33 to such annexation or division became effective for all  
34 purposes as determined under Section 7-9, 7A-8 or 11A-10.

1 For the first 4 years after any such annexation or division,  
2 a supplementary State aid reimbursement shall be paid to each  
3 annexing or resulting district as constituted after the  
4 annexation or division equal to the difference between the  
5 sum of the salaries and district-paid fringe benefits earned  
6 by each of the certificated members and full-time,  
7 educational-support personnel of such annexing or resulting  
8 district as constituted after the annexation or division  
9 while employed in an annexed or annexing district, or in a  
10 divided or resulting district, during the year immediately  
11 preceding the annexation or division, and the sum of the  
12 salaries and district-paid fringe benefits those certificated  
13 members and full-time, educational-support personnel would  
14 have been paid during such immediately preceding year if  
15 placed on the salary schedule of whichever of such annexing  
16 or annexed districts, or resulting or divided districts, had  
17 the highest salary schedule during such immediately preceding  
18 year. For the 5th, 6th, 7th, and 8th years after the  
19 formation of the new district, the supplementary State aid  
20 reimbursement shall be 80%, 60%, 40%, and 20%, respectively,  
21 of the payment received during the first 4 years.

22 (c) Such supplementary State aid reimbursement shall be  
23 treated as separate from all other payments made pursuant to  
24 Section 18-8 or 18-8.05. In the case of the formation of a  
25 new district, reimbursement shall begin during the first year  
26 of operation of the new district; and in the case of an  
27 annexation of the territory of one or more school districts  
28 by one or more other school districts, or the division  
29 (pursuant to petition under Section 11A-2) of a unit school  
30 district or districts into 2 or more parts which all are  
31 included in 2 or more other community unit districts  
32 resulting upon that division, reimbursement shall begin  
33 during the first year when the change in boundaries  
34 attributable to such annexation or division becomes effective

1 for all purposes as determined pursuant to Section 7-9, 7A-8  
2 or 11A-10. Each year any such new, annexing or resulting  
3 district, as the case may be, is entitled to receive  
4 reimbursement, the number of eligible certified members who  
5 are employed on October 1 in any such district shall be  
6 certified to the State Board of Education on prescribed forms  
7 by October 15 and payment shall be made on or before November  
8 15 of that year.

9 (d) If a unit school district annexes all the territory  
10 of another unit school district effective for all purposes  
11 pursuant to Section 7-9 on July 1, 1988, and if part of the  
12 annexed territory is detached within 90 days after July 1,  
13 1988, then the detachment shall be disregarded in computing  
14 the supplementary State aid reimbursements under this Section  
15 for the entire 3 year period and the supplementary State aid  
16 reimbursements shall not be diminished because of the  
17 detachment.

18 (e) The changes made by this amendatory Act of 1989 are  
19 intended to be retroactive and applicable to any annexation  
20 taking effect after August 1, 1987. The changes made to this  
21 Section by this amendatory Act of the 93rd General Assembly  
22 are intended to be retroactive and applicable to any  
23 annexation taking effect on or after July 1, 2002.

24 (Source: P.A. 90-548, eff. 1-1-98.)

25 (105 ILCS 5/18-8.3) (from Ch. 122, par. 18-8.3)

26 Sec. 18-8.3. Supplementary State aid for new and for  
27 certain annexing districts.

28 (a) For the first year after the formation of a new  
29 school district formed by combining property included totally  
30 within 2 or more previously existing school districts, or if  
31 the new district was formed after October 31, 1982 and prior  
32 to the effective date of this amendatory Act of 1985 or if  
33 the new district was formed after June 30, 1983 and prior to

1 the effective date of this amendatory Act of 1987, for the  
2 first year immediately following either such effective date,  
3 a computation shall be made totaling each previously existing  
4 district's final audited fund balances in the educational  
5 fund, working cash fund, operations and maintenance fund, and  
6 transportation fund ~~for the year ending June 30 prior to the~~  
7 ~~referendum for the creation of the new district.~~ The new  
8 district shall be paid supplementary State aid equal to the  
9 sum of the differences between the deficit of the previously  
10 existing district with the smallest such deficit and the  
11 deficits of each of the other previously existing districts.

12 (b) For the first year after the annexation of all of  
13 the territory of one or more entire school districts by  
14 another school district (including the annexation by a high  
15 school district pursuant to Article 7A of all territory of a  
16 unit school district dissolved pursuant to that Article), or  
17 if the annexation took effect after January 1, 1986 and prior  
18 to the effective date of this amendatory Act of 1987, for the  
19 first year immediately following the effective date of this  
20 amendatory Act, computations shall be made, for the year  
21 ending June 30 prior to the date that the change of  
22 boundaries attributable to such annexation is allowed by the  
23 affirmative decision issued by the regional board of school  
24 trustees under Section 7-6, notwithstanding any effort to  
25 seek administrative review of such decision, totaling the  
26 annexing district's and totaling each annexed district's  
27 audited fund balances in their respective educational,  
28 working cash, operations and maintenance, and transportation  
29 funds. The annexing district as constituted after the  
30 annexation shall be paid supplementary State aid equal to the  
31 sum of the differences between the deficit of whichever of  
32 the annexing or annexed districts as constituted prior to the  
33 annexation had the smallest deficit and the deficits of each  
34 of such other districts as constituted prior to such

1 annexation.

2 (c) For the first year after the annexation of all of  
3 the territory of one or more entire school districts by 2 or  
4 more other school districts, and for the first year after the  
5 division (pursuant to petition under Section 11A-2) of a unit  
6 school district or districts into 2 or more parts which all  
7 are included in 2 or more other community unit districts  
8 resulting upon that division, computations shall be made (for  
9 the year ending June 30 prior to the date that the change of  
10 boundaries attributable to such annexation or division is  
11 allowed by the affirmative decision of the regional board of  
12 school trustees under Section 7-6 or by the State  
13 Superintendent of Education under Section 11A-3,  
14 notwithstanding any action for administrative review of such  
15 decision) totaling each annexing and annexed district's, or  
16 each resulting and divided district's audited fund balances  
17 in their respective educational, working cash, operations and  
18 maintenance, and transportation funds. The annexing or  
19 resulting districts as constituted after the annexation or  
20 division shall be paid supplementary State aid, allocated as  
21 hereinafter provided, in an aggregate amount equal to the sum  
22 of the differences between the deficit of whichever of the  
23 annexing or annexed districts, or resulting or divided  
24 districts, as constituted prior to the annexation or  
25 division, had the smallest deficit and the deficits of each  
26 of such other districts as constituted prior to such  
27 annexation or division. The aggregate amount of the  
28 supplementary State aid payable under this subsection shall  
29 be allocated between or among the annexing or resulting  
30 districts as follows: (i) the regional superintendent of  
31 schools for each educational service region in which an  
32 annexed or divided school district is located prior to the  
33 annexation or division shall certify to the State Board of  
34 Education, on forms which it shall provide for that purpose,

1 the value of all taxable property in each such annexed or  
2 divided school district as last equalized or assessed by the  
3 Department of Revenue prior to the annexation or division,  
4 and the equalized assessed value of each part of the annexed  
5 or divided district that was annexed to or included as a part  
6 of an annexing or resulting district; (ii) using equalized  
7 assessed values as certified by the regional superintendent  
8 of schools under clause (i) of this subsection, the combined  
9 audited fund balance deficit of each annexed or divided  
10 district as determined under this Section shall be  
11 apportioned between or among the annexing or resulting  
12 districts in the same ratio as the equalized assessed value  
13 of that part of such annexed or divided district which was  
14 annexed to or included as a part of an annexing or resulting  
15 district bears to the total equalized assessed value of such  
16 annexed or divided district; and (iii) the aggregate  
17 supplementary State aid payment under this subsection shall  
18 be allocated between or among, and shall be paid to, the  
19 annexing and resulting districts in the same ratio as the sum  
20 of the combined audited fund balance deficit of each such  
21 annexing or resulting district as constituted prior to the  
22 annexation or division plus all combined audited fund balance  
23 deficit amounts apportioned to that annexing or resulting  
24 district under clause (ii) of this subsection bears to the  
25 aggregate of the combined audited fund balance deficits of  
26 all of the annexing and annexed districts, or resulting and  
27 divided districts, as constituted prior to the annexation or  
28 division.

29 (d) For purposes of any calculation required under  
30 subsection (a), (b) or (c), a district with a combined fund  
31 balance that is positive will be considered to have a deficit  
32 of zero. For purposes of determining each district's audited  
33 fund balances in its educational fund, working cash fund,  
34 operations and maintenance fund and transportation fund for

1 the specified year ending June 30 as provided in subsections  
2 (a), (b) and (c), the balance of each such fund shall be  
3 deemed decreased by an amount equal to the amount of the  
4 annual property tax theretofore levied in such fund by the  
5 district for collection and payment to the district during  
6 the calendar year in which such June 30 fell, but only to the  
7 extent that the tax so levied in such fund actually was  
8 received by the district on or before, or comprised a part of  
9 such fund on such June 30. For purposes of determining each  
10 district's audited fund balances, a calculation shall be made  
11 for each fund to determine the average for the 3 years prior  
12 to the specified year ending June 30 as provided in  
13 subsections (a), (b), and (c) of the district's expenditures  
14 in the categories "purchased services", "supplies and  
15 materials", and "capital outlay", as those categories are  
16 defined in rules of the State Board of Education. If this  
17 three-year average is less than the district's expenditures  
18 in these categories for the specified year ending June 30 as  
19 provided in subsections (a), (b), and (c), then the  
20 three-year average shall be used in calculating the amounts  
21 payable under this Section in place of the amounts shown in  
22 these categories for the specified year ending June 30 as  
23 provided in subsections (a), (b), and (c). For purposes of  
24 subsection (a), the changes made to this subsection (d) by  
25 this amendatory Act of 1987 shall apply to the formation of a  
26 new district by combining property included totally within 2  
27 or more previously existing districts whenever the new  
28 district was so formed after June 30, 1983 and prior to this  
29 amendatory Act of 1987 and whenever the new district is so  
30 formed after such effective date. For purposes of subsection  
31 (b), the changes made to this subsection (d) by this  
32 amendatory Act of 1987 shall apply to the annexation of all  
33 of the territory of one or more entire school districts by  
34 another school district whenever the annexation took effect

1 after January 1, 1986 and prior to the effective date of this  
2 amendatory Act of 1987 and whenever the annexation -  
3 including an annexation by a high school district pursuant to  
4 Article 7A of all territory of a unit school district  
5 dissolved pursuant to that Article - takes effect after such  
6 effective date. Any deficit because of State aid not yet  
7 received shall not be considered in determining such June 30  
8 deficits. The same basis of accounting shall be used by all  
9 previously existing districts and by all annexing or annexed  
10 districts, or resulting or divided districts, as constituted  
11 prior to the annexation or division in making any computation  
12 required under subsection (a), (b) or (c).

13 (e) Such supplementary State aid payments shall be  
14 treated as separate from all other payments made pursuant to  
15 Section 18-8.

16 (f) The amendments to this Section made by Public Act  
17 83-1417 shall not apply if the petition for a referendum for  
18 the creation of the new school district was filed with the  
19 regional superintendent of schools or the regional board of  
20 school trustees after January 5, 1984, and prior to June 30,  
21 1984.

22 (g) If a unit school district annexes all the territory  
23 of another unit school district effective for all purposes  
24 pursuant to Section 7-9 on July 1, 1988, and if part of the  
25 annexed territory is detached within 90 days after July 1,  
26 1988, then the detachment shall be disregarded in computing  
27 the supplementary State aid payments under this Section and  
28 the supplementary State aid payments shall not be diminished  
29 because of the detachment.

30 (h) The changes made to this Section by this amendatory  
31 Act of the 93rd General Assembly are intended to be  
32 retroactive and applicable to any reorganization taking  
33 effect on or after July 1, 2002.

34 (Source: P.A. 88-555, eff. 7-27-94.)



1 (105 ILCS 5/18-8.5) (from Ch. 122, par. 18-8.5)

2 Sec. 18-8.5. Supplementary State aid for new, annexing or  
3 resulting districts.

4 (a) Following the formation of a new school district  
5 pursuant to Article 11A or 11B, or of a new elementary school  
6 district pursuant to Article 7A, or the annexation of all of  
7 the territory of one or more entire school districts by one  
8 or more other school districts, or the division pursuant to  
9 petition under Section 11A-2 of a unit school district or  
10 districts into 2 or more parts which all are included in 2 or  
11 more other community unit districts resulting upon that  
12 division, a supplementary State aid reimbursement shall be  
13 paid for 4 years ~~the-number-of-school-years-determined-under~~  
14 ~~the-following--table~~ to each new, annexing or resulting  
15 district equal to the sum of \$4,000 for each certified  
16 employee and \$2,000 for each classified employee who is  
17 employed by such district on a full-time basis for the  
18 regular term of any such school year. Each year these amounts  
19 shall be increased by the annual percentage increase if any  
20 in the Consumer Price Index for All Urban Consumers for all  
21 items published by the United States Department of Labor.†

22	Reorganized-District's-Rank	Reorganized-District's-Rank		
23	by-type-of-district-(unit,	in-Average-Daily-Attendane		
24	high-school,-elementary)	By-Quintile		
25	in-Equalized-Assessed-Value			
26	Per-Pupil-by-Quintile			
27			3rd-4th	
28		1st	2nd	or-5th
29		Quintile	Quintile	Quintile
30	1st-Quintile	1-year	1-year	1-year
31	2nd-Quintile	1-year	2-years	2-years
32	3rd-Quintile	2-years	3-years	3-years
33	4th-Quintile	2-years	3-years	3-years
34	5th-Quintile	2-years	3-years	3-years

1 The--State--Board--of--Education--shall---make---a---one-time  
2 ealculation--of-a-reorganized-district's-quintile-ranks.--The  
3 average-daily-attendance-used-in-this--calculation--shall--be  
4 the---best---3--months'-average--daily--attendance--for--the  
5 district's-first-year.--The--equalized--assessed--value--per  
6 pupil---shall--be--the--district's--real--property--equalized  
7 assessed-value-used-in-calculating-the-district's--first-year  
8 general-State-aid-claim-divided-by-the-best-3-months'-average  
9 daily-attendance.

10 No annexing or resulting school district shall be  
11 entitled to supplementary State aid under this Section unless  
12 such district acquires at least 30% of the average daily  
13 attendance of the district from which the territory is being  
14 detached or divided.

15 If a district results from multiple reorganizations that  
16 would otherwise qualify the district for multiple payments  
17 under this Section in any year, the district shall receive a  
18 single payment only for that year based solely on the most  
19 recent reorganization. A district may not receive a  
20 supplementary State aid grant under this Section while  
21 receiving a similar grant from a prior reorganization.

22 (b) The supplementary State aid reimbursement payable  
23 under this Section shall be separate from and in addition to  
24 all other payments made to the district pursuant to any other  
25 Section of this Article.

26 (c) During May of each school year for which a  
27 supplementary State aid reimbursement is to be paid to a new,  
28 annexing or resulting school district pursuant to this  
29 Section, the school board shall certify to the State Board of  
30 Education, on forms furnished to the school board by the  
31 State Board of Education for purposes of this Section, the  
32 number of certified employees for which the district is  
33 entitled to reimbursement under this Section, together with  
34 the names, certificate numbers and positions held by such

1 certified employees.

2 (d) Upon certification by the State Board of Education  
3 to the State Comptroller of the amount of the supplementary  
4 State aid reimbursement to which a school district is  
5 entitled by this Section, the State Comptroller shall draw  
6 his warrant upon the State Treasurer for the payment thereof  
7 to the school district and shall promptly transmit the  
8 payment to the school district through the appropriate school  
9 treasurer.

10 (e) The changes to this Section made by P.A. 88-555  
11 shall apply to all reorganizations for which the petitions  
12 are filed with the regional board of school trustees or the  
13 regional superintendent, as the case may be, on or after  
14 January 1, 1995.

15 (f) The changes made to this Section by this amendatory  
16 Act of the 93rd General Assembly are intended to be  
17 retroactive and applicable to any reorganization taking  
18 effect on or after July 1, 2002.

19 (Source: P.A. 87-10; 87-435; 87-1210; 88-555, eff. 7-27-94;  
20 88-686, eff. 1-24-95.)

21 (105 ILCS 5/18-8.6a new)

22 Sec. 18-8.6a. Educational facilities for newly organized  
23 school districts; funds for construction.

24 (a) After the formation of a new school district  
25 maintaining grades kindergarten through 12, formed by  
26 combining property included completely within 2 or more  
27 previously existing school districts, if the newly formed  
28 district can show need for a new facility or addition to an  
29 existing facility, construction funding shall be provided by  
30 the State at no cost to the district, under guidelines  
31 established by the Capital Development Board, if all of the  
32 following requirements are met:

33 (1) The regional superintendent of schools has

1 verified the need for the construction and has made a  
2 favorable recommendation to the State Superintendent of  
3 Education.

4 (2) The regional superintendent's recommendation  
5 has been evaluated and approved by the State Board of  
6 Education and Capital Development Board.

7 (b) Funds for construction under this Section shall be  
8 provided through a separate appropriation.

9 (c) This Section applies to a school district organized  
10 on or after July 1, 2002.

11 (105 ILCS 5/18-8.6b new)

12 Sec. 18-8.6b. Implementation grants for newly organized  
13 school districts.

14 (a) After the formation of a new school district formed  
15 by combining property included completely within 2 or more  
16 previously existing school districts, a one-time grant shall  
17 be made to the newly formed district to assist with  
18 implementation of the newly formed district and shall be used  
19 for purposes that may include without limitation curriculum  
20 articulation, handbook revisions, extra-curricular  
21 activities, staff development, school board training,  
22 alignment of State standards, mentoring, school structure,  
23 and assessments.

24 (b) The grant amount shall be determined by the State  
25 Board of Education and shall be the lesser of (i) \$50,000 or  
26 (ii) an amount determined by multiplying the number of  
27 students in the newly formed school district by \$10, added to  
28 an amount determined by multiplying the number of teachers in  
29 the newly formed district by \$25, added to an amount  
30 determined by multiplying the number of square miles in the  
31 newly formed district by \$50.

32 (c) Funds for grants under this Section shall be  
33 provided through a separate appropriation.

1        (d) This Section applies to a school district organized  
2        on or after July 1, 2002.

3            (105 ILCS 5/7-7.5 rep.)

4            (105 ILCS 5/7-7.6 rep.)

5            (105 ILCS 5/7-7.7 rep.)

6            Section 10-15. The School Code is amended by repealing  
7        Sections 7-7.5, 7-7.6, and 7-7.7.

8            Section 10-20. The School Construction Law is amended by  
9        changing Section 5-30 as follows:

10           (105 ILCS 230/5-30)

11           Sec. 5-30. Priority of school construction projects. The  
12        State Board of Education shall develop standards for the  
13        determination of priority needs concerning school  
14        construction projects based upon approved district facilities  
15        plans. Such standards shall call for prioritization based on  
16        the degree of need and project type in the following order:

17           (1) Replacement or reconstruction of school buildings  
18        destroyed or damaged by flood, tornado, fire, earthquake, or  
19        other disasters, either man-made or produced by nature;

20           (2) Projects designed to alleviate a shortage of  
21        classrooms due to population growth or to replace aging  
22        school buildings;

23           ~~(3) Projects resulting from interdistrict reorganization~~  
24        ~~of school districts contingent on local referenda;~~

25           (3) ~~(4)~~ Replacement or reconstruction of school  
26        facilities determined to be severe and continuing health or  
27        life safety hazards;

28           (4) ~~(5)~~ Alterations necessary to provide accessibility  
29        for qualified individuals with disabilities; and

30           (5) ~~(6)~~ Other unique solutions to facility needs.

31        (Source: P.A. 90-548, eff. 1-1-98.)

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ARTICLE 15

Section 15-5. The State Finance Act is amended by adding Sections 5.595 and 6z-59 as follows:

(30 ILCS 105/5.595 new)

Sec. 5.595. The School District Property Tax Relief Fund.

(30 ILCS 105/6z-59 new)

Sec. 6z-59. School District Property Tax Relief Fund.

The School District Property Tax Relief Fund is created as a special fund in the State treasury. All interest earned on moneys in the Fund shall be deposited into the Fund.

(a) As used in this Section:

"Department" means the Illinois Department of Revenue.

"School district property tax relief grant" means the money designated to be distributed to a school district from the moneys appropriated by the General Assembly from the School District Property Tax Relief Fund.

(b) Between November 15 and 17 of each year beginning in 2003, the Department must certify the amount of money available for school district property tax relief grants. The amount available is equal to the amount appropriated by the General Assembly or the unencumbered amount in the Fund at the time of certification, whichever is less.

(c) Between November 15 and 17 of each year beginning in 2003, the Department must calculate each school district's grant amount.

The amount of the grant for each school district for a tax year is calculated as follows: (i) each school district must certify to the Department the rate of the tax extended for educational purposes for the 2001 tax year (payable in 2002) for the school district; (ii) the Department must determine the equalized assessed value (EAV) of all taxable

1 property in the school district for the tax year preceding  
2 the then current tax year; (iii) the rate determined in item  
3 (i) is multiplied by the EAV determined in item (ii); (iv)  
4 the amounts determined in item (iii) for all school districts  
5 are added together to reach an aggregate total for all school  
6 districts; and (v) the amount certified by the Department as  
7 available for distribution for that tax year is multiplied by  
8 the amount determined in item (iii) and then the product is  
9 divided by the amount determined in item (iv). The result  
10 determined in item (v) is the grant amount for the tax year.

11 For example:

12 (1) Total grant amount certified by the Department  
13 for the tax year is \$5,000,000 to be distributed to  
14 school districts A and B.

15 (2) School district A:

16 (A) Tax rate for educational purposes for the  
17 2001 tax year was 1.50%.

18 (B) Equalized assessed value of all taxable  
19 property in school district A for the preceding tax  
20 year was \$50,000,000.

21 (3) School district B:

22 (A) Tax rate for educational purposes for the  
23 2001 tax year was 1.35%.

24 (B) Equalized assessed value of all taxable  
25 property in school district B for the preceding tax  
26 year was \$75,000,000.

27 For school district A, the tax rate multiplied by the  
28 preceding tax year's equalized assessed value of all taxable  
29 property is \$750,000 (1.50% multiplied by \$50,000,000). For  
30 school district B, the tax rate multiplied by the preceding  
31 tax year's equalized assessed value of all taxable property  
32 is \$1,012,500 (1.35% multiplied by \$75,000,000). The sum of  
33 these 2 amounts is \$1,762,500. The grant for school district  
34 A is \$5,000,000 (the total amount of grant moneys available)

1 multiplied by \$750,000 and then the product is divided by  
2 \$1,762,500. School district A's grant is \$2,127,660. The  
3 grant for school district B is \$5,000,000 (the total amount  
4 of grant moneys available) multiplied by \$1,012,500 and then  
5 the product is divided by \$1,762,500. School district B's  
6 grant is \$2,872,340.

7 The Department must adopt rules to determine the  
8 computation of the grant amount for a school district that  
9 has undergone school district reorganization under Article 7,  
10 7A, 11A, 11B, or 11D of the School Code (for example:  
11 consolidation, conversion into a different type of district,  
12 or creation of a new district).

13 (d) Between November 15 and 17 of each year beginning in  
14 2003, the Department must certify to the county clerk of each  
15 county the amount of the grant for each school district lying  
16 wholly or partly in the county to be paid to the county  
17 collector for distribution to the school district. The amount  
18 of the grant for a school district that lies partly in the  
19 county shall be that amount which bears the same ratio to the  
20 grant for the whole school district as the equalized assessed  
21 value of the taxable property in the school district for the  
22 preceding tax year that lies in the county bears to the  
23 equalized assessed value of all taxable property in the  
24 school district for the preceding tax year.

25 (e) Upon receipt of a notice from the county clerk  
26 required under Section 18-178 of the Property Tax Code that  
27 the extension for educational purposes has been determined  
28 and abated for each school district or part of a school  
29 district in the county, the Department must certify to the  
30 Comptroller the amount of the school district property tax  
31 relief grant to be paid to the county collector. The  
32 Comptroller must promptly pay the grants to the county  
33 collector. Upon receipt of the school district property tax  
34 relief grants, the county collector must pay the grants to



1 the respective school districts within 5 business days.

2 Section 15-10. The Illinois Income Tax Act is amended by  
3 changing Sections 201, 203, 804, and 901 and by adding  
4 Section 202.5 as follows:

5 (35 ILCS 5/201) (from Ch. 120, par. 2-201)  
6 Sec. 201. Tax Imposed.

7 (a) In general. A tax measured by net income is hereby  
8 imposed on every individual, corporation, trust and estate  
9 for each taxable year ending after July 31, 1969 on the  
10 privilege of earning or receiving income in or as a resident  
11 of this State. Such tax shall be in addition to all other  
12 occupation or privilege taxes imposed by this State or by any  
13 municipal corporation or political subdivision thereof.

14 (b) Rates. The tax imposed by subsection (a) of this  
15 Section shall be determined as follows, except as adjusted by  
16 subsection (d-1):

17 (1) In the case of an individual, trust or estate,  
18 for taxable years ending prior to July 1, 1989, an amount  
19 equal to 2 1/2% of the taxpayer's net income for the  
20 taxable year.

21 (2) In the case of an individual, trust or estate,  
22 for taxable years beginning prior to July 1, 1989 and  
23 ending after June 30, 1989, an amount equal to the sum of  
24 (i) 2 1/2% of the taxpayer's net income for the period  
25 prior to July 1, 1989, as calculated under Section 202.3,  
26 and (ii) 3% of the taxpayer's net income for the period  
27 after June 30, 1989, as calculated under Section 202.3.

28 (3) In the case of an individual, trust or estate,  
29 for taxable years beginning after June 30, 1989 and  
30 ending prior to July 1, 2003, an amount equal to 3% of  
31 the taxpayer's net income for the taxable year.

32 (4) In the case of an individual, trust, or estate,

1 for taxable years beginning prior to July 1, 2003 and  
2 ending after June 30, 2003, an amount equal to the sum of  
3 (i) 3% of the taxpayer's net income for the period prior  
4 to July 1, 2003, as calculated under Section 202.5, and  
5 (ii) 4% of the taxpayer's net income for the period after  
6 June 30, 2003, as calculated under Section 202.5 {Blank}.

7 (5) In the case of an individual, trust, or estate,  
8 for taxable years beginning after June 30, 2003, an  
9 amount equal to 4% of the taxpayer's net income for the  
10 taxable year {Blank}.

11 (6) In the case of a corporation, for taxable years  
12 ending prior to July 1, 1989, an amount equal to 4% of  
13 the taxpayer's net income for the taxable year.

14 (7) In the case of a corporation, for taxable years  
15 beginning prior to July 1, 1989 and ending after June 30,  
16 1989, an amount equal to the sum of (i) 4% of the  
17 taxpayer's net income for the period prior to July 1,  
18 1989, as calculated under Section 202.3, and (ii) 4.8% of  
19 the taxpayer's net income for the period after June 30,  
20 1989, as calculated under Section 202.3.

21 (8) In the case of a corporation, for taxable years  
22 beginning after June 30, 1989 and ending prior to July 1,  
23 2003, an amount equal to 4.8% of the taxpayer's net  
24 income for the taxable year.

25 (9) In the case a corporation, for taxable years  
26 beginning prior to July 1, 2003 and ending after June 30,  
27 2003, an amount equal to the sum of (i) 4.8% of the  
28 taxpayer's net income for the period prior to July 1,  
29 2003, as calculated under Section 202.5, and (ii) 6.4% of  
30 the taxpayer's net income for the period after June 30,  
31 2003, as calculated under Section 202.5.

32 (10) In the case of a corporation, for taxable  
33 years beginning after June 30, 2003, an amount equal to  
34 6.4% of the taxpayer's net income for the taxable year.

1           (c) Personal Property Tax Replacement Income Tax.  
2     Beginning on July 1, 1979 and thereafter, in addition to such  
3     income tax, there is also hereby imposed the Personal  
4     Property Tax Replacement Income Tax measured by net income on  
5     every corporation (including Subchapter S corporations),  
6     partnership and trust, for each taxable year ending after  
7     June 30, 1979. Such taxes are imposed on the privilege of  
8     earning or receiving income in or as a resident of this  
9     State. The Personal Property Tax Replacement Income Tax  
10    shall be in addition to the income tax imposed by subsections  
11    (a) and (b) of this Section and in addition to all other  
12    occupation or privilege taxes imposed by this State or by any  
13    municipal corporation or political subdivision thereof.

14           (d) Additional Personal Property Tax Replacement Income  
15    Tax Rates. The personal property tax replacement income tax  
16    imposed by this subsection and subsection (c) of this Section  
17    in the case of a corporation, other than a Subchapter S  
18    corporation and except as adjusted by subsection (d-1), shall  
19    be an additional amount equal to 2.85% of such taxpayer's net  
20    income for the taxable year, except that beginning on January  
21    1, 1981, and thereafter, the rate of 2.85% specified in this  
22    subsection shall be reduced to 2.5%, and in the case of a  
23    partnership, trust or a Subchapter S corporation shall be an  
24    additional amount equal to 1.5% of such taxpayer's net income  
25    for the taxable year.

26           (d-1) Rate reduction for certain foreign insurers. In  
27    the case of a foreign insurer, as defined by Section 35A-5 of  
28    the Illinois Insurance Code, whose state or country of  
29    domicile imposes on insurers domiciled in Illinois a  
30    retaliatory tax (excluding any insurer whose premiums from  
31    reinsurance assumed are 50% or more of its total insurance  
32    premiums as determined under paragraph (2) of subsection (b)  
33    of Section 304, except that for purposes of this  
34    determination premiums from reinsurance do not include

1 premiums from inter-affiliate reinsurance arrangements),  
2 beginning with taxable years ending on or after December 31,  
3 1999, the sum of the rates of tax imposed by subsections (b)  
4 and (d) shall be reduced (but not increased) to the rate at  
5 which the total amount of tax imposed under this Act, net of  
6 all credits allowed under this Act, shall equal (i) the total  
7 amount of tax that would be imposed on the foreign insurer's  
8 net income allocable to Illinois for the taxable year by such  
9 foreign insurer's state or country of domicile if that net  
10 income were subject to all income taxes and taxes measured by  
11 net income imposed by such foreign insurer's state or country  
12 of domicile, net of all credits allowed or (ii) a rate of  
13 zero if no such tax is imposed on such income by the foreign  
14 insurer's state of domicile. For the purposes of this  
15 subsection (d-1), an inter-affiliate includes a mutual  
16 insurer under common management.

17 (1) For the purposes of subsection (d-1), in no  
18 event shall the sum of the rates of tax imposed by  
19 subsections (b) and (d) be reduced below the rate at  
20 which the sum of:

21 (A) the total amount of tax imposed on such  
22 foreign insurer under this Act for a taxable year,  
23 net of all credits allowed under this Act, plus

24 (B) the privilege tax imposed by Section 409  
25 of the Illinois Insurance Code, the fire insurance  
26 company tax imposed by Section 12 of the Fire  
27 Investigation Act, and the fire department taxes  
28 imposed under Section 11-10-1 of the Illinois  
29 Municipal Code,

30 equals 1.25% of the net taxable premiums written for the  
31 taxable year, as described by subsection (1) of Section  
32 409 of the Illinois Insurance Code. This paragraph will  
33 in no event increase the rates imposed under subsections  
34 (b) and (d).

1           (2) Any reduction in the rates of tax imposed by  
2 this subsection shall be applied first against the rates  
3 imposed by subsection (b) and only after the tax imposed  
4 by subsection (a) net of all credits allowed under this  
5 Section other than the credit allowed under subsection  
6 (i) has been reduced to zero, against the rates imposed  
7 by subsection (d).

8           This subsection (d-1) is exempt from the provisions of  
9 Section 250.

10          (e) Investment credit. A taxpayer shall be allowed a  
11 credit against the Personal Property Tax Replacement Income  
12 Tax for investment in qualified property.

13           (1) A taxpayer shall be allowed a credit equal to  
14 .5% of the basis of qualified property placed in service  
15 during the taxable year, provided such property is placed  
16 in service on or after July 1, 1984. There shall be  
17 allowed an additional credit equal to .5% of the basis of  
18 qualified property placed in service during the taxable  
19 year, provided such property is placed in service on or  
20 after July 1, 1986, and the taxpayer's base employment  
21 within Illinois has increased by 1% or more over the  
22 preceding year as determined by the taxpayer's employment  
23 records filed with the Illinois Department of Employment  
24 Security. Taxpayers who are new to Illinois shall be  
25 deemed to have met the 1% growth in base employment for  
26 the first year in which they file employment records with  
27 the Illinois Department of Employment Security. The  
28 provisions added to this Section by Public Act 85-1200  
29 (and restored by Public Act 87-895) shall be construed as  
30 declaratory of existing law and not as a new enactment.  
31 If, in any year, the increase in base employment within  
32 Illinois over the preceding year is less than 1%, the  
33 additional credit shall be limited to that percentage  
34 times a fraction, the numerator of which is .5% and the

1 denominator of which is 1%, but shall not exceed .5%.  
2 The investment credit shall not be allowed to the extent  
3 that it would reduce a taxpayer's liability in any tax  
4 year below zero, nor may any credit for qualified  
5 property be allowed for any year other than the year in  
6 which the property was placed in service in Illinois. For  
7 tax years ending on or after December 31, 1987, and on or  
8 before December 31, 1988, the credit shall be allowed for  
9 the tax year in which the property is placed in service,  
10 or, if the amount of the credit exceeds the tax liability  
11 for that year, whether it exceeds the original liability  
12 or the liability as later amended, such excess may be  
13 carried forward and applied to the tax liability of the 5  
14 taxable years following the excess credit years if the  
15 taxpayer (i) makes investments which cause the creation  
16 of a minimum of 2,000 full-time equivalent jobs in  
17 Illinois, (ii) is located in an enterprise zone  
18 established pursuant to the Illinois Enterprise Zone Act  
19 and (iii) is certified by the Department of Commerce and  
20 Community Affairs as complying with the requirements  
21 specified in clause (i) and (ii) by July 1, 1986. The  
22 Department of Commerce and Community Affairs shall notify  
23 the Department of Revenue of all such certifications  
24 immediately. For tax years ending after December 31,  
25 1988, the credit shall be allowed for the tax year in  
26 which the property is placed in service, or, if the  
27 amount of the credit exceeds the tax liability for that  
28 year, whether it exceeds the original liability or the  
29 liability as later amended, such excess may be carried  
30 forward and applied to the tax liability of the 5 taxable  
31 years following the excess credit years. The credit shall  
32 be applied to the earliest year for which there is a  
33 liability. If there is credit from more than one tax year  
34 that is available to offset a liability, earlier credit

1 shall be applied first.

2 (2) The term "qualified property" means property  
3 which:

4 (A) is tangible, whether new or used,  
5 including buildings and structural components of  
6 buildings and signs that are real property, but not  
7 including land or improvements to real property that  
8 are not a structural component of a building such as  
9 landscaping, sewer lines, local access roads,  
10 fencing, parking lots, and other appurtenances;

11 (B) is depreciable pursuant to Section 167 of  
12 the Internal Revenue Code, except that "3-year  
13 property" as defined in Section 168(c)(2)(A) of that  
14 Code is not eligible for the credit provided by this  
15 subsection (e);

16 (C) is acquired by purchase as defined in  
17 Section 179(d) of the Internal Revenue Code;

18 (D) is used in Illinois by a taxpayer who is  
19 primarily engaged in manufacturing, or in mining  
20 coal or fluorite, or in retailing; and

21 (E) has not previously been used in Illinois  
22 in such a manner and by such a person as would  
23 qualify for the credit provided by this subsection  
24 (e) or subsection (f).

25 (3) For purposes of this subsection (e),  
26 "manufacturing" means the material staging and production  
27 of tangible personal property by procedures commonly  
28 regarded as manufacturing, processing, fabrication, or  
29 assembling which changes some existing material into new  
30 shapes, new qualities, or new combinations. For purposes  
31 of this subsection (e) the term "mining" shall have the  
32 same meaning as the term "mining" in Section 613(c) of  
33 the Internal Revenue Code. For purposes of this  
34 subsection (e), the term "retailing" means the sale of

1       tangible personal property or services rendered in  
2       conjunction with the sale of tangible consumer goods or  
3       commodities.

4               (4) The basis of qualified property shall be the  
5       basis used to compute the depreciation deduction for  
6       federal income tax purposes.

7               (5) If the basis of the property for federal income  
8       tax depreciation purposes is increased after it has been  
9       placed in service in Illinois by the taxpayer, the amount  
10      of such increase shall be deemed property placed in  
11      service on the date of such increase in basis.

12              (6) The term "placed in service" shall have the  
13      same meaning as under Section 46 of the Internal Revenue  
14      Code.

15              (7) If during any taxable year, any property ceases  
16      to be qualified property in the hands of the taxpayer  
17      within 48 months after being placed in service, or the  
18      situs of any qualified property is moved outside Illinois  
19      within 48 months after being placed in service, the  
20      Personal Property Tax Replacement Income Tax for such  
21      taxable year shall be increased. Such increase shall be  
22      determined by (i) recomputing the investment credit which  
23      would have been allowed for the year in which credit for  
24      such property was originally allowed by eliminating such  
25      property from such computation and, (ii) subtracting such  
26      recomputed credit from the amount of credit previously  
27      allowed. For the purposes of this paragraph (7), a  
28      reduction of the basis of qualified property resulting  
29      from a redetermination of the purchase price shall be  
30      deemed a disposition of qualified property to the extent  
31      of such reduction.

32              (8) Unless the investment credit is extended by  
33      law, the basis of qualified property shall not include  
34      costs incurred after December 31, 2003, except for costs



1 incurred pursuant to a binding contract entered into on  
2 or before December 31, 2003.

3 (9) Each taxable year ending before December 31,  
4 2000, a partnership may elect to pass through to its  
5 partners the credits to which the partnership is entitled  
6 under this subsection (e) for the taxable year. A  
7 partner may use the credit allocated to him or her under  
8 this paragraph only against the tax imposed in  
9 subsections (c) and (d) of this Section. If the  
10 partnership makes that election, those credits shall be  
11 allocated among the partners in the partnership in  
12 accordance with the rules set forth in Section 704(b) of  
13 the Internal Revenue Code, and the rules promulgated  
14 under that Section, and the allocated amount of the  
15 credits shall be allowed to the partners for that taxable  
16 year. The partnership shall make this election on its  
17 Personal Property Tax Replacement Income Tax return for  
18 that taxable year. The election to pass through the  
19 credits shall be irrevocable.

20 For taxable years ending on or after December 31,  
21 2000, a partner that qualifies its partnership for a  
22 subtraction under subparagraph (I) of paragraph (2) of  
23 subsection (d) of Section 203 or a shareholder that  
24 qualifies a Subchapter S corporation for a subtraction  
25 under subparagraph (S) of paragraph (2) of subsection (b)  
26 of Section 203 shall be allowed a credit under this  
27 subsection (e) equal to its share of the credit earned  
28 under this subsection (e) during the taxable year by the  
29 partnership or Subchapter S corporation, determined in  
30 accordance with the determination of income and  
31 distributive share of income under Sections 702 and 704  
32 and Subchapter S of the Internal Revenue Code. This  
33 paragraph is exempt from the provisions of Section 250.

34 (f) Investment credit; Enterprise Zone.

1           (1) A taxpayer shall be allowed a credit against  
2 the tax imposed by subsections (a) and (b) of this  
3 Section for investment in qualified property which is  
4 placed in service in an Enterprise Zone created pursuant  
5 to the Illinois Enterprise Zone Act. For partners,  
6 shareholders of Subchapter S corporations, and owners of  
7 limited liability companies, if the liability company is  
8 treated as a partnership for purposes of federal and  
9 State income taxation, there shall be allowed a credit  
10 under this subsection (f) to be determined in accordance  
11 with the determination of income and distributive share  
12 of income under Sections 702 and 704 and Subchapter S of  
13 the Internal Revenue Code. The credit shall be .5% of  
14 the basis for such property. The credit shall be  
15 available only in the taxable year in which the property  
16 is placed in service in the Enterprise Zone and shall not  
17 be allowed to the extent that it would reduce a  
18 taxpayer's liability for the tax imposed by subsections  
19 (a) and (b) of this Section to below zero. For tax years  
20 ending on or after December 31, 1985, the credit shall be  
21 allowed for the tax year in which the property is placed  
22 in service, or, if the amount of the credit exceeds the  
23 tax liability for that year, whether it exceeds the  
24 original liability or the liability as later amended,  
25 such excess may be carried forward and applied to the tax  
26 liability of the 5 taxable years following the excess  
27 credit year. The credit shall be applied to the earliest  
28 year for which there is a liability. If there is credit  
29 from more than one tax year that is available to offset a  
30 liability, the credit accruing first in time shall be  
31 applied first.

32           (2) The term qualified property means property  
33 which:

34                   (A) is tangible, whether new or used,

1 including buildings and structural components of  
2 buildings;

3 (B) is depreciable pursuant to Section 167 of  
4 the Internal Revenue Code, except that "3-year  
5 property" as defined in Section 168(c)(2)(A) of that  
6 Code is not eligible for the credit provided by this  
7 subsection (f);

8 (C) is acquired by purchase as defined in  
9 Section 179(d) of the Internal Revenue Code;

10 (D) is used in the Enterprise Zone by the  
11 taxpayer; and

12 (E) has not been previously used in Illinois  
13 in such a manner and by such a person as would  
14 qualify for the credit provided by this subsection  
15 (f) or subsection (e).

16 (3) The basis of qualified property shall be the  
17 basis used to compute the depreciation deduction for  
18 federal income tax purposes.

19 (4) If the basis of the property for federal income  
20 tax depreciation purposes is increased after it has been  
21 placed in service in the Enterprise Zone by the taxpayer,  
22 the amount of such increase shall be deemed property  
23 placed in service on the date of such increase in basis.

24 (5) The term "placed in service" shall have the  
25 same meaning as under Section 46 of the Internal Revenue  
26 Code.

27 (6) If during any taxable year, any property ceases  
28 to be qualified property in the hands of the taxpayer  
29 within 48 months after being placed in service, or the  
30 situs of any qualified property is moved outside the  
31 Enterprise Zone within 48 months after being placed in  
32 service, the tax imposed under subsections (a) and (b) of  
33 this Section for such taxable year shall be increased.  
34 Such increase shall be determined by (i) recomputing the

1 investment credit which would have been allowed for the  
2 year in which credit for such property was originally  
3 allowed by eliminating such property from such  
4 computation, and (ii) subtracting such recomputed credit  
5 from the amount of credit previously allowed. For the  
6 purposes of this paragraph (6), a reduction of the basis  
7 of qualified property resulting from a redetermination of  
8 the purchase price shall be deemed a disposition of  
9 qualified property to the extent of such reduction.

10 (g) Jobs Tax Credit; Enterprise Zone and Foreign Trade  
11 Zone or Sub-Zone.

12 (1) A taxpayer conducting a trade or business in an  
13 enterprise zone or a High Impact Business designated by  
14 the Department of Commerce and Community Affairs  
15 conducting a trade or business in a federally designated  
16 Foreign Trade Zone or Sub-Zone shall be allowed a credit  
17 against the tax imposed by subsections (a) and (b) of  
18 this Section in the amount of \$500 per eligible employee  
19 hired to work in the zone during the taxable year.

20 (2) To qualify for the credit:

21 (A) the taxpayer must hire 5 or more eligible  
22 employees to work in an enterprise zone or federally  
23 designated Foreign Trade Zone or Sub-Zone during the  
24 taxable year;

25 (B) the taxpayer's total employment within the  
26 enterprise zone or federally designated Foreign  
27 Trade Zone or Sub-Zone must increase by 5 or more  
28 full-time employees beyond the total employed in  
29 that zone at the end of the previous tax year for  
30 which a jobs tax credit under this Section was  
31 taken, or beyond the total employed by the taxpayer  
32 as of December 31, 1985, whichever is later; and

33 (C) the eligible employees must be employed  
34 180 consecutive days in order to be deemed hired for

1 purposes of this subsection.

2 (3) An "eligible employee" means an employee who  
3 is:

4 (A) Certified by the Department of Commerce  
5 and Community Affairs as "eligible for services"  
6 pursuant to regulations promulgated in accordance  
7 with Title II of the Job Training Partnership Act,  
8 Training Services for the Disadvantaged or Title III  
9 of the Job Training Partnership Act, Employment and  
10 Training Assistance for Dislocated Workers Program.

11 (B) Hired after the enterprise zone or  
12 federally designated Foreign Trade Zone or Sub-Zone  
13 was designated or the trade or business was located  
14 in that zone, whichever is later.

15 (C) Employed in the enterprise zone or Foreign  
16 Trade Zone or Sub-Zone. An employee is employed in  
17 an enterprise zone or federally designated Foreign  
18 Trade Zone or Sub-Zone if his services are rendered  
19 there or it is the base of operations for the  
20 services performed.

21 (D) A full-time employee working 30 or more  
22 hours per week.

23 (4) For tax years ending on or after December 31,  
24 1985 and prior to December 31, 1988, the credit shall be  
25 allowed for the tax year in which the eligible employees  
26 are hired. For tax years ending on or after December 31,  
27 1988, the credit shall be allowed for the tax year  
28 immediately following the tax year in which the eligible  
29 employees are hired. If the amount of the credit exceeds  
30 the tax liability for that year, whether it exceeds the  
31 original liability or the liability as later amended,  
32 such excess may be carried forward and applied to the tax  
33 liability of the 5 taxable years following the excess  
34 credit year. The credit shall be applied to the earliest

1 year for which there is a liability. If there is credit  
2 from more than one tax year that is available to offset a  
3 liability, earlier credit shall be applied first.

4 (5) The Department of Revenue shall promulgate such  
5 rules and regulations as may be deemed necessary to carry  
6 out the purposes of this subsection (g).

7 (6) The credit shall be available for eligible  
8 employees hired on or after January 1, 1986.

9 (h) Investment credit; High Impact Business.

10 (1) Subject to subsections (b) and (b-5) of Section  
11 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall  
12 be allowed a credit against the tax imposed by  
13 subsections (a) and (b) of this Section for investment in  
14 qualified property which is placed in service by a  
15 Department of Commerce and Community Affairs designated  
16 High Impact Business. The credit shall be .5% of the  
17 basis for such property. The credit shall not be  
18 available (i) until the minimum investments in qualified  
19 property set forth in subdivision (a)(3)(A) of Section  
20 5.5 of the Illinois Enterprise Zone Act have been  
21 satisfied or (ii) until the time authorized in subsection  
22 (b-5) of the Illinois Enterprise Zone Act for entities  
23 designated as High Impact Businesses under subdivisions  
24 (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the  
25 Illinois Enterprise Zone Act, and shall not be allowed to  
26 the extent that it would reduce a taxpayer's liability  
27 for the tax imposed by subsections (a) and (b) of this  
28 Section to below zero. The credit applicable to such  
29 investments shall be taken in the taxable year in which  
30 such investments have been completed. The credit for  
31 additional investments beyond the minimum investment by a  
32 designated high impact business authorized under  
33 subdivision (a)(3)(A) of Section 5.5 of the Illinois  
34 Enterprise Zone Act shall be available only in the

1 taxable year in which the property is placed in service  
2 and shall not be allowed to the extent that it would  
3 reduce a taxpayer's liability for the tax imposed by  
4 subsections (a) and (b) of this Section to below zero.  
5 For tax years ending on or after December 31, 1987, the  
6 credit shall be allowed for the tax year in which the  
7 property is placed in service, or, if the amount of the  
8 credit exceeds the tax liability for that year, whether  
9 it exceeds the original liability or the liability as  
10 later amended, such excess may be carried forward and  
11 applied to the tax liability of the 5 taxable years  
12 following the excess credit year. The credit shall be  
13 applied to the earliest year for which there is a  
14 liability. If there is credit from more than one tax  
15 year that is available to offset a liability, the credit  
16 accruing first in time shall be applied first.

17 Changes made in this subdivision (h)(1) by Public  
18 Act 88-670 restore changes made by Public Act 85-1182 and  
19 reflect existing law.

20 (2) The term qualified property means property  
21 which:

22 (A) is tangible, whether new or used,  
23 including buildings and structural components of  
24 buildings;

25 (B) is depreciable pursuant to Section 167 of  
26 the Internal Revenue Code, except that "3-year  
27 property" as defined in Section 168(c)(2)(A) of that  
28 Code is not eligible for the credit provided by this  
29 subsection (h);

30 (C) is acquired by purchase as defined in  
31 Section 179(d) of the Internal Revenue Code; and

32 (D) is not eligible for the Enterprise Zone  
33 Investment Credit provided by subsection (f) of this  
34 Section.

1           (3) The basis of qualified property shall be the  
2 basis used to compute the depreciation deduction for  
3 federal income tax purposes.

4           (4) If the basis of the property for federal income  
5 tax depreciation purposes is increased after it has been  
6 placed in service in a federally designated Foreign Trade  
7 Zone or Sub-Zone located in Illinois by the taxpayer, the  
8 amount of such increase shall be deemed property placed  
9 in service on the date of such increase in basis.

10          (5) The term "placed in service" shall have the  
11 same meaning as under Section 46 of the Internal Revenue  
12 Code.

13          (6) If during any taxable year ending on or before  
14 December 31, 1996, any property ceases to be qualified  
15 property in the hands of the taxpayer within 48 months  
16 after being placed in service, or the situs of any  
17 qualified property is moved outside Illinois within 48  
18 months after being placed in service, the tax imposed  
19 under subsections (a) and (b) of this Section for such  
20 taxable year shall be increased. Such increase shall be  
21 determined by (i) recomputing the investment credit which  
22 would have been allowed for the year in which credit for  
23 such property was originally allowed by eliminating such  
24 property from such computation, and (ii) subtracting such  
25 recomputed credit from the amount of credit previously  
26 allowed. For the purposes of this paragraph (6), a  
27 reduction of the basis of qualified property resulting  
28 from a redetermination of the purchase price shall be  
29 deemed a disposition of qualified property to the extent  
30 of such reduction.

31          (7) Beginning with tax years ending after December  
32 31, 1996, if a taxpayer qualifies for the credit under  
33 this subsection (h) and thereby is granted a tax  
34 abatement and the taxpayer relocates its entire facility



1 in violation of the explicit terms and length of the  
2 contract under Section 18-183 of the Property Tax Code,  
3 the tax imposed under subsections (a) and (b) of this  
4 Section shall be increased for the taxable year in which  
5 the taxpayer relocated its facility by an amount equal to  
6 the amount of credit received by the taxpayer under this  
7 subsection (h).

8 (i) Credit for Personal Property Tax Replacement Income  
9 Tax. A credit shall be allowed against the tax imposed by  
10 subsections (a) and (b) of this Section for the tax imposed  
11 by subsections (c) and (d) of this Section. This credit  
12 shall be computed by multiplying the tax imposed by  
13 subsections (c) and (d) of this Section by a fraction, the  
14 numerator of which is base income allocable to Illinois and  
15 the denominator of which is Illinois base income, and further  
16 multiplying the product by the tax rate imposed by  
17 subsections (a) and (b) of this Section.

18 Any credit earned on or after December 31, 1986 under  
19 this subsection which is unused in the year the credit is  
20 computed because it exceeds the tax liability imposed by  
21 subsections (a) and (b) for that year (whether it exceeds the  
22 original liability or the liability as later amended) may be  
23 carried forward and applied to the tax liability imposed by  
24 subsections (a) and (b) of the 5 taxable years following the  
25 excess credit year. This credit shall be applied first to  
26 the earliest year for which there is a liability. If there  
27 is a credit under this subsection from more than one tax year  
28 that is available to offset a liability the earliest credit  
29 arising under this subsection shall be applied first.

30 If, during any taxable year ending on or after December  
31 31, 1986, the tax imposed by subsections (c) and (d) of this  
32 Section for which a taxpayer has claimed a credit under this  
33 subsection (i) is reduced, the amount of credit for such tax  
34 shall also be reduced. Such reduction shall be determined by

1 recomputing the credit to take into account the reduced tax  
2 imposed by subsections (c) and (d). If any portion of the  
3 reduced amount of credit has been carried to a different  
4 taxable year, an amended return shall be filed for such  
5 taxable year to reduce the amount of credit claimed.

6 (j) Training expense credit. Beginning with tax years  
7 ending on or after December 31, 1986, a taxpayer shall be  
8 allowed a credit against the tax imposed by subsections (a)  
9 and (b) under this Section for all amounts paid or accrued,  
10 on behalf of all persons employed by the taxpayer in Illinois  
11 or Illinois residents employed outside of Illinois by a  
12 taxpayer, for educational or vocational training in  
13 semi-technical or technical fields or semi-skilled or skilled  
14 fields, which were deducted from gross income in the  
15 computation of taxable income. The credit against the tax  
16 imposed by subsections (a) and (b) shall be 1.6% of such  
17 training expenses. For partners, shareholders of subchapter  
18 S corporations, and owners of limited liability companies, if  
19 the liability company is treated as a partnership for  
20 purposes of federal and State income taxation, there shall be  
21 allowed a credit under this subsection (j) to be determined  
22 in accordance with the determination of income and  
23 distributive share of income under Sections 702 and 704 and  
24 subchapter S of the Internal Revenue Code.

25 Any credit allowed under this subsection which is unused  
26 in the year the credit is earned may be carried forward to  
27 each of the 5 taxable years following the year for which the  
28 credit is first computed until it is used. This credit shall  
29 be applied first to the earliest year for which there is a  
30 liability. If there is a credit under this subsection from  
31 more than one tax year that is available to offset a  
32 liability the earliest credit arising under this subsection  
33 shall be applied first.

34 (k) Research and development credit.

1           Beginning with tax years ending after July 1, 1990, a  
2 taxpayer shall be allowed a credit against the tax imposed by  
3 subsections (a) and (b) of this Section for increasing  
4 research activities in this State. The credit allowed  
5 against the tax imposed by subsections (a) and (b) shall be  
6 equal to 6 1/2% of the qualifying expenditures for increasing  
7 research activities in this State. For partners,  
8 shareholders of subchapter S corporations, and owners of  
9 limited liability companies, if the liability company is  
10 treated as a partnership for purposes of federal and State  
11 income taxation, there shall be allowed a credit under this  
12 subsection to be determined in accordance with the  
13 determination of income and distributive share of income  
14 under Sections 702 and 704 and subchapter S of the Internal  
15 Revenue Code.

16           For purposes of this subsection, "qualifying  
17 expenditures" means the qualifying expenditures as defined  
18 for the federal credit for increasing research activities  
19 which would be allowable under Section 41 of the Internal  
20 Revenue Code and which are conducted in this State,  
21 "qualifying expenditures for increasing research activities  
22 in this State" means the excess of qualifying expenditures  
23 for the taxable year in which incurred over qualifying  
24 expenditures for the base period, "qualifying expenditures  
25 for the base period" means the average of the qualifying  
26 expenditures for each year in the base period, and "base  
27 period" means the 3 taxable years immediately preceding the  
28 taxable year for which the determination is being made.

29           Any credit in excess of the tax liability for the taxable  
30 year may be carried forward. A taxpayer may elect to have the  
31 unused credit shown on its final completed return carried  
32 over as a credit against the tax liability for the following  
33 5 taxable years or until it has been fully used, whichever  
34 occurs first.

1 If an unused credit is carried forward to a given year  
2 from 2 or more earlier years, that credit arising in the  
3 earliest year will be applied first against the tax liability  
4 for the given year. If a tax liability for the given year  
5 still remains, the credit from the next earliest year will  
6 then be applied, and so on, until all credits have been used  
7 or no tax liability for the given year remains. Any  
8 remaining unused credit or credits then will be carried  
9 forward to the next following year in which a tax liability  
10 is incurred, except that no credit can be carried forward to  
11 a year which is more than 5 years after the year in which the  
12 expense for which the credit is given was incurred.

13 Unless extended by law, the credit shall not include  
14 costs incurred after December 31, 2004, except for costs  
15 incurred pursuant to a binding contract entered into on or  
16 before December 31, 2004.

17 No inference shall be drawn from this amendatory Act of  
18 the 91st General Assembly in construing this Section for  
19 taxable years beginning before January 1, 1999.

20 (1) Environmental Remediation Tax Credit.

21 (i) For tax years ending after December 31, 1997  
22 and on or before December 31, 2001, a taxpayer shall be  
23 allowed a credit against the tax imposed by subsections  
24 (a) and (b) of this Section for certain amounts paid for  
25 unreimbursed eligible remediation costs, as specified in  
26 this subsection. For purposes of this Section,  
27 "unreimbursed eligible remediation costs" means costs  
28 approved by the Illinois Environmental Protection Agency  
29 ("Agency") under Section 58.14 of the Environmental  
30 Protection Act that were paid in performing environmental  
31 remediation at a site for which a No Further Remediation  
32 Letter was issued by the Agency and recorded under  
33 Section 58.10 of the Environmental Protection Act. The  
34 credit must be claimed for the taxable year in which

1 Agency approval of the eligible remediation costs is  
2 granted. The credit is not available to any taxpayer if  
3 the taxpayer or any related party caused or contributed  
4 to, in any material respect, a release of regulated  
5 substances on, in, or under the site that was identified  
6 and addressed by the remedial action pursuant to the Site  
7 Remediation Program of the Environmental Protection Act.  
8 After the Pollution Control Board rules are adopted  
9 pursuant to the Illinois Administrative Procedure Act for  
10 the administration and enforcement of Section 58.9 of the  
11 Environmental Protection Act, determinations as to credit  
12 availability for purposes of this Section shall be made  
13 consistent with those rules. For purposes of this  
14 Section, "taxpayer" includes a person whose tax  
15 attributes the taxpayer has succeeded to under Section  
16 381 of the Internal Revenue Code and "related party"  
17 includes the persons disallowed a deduction for losses by  
18 paragraphs (b), (c), and (f)(1) of Section 267 of the  
19 Internal Revenue Code by virtue of being a related  
20 taxpayer, as well as any of its partners. The credit  
21 allowed against the tax imposed by subsections (a) and  
22 (b) shall be equal to 25% of the unreimbursed eligible  
23 remediation costs in excess of \$100,000 per site, except  
24 that the \$100,000 threshold shall not apply to any site  
25 contained in an enterprise zone as determined by the  
26 Department of Commerce and Community Affairs. The total  
27 credit allowed shall not exceed \$40,000 per year with a  
28 maximum total of \$150,000 per site. For partners and  
29 shareholders of subchapter S corporations, there shall be  
30 allowed a credit under this subsection to be determined  
31 in accordance with the determination of income and  
32 distributive share of income under Sections 702 and 704  
33 and subchapter S of the Internal Revenue Code.

34 (ii) A credit allowed under this subsection that is

1 unused in the year the credit is earned may be carried  
2 forward to each of the 5 taxable years following the year  
3 for which the credit is first earned until it is used.  
4 The term "unused credit" does not include any amounts of  
5 unreimbursed eligible remediation costs in excess of the  
6 maximum credit per site authorized under paragraph (i).  
7 This credit shall be applied first to the earliest year  
8 for which there is a liability. If there is a credit  
9 under this subsection from more than one tax year that is  
10 available to offset a liability, the earliest credit  
11 arising under this subsection shall be applied first. A  
12 credit allowed under this subsection may be sold to a  
13 buyer as part of a sale of all or part of the remediation  
14 site for which the credit was granted. The purchaser of  
15 a remediation site and the tax credit shall succeed to  
16 the unused credit and remaining carry-forward period of  
17 the seller. To perfect the transfer, the assignor shall  
18 record the transfer in the chain of title for the site  
19 and provide written notice to the Director of the  
20 Illinois Department of Revenue of the assignor's intent  
21 to sell the remediation site and the amount of the tax  
22 credit to be transferred as a portion of the sale. In no  
23 event may a credit be transferred to any taxpayer if the  
24 taxpayer or a related party would not be eligible under  
25 the provisions of subsection (i).

26 (iii) For purposes of this Section, the term "site"  
27 shall have the same meaning as under Section 58.2 of the  
28 Environmental Protection Act.

29 (m) Education expense credit. Beginning with tax years  
30 ending after December 31, 1999, a taxpayer who is the  
31 custodian of one or more qualifying pupils shall be allowed a  
32 credit against the tax imposed by subsections (a) and (b) of  
33 this Section for qualified education expenses incurred on  
34 behalf of the qualifying pupils. The credit shall be equal

1 to 25% of qualified education expenses, but in no event may  
2 the total credit under this subsection claimed by a family  
3 that is the custodian of qualifying pupils exceed \$500. In  
4 no event shall a credit under this subsection reduce the  
5 taxpayer's liability under this Act to less than zero. This  
6 subsection is exempt from the provisions of Section 250 of  
7 this Act.

8 For purposes of this subsection:

9 "Qualifying pupils" means individuals who (i) are  
10 residents of the State of Illinois, (ii) are under the age of  
11 21 at the close of the school year for which a credit is  
12 sought, and (iii) during the school year for which a credit  
13 is sought were full-time pupils enrolled in a kindergarten  
14 through twelfth grade education program at any school, as  
15 defined in this subsection.

16 "Qualified education expense" means the amount incurred  
17 on behalf of a qualifying pupil in excess of \$250 for  
18 tuition, book fees, and lab fees at the school in which the  
19 pupil is enrolled during the regular school year.

20 "School" means any public or nonpublic elementary or  
21 secondary school in Illinois that is in compliance with Title  
22 VI of the Civil Rights Act of 1964 and attendance at which  
23 satisfies the requirements of Section 26-1 of the School  
24 Code, except that nothing shall be construed to require a  
25 child to attend any particular public or nonpublic school to  
26 qualify for the credit under this Section.

27 "Custodian" means, with respect to qualifying pupils, an  
28 Illinois resident who is a parent, the parents, a legal  
29 guardian, or the legal guardians of the qualifying pupils.

30 (Source: P.A. 91-9, eff. 1-1-00; 91-357, eff. 7-29-99;  
31 91-643, eff. 8-20-99; 91-644, eff. 8-20-99; 91-860, eff.  
32 6-22-00; 91-913, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff.  
33 6-28-01; 92-651, eff. 7-11-02; 92-846, eff. 8-23-02.)

1 (35 ILCS 5/202.5 new)

2 Sec. 202.5. Net income attributable to the period prior  
3 to July 1, 2003 and net income attributable to the period  
4 after June 30, 2003.

5 (a) In general. With respect to the taxable year of a  
6 taxpayer beginning prior to July 1, 2003 and ending after  
7 June 30, 2003, net income for the period after June 30, 2003  
8 shall be that amount which bears the same ratio to the  
9 taxpayer's net income for the entire taxable year as the  
10 number of days in such year after June 30, 2003 bears to the  
11 total number of days in such year, and the net income for the  
12 period prior to July 1, 2003 shall be that amount which bears  
13 the same ratio to the taxpayer's net income for the entire  
14 taxable year as the number of days in such year prior to July  
15 1, 2003 bears to the total number of days in such year.

16 (b) Election to attribute income and deduction items  
17 specifically to the respective portions of a taxable year  
18 prior to July 1, 2003 and after June 30, 2003. In the case of  
19 a taxpayer with a taxable year beginning prior to July 1,  
20 2003 and ending after June 30, 2003, the taxpayer may elect,  
21 in lieu of the procedure established in subsection (a) of  
22 this Section, to determine net income on a specific  
23 accounting basis for the 2 portions of his or her taxable  
24 year:

25 (i) from the beginning of the taxable year through  
26 June 30, 2003; and

27 (ii) from July 1, 2003 through the end of the  
28 taxable year.

29 If the taxpayer elects specific accounting under this  
30 subsection, there shall be taken into account in computing  
31 base income for each of the 2 portions of the taxable year  
32 only those items earned, received, paid, incurred, or accrued  
33 in each such period. The standard exemption provided by  
34 Section 204 shall be divided between the respective periods



1 in amounts that bear the same ratio to the total exemption  
2 allowable under Section 204 (determined without regard to  
3 this Section) as the total number of days in each such period  
4 bears to the total number of days in the taxable year. The  
5 election provided by this subsection shall be made in such  
6 manner and at such time as the Department may by forms or  
7 regulations prescribe, but shall be made not later than the  
8 due date (including any extensions thereof) for the filing of  
9 the return for the taxable year, and shall be irrevocable.

10 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

11 Sec. 203. Base income defined.

12 (a) Individuals.

13 (1) In general. In the case of an individual, base  
14 income means an amount equal to the taxpayer's adjusted  
15 gross income for the taxable year as modified by  
16 paragraph (2).

17 (2) Modifications. The adjusted gross income  
18 referred to in paragraph (1) shall be modified by adding  
19 thereto the sum of the following amounts:

20 (A) An amount equal to all amounts paid or  
21 accrued to the taxpayer as interest or dividends  
22 during the taxable year to the extent excluded from  
23 gross income in the computation of adjusted gross  
24 income, except stock dividends of qualified public  
25 utilities described in Section 305(e) of the  
26 Internal Revenue Code;

27 (B) An amount equal to the amount of tax  
28 imposed by this Act to the extent deducted from  
29 gross income in the computation of adjusted gross  
30 income for the taxable year;

31 (C) An amount equal to the amount received  
32 during the taxable year as a recovery or refund of  
33 real property taxes paid with respect to the

1 taxpayer's principal residence under the Revenue Act  
2 of 1939 and for which a deduction was previously  
3 taken under subparagraph (L) of this paragraph (2)  
4 prior to July 1, 1991, the retrospective application  
5 date of Article 4 of Public Act 87-17. In the case  
6 of multi-unit or multi-use structures and farm  
7 dwellings, the taxes on the taxpayer's principal  
8 residence shall be that portion of the total taxes  
9 for the entire property which is attributable to  
10 such principal residence;

11 (D) An amount equal to the amount of the  
12 capital gain deduction allowable under the Internal  
13 Revenue Code, to the extent deducted from gross  
14 income in the computation of adjusted gross income;

15 (D-5) An amount, to the extent not included in  
16 adjusted gross income, equal to the amount of money  
17 withdrawn by the taxpayer in the taxable year from a  
18 medical care savings account and the interest earned  
19 on the account in the taxable year of a withdrawal  
20 pursuant to subsection (b) of Section 20 of the  
21 Medical Care Savings Account Act or subsection (b)  
22 of Section 20 of the Medical Care Savings Account  
23 Act of 2000;

24 (D-10) For taxable years ending after December  
25 31, 1997, an amount equal to any eligible  
26 remediation costs that the individual deducted in  
27 computing adjusted gross income and for which the  
28 individual claims a credit under subsection (l) of  
29 Section 201;

30 (D-15) For taxable years 2001 and thereafter,  
31 an amount equal to the bonus depreciation deduction  
32 (30% of the adjusted basis of the qualified  
33 property) taken on the taxpayer's federal income tax  
34 return for the taxable year under subsection (k) of

1 Section 168 of the Internal Revenue Code; and

2 (D-16) If the taxpayer reports a capital gain  
3 or loss on the taxpayer's federal income tax return  
4 for the taxable year based on a sale or transfer of  
5 property for which the taxpayer was required in any  
6 taxable year to make an addition modification under  
7 subparagraph (D-15), then an amount equal to the  
8 aggregate amount of the deductions taken in all  
9 taxable years under subparagraph (Z) with respect to  
10 that property.†

11 The taxpayer is required to make the addition  
12 modification under this subparagraph only once with  
13 respect to any one piece of property;‡ and

14 (D-20) ~~(D-15)~~ For taxable years beginning on  
15 or after January 1, 2002, in the case of a  
16 distribution from a qualified tuition program under  
17 Section 529 of the Internal Revenue Code, other than  
18 (i) a distribution from a College Savings Pool  
19 created under Section 16.5 of the State Treasurer  
20 Act or (ii) a distribution from the Illinois Prepaid  
21 Tuition Trust Fund, an amount equal to the amount  
22 excluded from gross income under Section  
23 529(c)(3)(B);

24 and by deducting from the total so obtained the sum of  
25 the following amounts:

26 (E) For taxable years ending before December  
27 31, 2001, any amount included in such total in  
28 respect of any compensation (including but not  
29 limited to any compensation paid or accrued to a  
30 serviceman while a prisoner of war or missing in  
31 action) paid to a resident by reason of being on  
32 active duty in the Armed Forces of the United States  
33 and in respect of any compensation paid or accrued  
34 to a resident who as a governmental employee was a

1 prisoner of war or missing in action, and in respect  
2 of any compensation paid to a resident in 1971 or  
3 thereafter for annual training performed pursuant to  
4 Sections 502 and 503, Title 32, United States Code  
5 as a member of the Illinois National Guard. For  
6 taxable years ending on or after December 31, 2001,  
7 any amount included in such total in respect of any  
8 compensation (including but not limited to any  
9 compensation paid or accrued to a serviceman while a  
10 prisoner of war or missing in action) paid to a  
11 resident by reason of being a member of any  
12 component of the Armed Forces of the United States  
13 and in respect of any compensation paid or accrued  
14 to a resident who as a governmental employee was a  
15 prisoner of war or missing in action, and in respect  
16 of any compensation paid to a resident in 2001 or  
17 thereafter by reason of being a member of the  
18 Illinois National Guard. The provisions of this  
19 amendatory Act of the 92nd General Assembly are  
20 exempt from the provisions of Section 250;

21 (F) An amount equal to all amounts included in  
22 such total pursuant to the provisions of Sections  
23 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and  
24 408 of the Internal Revenue Code, or included in  
25 such total as distributions under the provisions of  
26 any retirement or disability plan for employees of  
27 any governmental agency or unit, or retirement  
28 payments to retired partners, which payments are  
29 excluded in computing net earnings from self  
30 employment by Section 1402 of the Internal Revenue  
31 Code and regulations adopted pursuant thereto;

32 (G) The valuation limitation amount;

33 (H) An amount equal to the amount of any tax  
34 imposed by this Act which was refunded to the

1 taxpayer and included in such total for the taxable  
2 year;

3 (I) An amount equal to all amounts included in  
4 such total pursuant to the provisions of Section 111  
5 of the Internal Revenue Code as a recovery of items  
6 previously deducted from adjusted gross income in  
7 the computation of taxable income;

8 (J) An amount equal to those dividends  
9 included in such total which were paid by a  
10 corporation which conducts business operations in an  
11 Enterprise Zone or zones created under the Illinois  
12 Enterprise Zone Act, and conducts substantially all  
13 of its operations in an Enterprise Zone or zones;

14 (K) An amount equal to those dividends  
15 included in such total that were paid by a  
16 corporation that conducts business operations in a  
17 federally designated Foreign Trade Zone or Sub-Zone  
18 and that is designated a High Impact Business  
19 located in Illinois; provided that dividends  
20 eligible for the deduction provided in subparagraph  
21 (J) of paragraph (2) of this subsection shall not be  
22 eligible for the deduction provided under this  
23 subparagraph (K);

24 (L) For taxable years ending after December  
25 31, 1983, an amount equal to all social security  
26 benefits and railroad retirement benefits included  
27 in such total pursuant to Sections 72(r) and 86 of  
28 the Internal Revenue Code;

29 (M) With the exception of any amounts  
30 subtracted under subparagraph (N), an amount equal  
31 to the sum of all amounts disallowed as deductions  
32 by (i) Sections 171(a) (2), and 265(2) of the  
33 Internal Revenue Code of 1954, as now or hereafter  
34 amended, and all amounts of expenses allocable to

1 interest and disallowed as deductions by Section  
2 265(1) of the Internal Revenue Code of 1954, as now  
3 or hereafter amended; and (ii) for taxable years  
4 ending on or after August 13, 1999, Sections  
5 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
6 Internal Revenue Code; the provisions of this  
7 subparagraph are exempt from the provisions of  
8 Section 250;

9 (N) An amount equal to all amounts included in  
10 such total which are exempt from taxation by this  
11 State either by reason of its statutes or  
12 Constitution or by reason of the Constitution,  
13 treaties or statutes of the United States; provided  
14 that, in the case of any statute of this State that  
15 exempts income derived from bonds or other  
16 obligations from the tax imposed under this Act, the  
17 amount exempted shall be the interest net of bond  
18 premium amortization;

19 (O) An amount equal to any contribution made  
20 to a job training project established pursuant to  
21 the Tax Increment Allocation Redevelopment Act;

22 (P) An amount equal to the amount of the  
23 deduction used to compute the federal income tax  
24 credit for restoration of substantial amounts held  
25 under claim of right for the taxable year pursuant  
26 to Section 1341 of the Internal Revenue Code of  
27 1986;

28 (Q) An amount equal to any amounts included in  
29 such total, received by the taxpayer as an  
30 acceleration in the payment of life, endowment or  
31 annuity benefits in advance of the time they would  
32 otherwise be payable as an indemnity for a terminal  
33 illness;

34 (R) An amount equal to the amount of any

1 federal or State bonus paid to veterans of the  
2 Persian Gulf War;

3 (S) An amount, to the extent included in  
4 adjusted gross income, equal to the amount of a  
5 contribution made in the taxable year on behalf of  
6 the taxpayer to a medical care savings account  
7 established under the Medical Care Savings Account  
8 Act or the Medical Care Savings Account Act of 2000  
9 to the extent the contribution is accepted by the  
10 account administrator as provided in that Act;

11 (T) An amount, to the extent included in  
12 adjusted gross income, equal to the amount of  
13 interest earned in the taxable year on a medical  
14 care savings account established under the Medical  
15 Care Savings Account Act or the Medical Care Savings  
16 Account Act of 2000 on behalf of the taxpayer, other  
17 than interest added pursuant to item (D-5) of this  
18 paragraph (2);

19 (U) For one taxable year beginning on or after  
20 January 1, 1994, an amount equal to the total amount  
21 of tax imposed and paid under subsections (a) and  
22 (b) of Section 201 of this Act on grant amounts  
23 received by the taxpayer under the Nursing Home  
24 Grant Assistance Act during the taxpayer's taxable  
25 years 1992 and 1993;

26 (V) Beginning with tax years ending on or  
27 after December 31, 1995 and ending with tax years  
28 ending on or before December 31, 2004, an amount  
29 equal to the amount paid by a taxpayer who is a  
30 self-employed taxpayer, a partner of a partnership,  
31 or a shareholder in a Subchapter S corporation for  
32 health insurance or long-term care insurance for  
33 that taxpayer or that taxpayer's spouse or  
34 dependents, to the extent that the amount paid for

1 that health insurance or long-term care insurance  
2 may be deducted under Section 213 of the Internal  
3 Revenue Code of 1986, has not been deducted on the  
4 federal income tax return of the taxpayer, and does  
5 not exceed the taxable income attributable to that  
6 taxpayer's income, self-employment income, or  
7 Subchapter S corporation income; except that no  
8 deduction shall be allowed under this item (V) if  
9 the taxpayer is eligible to participate in any  
10 health insurance or long-term care insurance plan of  
11 an employer of the taxpayer or the taxpayer's  
12 spouse. The amount of the health insurance and  
13 long-term care insurance subtracted under this item  
14 (V) shall be determined by multiplying total health  
15 insurance and long-term care insurance premiums paid  
16 by the taxpayer times a number that represents the  
17 fractional percentage of eligible medical expenses  
18 under Section 213 of the Internal Revenue Code of  
19 1986 not actually deducted on the taxpayer's federal  
20 income tax return;

21 (W) For taxable years beginning on or after  
22 January 1, 1998, all amounts included in the  
23 taxpayer's federal gross income in the taxable year  
24 from amounts converted from a regular IRA to a Roth  
25 IRA. This paragraph is exempt from the provisions of  
26 Section 250;

27 (X) For taxable year 1999 and thereafter, an  
28 amount equal to the amount of any (i) distributions,  
29 to the extent includible in gross income for federal  
30 income tax purposes, made to the taxpayer because of  
31 his or her status as a victim of persecution for  
32 racial or religious reasons by Nazi Germany or any  
33 other Axis regime or as an heir of the victim and  
34 (ii) items of income, to the extent includible in



1 gross income for federal income tax purposes,  
2 attributable to, derived from or in any way related  
3 to assets stolen from, hidden from, or otherwise  
4 lost to a victim of persecution for racial or  
5 religious reasons by Nazi Germany or any other Axis  
6 regime immediately prior to, during, and immediately  
7 after World War II, including, but not limited to,  
8 interest on the proceeds receivable as insurance  
9 under policies issued to a victim of persecution for  
10 racial or religious reasons by Nazi Germany or any  
11 other Axis regime by European insurance companies  
12 immediately prior to and during World War II;  
13 provided, however, this subtraction from federal  
14 adjusted gross income does not apply to assets  
15 acquired with such assets or with the proceeds from  
16 the sale of such assets; provided, further, this  
17 paragraph shall only apply to a taxpayer who was the  
18 first recipient of such assets after their recovery  
19 and who is a victim of persecution for racial or  
20 religious reasons by Nazi Germany or any other Axis  
21 regime or as an heir of the victim. The amount of  
22 and the eligibility for any public assistance,  
23 benefit, or similar entitlement is not affected by  
24 the inclusion of items (i) and (ii) of this  
25 paragraph in gross income for federal income tax  
26 purposes. This paragraph is exempt from the  
27 provisions of Section 250;

28 (Y) For taxable years beginning on or after  
29 January 1, 2002, moneys contributed in the taxable  
30 year to a College Savings Pool account under Section  
31 16.5 of the State Treasurer Act, except that amounts  
32 excluded from gross income under Section  
33 529(c)(3)(i) of the Internal Revenue Code shall not  
34 be considered moneys contributed under this

1 subparagraph (Y). This subparagraph (Y) is exempt  
2 from the provisions of Section 250;

3 (Z) For taxable years 2001 and thereafter, for  
4 the taxable year in which the bonus depreciation  
5 deduction (30% of the adjusted basis of the  
6 qualified property) is taken on the taxpayer's  
7 federal income tax return under subsection (k) of  
8 Section 168 of the Internal Revenue Code and for  
9 each applicable taxable year thereafter, an amount  
10 equal to "x", where:

11 (1) "y" equals the amount of the  
12 depreciation deduction taken for the taxable  
13 year on the taxpayer's federal income tax  
14 return on property for which the bonus  
15 depreciation deduction (30% of the adjusted  
16 basis of the qualified property) was taken in  
17 any year under subsection (k) of Section 168 of  
18 the Internal Revenue Code, but not including  
19 the bonus depreciation deduction; and

20 (2) "x" equals "y" multiplied by 30 and  
21 then divided by 70 (or "y" multiplied by  
22 0.429).

23 The aggregate amount deducted under this  
24 subparagraph in all taxable years for any one piece  
25 of property may not exceed the amount of the bonus  
26 depreciation deduction (30% of the adjusted basis of  
27 the qualified property) taken on that property on  
28 the taxpayer's federal income tax return under  
29 subsection (k) of Section 168 of the Internal  
30 Revenue Code; and

31 (AA) If the taxpayer reports a capital gain or  
32 loss on the taxpayer's federal income tax return for  
33 the taxable year based on a sale or transfer of  
34 property for which the taxpayer was required in any

1 taxable year to make an addition modification under  
2 subparagraph (D-15), then an amount equal to that  
3 addition modification.

4 The taxpayer is allowed to take the deduction  
5 under this subparagraph only once with respect to  
6 any one piece of property; and

7 (BB) †Z‡ Any amount included in adjusted gross  
8 income, other than salary, received by a driver in a  
9 ridesharing arrangement using a motor vehicle; and

10 (CC) Beginning with tax years ending on or  
11 after December 31, 2003 and ending with tax years  
12 ending on or before December 30, 2008, an amount,  
13 not to exceed \$1,200, equal to 15% of the total  
14 amount of rent paid by the taxpayer during the year  
15 for the principal place of residence of the  
16 taxpayer.

17 (b) Corporations.

18 (1) In general. In the case of a corporation, base  
19 income means an amount equal to the taxpayer's taxable  
20 income for the taxable year as modified by paragraph (2).

21 (2) Modifications. The taxable income referred to  
22 in paragraph (1) shall be modified by adding thereto the  
23 sum of the following amounts:

24 (A) An amount equal to all amounts paid or  
25 accrued to the taxpayer as interest and all  
26 distributions received from regulated investment  
27 companies during the taxable year to the extent  
28 excluded from gross income in the computation of  
29 taxable income;

30 (B) An amount equal to the amount of tax  
31 imposed by this Act to the extent deducted from  
32 gross income in the computation of taxable income  
33 for the taxable year;

34 (C) In the case of a regulated investment

1 company, an amount equal to the excess of (i) the  
2 net long-term capital gain for the taxable year,  
3 over (ii) the amount of the capital gain dividends  
4 designated as such in accordance with Section  
5 852(b)(3)(C) of the Internal Revenue Code and any  
6 amount designated under Section 852(b)(3)(D) of the  
7 Internal Revenue Code, attributable to the taxable  
8 year (this amendatory Act of 1995 (Public Act 89-89)  
9 is declarative of existing law and is not a new  
10 enactment);

11 (D) The amount of any net operating loss  
12 deduction taken in arriving at taxable income, other  
13 than a net operating loss carried forward from a  
14 taxable year ending prior to December 31, 1986;

15 (E) For taxable years in which a net operating  
16 loss carryback or carryforward from a taxable year  
17 ending prior to December 31, 1986 is an element of  
18 taxable income under paragraph (1) of subsection (e)  
19 or subparagraph (E) of paragraph (2) of subsection  
20 (e), the amount by which addition modifications  
21 other than those provided by this subparagraph (E)  
22 exceeded subtraction modifications in such earlier  
23 taxable year, with the following limitations applied  
24 in the order that they are listed:

25 (i) the addition modification relating to  
26 the net operating loss carried back or forward  
27 to the taxable year from any taxable year  
28 ending prior to December 31, 1986 shall be  
29 reduced by the amount of addition modification  
30 under this subparagraph (E) which related to  
31 that net operating loss and which was taken  
32 into account in calculating the base income of  
33 an earlier taxable year, and

34 (ii) the addition modification relating

1 to the net operating loss carried back or  
2 forward to the taxable year from any taxable  
3 year ending prior to December 31, 1986 shall  
4 not exceed the amount of such carryback or  
5 carryforward;

6 For taxable years in which there is a net  
7 operating loss carryback or carryforward from more  
8 than one other taxable year ending prior to December  
9 31, 1986, the addition modification provided in this  
10 subparagraph (E) shall be the sum of the amounts  
11 computed independently under the preceding  
12 provisions of this subparagraph (E) for each such  
13 taxable year;

14 (E-5) For taxable years ending after December  
15 31, 1997, an amount equal to any eligible  
16 remediation costs that the corporation deducted in  
17 computing adjusted gross income and for which the  
18 corporation claims a credit under subsection (l) of  
19 Section 201;

20 (E-10) For taxable years 2001 and thereafter,  
21 an amount equal to the bonus depreciation deduction  
22 (30% of the adjusted basis of the qualified  
23 property) taken on the taxpayer's federal income tax  
24 return for the taxable year under subsection (k) of  
25 Section 168 of the Internal Revenue Code; and

26 (E-11) If the taxpayer reports a capital gain  
27 or loss on the taxpayer's federal income tax return  
28 for the taxable year based on a sale or transfer of  
29 property for which the taxpayer was required in any  
30 taxable year to make an addition modification under  
31 subparagraph (E-10), then an amount equal to the  
32 aggregate amount of the deductions taken in all  
33 taxable years under subparagraph (T) with respect to  
34 that property.†

1           The taxpayer is required to make the addition  
2           modification under this subparagraph only once with  
3           respect to any one piece of property;  
4           and by deducting from the total so obtained the sum of  
5           the following amounts:

6           (F) An amount equal to the amount of any tax  
7           imposed by this Act which was refunded to the  
8           taxpayer and included in such total for the taxable  
9           year;

10          (G) An amount equal to any amount included in  
11          such total under Section 78 of the Internal Revenue  
12          Code;

13          (H) In the case of a regulated investment  
14          company, an amount equal to the amount of exempt  
15          interest dividends as defined in subsection (b) (5)  
16          of Section 852 of the Internal Revenue Code, paid to  
17          shareholders for the taxable year;

18          (I) With the exception of any amounts  
19          subtracted under subparagraph (J), an amount equal  
20          to the sum of all amounts disallowed as deductions  
21          by (i) Sections 171(a) (2), and 265(a)(2) and  
22          amounts disallowed as interest expense by Section  
23          291(a)(3) of the Internal Revenue Code, as now or  
24          hereafter amended, and all amounts of expenses  
25          allocable to interest and disallowed as deductions  
26          by Section 265(a)(1) of the Internal Revenue Code,  
27          as now or hereafter amended; and (ii) for taxable  
28          years ending on or after August 13, 1999, Sections  
29          171(a)(2), 265, 280C, 291(a)(3), and 832(b)(5)(B)(i)  
30          of the Internal Revenue Code; the provisions of this  
31          subparagraph are exempt from the provisions of  
32          Section 250;

33          (J) An amount equal to all amounts included in  
34          such total which are exempt from taxation by this

1 State either by reason of its statutes or  
2 Constitution or by reason of the Constitution,  
3 treaties or statutes of the United States; provided  
4 that, in the case of any statute of this State that  
5 exempts income derived from bonds or other  
6 obligations from the tax imposed under this Act, the  
7 amount exempted shall be the interest net of bond  
8 premium amortization;

9 (K) An amount equal to those dividends  
10 included in such total which were paid by a  
11 corporation which conducts business operations in an  
12 Enterprise Zone or zones created under the Illinois  
13 Enterprise Zone Act and conducts substantially all  
14 of its operations in an Enterprise Zone or zones;

15 (L) An amount equal to those dividends  
16 included in such total that were paid by a  
17 corporation that conducts business operations in a  
18 federally designated Foreign Trade Zone or Sub-Zone  
19 and that is designated a High Impact Business  
20 located in Illinois; provided that dividends  
21 eligible for the deduction provided in subparagraph  
22 (K) of paragraph 2 of this subsection shall not be  
23 eligible for the deduction provided under this  
24 subparagraph (L);

25 (M) For any taxpayer that is a financial  
26 organization within the meaning of Section 304(c) of  
27 this Act, an amount included in such total as  
28 interest income from a loan or loans made by such  
29 taxpayer to a borrower, to the extent that such a  
30 loan is secured by property which is eligible for  
31 the Enterprise Zone Investment Credit. To determine  
32 the portion of a loan or loans that is secured by  
33 property eligible for a Section 201(f) investment  
34 credit to the borrower, the entire principal amount

1 of the loan or loans between the taxpayer and the  
2 borrower should be divided into the basis of the  
3 Section 201(f) investment credit property which  
4 secures the loan or loans, using for this purpose  
5 the original basis of such property on the date that  
6 it was placed in service in the Enterprise Zone.  
7 The subtraction modification available to taxpayer  
8 in any year under this subsection shall be that  
9 portion of the total interest paid by the borrower  
10 with respect to such loan attributable to the  
11 eligible property as calculated under the previous  
12 sentence;

13 (M-1) For any taxpayer that is a financial  
14 organization within the meaning of Section 304(c) of  
15 this Act, an amount included in such total as  
16 interest income from a loan or loans made by such  
17 taxpayer to a borrower, to the extent that such a  
18 loan is secured by property which is eligible for  
19 the High Impact Business Investment Credit. To  
20 determine the portion of a loan or loans that is  
21 secured by property eligible for a Section 201(h)  
22 investment credit to the borrower, the entire  
23 principal amount of the loan or loans between the  
24 taxpayer and the borrower should be divided into the  
25 basis of the Section 201(h) investment credit  
26 property which secures the loan or loans, using for  
27 this purpose the original basis of such property on  
28 the date that it was placed in service in a  
29 federally designated Foreign Trade Zone or Sub-Zone  
30 located in Illinois. No taxpayer that is eligible  
31 for the deduction provided in subparagraph (M) of  
32 paragraph (2) of this subsection shall be eligible  
33 for the deduction provided under this subparagraph  
34 (M-1). The subtraction modification available to



1 taxpayers in any year under this subsection shall be  
2 that portion of the total interest paid by the  
3 borrower with respect to such loan attributable to  
4 the eligible property as calculated under the  
5 previous sentence;

6 (N) Two times any contribution made during the  
7 taxable year to a designated zone organization to  
8 the extent that the contribution (i) qualifies as a  
9 charitable contribution under subsection (c) of  
10 Section 170 of the Internal Revenue Code and (ii)  
11 must, by its terms, be used for a project approved  
12 by the Department of Commerce and Community Affairs  
13 under Section 11 of the Illinois Enterprise Zone  
14 Act;

15 (O) An amount equal to: (i) 85% for taxable  
16 years ending on or before December 31, 1992, or, a  
17 percentage equal to the percentage allowable under  
18 Section 243(a)(1) of the Internal Revenue Code of  
19 1986 for taxable years ending after December 31,  
20 1992, of the amount by which dividends included in  
21 taxable income and received from a corporation that  
22 is not created or organized under the laws of the  
23 United States or any state or political subdivision  
24 thereof, including, for taxable years ending on or  
25 after December 31, 1988, dividends received or  
26 deemed received or paid or deemed paid under  
27 Sections 951 through 964 of the Internal Revenue  
28 Code, exceed the amount of the modification provided  
29 under subparagraph (G) of paragraph (2) of this  
30 subsection (b) which is related to such dividends;  
31 plus (ii) 100% of the amount by which dividends,  
32 included in taxable income and received, including,  
33 for taxable years ending on or after December 31,  
34 1988, dividends received or deemed received or paid

1 or deemed paid under Sections 951 through 964 of the  
2 Internal Revenue Code, from any such corporation  
3 specified in clause (i) that would but for the  
4 provisions of Section 1504 (b) (3) of the Internal  
5 Revenue Code be treated as a member of the  
6 affiliated group which includes the dividend  
7 recipient, exceed the amount of the modification  
8 provided under subparagraph (G) of paragraph (2) of  
9 this subsection (b) which is related to such  
10 dividends;

11 (P) An amount equal to any contribution made  
12 to a job training project established pursuant to  
13 the Tax Increment Allocation Redevelopment Act;

14 (Q) An amount equal to the amount of the  
15 deduction used to compute the federal income tax  
16 credit for restoration of substantial amounts held  
17 under claim of right for the taxable year pursuant  
18 to Section 1341 of the Internal Revenue Code of  
19 1986;

20 (R) In the case of an attorney-in-fact with  
21 respect to whom an interinsurer or a reciprocal  
22 insurer has made the election under Section 835 of  
23 the Internal Revenue Code, 26 U.S.C. 835, an amount  
24 equal to the excess, if any, of the amounts paid or  
25 incurred by that interinsurer or reciprocal insurer  
26 in the taxable year to the attorney-in-fact over the  
27 deduction allowed to that interinsurer or reciprocal  
28 insurer with respect to the attorney-in-fact under  
29 Section 835(b) of the Internal Revenue Code for the  
30 taxable year;

31 (S) For taxable years ending on or after  
32 December 31, 1997, in the case of a Subchapter S  
33 corporation, an amount equal to all amounts of  
34 income allocable to a shareholder subject to the

1 Personal Property Tax Replacement Income Tax imposed  
2 by subsections (c) and (d) of Section 201 of this  
3 Act, including amounts allocable to organizations  
4 exempt from federal income tax by reason of Section  
5 501(a) of the Internal Revenue Code. This  
6 subparagraph (S) is exempt from the provisions of  
7 Section 250;

8 (T) For taxable years 2001 and thereafter, for  
9 the taxable year in which the bonus depreciation  
10 deduction (30% of the adjusted basis of the  
11 qualified property) is taken on the taxpayer's  
12 federal income tax return under subsection (k) of  
13 Section 168 of the Internal Revenue Code and for  
14 each applicable taxable year thereafter, an amount  
15 equal to "x", where:

16 (1) "y" equals the amount of the  
17 depreciation deduction taken for the taxable  
18 year on the taxpayer's federal income tax  
19 return on property for which the bonus  
20 depreciation deduction (30% of the adjusted  
21 basis of the qualified property) was taken in  
22 any year under subsection (k) of Section 168 of  
23 the Internal Revenue Code, but not including  
24 the bonus depreciation deduction; and

25 (2) "x" equals "y" multiplied by 30 and  
26 then divided by 70 (or "y" multiplied by  
27 0.429).

28 The aggregate amount deducted under this  
29 subparagraph in all taxable years for any one piece  
30 of property may not exceed the amount of the bonus  
31 depreciation deduction (30% of the adjusted basis of  
32 the qualified property) taken on that property on  
33 the taxpayer's federal income tax return under  
34 subsection (k) of Section 168 of the Internal

1 Revenue Code; and

2 (U) If the taxpayer reports a capital gain or  
3 loss on the taxpayer's federal income tax return for  
4 the taxable year based on a sale or transfer of  
5 property for which the taxpayer was required in any  
6 taxable year to make an addition modification under  
7 subparagraph (E-10), then an amount equal to that  
8 addition modification.

9 The taxpayer is allowed to take the deduction  
10 under this subparagraph only once with respect to  
11 any one piece of property.

12 (3) Special rule. For purposes of paragraph (2)  
13 (A), "gross income" in the case of a life insurance  
14 company, for tax years ending on and after December 31,  
15 1994, shall mean the gross investment income for the  
16 taxable year.

17 (c) Trusts and estates.

18 (1) In general. In the case of a trust or estate,  
19 base income means an amount equal to the taxpayer's  
20 taxable income for the taxable year as modified by  
21 paragraph (2).

22 (2) Modifications. Subject to the provisions of  
23 paragraph (3), the taxable income referred to in  
24 paragraph (1) shall be modified by adding thereto the sum  
25 of the following amounts:

26 (A) An amount equal to all amounts paid or  
27 accrued to the taxpayer as interest or dividends  
28 during the taxable year to the extent excluded from  
29 gross income in the computation of taxable income;

30 (B) In the case of (i) an estate, \$600; (ii) a  
31 trust which, under its governing instrument, is  
32 required to distribute all of its income currently,  
33 \$300; and (iii) any other trust, \$100, but in each  
34 such case, only to the extent such amount was

1 deducted in the computation of taxable income;

2 (C) An amount equal to the amount of tax  
3 imposed by this Act to the extent deducted from  
4 gross income in the computation of taxable income  
5 for the taxable year;

6 (D) The amount of any net operating loss  
7 deduction taken in arriving at taxable income, other  
8 than a net operating loss carried forward from a  
9 taxable year ending prior to December 31, 1986;

10 (E) For taxable years in which a net operating  
11 loss carryback or carryforward from a taxable year  
12 ending prior to December 31, 1986 is an element of  
13 taxable income under paragraph (1) of subsection (e)  
14 or subparagraph (E) of paragraph (2) of subsection  
15 (e), the amount by which addition modifications  
16 other than those provided by this subparagraph (E)  
17 exceeded subtraction modifications in such taxable  
18 year, with the following limitations applied in the  
19 order that they are listed:

20 (i) the addition modification relating to  
21 the net operating loss carried back or forward  
22 to the taxable year from any taxable year  
23 ending prior to December 31, 1986 shall be  
24 reduced by the amount of addition modification  
25 under this subparagraph (E) which related to  
26 that net operating loss and which was taken  
27 into account in calculating the base income of  
28 an earlier taxable year, and

29 (ii) the addition modification relating  
30 to the net operating loss carried back or  
31 forward to the taxable year from any taxable  
32 year ending prior to December 31, 1986 shall  
33 not exceed the amount of such carryback or  
34 carryforward;

1           For taxable years in which there is a net  
2           operating loss carryback or carryforward from more  
3           than one other taxable year ending prior to December  
4           31, 1986, the addition modification provided in this  
5           subparagraph (E) shall be the sum of the amounts  
6           computed independently under the preceding  
7           provisions of this subparagraph (E) for each such  
8           taxable year;

9           (F) For taxable years ending on or after  
10          January 1, 1989, an amount equal to the tax deducted  
11          pursuant to Section 164 of the Internal Revenue Code  
12          if the trust or estate is claiming the same tax for  
13          purposes of the Illinois foreign tax credit under  
14          Section 601 of this Act;

15          (G) An amount equal to the amount of the  
16          capital gain deduction allowable under the Internal  
17          Revenue Code, to the extent deducted from gross  
18          income in the computation of taxable income;

19          (G-5) For taxable years ending after December  
20          31, 1997, an amount equal to any eligible  
21          remediation costs that the trust or estate deducted  
22          in computing adjusted gross income and for which the  
23          trust or estate claims a credit under subsection (l)  
24          of Section 201;

25          (G-10) For taxable years 2001 and thereafter,  
26          an amount equal to the bonus depreciation deduction  
27          (30% of the adjusted basis of the qualified  
28          property) taken on the taxpayer's federal income tax  
29          return for the taxable year under subsection (k) of  
30          Section 168 of the Internal Revenue Code; and

31          (G-11) If the taxpayer reports a capital gain  
32          or loss on the taxpayer's federal income tax return  
33          for the taxable year based on a sale or transfer of  
34          property for which the taxpayer was required in any

1 taxable year to make an addition modification under  
2 subparagraph (G-10), then an amount equal to the  
3 aggregate amount of the deductions taken in all  
4 taxable years under subparagraph (R) with respect to  
5 that property.†

6 The taxpayer is required to make the addition  
7 modification under this subparagraph only once with  
8 respect to any one piece of property;

9 and by deducting from the total so obtained the sum of  
10 the following amounts:

11 (H) An amount equal to all amounts included in  
12 such total pursuant to the provisions of Sections  
13 402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and  
14 408 of the Internal Revenue Code or included in such  
15 total as distributions under the provisions of any  
16 retirement or disability plan for employees of any  
17 governmental agency or unit, or retirement payments  
18 to retired partners, which payments are excluded in  
19 computing net earnings from self employment by  
20 Section 1402 of the Internal Revenue Code and  
21 regulations adopted pursuant thereto;

22 (I) The valuation limitation amount;

23 (J) An amount equal to the amount of any tax  
24 imposed by this Act which was refunded to the  
25 taxpayer and included in such total for the taxable  
26 year;

27 (K) An amount equal to all amounts included in  
28 taxable income as modified by subparagraphs (A),  
29 (B), (C), (D), (E), (F) and (G) which are exempt  
30 from taxation by this State either by reason of its  
31 statutes or Constitution or by reason of the  
32 Constitution, treaties or statutes of the United  
33 States; provided that, in the case of any statute of  
34 this State that exempts income derived from bonds or

1 other obligations from the tax imposed under this  
2 Act, the amount exempted shall be the interest net  
3 of bond premium amortization;

4 (L) With the exception of any amounts  
5 subtracted under subparagraph (K), an amount equal  
6 to the sum of all amounts disallowed as deductions  
7 by (i) Sections 171(a) (2) and 265(a)(2) of the  
8 Internal Revenue Code, as now or hereafter amended,  
9 and all amounts of expenses allocable to interest  
10 and disallowed as deductions by Section 265(1) of  
11 the Internal Revenue Code of 1954, as now or  
12 hereafter amended; and (ii) for taxable years ending  
13 on or after August 13, 1999, Sections 171(a)(2),  
14 265, 280C, and 832(b)(5)(B)(i) of the Internal  
15 Revenue Code; the provisions of this subparagraph  
16 are exempt from the provisions of Section 250;

17 (M) An amount equal to those dividends  
18 included in such total which were paid by a  
19 corporation which conducts business operations in an  
20 Enterprise Zone or zones created under the Illinois  
21 Enterprise Zone Act and conducts substantially all  
22 of its operations in an Enterprise Zone or Zones;

23 (N) An amount equal to any contribution made  
24 to a job training project established pursuant to  
25 the Tax Increment Allocation Redevelopment Act;

26 (O) An amount equal to those dividends  
27 included in such total that were paid by a  
28 corporation that conducts business operations in a  
29 federally designated Foreign Trade Zone or Sub-Zone  
30 and that is designated a High Impact Business  
31 located in Illinois; provided that dividends  
32 eligible for the deduction provided in subparagraph  
33 (M) of paragraph (2) of this subsection shall not be  
34 eligible for the deduction provided under this



1 subparagraph (O);

2 (P) An amount equal to the amount of the  
3 deduction used to compute the federal income tax  
4 credit for restoration of substantial amounts held  
5 under claim of right for the taxable year pursuant  
6 to Section 1341 of the Internal Revenue Code of  
7 1986;

8 (Q) For taxable year 1999 and thereafter, an  
9 amount equal to the amount of any (i) distributions,  
10 to the extent includible in gross income for federal  
11 income tax purposes, made to the taxpayer because of  
12 his or her status as a victim of persecution for  
13 racial or religious reasons by Nazi Germany or any  
14 other Axis regime or as an heir of the victim and  
15 (ii) items of income, to the extent includible in  
16 gross income for federal income tax purposes,  
17 attributable to, derived from or in any way related  
18 to assets stolen from, hidden from, or otherwise  
19 lost to a victim of persecution for racial or  
20 religious reasons by Nazi Germany or any other Axis  
21 regime immediately prior to, during, and immediately  
22 after World War II, including, but not limited to,  
23 interest on the proceeds receivable as insurance  
24 under policies issued to a victim of persecution for  
25 racial or religious reasons by Nazi Germany or any  
26 other Axis regime by European insurance companies  
27 immediately prior to and during World War II;  
28 provided, however, this subtraction from federal  
29 adjusted gross income does not apply to assets  
30 acquired with such assets or with the proceeds from  
31 the sale of such assets; provided, further, this  
32 paragraph shall only apply to a taxpayer who was the  
33 first recipient of such assets after their recovery  
34 and who is a victim of persecution for racial or

1 religious reasons by Nazi Germany or any other Axis  
2 regime or as an heir of the victim. The amount of  
3 and the eligibility for any public assistance,  
4 benefit, or similar entitlement is not affected by  
5 the inclusion of items (i) and (ii) of this  
6 paragraph in gross income for federal income tax  
7 purposes. This paragraph is exempt from the  
8 provisions of Section 250;

9 (R) For taxable years 2001 and thereafter, for  
10 the taxable year in which the bonus depreciation  
11 deduction (30% of the adjusted basis of the  
12 qualified property) is taken on the taxpayer's  
13 federal income tax return under subsection (k) of  
14 Section 168 of the Internal Revenue Code and for  
15 each applicable taxable year thereafter, an amount  
16 equal to "x", where:

17 (1) "y" equals the amount of the  
18 depreciation deduction taken for the taxable  
19 year on the taxpayer's federal income tax  
20 return on property for which the bonus  
21 depreciation deduction (30% of the adjusted  
22 basis of the qualified property) was taken in  
23 any year under subsection (k) of Section 168 of  
24 the Internal Revenue Code, but not including  
25 the bonus depreciation deduction; and

26 (2) "x" equals "y" multiplied by 30 and  
27 then divided by 70 (or "y" multiplied by  
28 0.429).

29 The aggregate amount deducted under this  
30 subparagraph in all taxable years for any one piece  
31 of property may not exceed the amount of the bonus  
32 depreciation deduction (30% of the adjusted basis of  
33 the qualified property) taken on that property on  
34 the taxpayer's federal income tax return under

1 subsection (k) of Section 168 of the Internal  
2 Revenue Code; and

3 (S) If the taxpayer reports a capital gain or  
4 loss on the taxpayer's federal income tax return for  
5 the taxable year based on a sale or transfer of  
6 property for which the taxpayer was required in any  
7 taxable year to make an addition modification under  
8 subparagraph (G-10), then an amount equal to that  
9 addition modification.

10 The taxpayer is allowed to take the deduction  
11 under this subparagraph only once with respect to  
12 any one piece of property.

13 (3) Limitation. The amount of any modification  
14 otherwise required under this subsection shall, under  
15 regulations prescribed by the Department, be adjusted by  
16 any amounts included therein which were properly paid,  
17 credited, or required to be distributed, or permanently  
18 set aside for charitable purposes pursuant to Internal  
19 Revenue Code Section 642(c) during the taxable year.

20 (d) Partnerships.

21 (1) In general. In the case of a partnership, base  
22 income means an amount equal to the taxpayer's taxable  
23 income for the taxable year as modified by paragraph (2).

24 (2) Modifications. The taxable income referred to  
25 in paragraph (1) shall be modified by adding thereto the  
26 sum of the following amounts:

27 (A) An amount equal to all amounts paid or  
28 accrued to the taxpayer as interest or dividends  
29 during the taxable year to the extent excluded from  
30 gross income in the computation of taxable income;

31 (B) An amount equal to the amount of tax  
32 imposed by this Act to the extent deducted from  
33 gross income for the taxable year;

34 (C) The amount of deductions allowed to the

1 partnership pursuant to Section 707 (c) of the  
2 Internal Revenue Code in calculating its taxable  
3 income;

4 (D) An amount equal to the amount of the  
5 capital gain deduction allowable under the Internal  
6 Revenue Code, to the extent deducted from gross  
7 income in the computation of taxable income;

8 (D-5) For taxable years 2001 and thereafter,  
9 an amount equal to the bonus depreciation deduction  
10 (30% of the adjusted basis of the qualified  
11 property) taken on the taxpayer's federal income tax  
12 return for the taxable year under subsection (k) of  
13 Section 168 of the Internal Revenue Code; and

14 (D-6) If the taxpayer reports a capital gain  
15 or loss on the taxpayer's federal income tax return  
16 for the taxable year based on a sale or transfer of  
17 property for which the taxpayer was required in any  
18 taxable year to make an addition modification under  
19 subparagraph (D-5), then an amount equal to the  
20 aggregate amount of the deductions taken in all  
21 taxable years under subparagraph (O) with respect to  
22 that property.†

23 The taxpayer is required to make the addition  
24 modification under this subparagraph only once with  
25 respect to any one piece of property;

26 and by deducting from the total so obtained the following  
27 amounts:

28 (E) The valuation limitation amount;

29 (F) An amount equal to the amount of any tax  
30 imposed by this Act which was refunded to the  
31 taxpayer and included in such total for the taxable  
32 year;

33 (G) An amount equal to all amounts included in  
34 taxable income as modified by subparagraphs (A),

1 (B), (C) and (D) which are exempt from taxation by  
2 this State either by reason of its statutes or  
3 Constitution or by reason of the Constitution,  
4 treaties or statutes of the United States; provided  
5 that, in the case of any statute of this State that  
6 exempts income derived from bonds or other  
7 obligations from the tax imposed under this Act, the  
8 amount exempted shall be the interest net of bond  
9 premium amortization;

10 (H) Any income of the partnership which  
11 constitutes personal service income as defined in  
12 Section 1348 (b) (1) of the Internal Revenue Code  
13 (as in effect December 31, 1981) or a reasonable  
14 allowance for compensation paid or accrued for  
15 services rendered by partners to the partnership,  
16 whichever is greater;

17 (I) An amount equal to all amounts of income  
18 distributable to an entity subject to the Personal  
19 Property Tax Replacement Income Tax imposed by  
20 subsections (c) and (d) of Section 201 of this Act  
21 including amounts distributable to organizations  
22 exempt from federal income tax by reason of Section  
23 501(a) of the Internal Revenue Code;

24 (J) With the exception of any amounts  
25 subtracted under subparagraph (G), an amount equal  
26 to the sum of all amounts disallowed as deductions  
27 by (i) Sections 171(a) (2), and 265(2) of the  
28 Internal Revenue Code of 1954, as now or hereafter  
29 amended, and all amounts of expenses allocable to  
30 interest and disallowed as deductions by Section  
31 265(1) of the Internal Revenue Code, as now or  
32 hereafter amended; and (ii) for taxable years ending  
33 on or after August 13, 1999, Sections 171(a)(2),  
34 265, 280C, and 832(b)(5)(B)(i) of the Internal

1 Revenue Code; the provisions of this subparagraph  
2 are exempt from the provisions of Section 250;

3 (K) An amount equal to those dividends  
4 included in such total which were paid by a  
5 corporation which conducts business operations in an  
6 Enterprise Zone or zones created under the Illinois  
7 Enterprise Zone Act, enacted by the 82nd General  
8 Assembly, and conducts substantially all of its  
9 operations in an Enterprise Zone or Zones;

10 (L) An amount equal to any contribution made  
11 to a job training project established pursuant to  
12 the Real Property Tax Increment Allocation  
13 Redevelopment Act;

14 (M) An amount equal to those dividends  
15 included in such total that were paid by a  
16 corporation that conducts business operations in a  
17 federally designated Foreign Trade Zone or Sub-Zone  
18 and that is designated a High Impact Business  
19 located in Illinois; provided that dividends  
20 eligible for the deduction provided in subparagraph  
21 (K) of paragraph (2) of this subsection shall not be  
22 eligible for the deduction provided under this  
23 subparagraph (M);

24 (N) An amount equal to the amount of the  
25 deduction used to compute the federal income tax  
26 credit for restoration of substantial amounts held  
27 under claim of right for the taxable year pursuant  
28 to Section 1341 of the Internal Revenue Code of  
29 1986;

30 (O) For taxable years 2001 and thereafter, for  
31 the taxable year in which the bonus depreciation  
32 deduction (30% of the adjusted basis of the  
33 qualified property) is taken on the taxpayer's  
34 federal income tax return under subsection (k) of

1 Section 168 of the Internal Revenue Code and for  
2 each applicable taxable year thereafter, an amount  
3 equal to "x", where:

4 (1) "y" equals the amount of the  
5 depreciation deduction taken for the taxable  
6 year on the taxpayer's federal income tax  
7 return on property for which the bonus  
8 depreciation deduction (30% of the adjusted  
9 basis of the qualified property) was taken in  
10 any year under subsection (k) of Section 168 of  
11 the Internal Revenue Code, but not including  
12 the bonus depreciation deduction; and

13 (2) "x" equals "y" multiplied by 30 and  
14 then divided by 70 (or "y" multiplied by  
15 0.429).

16 The aggregate amount deducted under this  
17 subparagraph in all taxable years for any one piece  
18 of property may not exceed the amount of the bonus  
19 depreciation deduction (30% of the adjusted basis of  
20 the qualified property) taken on that property on  
21 the taxpayer's federal income tax return under  
22 subsection (k) of Section 168 of the Internal  
23 Revenue Code; and

24 (P) If the taxpayer reports a capital gain or  
25 loss on the taxpayer's federal income tax return for  
26 the taxable year based on a sale or transfer of  
27 property for which the taxpayer was required in any  
28 taxable year to make an addition modification under  
29 subparagraph (D-5), then an amount equal to that  
30 addition modification.

31 The taxpayer is allowed to take the deduction  
32 under this subparagraph only once with respect to  
33 any one piece of property.

34 (e) Gross income; adjusted gross income; taxable income.

1           (1) In general. Subject to the provisions of  
2 paragraph (2) and subsection (b) (3), for purposes of  
3 this Section and Section 803(e), a taxpayer's gross  
4 income, adjusted gross income, or taxable income for the  
5 taxable year shall mean the amount of gross income,  
6 adjusted gross income or taxable income properly  
7 reportable for federal income tax purposes for the  
8 taxable year under the provisions of the Internal Revenue  
9 Code. Taxable income may be less than zero. However, for  
10 taxable years ending on or after December 31, 1986, net  
11 operating loss carryforwards from taxable years ending  
12 prior to December 31, 1986, may not exceed the sum of  
13 federal taxable income for the taxable year before net  
14 operating loss deduction, plus the excess of addition  
15 modifications over subtraction modifications for the  
16 taxable year. For taxable years ending prior to December  
17 31, 1986, taxable income may never be an amount in excess  
18 of the net operating loss for the taxable year as defined  
19 in subsections (c) and (d) of Section 172 of the Internal  
20 Revenue Code, provided that when taxable income of a  
21 corporation (other than a Subchapter S corporation),  
22 trust, or estate is less than zero and addition  
23 modifications, other than those provided by subparagraph  
24 (E) of paragraph (2) of subsection (b) for corporations  
25 or subparagraph (E) of paragraph (2) of subsection (c)  
26 for trusts and estates, exceed subtraction modifications,  
27 an addition modification must be made under those  
28 subparagraphs for any other taxable year to which the  
29 taxable income less than zero (net operating loss) is  
30 applied under Section 172 of the Internal Revenue Code or  
31 under subparagraph (E) of paragraph (2) of this  
32 subsection (e) applied in conjunction with Section 172 of  
33 the Internal Revenue Code.

34           (2) Special rule. For purposes of paragraph (1) of



1 this subsection, the taxable income properly reportable  
2 for federal income tax purposes shall mean:

3 (A) Certain life insurance companies. In the  
4 case of a life insurance company subject to the tax  
5 imposed by Section 801 of the Internal Revenue Code,  
6 life insurance company taxable income, plus the  
7 amount of distribution from pre-1984 policyholder  
8 surplus accounts as calculated under Section 815a of  
9 the Internal Revenue Code;

10 (B) Certain other insurance companies. In the  
11 case of mutual insurance companies subject to the  
12 tax imposed by Section 831 of the Internal Revenue  
13 Code, insurance company taxable income;

14 (C) Regulated investment companies. In the  
15 case of a regulated investment company subject to  
16 the tax imposed by Section 852 of the Internal  
17 Revenue Code, investment company taxable income;

18 (D) Real estate investment trusts. In the  
19 case of a real estate investment trust subject to  
20 the tax imposed by Section 857 of the Internal  
21 Revenue Code, real estate investment trust taxable  
22 income;

23 (E) Consolidated corporations. In the case of  
24 a corporation which is a member of an affiliated  
25 group of corporations filing a consolidated income  
26 tax return for the taxable year for federal income  
27 tax purposes, taxable income determined as if such  
28 corporation had filed a separate return for federal  
29 income tax purposes for the taxable year and each  
30 preceding taxable year for which it was a member of  
31 an affiliated group. For purposes of this  
32 subparagraph, the taxpayer's separate taxable income  
33 shall be determined as if the election provided by  
34 Section 243(b) (2) of the Internal Revenue Code had

1           been in effect for all such years;

2           (F) Cooperatives.     In the case of a  
3           cooperative corporation or association, the taxable  
4           income of such organization determined in accordance  
5           with the provisions of Section 1381 through 1388 of  
6           the Internal Revenue Code;

7           (G) Subchapter S corporations.    In the case  
8           of: (i) a Subchapter S corporation for which there  
9           is in effect an election for the taxable year under  
10          Section 1362 of the Internal Revenue Code, the  
11          taxable income of such corporation determined in  
12          accordance with Section 1363(b) of the Internal  
13          Revenue Code, except that taxable income shall take  
14          into account those items which are required by  
15          Section 1363(b)(1) of the Internal Revenue Code to  
16          be separately stated; and (ii) a Subchapter S  
17          corporation for which there is in effect a federal  
18          election to opt out of the provisions of the  
19          Subchapter S Revision Act of 1982 and have applied  
20          instead the prior federal Subchapter S rules as in  
21          effect on July 1, 1982, the taxable income of such  
22          corporation determined in accordance with the  
23          federal Subchapter S rules as in effect on July 1,  
24          1982; and

25          (H) Partnerships.     In the case of a  
26          partnership, taxable income determined in accordance  
27          with Section 703 of the Internal Revenue Code,  
28          except that taxable income shall take into account  
29          those items which are required by Section 703(a)(1)  
30          to be separately stated but which would be taken  
31          into account by an individual in calculating his  
32          taxable income.

33       (f) Valuation limitation amount.

34           (1) In general.    The valuation limitation amount

1 referred to in subsections (a) (2) (G), (c) (2) (I) and  
2 (d)(2) (E) is an amount equal to:

3 (A) The sum of the pre-August 1, 1969  
4 appreciation amounts (to the extent consisting of  
5 gain reportable under the provisions of Section 1245  
6 or 1250 of the Internal Revenue Code) for all  
7 property in respect of which such gain was reported  
8 for the taxable year; plus

9 (B) The lesser of (i) the sum of the  
10 pre-August 1, 1969 appreciation amounts (to the  
11 extent consisting of capital gain) for all property  
12 in respect of which such gain was reported for  
13 federal income tax purposes for the taxable year, or  
14 (ii) the net capital gain for the taxable year,  
15 reduced in either case by any amount of such gain  
16 included in the amount determined under subsection  
17 (a) (2) (F) or (c) (2) (H).

18 (2) Pre-August 1, 1969 appreciation amount.

19 (A) If the fair market value of property  
20 referred to in paragraph (1) was readily  
21 ascertainable on August 1, 1969, the pre-August 1,  
22 1969 appreciation amount for such property is the  
23 lesser of (i) the excess of such fair market value  
24 over the taxpayer's basis (for determining gain) for  
25 such property on that date (determined under the  
26 Internal Revenue Code as in effect on that date), or  
27 (ii) the total gain realized and reportable for  
28 federal income tax purposes in respect of the sale,  
29 exchange or other disposition of such property.

30 (B) If the fair market value of property  
31 referred to in paragraph (1) was not readily  
32 ascertainable on August 1, 1969, the pre-August 1,  
33 1969 appreciation amount for such property is that  
34 amount which bears the same ratio to the total gain

1 reported in respect of the property for federal  
2 income tax purposes for the taxable year, as the  
3 number of full calendar months in that part of the  
4 taxpayer's holding period for the property ending  
5 July 31, 1969 bears to the number of full calendar  
6 months in the taxpayer's entire holding period for  
7 the property.

8 (C) The Department shall prescribe such  
9 regulations as may be necessary to carry out the  
10 purposes of this paragraph.

11 (g) Double deductions. Unless specifically provided  
12 otherwise, nothing in this Section shall permit the same item  
13 to be deducted more than once.

14 (h) Legislative intention. Except as expressly provided  
15 by this Section there shall be no modifications or  
16 limitations on the amounts of income, gain, loss or deduction  
17 taken into account in determining gross income, adjusted  
18 gross income or taxable income for federal income tax  
19 purposes for the taxable year, or in the amount of such items  
20 entering into the computation of base income and net income  
21 under this Act for such taxable year, whether in respect of  
22 property values as of August 1, 1969 or otherwise.

23 (Source: P.A. 91-192, eff. 7-20-99; 91-205, eff. 7-20-99;  
24 91-357, eff. 7-29-99; 91-541, eff. 8-13-99; 91-676, eff.  
25 12-23-99; 91-845, eff. 6-22-00; 91-913, eff. 1-1-01; 92-16,  
26 eff. 6-28-01; 92-244, eff. 8-3-01; 92-439, eff. 8-17-01;  
27 92-603, eff. 6-28-02; 92-626, eff. 7-11-02; 92-651, eff.  
28 7-11-02; 92-846, eff. 8-23-02; revised 8-26-02.)

29 (35 ILCS 5/804) (from Ch. 120, par. 8-804)  
30 Sec. 804. Failure to Pay Estimated Tax.

31 (a) In general. In case of any underpayment of estimated  
32 tax by a taxpayer, except as provided in subsection (d) or

1 (e), the taxpayer shall be liable to a penalty in an amount  
2 determined at the rate prescribed by Section 3-3 of the  
3 Uniform Penalty and Interest Act upon the amount of the  
4 underpayment (determined under subsection (b)) for each  
5 required installment.

6 (b) Amount of underpayment. For purposes of subsection  
7 (a), the amount of the underpayment shall be the excess of:

8 (1) the amount of the installment which would be  
9 required to be paid under subsection (c), over

10 (2) the amount, if any, of the installment paid on  
11 or before the last date prescribed for payment.

12 (c) Amount of Required Installments.

13 (1) Amount.

14 (A) In General. Except as provided in  
15 paragraph (2), the amount of any required  
16 installment shall be 25% of the required annual  
17 payment.

18 (B) Required Annual Payment. For purposes of  
19 subparagraph (A), the term "required annual payment"  
20 means the lesser of

21 (i) 90% of the tax shown on the return  
22 for the taxable year, or if no return is filed,  
23 90% of the tax for such year, or

24 (ii) 100% of the tax shown on the return  
25 of the taxpayer for the preceding taxable year  
26 if a return showing a liability for tax was  
27 filed by the taxpayer for the preceding taxable  
28 year and such preceding year was a taxable year  
29 of 12 months.

30 (2) Lower Required Installment where Annualized  
31 Income Installment is Less Than Amount Determined Under  
32 Paragraph (1).

33 (A) In General. In the case of any required  
34 installment if a taxpayer establishes that the

1 annualized income installment is less than the  
2 amount determined under paragraph (1),

3 (i) the amount of such required  
4 installment shall be the annualized income  
5 installment, and

6 (ii) any reduction in a required  
7 installment resulting from the application of  
8 this subparagraph shall be recaptured by  
9 increasing the amount of the next required  
10 installment determined under paragraph (1) by  
11 the amount of such reduction, and by increasing  
12 subsequent required installments to the extent  
13 that the reduction has not previously been  
14 recaptured under this clause.

15 (B) Determination of Annualized Income  
16 Installment. In the case of any required  
17 installment, the annualized income installment is  
18 the excess, if any, of

19 (i) an amount equal to the applicable  
20 percentage of the tax for the taxable year  
21 computed by placing on an annualized basis the  
22 net income for months in the taxable year  
23 ending before the due date for the installment,  
24 over

25 (ii) the aggregate amount of any prior  
26 required installments for the taxable year.

27 (C) Applicable Percentage.

28	In the case of the following	The applicable
29	required installments:	percentage is:
30	1st .....	22.5%
31	2nd .....	45%
32	3rd .....	67.5%
33	4th .....	90%

34 (D) Annualized Net Income; Individuals. For

1 individuals, net income shall be placed on an  
2 annualized basis by:

3 (i) multiplying by 12, or in the case of  
4 a taxable year of less than 12 months, by the  
5 number of months in the taxable year, the net  
6 income computed without regard to the standard  
7 exemption for the months in the taxable year  
8 ending before the month in which the  
9 installment is required to be paid;

10 (ii) dividing the resulting amount by the  
11 number of months in the taxable year ending  
12 before the month in which such installment date  
13 falls; and

14 (iii) deducting from such amount the  
15 standard exemption allowable for the taxable  
16 year, such standard exemption being determined  
17 as of the last date prescribed for payment of  
18 the installment.

19 (E) Annualized Net Income; Corporations. For  
20 corporations, net income shall be placed on an  
21 annualized basis by multiplying by 12 the taxable  
22 income

23 (i) for the first 3 months of the taxable  
24 year, in the case of the installment required  
25 to be paid in the 4th month,

26 (ii) for the first 3 months or for the  
27 first 5 months of the taxable year, in the case  
28 of the installment required to be paid in the  
29 6th month,

30 (iii) for the first 6 months or for the  
31 first 8 months of the taxable year, in the case  
32 of the installment required to be paid in the  
33 9th month, and

34 (iv) for the first 9 months or for the

1 first 11 months of the taxable year, in the  
2 case of the installment required to be paid in  
3 the 12th month of the taxable year,  
4 then dividing the resulting amount by the number of  
5 months in the taxable year (3, 5, 6, 8, 9, or 11 as  
6 the case may be).

7 (d) Exceptions. Notwithstanding the provisions of the  
8 preceding subsections, the penalty imposed by subsection (a)  
9 shall not be imposed if the taxpayer was not required to file  
10 an Illinois income tax return for the preceding taxable year,  
11 or if the taxpayer has underpaid taxes solely because of the  
12 increased rate in effect during the period from July 1, 2003  
13 through December 31, 2003, or, for individuals, if the  
14 taxpayer had no tax liability for the preceding taxable year  
15 and such year was a taxable year of 12 months. The penalty  
16 imposed by subsection (a) shall also not be imposed on any  
17 underpayments of estimated tax due before the effective date  
18 of this amendatory Act of 1998 which underpayments are solely  
19 attributable to the change in apportionment from subsection  
20 (a) to subsection (h) of Section 304. The provisions of this  
21 amendatory Act of 1998 apply to tax years ending on or after  
22 December 31, 1998.

23 (e) The penalty imposed for underpayment of estimated  
24 tax by subsection (a) of this Section shall not be imposed to  
25 the extent that the Department or his designate determines,  
26 pursuant to Section 3-8 of the Uniform Penalty and Interest  
27 Act that the penalty should not be imposed.

28 (f) Definition of tax. For purposes of subsections (b)  
29 and (c), the term "tax" means the excess of the tax imposed  
30 under Article 2 of this Act, over the amounts credited  
31 against such tax under Sections 601(b) (3) and (4).

32 (g) Application of Section in case of tax withheld on  
33 compensation. For purposes of applying this Section in the  
34 case of an individual, tax withheld under Article 7 for the



1 taxable year shall be deemed a payment of estimated tax, and  
2 an equal part of such amount shall be deemed paid on each  
3 installment date for such taxable year, unless the taxpayer  
4 establishes the dates on which all amounts were actually  
5 withheld, in which case the amounts so withheld shall be  
6 deemed payments of estimated tax on the dates on which such  
7 amounts were actually withheld.

8 (g-5) Amounts withheld under the State Salary and  
9 Annuity Withholding Act. An individual who has amounts  
10 withheld under paragraph (10) of Section 4 of the State  
11 Salary and Annuity Withholding Act may elect to have those  
12 amounts treated as payments of estimated tax made on the  
13 dates on which those amounts are actually withheld.

14 (i) Short taxable year. The application of this Section  
15 to taxable years of less than 12 months shall be in  
16 accordance with regulations prescribed by the Department.

17 The changes in this Section made by Public Act 84-127  
18 shall apply to taxable years ending on or after January 1,  
19 1986.

20 (Source: P.A. 90-448, eff. 8-16-97; 90-613, eff. 7-9-98.)

21 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

22 Sec. 901. Collection Authority.

23 (a) In general.

24 The Department shall collect the taxes imposed by this  
25 Act. The Department shall collect certified past due child  
26 support amounts under Section 2505-650 of the Department of  
27 Revenue Law (20 ILCS 2505/2505-650). Except as provided in  
28 subsections (c) and (e) of this Section, money collected  
29 pursuant to subsections (a) and (b) of Section 201 of this  
30 Act shall be paid into the General Revenue Fund in the State  
31 treasury; money collected pursuant to subsections (c) and (d)  
32 of Section 201 of this Act shall be paid into the Personal  
33 Property Tax Replacement Fund, a special fund in the State

1 Treasury; and money collected under Section 2505-650 of the  
2 Department of Revenue Law (20 ILCS 2505/2505-650) shall be  
3 paid into the Child Support Enforcement Trust Fund, a special  
4 fund outside the State Treasury, or to the State Disbursement  
5 Unit established under Section 10-26 of the Illinois Public  
6 Aid Code, as directed by the Department of Public Aid.

7 (b) Local Governmental Distributive Fund.

8 Beginning August 1, 1969, and continuing through June 30,  
9 1994, the Treasurer shall transfer each month from the  
10 General Revenue Fund to a special fund in the State treasury,  
11 to be known as the "Local Government Distributive Fund", an  
12 amount equal to 1/12 of the net revenue realized from the tax  
13 imposed by subsections (a) and (b) of Section 201 of this Act  
14 during the preceding month. Beginning July 1, 1994, and  
15 continuing through June 30, 1995, the Treasurer shall  
16 transfer each month from the General Revenue Fund to the  
17 Local Government Distributive Fund an amount equal to 1/11 of  
18 the net revenue realized from the tax imposed by subsections  
19 (a) and (b) of Section 201 of this Act during the preceding  
20 month. Beginning July 1, 1995, the Treasurer shall transfer  
21 each month from the General Revenue Fund to the Local  
22 Government Distributive Fund an amount equal to 1/10 of the  
23 net revenue realized from the tax imposed by subsections (a)  
24 and (b) of Section 201 of the Illinois Income Tax Act during  
25 the preceding month. Net revenue realized for a month shall  
26 be defined as the revenue from the tax imposed by subsections  
27 (a) and (b) of Section 201 of this Act which is deposited in  
28 the General Revenue Fund, the Educational Assistance Fund and  
29 the Income Tax Surcharge Local Government Distributive Fund  
30 during the month (but not including revenue attributable to  
31 the increase in tax rates imposed under this amendatory Act  
32 of the 93rd General Assembly) minus the amount paid out of  
33 the General Revenue Fund in State warrants during that same  
34 month as refunds to taxpayers for overpayment of liability

1 under the tax imposed by subsections (a) and (b) of Section  
2 201 of this Act.

3 (c) Deposits Into Income Tax Refund Fund.

4 (1) Beginning on January 1, 1989 and thereafter,  
5 the Department shall deposit a percentage of the amounts  
6 collected pursuant to subsections (a) and (b)(1), (2),  
7 and (3), (4), and (5) of Section 201 of this Act into a  
8 fund in the State treasury known as the Income Tax Refund  
9 Fund. The Department shall deposit 6% of such amounts  
10 during the period beginning January 1, 1989 and ending on  
11 June 30, 1989. Beginning with State fiscal year 1990 and  
12 for each fiscal year thereafter, the percentage deposited  
13 into the Income Tax Refund Fund during a fiscal year  
14 shall be the Annual Percentage. For fiscal years 1999  
15 through 2001, the Annual Percentage shall be 7.1%. For  
16 fiscal year 2003, the Annual Percentage shall be 8%. For  
17 all other fiscal years, the Annual Percentage shall be  
18 calculated as a fraction, the numerator of which shall be  
19 the amount of refunds approved for payment by the  
20 Department during the preceding fiscal year as a result  
21 of overpayment of tax liability under subsections (a) and  
22 (b)(1), (2), and (3), (4), and (5) of Section 201 of this  
23 Act plus the amount of such refunds remaining approved  
24 but unpaid at the end of the preceding fiscal year, minus  
25 the amounts transferred into the Income Tax Refund Fund  
26 from the Tobacco Settlement Recovery Fund, and the  
27 denominator of which shall be the amounts which will be  
28 collected pursuant to subsections (a) and (b)(1), (2),  
29 and (3), (4), and (5) of Section 201 of this Act during  
30 the preceding fiscal year; except that in State fiscal  
31 year 2002, the Annual Percentage shall in no event exceed  
32 7.6%. The Director of Revenue shall certify the Annual  
33 Percentage to the Comptroller on the last business day of  
34 the fiscal year immediately preceding the fiscal year for

1 which it is to be effective.

2 (2) Beginning on January 1, 1989 and thereafter,  
3 the Department shall deposit a percentage of the amounts  
4 collected pursuant to subsections (a) and (b)(6), (7),  
5 and (8), (9), and (10), (c) and (d) of Section 201 of  
6 this Act into a fund in the State treasury known as the  
7 Income Tax Refund Fund. The Department shall deposit 18%  
8 of such amounts during the period beginning January 1,  
9 1989 and ending on June 30, 1989. Beginning with State  
10 fiscal year 1990 and for each fiscal year thereafter, the  
11 percentage deposited into the Income Tax Refund Fund  
12 during a fiscal year shall be the Annual Percentage. For  
13 fiscal years 1999, 2000, and 2001, the Annual Percentage  
14 shall be 19%. For fiscal year 2003, the Annual Percentage  
15 shall be 27%. For all other fiscal years, the Annual  
16 Percentage shall be calculated as a fraction, the  
17 numerator of which shall be the amount of refunds  
18 approved for payment by the Department during the  
19 preceding fiscal year as a result of overpayment of tax  
20 liability under subsections (a) and (b)(6), (7), and (8),  
21 (9), and (10), (c) and (d) of Section 201 of this Act  
22 plus the amount of such refunds remaining approved but  
23 unpaid at the end of the preceding fiscal year, and the  
24 denominator of which shall be the amounts which will be  
25 collected pursuant to subsections (a) and (b)(6), (7),  
26 and (8), (9), and (10), (c) and (d) of Section 201 of  
27 this Act during the preceding fiscal year; except that in  
28 State fiscal year 2002, the Annual Percentage shall in no  
29 event exceed 23%. The Director of Revenue shall certify  
30 the Annual Percentage to the Comptroller on the last  
31 business day of the fiscal year immediately preceding the  
32 fiscal year for which it is to be effective.

33 (3) The Comptroller shall order transferred and the  
34 Treasurer shall transfer from the Tobacco Settlement

1 Recovery Fund to the Income Tax Refund Fund (i)  
2 \$35,000,000 in January, 2001, (ii) \$35,000,000 in  
3 January, 2002, and (iii) \$35,000,000 in January, 2003.

4 (d) Expenditures from Income Tax Refund Fund.

5 (1) Beginning January 1, 1989, money in the Income  
6 Tax Refund Fund shall be expended exclusively for the  
7 purpose of paying refunds resulting from overpayment of  
8 tax liability under Section 201 of this Act, for paying  
9 rebates under Section 208.1 in the event that the amounts  
10 in the Homeowners' Tax Relief Fund are insufficient for  
11 that purpose, and for making transfers pursuant to this  
12 subsection (d).

13 (2) The Director shall order payment of refunds  
14 resulting from overpayment of tax liability under Section  
15 201 of this Act from the Income Tax Refund Fund only to  
16 the extent that amounts collected pursuant to Section 201  
17 of this Act and transfers pursuant to this subsection (d)  
18 and item (3) of subsection (c) have been deposited and  
19 retained in the Fund.

20 (3) As soon as possible after the end of each  
21 fiscal year, the Director shall order transferred and the  
22 State Treasurer and State Comptroller shall transfer from  
23 the Income Tax Refund Fund to the Personal Property Tax  
24 Replacement Fund an amount, certified by the Director to  
25 the Comptroller, equal to the excess of the amount  
26 collected pursuant to subsections (c) and (d) of Section  
27 201 of this Act deposited into the Income Tax Refund Fund  
28 during the fiscal year over the amount of refunds  
29 resulting from overpayment of tax liability under  
30 subsections (c) and (d) of Section 201 of this Act paid  
31 from the Income Tax Refund Fund during the fiscal year.

32 (4) As soon as possible after the end of each  
33 fiscal year, the Director shall order transferred and the  
34 State Treasurer and State Comptroller shall transfer from

1 the Personal Property Tax Replacement Fund to the Income  
2 Tax Refund Fund an amount, certified by the Director to  
3 the Comptroller, equal to the excess of the amount of  
4 refunds resulting from overpayment of tax liability under  
5 subsections (c) and (d) of Section 201 of this Act paid  
6 from the Income Tax Refund Fund during the fiscal year  
7 over the amount collected pursuant to subsections (c) and  
8 (d) of Section 201 of this Act deposited into the Income  
9 Tax Refund Fund during the fiscal year.

10 (4.5) As soon as possible after the end of fiscal  
11 year 1999 and of each fiscal year thereafter, the  
12 Director shall order transferred and the State Treasurer  
13 and State Comptroller shall transfer from the Income Tax  
14 Refund Fund to the General Revenue Fund any surplus  
15 remaining in the Income Tax Refund Fund as of the end of  
16 such fiscal year; excluding for fiscal years 2000, 2001,  
17 and 2002 amounts attributable to transfers under item (3)  
18 of subsection (c) less refunds resulting from the earned  
19 income tax credit.

20 (5) This Act shall constitute an irrevocable and  
21 continuing appropriation from the Income Tax Refund Fund  
22 for the purpose of paying refunds upon the order of the  
23 Director in accordance with the provisions of this  
24 Section.

25 (e) Deposits into the Education Assistance Fund and the  
26 Income Tax Surcharge Local Government Distributive Fund.

27 On July 1, 1991, and thereafter, of the amounts collected  
28 pursuant to subsections (a) and (b) of Section 201 of this  
29 Act, minus deposits into the Income Tax Refund Fund, the  
30 Department shall deposit 7.3% into the Education Assistance  
31 Fund in the State Treasury. Beginning July 1, 1991, and  
32 continuing through January 31, 1993, of the amounts collected  
33 pursuant to subsections (a) and (b) of Section 201 of the  
34 Illinois Income Tax Act, minus deposits into the Income Tax

1 Refund Fund, the Department shall deposit 3.0% into the  
2 Income Tax Surcharge Local Government Distributive Fund in  
3 the State Treasury. Beginning February 1, 1993 and  
4 continuing through June 30, 1993, of the amounts collected  
5 pursuant to subsections (a) and (b) of Section 201 of the  
6 Illinois Income Tax Act, minus deposits into the Income Tax  
7 Refund Fund, the Department shall deposit 4.4% into the  
8 Income Tax Surcharge Local Government Distributive Fund in  
9 the State Treasury. Beginning July 1, 1993, and continuing  
10 through June 30, 1994, of the amounts collected under  
11 subsections (a) and (b) of Section 201 of this Act, minus  
12 deposits into the Income Tax Refund Fund, the Department  
13 shall deposit 1.475% into the Income Tax Surcharge Local  
14 Government Distributive Fund in the State Treasury.

15 (f) Deposits into the School District Property Tax  
16 Relief Fund and Common School Fund. Of the amounts collected  
17 pursuant to subsections (a), (b)(4)(ii), (b)(5), (b)(9)(ii),  
18 and (b)(10) of Section 201 of this Act, minus deposits into  
19 the Income Tax Refund Fund, the Department shall deposit  
20 two-thirds of the increase in revenue attributable to the  
21 increase in tax rates imposed under this amendatory Act of  
22 the 93rd General Assembly into the School District Property  
23 Tax Relief Fund and one-third of the increase in revenue  
24 attributable to the increase in tax rates imposed under this  
25 amendatory Act of the 93rd General Assembly into the Common  
26 School Fund.

27 (Source: P.A. 91-212, eff. 7-20-99; 91-239, eff. 1-1-00;  
28 91-700, eff. 5-11-00; 91-704, eff. 7-1-00; 91-712, eff.  
29 7-1-00; 92-11, eff. 6-11-01; 92-16, eff. 6-28-01; 92-600,  
30 eff. 6-28-02.)

31 Section 15-15. The Property Tax Code is amended by  
32 changing Sections 18-255, 20-15, and 21-30 and by adding  
33 Section 18-178 as follows:

1 (35 ILCS 200/18-178 new)

2 Sec. 18-178. Educational purposes tax abatement.  
3 Beginning with taxes levied for 2003 (payable in 2004), the  
4 county clerk must determine the final extension for  
5 educational purposes for all taxable property in a school  
6 district located in the county or for the taxable property of  
7 that part of a school district located in the county, taking  
8 into account the maximum rate, levy, and extension authorized  
9 under the Property Tax Extension Limitation Law, the Truth in  
10 Taxation Law, and any other statute. The county clerk must  
11 then abate the extension for educational purposes for each  
12 school district or part of a school district in the county in  
13 the amount of the school district property tax relief grant  
14 certified to the county clerk for that school district or  
15 part of a school district by the Department of Revenue under  
16 Section 6z-59 of the State Finance Act. When the final  
17 extension for educational purposes has been determined and  
18 abated, the county clerk must notify the Department of  
19 Revenue.

20 The county clerk must determine the reduced amount of the  
21 tax for educational purposes to be billed by the county  
22 collector and paid by each taxpayer in a given school  
23 district by re-calculating the tax rate for educational  
24 purposes for that school district based on the reduced  
25 extension amount after abatement. This reduced extension  
26 amount shall be used only for determining the amount of the  
27 tax bill. The extension amount for educational purposes as  
28 originally calculated before abatement is the official final  
29 extension for educational purposes and must be used for all  
30 other purposes, including determining the maximum rate, levy,  
31 and extension authorized under the Property Tax Extension  
32 Limitation Law, the Truth in Taxation Law, and any other  
33 statute and the maximum amount of tax anticipation warrants  
34 under Section 17-16 of the School Code.



1 (35 ILCS 200/18-255)

2 Sec. 18-255. Abstract of assessments and extensions.  
3 When the collector's books are completed, the county clerk  
4 shall make a complete statement of the assessment and  
5 extensions, in conformity to the instructions of the  
6 Department. The clerk shall certify the statement to the  
7 Department. Beginning with the 2003 levy year, the Department  
8 shall require the statement to include a separate listing of  
9 the extensions subject to abatement under Section 18-178.

10 (Source: Laws 1943, vol. 1, p. 1136; P.A. 88-455.)

11 (35 ILCS 200/20-15)

12 Sec. 20-15. Information on bill or separate statement.  
13 The amount of tax due and rates shown on the tax bill  
14 pursuant to this Section shall be net of any abatement under  
15 Section 18-178. There shall be printed on each bill, or on a  
16 separate slip which shall be mailed with the bill:

17 (a) a statement itemizing the rate at which taxes  
18 have been extended for each of the taxing districts in  
19 the county in whose district the property is located, and  
20 in those counties utilizing electronic data processing  
21 equipment the dollar amount of tax due from the person  
22 assessed allocable to each of those taxing districts,  
23 including a separate statement of the dollar amount of  
24 tax due which is allocable to a tax levied under the  
25 Illinois Local Library Act or to any other tax levied by  
26 a municipality or township for public library purposes,

27 (b) a separate statement for each of the taxing  
28 districts of the dollar amount of tax due which is  
29 allocable to a tax levied under the Illinois Pension Code  
30 or to any other tax levied by a municipality or township  
31 for public pension or retirement purposes,

32 (c) the total tax rate,

33 (d) the total amount of tax due, and

1 (e) the amount by which the total tax and the tax  
2 allocable to each taxing district differs from the  
3 taxpayer's last prior tax bill, and

4 (f) the amount of tax abated under Section 18-178  
5 labeled "Your School Tax Refund".

6 The county treasurer shall ensure that only those taxing  
7 districts in which a parcel of property is located shall be  
8 listed on the bill for that property.

9 In all counties the statement shall also provide:

10 (1) the property index number or other suitable  
11 description,

12 (2) the assessment of the property,

13 (3) the equalization factors imposed by the county  
14 and by the Department, and

15 (4) the equalized assessment resulting from the  
16 application of the equalization factors to the basic  
17 assessment.

18 In all counties which do not classify property for  
19 purposes of taxation, for property on which a single family  
20 residence is situated the statement shall also include a  
21 statement to reflect the fair cash value determined for the  
22 property. In all counties which classify property for  
23 purposes of taxation in accordance with Section 4 of Article  
24 IX of the Illinois Constitution, for parcels of residential  
25 property in the lowest assessment classification the  
26 statement shall also include a statement to reflect the fair  
27 cash value determined for the property.

28 In all counties, the statement shall include information  
29 that certain taxpayers may be eligible for the Senior  
30 Citizens and Disabled Persons Property Tax Relief and  
31 Pharmaceutical Assistance Act and that applications are  
32 available from the Illinois Department of Revenue.

33 In counties which use the estimated or accelerated  
34 billing methods, these statements shall only be provided with

1 the final installment of taxes due, except that the statement  
2 under item (f) shall be included with both installments in  
3 those counties under estimated or accelerated billing  
4 methods, the first billing showing the amount deducted from  
5 the first installment, and the final billing showing the  
6 total tax abated for the levy year under Section 18-178. The  
7 provisions of this Section create a mandatory statutory duty.  
8 They are not merely directory or discretionary. The failure  
9 or neglect of the collector to mail the bill, or the failure  
10 of the taxpayer to receive the bill, shall not affect the  
11 validity of any tax, or the liability for the payment of any  
12 tax.

13 (Source: P.A. 91-699, eff. 1-1-01.)

14 (35 ILCS 200/21-30)

15 Sec. 21-30. Accelerated billing. Except as provided in  
16 this Section and Section 21-40, in counties with 3,000,000 or  
17 more inhabitants, by January 31 annually, estimated tax bills  
18 setting out the first installment of property taxes for the  
19 preceding year, payable in that year, shall be prepared and  
20 mailed. The first installment of taxes on the estimated tax  
21 bills shall be computed at 50% of the total of each tax bill  
22 before the abatement of taxes under Section 18-178 for the  
23 preceding year, less an estimate of one half of the school  
24 district property tax relief grant for the current year  
25 determined based on information provided by the Department of  
26 Revenue and any other information available. If, prior to  
27 the preparation of the estimated tax bills, a certificate of  
28 error has been either approved by a court on or before  
29 November 30 of the preceding year or certified pursuant to  
30 Section 14-15 on or before November 30 of the preceding year,  
31 then the first installment of taxes on the estimated tax  
32 bills shall be computed at 50% of the total taxes before the  
33 abatement of taxes under Section 18-178 for the preceding

1 year as corrected by the certificate of error, less an  
2 estimate of one half of the school district property tax  
3 relief grant for the current year determined based on  
4 information provided by the Department of Revenue and any  
5 other information available. By June 30 annually, actual tax  
6 bills shall be prepared and mailed. These bills shall set out  
7 total taxes due and the amount of estimated taxes billed in  
8 the first installment, and shall state the balance of taxes  
9 due for that year as represented by the sum derived from  
10 subtracting the amount of the first installment from the  
11 total taxes due for that year.

12 The county board may provide by ordinance, in counties  
13 with 3,000,000 or more inhabitants, for taxes to be paid in 4  
14 installments. For the levy year for which the ordinance is  
15 first effective and each subsequent year, estimated tax bills  
16 setting out the first, second, and third installment of taxes  
17 for the preceding year, payable in that year, shall be  
18 prepared and mailed not later than the date specified by  
19 ordinance. Each installment on estimated tax bills shall be  
20 computed at 25% of the total of each tax bill for the  
21 preceding year. By the date specified in the ordinance,  
22 actual tax bills shall be prepared and mailed. These bills  
23 shall set out total taxes due and the amount of estimated  
24 taxes billed in the first, second, and third installments and  
25 shall state the balance of taxes due for that year as  
26 represented by the sum derived from subtracting the amount of  
27 the estimated installments from the total taxes due for that  
28 year.

29 The county board of any county with less than 3,000,000  
30 inhabitants may, by ordinance or resolution, adopt an  
31 accelerated method of tax billing. The county board may  
32 subsequently rescind the ordinance or resolution and revert  
33 to the method otherwise provided for in this Code.

34 Taxes levied on homestead property in which a member of

1 the National Guard or reserves of the armed forces of the  
2 United States who was called to active duty on or after  
3 August 1, 1990, and who has an ownership interest shall not  
4 be deemed delinquent and no interest shall accrue or be  
5 charged as a penalty on such taxes due and payable in 1991 or  
6 1992 until one year after that member returns to civilian  
7 status.

8 (Source: P.A. 92-475, eff. 8-23-01.)

9 ARTICLE 20

10 Section 20-5. The School Code is amended by changing  
11 Sections 1D-1, 2-3.64, 14-7.01, 14-7.02, 14-13.01, and 29-5  
12 and adding Sections 2-3.51.10, 2-3.51.15, 2-3.51.20,  
13 2-3.51.25, 2-3.51.30, and 29-5a as follows:

14 (105 ILCS 5/1D-1)

15 Sec. 1D-1. Block grant funding.

16 (a) For fiscal year 1996 and each fiscal year  
17 thereafter, the State Board of Education shall award to a  
18 school district having a population exceeding 500,000  
19 inhabitants a general education block grant and an  
20 educational services block grant, determined as provided in  
21 this Section, in lieu of distributing to the district  
22 separate State funding for the programs described in  
23 subsections (b) and (c). The provisions of this Section,  
24 however, do not apply to any federal funds that the district  
25 is entitled to receive. In accordance with Section 2-3.32,  
26 all block grants are subject to an audit. Therefore, block  
27 grant receipts and block grant expenditures shall be recorded  
28 to the appropriate fund code for the designated block grant.

29 (b) The general education block grant shall include the  
30 following programs: REI Initiative, Summer Bridges, Preschool  
31 At Risk, K-6 Comprehensive Arts, School Improvement Support,

1 Urban Education, Scientific Literacy, Substance Abuse  
2 Prevention, Second Language Planning, Staff Development,  
3 Outcomes and Assessment, K-6 Reading Improvement, Truants'  
4 Optional Education, Hispanic Programs, Agriculture Education,  
5 Gifted Education, Parental Education, Prevention Initiative,  
6 Report Cards, and Criminal Background Investigations, General  
7 Purpose Block Grant Program, Early Childhood Block Grant  
8 Program, Reading Improvement Block Grant Program,  
9 Professional Development Block Grant Program, Academic  
10 Difficulty Block Grant Program, Career and Technical  
11 Education Block Grant Program, and Alternative Education  
12 Block Grant Program. Notwithstanding any other provision of  
13 law, all amounts paid under the general education block grant  
14 from State appropriations to a school district in a city  
15 having a population exceeding 500,000 inhabitants shall be  
16 appropriated and expended by the board of that district for  
17 any of the programs included in the block grant or any of the  
18 board's lawful purposes.

19 (c) The educational services block grant shall include  
20 the following programs: Bilingual, ~~Regular-and-Vocational~~  
21 Transportation as provided in Section 29-5a, State Lunch and  
22 Free Breakfast Program, Special Education (Personnel,  
23 ~~Extraordinary, Transportation,~~ Orphanage, Private Tuition),  
24 Summer School, Educational Service Centers, and  
25 Administrator's Academy. This subsection (c) does not  
26 relieve the district of its obligation to provide the  
27 services required under a program that is included within the  
28 educational services block grant. It is the intention of the  
29 General Assembly in enacting the provisions of this  
30 subsection (c) to relieve the district of the administrative  
31 burdens that impede efficiency and accompany single-program  
32 funding. The General Assembly encourages the board to pursue  
33 mandate waivers pursuant to Section 2-3.25g.

34 (d) For fiscal year 1996 and each fiscal year

1 thereafter, the amount of the district's block grants shall  
2 be determined as follows: (i) with respect to each program  
3 that is included within each block grant, the district shall  
4 receive an amount equal to the same percentage of the current  
5 fiscal year appropriation made for that program as the  
6 percentage of the appropriation received by the district from  
7 the 1995 fiscal year appropriation made for that program, and  
8 (ii) the total amount that is due the district under the  
9 block grant shall be the aggregate of the amounts that the  
10 district is entitled to receive for the fiscal year with  
11 respect to each program that is included within the block  
12 grant that the State Board of Education shall award the  
13 district under this Section for that fiscal year. In the  
14 case of the Summer Bridges program, the amount of the  
15 district's block grant shall be equal to 44% of the amount of  
16 the current fiscal year appropriation made for that program.

17 (e) The district is not required to file any application  
18 or other claim in order to receive the block grants to which  
19 it is entitled under this Section. The State Board of  
20 Education shall make payments to the district of amounts due  
21 under the district's block grants on a schedule determined by  
22 the State Board of Education.

23 (f) A school district to which this Section applies  
24 shall report to the State Board of Education on its use of  
25 the block grants in such form and detail as the State Board  
26 of Education may specify.

27 (g) This paragraph provides for the treatment of block  
28 grants under Article 1C for purposes of calculating the  
29 amount of block grants for a district under this Section.  
30 Those block grants under Article 1C are, for this purpose,  
31 treated as included in the amount of appropriation for the  
32 various programs set forth in paragraph (b) above. The  
33 appropriation in each current fiscal year for each block  
34 grant under Article 1C shall be treated for these purposes as

1 appropriations for the individual program included in that  
2 block grant. The proportion of each block grant so allocated  
3 to each such program included in it shall be the proportion  
4 which the appropriation for that program was of all  
5 appropriations for such purposes now in that block grant, in  
6 fiscal 1995.

7 Payments to the school district under this Section with  
8 respect to each program for which payments to school  
9 districts generally, as of the date of this amendatory Act of  
10 the 92nd General Assembly, are on a reimbursement basis shall  
11 continue to be made to the district on a reimbursement basis,  
12 pursuant to the provisions of this Code governing those  
13 programs.

14 (h) Notwithstanding any other provision of law, any  
15 school district receiving a block grant under this Section  
16 may classify all or a portion of the funds that it receives  
17 in a particular fiscal year from any block grant authorized  
18 under this Code or from general State aid pursuant to Section  
19 18-8.05 of this Code (other than supplemental general State  
20 aid) as funds received in connection with any funding program  
21 for which it is entitled to receive funds from the State in  
22 that fiscal year (including, without limitation, any funding  
23 program referred to in subsection (c) of this Section),  
24 regardless of the source or timing of the receipt. The  
25 district may not classify more funds as funds received in  
26 connection with the funding program than the district is  
27 entitled to receive in that fiscal year for that program.  
28 Any classification by a district must be made by a resolution  
29 of its board of education. The resolution must identify the  
30 amount of any block grant or general State aid to be  
31 classified under this subsection (h) and must specify the  
32 funding program to which the funds are to be treated as  
33 received in connection therewith. This resolution is  
34 controlling as to the classification of funds referenced



1 therein. A certified copy of the resolution must be sent to  
2 the State Superintendent of Education. The resolution shall  
3 still take effect even though a copy of the resolution has  
4 not been sent to the State Superintendent of Education in a  
5 timely manner. No classification under this subsection (h)  
6 by a district shall affect the total amount or timing of  
7 money the district is entitled to receive under this Code.  
8 No classification under this subsection (h) by a district  
9 shall in any way relieve the district from or affect any  
10 requirements that otherwise would apply with respect to the  
11 block grant as provided in this Section, including any  
12 accounting of funds by source, reporting expenditures by  
13 original source and purpose, reporting requirements, or  
14 requirements of provision of services.

15 (Source: P.A. 91-711, eff. 7-1-00; 92-568, eff. 6-26-02;  
16 92-651, eff. 7-11-02.)

17 (105 ILCS 5/2-3.51.10 new)

18 Sec. 2-3.51.10. General Purpose Block Grant Program.

19 (a) The State Board of Education is authorized to fund a  
20 General Purpose Block Grant Program, a multi-purpose grant to  
21 be used to improve the level of education and safety of  
22 students from kindergarten through grade 12 in school  
23 districts by eliminating barriers to student learning.

24 (b) The General Purpose Block Grant Program shall  
25 provide funding for general purposes and school safety. A  
26 school district or laboratory school (as defined in Section  
27 18-8.05 of this Code) is not required to file an application  
28 in order to receive the funding to which it is entitled under  
29 this Section. Funds for the program shall be distributed to  
30 school districts and laboratory schools based on the prior  
31 year's best 3-month average daily attendance. Distribution of  
32 moneys to school districts and laboratory schools shall be  
33 made in 2 installments each fiscal year, one payment on or

1 before October 30 and one payment on or before April 30.

2 (c) Grants under the General Purpose Block Grant Program  
3 shall be awarded provided there is an appropriation for the  
4 program, and funding levels for each school district and  
5 laboratory school shall be prorated according to the amount  
6 of the appropriation in a manner as determined by the State  
7 Board of Education.

8 (d) The State Board of Education shall adopt any rules  
9 necessary for implementation of the General Purpose Block  
10 Grant Program.

11 (105 ILCS 5/2-3.51.15 new)

12 Sec. 2-3.51.15. Professional Development Block Grant  
13 Program.

14 (a) To improve the level of education and teacher  
15 quality, the State Board of Education is authorized to fund a  
16 Professional Development Block Grant Program.

17 (b) The Professional Development Block Grant Program  
18 shall provide funding for the development and continuing  
19 education of teachers, administrators, and other certificated  
20 educational personnel. Funds for the program shall be  
21 distributed to school districts and laboratory schools (as  
22 defined in Section 18-8.05 of this Code) based on the prior  
23 year's number of full-time equivalent classroom teachers.  
24 Distribution of moneys to school districts and laboratory  
25 schools shall be made in 2 installments each fiscal year, one  
26 payment on or before October 30 and one payment on or before  
27 April 30.

28 (c) Grants under the Professional Development Block  
29 Grant Program shall be awarded provided there is an  
30 appropriation for the program, and funding levels for each  
31 school district and laboratory school shall be prorated  
32 according to the amount of the appropriation in a manner as  
33 determined by the State Board of Education. Two percent of

1 the appropriated amount shall be used to support statewide  
2 leadership activities.

3 (d) The State Board of Education shall adopt any rules  
4 necessary for the implementation of the Professional  
5 Development Block Grant Program.

6 (105 ILCS 5/2-3.51.20 new)

7 Sec. 2-3.51.20. Academic Difficulty Block Grant Program.

8 (a) To improve the educational level of students at-risk  
9 of academic failure, the State Board of Education is  
10 authorized to fund an Academic Difficulty Block Grant  
11 Program.

12 (b) The Academic Difficulty Block Grant Program shall  
13 provide funding to school districts on the Academic Warning  
14 List or Academic Watch List. Funds for the program shall be  
15 distributed to school districts or consortia of districts via  
16 grants for efforts that adhere to specific requirements and  
17 expectations established by the State Board of Education.

18 (c) Grants under the Academic Difficulty Block Grant  
19 Program shall be awarded provided there is an appropriation  
20 for the program, and funding levels for each school district  
21 shall be prorated according to the amount of the  
22 appropriation in a manner as determined by the State Board of  
23 Education. Two percent of the appropriated amount shall be  
24 used to support statewide leadership activities.

25 (d) The State Board of Education shall adopt any rules  
26 necessary for the implementation of the Academic Difficulty  
27 Block Grant Program.

28 (105 ILCS 5/2-3.51.25 new)

29 Sec. 2-3.51.25. Career and Technical Education Block  
30 Grant Program.

31 (a) To improve students career and technical skills and  
32 provide linkages between the classroom and the workplace, the

1 State Board of Education is authorized to fund a Career and  
2 Technical Education Block Grant Program.

3 (b) The Career and Technical Education Block Grant  
4 Program shall provide funding to school districts, community  
5 college districts, secondary regional vocational systems, and  
6 employment regions engaged in career awareness and technical  
7 preparation activities. Funds for the program shall be  
8 distributed via competitive and formula-driven grants.

9 (c) Grants under the Career and Technical Education  
10 Block Grant Program shall be awarded provided there is an  
11 appropriation for the program, and funding levels for each  
12 eligible entity shall be prorated according to the amount of  
13 the appropriation in a manner as determined by the State  
14 Board of Education. Two percent of the appropriated amount  
15 shall be used to support statewide leadership activities.

16 (d) The State Board of Education shall adopt any rules  
17 necessary for the implementation of the Career and Technical  
18 Education Block Grant Program.

19 (105 ILCS 5/2-3.51.30 new)

20 Sec. 2-3.51.30. Alternative Education Block Grant  
21 Program. To provide services to students in alternative  
22 education settings, the State Board of Education is  
23 authorized to fund an Alternative Education Block Grant  
24 Program.

25 (a) The Alternative Education Block Grant Program shall  
26 provide funding for regional offices of education conducting  
27 alternative or safe school programs or both. Funds for the  
28 program shall be distributed via a formula based on the  
29 number of students in attendance and the low-income count of  
30 school districts in the region.

31 (b) Grants under the Alternative Education Block Grant  
32 Program shall be awarded provided there is an appropriation  
33 for the program, and funding levels for each district shall

1 be prorated according to the amount of the appropriation in a  
2 manner as determined by the State Board of Education. Two  
3 percent of the appropriated amount shall be used to support  
4 statewide leadership activities.

5 (c) The State Board of Education shall adopt any rules  
6 necessary for the implementation of the Alternative Education  
7 Block Grant Program.

8 (105 ILCS 5/2-3.64) (from Ch. 122, par. 2-3.64)

9 Sec. 2-3.64. State goals and assessment.

10 (a) Beginning in the 1998-1999 school year, the State  
11 Board of Education shall establish standards and  
12 periodically, in collaboration with local school districts,  
13 conduct studies of student performance in the learning areas  
14 of fine arts and physical development/health. Beginning with  
15 the 1998-1999 school year, the State Board of Education shall  
16 annually test: (i) all pupils enrolled in the 3rd, 5th, and  
17 8th grades in English language arts (reading, writing, and  
18 English grammar) and mathematics; and (ii) all pupils  
19 enrolled in the 4th and 7th grades in the biological and  
20 physical sciences and the social sciences (history,  
21 geography, civics, economics, and government). The State  
22 Board of Education shall establish the academic standards  
23 that are to be applicable to pupils who are subject to State  
24 tests under this Section beginning with the 1998-1999 school  
25 year. However, the State Board of Education shall not  
26 establish any such standards in final form without first  
27 providing opportunities for public participation and local  
28 input in the development of the final academic standards.  
29 Those opportunities shall include a well-publicized period of  
30 public comment, public hearings throughout the State, and  
31 opportunities to file written comments. Beginning with the  
32 1998-99 school year and thereafter, the State tests will  
33 identify pupils in the 3rd grade or 5th grade who do not meet

1 the State standards. If, by performance on the State tests  
2 or local assessments or by teacher judgment, a student's  
3 performance is determined to be 2 or more grades below  
4 current placement, the student shall be provided a  
5 remediation program developed by the district in consultation  
6 with a parent or guardian. Such remediation programs may  
7 include, but shall not be limited to, increased or  
8 concentrated instructional time, a remedial summer school  
9 program of not less than 90 hours, improved instructional  
10 approaches, tutorial sessions, retention in grade, and  
11 modifications to instructional materials. Each pupil for  
12 whom a remediation program is developed under this subsection  
13 shall be required to enroll in and attend whatever program  
14 the district determines is appropriate for the pupil.  
15 Districts may combine students in remediation programs where  
16 appropriate and may cooperate with other districts in the  
17 design and delivery of those programs. The parent or  
18 guardian of a student required to attend a remediation  
19 program under this Section shall be given written notice of  
20 that requirement by the school district a reasonable time  
21 prior to commencement of the remediation program that the  
22 student is to attend. The State shall be responsible for  
23 providing school districts with the new and additional  
24 funding, under Section 2-3.51.10 of this Code ~~2-3-51-5~~ or by  
25 other or additional means, that is required to enable the  
26 districts to operate remediation programs for the pupils who  
27 are required to enroll in and attend those programs under  
28 this Section. Every individualized educational program as  
29 described in Article 14 shall identify if the State test or  
30 components thereof are appropriate for that student. For  
31 those pupils for whom the State tests or components thereof  
32 are not appropriate, the State Board of Education shall  
33 develop rules and regulations governing the administration of  
34 alternative tests prescribed within each student's

1 individualized educational program which are appropriate to  
2 the disability of each student. All pupils who are in a  
3 State approved transitional bilingual education program or  
4 transitional program of instruction shall participate in the  
5 State tests. Any student who has been enrolled in a State  
6 approved bilingual education program less than 3 academic  
7 years shall be exempted if the student's lack of English as  
8 determined by an English language proficiency test would keep  
9 the student from understanding the test, and that student's  
10 district shall have an alternative test program in place for  
11 that student. The State Board of Education shall appoint a  
12 task force of concerned parents, teachers, school  
13 administrators and other professionals to assist in  
14 identifying such alternative tests. Reasonable  
15 accommodations as prescribed by the State Board of Education  
16 shall be provided for individual students in the testing  
17 procedure. All test procedures prescribed by the State Board  
18 of Education shall require: (i) that each test used for State  
19 and local student testing under this Section identify by name  
20 the pupil taking the test; (ii) that the name of the pupil  
21 taking the test be placed on the test at the time the test is  
22 taken; (iii) that the results or scores of each test taken  
23 under this Section by a pupil of the school district be  
24 reported to that district and identify by name the pupil who  
25 received the reported results or scores; and (iv) that the  
26 results or scores of each test taken under this Section be  
27 made available to the parents of the pupil. In addition,  
28 beginning with the 2000-2001 school year and in each school  
29 year thereafter, the highest scores and performance levels  
30 attained by a student on the Prairie State Achievement  
31 Examination administered under subsection (c) of this Section  
32 shall become part of the student's permanent record and shall  
33 be entered on the student's transcript pursuant to  
34 regulations that the State Board of Education shall

1 promulgate for that purpose in accordance with Section 3 and  
2 subsection (e) of Section 2 of the Illinois School Student  
3 Records Act. Beginning with the 1998-1999 school year and in  
4 every school year thereafter, scores received by students on  
5 the State assessment tests administered in grades 3 through 8  
6 shall be placed into students' temporary records. The State  
7 Board of Education shall establish a common month in each  
8 school year for which State testing shall occur to meet the  
9 objectives of this Section. However, if the schools of a  
10 district are closed and classes are not scheduled during any  
11 week that is established by the State Board of Education as  
12 the week of the month when State testing under this Section  
13 shall occur, the school district may administer the required  
14 State testing at any time up to 2 weeks following the week  
15 established by the State Board of Education for the testing,  
16 so long as the school district gives the State Board of  
17 Education written notice of its intention to deviate from the  
18 established schedule by December 1 of the school year in  
19 which falls the week established by the State Board of  
20 Education for the testing. The maximum time allowed for all  
21 actual testing required under this subsection during the  
22 school year shall not exceed 25 hours as allocated among the  
23 required tests by the State Board of Education.

24 (a-5) All tests administered pursuant to this Section  
25 shall be academically based. For the purposes of this  
26 Section "academically based tests" shall mean tests  
27 consisting of questions and answers that are measurable and  
28 quantifiable to measure the knowledge, skill, and ability of  
29 students in the subject matters covered by tests. The  
30 scoring of academically based tests shall be reliable, valid,  
31 unbiased and shall meet the guidelines for test development  
32 and use prescribed by the American Psychological Association,  
33 the National Council of Measurement and Evaluation, and the  
34 American Educational Research Association. Academically based



1 tests shall not include assessments or evaluations of  
2 attitudes, values, or beliefs, or testing of personality,  
3 self-esteem, or self-concept. Nothing in this amendatory Act  
4 is intended, nor shall it be construed, to nullify,  
5 supersede, or contradict the legislative intent on academic  
6 testing expressed during the passage of HB 1005/P.A. 90-296.

7 Beginning in the 1998-1999 school year, the State Board  
8 of Education may, on a pilot basis, include in the State  
9 assessments in reading and math at each grade level tested no  
10 more than 2 short answer questions, where students have to  
11 respond in brief to questions or prompts or show  
12 computations, rather than select from alternatives that are  
13 presented. In the first year that such questions are used,  
14 scores on the short answer questions shall not be reported on  
15 an individual student basis but shall be aggregated for each  
16 school building in which the tests are given. State-level,  
17 school, and district scores shall be reported both with and  
18 without the results of the short answer questions so that the  
19 effect of short answer questions is clearly discernible.  
20 Beginning in the second year of this pilot program, scores on  
21 the short answer questions shall be reported both on an  
22 individual student basis and on a school building basis in  
23 order to monitor the effects of teacher training and  
24 curriculum improvements on score results.

25 The State Board of Education shall not continue the use  
26 of short answer questions in the math and reading  
27 assessments, or extend the use of such questions to other  
28 State assessments, unless this pilot project demonstrates  
29 that the use of short answer questions results in a  
30 statistically significant improvement in student achievement  
31 as measured on the State assessments for math and reading and  
32 is justifiable in terms of cost and student performance.

33 (b) It shall be the policy of the State to encourage  
34 school districts to continuously test pupil proficiency in

1 the fundamental learning areas in order to: (i) provide  
2 timely information on individual students' performance  
3 relative to State standards that is adequate to guide  
4 instructional strategies; (ii) improve future instruction;  
5 and (iii) complement the information provided by the State  
6 testing system described in this Section. Each district's  
7 school improvement plan must address specific activities the  
8 district intends to implement to assist pupils who by teacher  
9 judgment and test results as prescribed in subsection (a) of  
10 this Section demonstrate that they are not meeting State  
11 standards or local objectives. Such activities may include,  
12 but shall not be limited to, summer school, extended school  
13 day, special homework, tutorial sessions, modified  
14 instructional materials, other modifications in the  
15 instructional program, reduced class size or retention in  
16 grade. To assist school districts in testing pupil  
17 proficiency in reading in the primary grades, the State Board  
18 shall make optional reading inventories for diagnostic  
19 purposes available to each school district that requests such  
20 assistance. Districts that administer the reading  
21 inventories may develop remediation programs for students who  
22 perform in the bottom half of the student population. Those  
23 remediation programs may be funded by moneys provided under  
24 the General Purpose School-Safety-and-Educational-Improvement  
25 Block Grant Program established under Section 2-3.51.10 of  
26 this Code 2-3-51-5. Nothing in this Section shall prevent  
27 school districts from implementing testing and remediation  
28 policies for grades not required under this Section.

29 (c) Beginning with the 2000-2001 school year, each  
30 school district that operates a high school program for  
31 students in grades 9 through 12 shall annually administer the  
32 Prairie State Achievement Examination established under this  
33 subsection to its students as set forth below. The Prairie  
34 State Achievement Examination shall be developed by the State

1 Board of Education to measure student performance in the  
2 academic areas of reading, writing, mathematics, science, and  
3 social sciences. The State Board of Education shall  
4 establish the academic standards that are to apply in  
5 measuring student performance on the Prairie State  
6 Achievement Examination including the minimum examination  
7 score in each area that will qualify a student to receive a  
8 Prairie State Achievement Award from the State in recognition  
9 of the student's excellent performance. Each school district  
10 that is subject to the requirements of this subsection (c)  
11 shall afford all students 2 opportunities to take the Prairie  
12 State Achievement Examination beginning as late as practical  
13 during the second semester of grade 11, but in no event  
14 before March 1. The State Board of Education shall annually  
15 notify districts of the weeks during which these test  
16 administrations shall be required to occur. Every  
17 individualized educational program as described in Article 14  
18 shall identify if the Prairie State Achievement Examination  
19 or components thereof are appropriate for that student. Each  
20 student, exclusive of a student whose individualized  
21 educational program developed under Article 14 identifies the  
22 Prairie State Achievement Examination as inappropriate for  
23 the student, shall be required to take the examination in  
24 grade 11. For each academic area the State Board of  
25 Education shall establish the score that qualifies for the  
26 Prairie State Achievement Award on that portion of the  
27 examination. Any student who fails to earn a qualifying  
28 score for a Prairie State Achievement Award in any one or  
29 more of the academic areas on the initial test administration  
30 or who wishes to improve his or her score on any portion of  
31 the examination shall be permitted to retake such portion or  
32 portions of the examination during grade 12. Districts shall  
33 inform their students of the timelines and procedures  
34 applicable to their participation in every yearly

1 administration of the Prairie State Achievement Examination.  
2 Students receiving special education services whose  
3 individualized educational programs identify the Prairie  
4 State Achievement Examination as inappropriate for them  
5 nevertheless shall have the option of taking the examination,  
6 which shall be administered to those students in accordance  
7 with standards adopted by the State Board of Education to  
8 accommodate the respective disabilities of those students. A  
9 student who successfully completes all other applicable high  
10 school graduation requirements but fails to receive a score  
11 on the Prairie State Achievement Examination that qualifies  
12 the student for receipt of a Prairie State Achievement Award  
13 shall nevertheless qualify for the receipt of a regular high  
14 school diploma.

15 (d) Beginning with the 2002-2003 school year, all  
16 schools in this State that are part of the sample drawn by  
17 the National Center for Education Statistics, in  
18 collaboration with their school districts and the State Board  
19 of Education, shall administer the biennial State academic  
20 assessments of 4th and 8th grade reading and mathematics  
21 under the National Assessment of Educational Progress carried  
22 out under Section 411(b)(2) of the National Education  
23 Statistics Act of 1994 (20 U.S.C. 9010) if the Secretary of  
24 Education pays the costs of administering the assessments.

25 (Source: P.A. 91-283, eff. 7-29-99; 92-604, eff. 7-1-02.)

26 (105 ILCS 5/14-7.01) (from Ch. 122, par. 14-7.01)

27 Sec. 14-7.01. Children attending classes in another  
28 district.) If a child, resident of one school district,  
29 because of his disability, attends a class or school for any  
30 of such types of children in another school district, the  
31 school district in which he resides shall grant the proper  
32 permit, provide any necessary transportation, and pay to the  
33 school district maintaining the special educational

1 facilities the per capita cost of educating such children.

2 Such per capita cost shall be computed in the following  
3 manner. The cost of conducting and maintaining any special  
4 educational facility shall be first determined and shall  
5 include the following expenses applicable only to such  
6 educational facility under rules and regulations established  
7 by the State Board of Education as follows:

8 (a) Salaries of teachers, professional workers,  
9 necessary non-certified workers, clerks, librarians,  
10 custodial employees, readers, and any district taxes  
11 specifically for their pension and retirement benefits.

12 (b) Educational supplies and equipment including  
13 textbooks.

14 (c) Administrative costs and communication.

15 (d) Operation of physical plant including heat, light,  
16 water, repairs, and maintenance.

17 (e) Auxiliary service, ~~including up to 20% of~~  
18 ~~transportation cost.~~

19 (f) Depreciation of physical facilities at a rate of  
20 \$200 per pupil, or the actual rental paid for the physical  
21 facilities calculated on a per pupil basis. From such total  
22 cost thus determined there shall be deducted the State  
23 reimbursement due on account of such educational program for  
24 the same year, not including any State reimbursement for  
25 special education transportation and offsetting federal  
26 revenue for the program, except federally funded health care  
27 reimbursement need not be deducted. Such net cost shall be  
28 divided by the average number of pupils in average daily  
29 enrollment in such special education facility for the school  
30 year in order to arrive at the net per capita tuition cost.

31 If the child, resident of any school district, because of  
32 his disability, attends a class or school for any of such  
33 types of children maintained in a teacher training center  
34 supported by public funds or State institution of higher

1 learning, the resident district shall provide any necessary  
2 transportation and shall be eligible to the transportation  
3 reimbursement provided in Section 14-13.01.

4 A resident district may, upon request, provide  
5 transportation for residents of the district who meet the  
6 requirements, other than the specified age, of children with  
7 disabilities as defined in Section 14-1.02, who attend  
8 classes in another district, and shall make a charge for any  
9 such transportation in an amount equal to the cost thereof,  
10 including a reasonable allowance for depreciation of the  
11 vehicles used.

12 (Source: P.A. 89-397, eff. 8-20-95.)

13 (105 ILCS 5/14-7.02) (from Ch. 122, par. 14-7.02)

14 Sec. 14-7.02. Children attending private schools, public  
15 out-of-state schools, public school residential facilities or  
16 private special education facilities. The General Assembly  
17 recognizes that non-public schools or special education  
18 facilities provide an important service in the educational  
19 system in Illinois.

20 If because of his or her disability the special education  
21 program of a district is unable to meet the needs of a child  
22 and the child attends a non-public school or special  
23 education facility, a public out-of-state school or a special  
24 education facility owned and operated by a county government  
25 unit that provides special educational services required by  
26 the child and is in compliance with the appropriate rules and  
27 regulations of the State Superintendent of Education, the  
28 school district in which the child is a resident shall pay  
29 the actual cost of tuition for special education and related  
30 services provided during the regular school term and during  
31 the summer school term if the child's educational needs so  
32 require, excluding room, board and transportation costs  
33 charged the child by that non-public school or special

1 education facility, public out-of-state school or county  
2 special education facility, or \$4,500 per year, whichever is  
3 less, and shall provide him any necessary transportation.  
4 "Nonpublic special education facility" shall include a  
5 residential facility, within or without the State of  
6 Illinois, which provides special education and related  
7 services to meet the needs of the child by utilizing private  
8 schools or public schools, whether located on the site or off  
9 the site of the residential facility.

10 The State Board of Education shall promulgate rules and  
11 regulations for determining when placement in a private  
12 special education facility is appropriate. Such rules and  
13 regulations shall take into account the various types of  
14 services needed by a child and the availability of such  
15 services to the particular child in the public school. In  
16 developing these rules and regulations the State Board of  
17 Education shall consult with the Advisory Council on  
18 Education of Children with Disabilities and hold public  
19 hearings to secure recommendations from parents, school  
20 personnel, and others concerned about this matter.

21 The State Board of Education shall also promulgate rules  
22 and regulations for transportation to and from a residential  
23 school. Transportation to and from home to a residential  
24 school more than once each school term shall be subject to  
25 prior approval by the State Superintendent in accordance with  
26 the rules and regulations of the State Board.

27 A school district making tuition payments pursuant to  
28 this Section is eligible for reimbursement from the State for  
29 the amount of such payments actually made in excess of the  
30 district per capita tuition charge for students not receiving  
31 special education services and for the cost of providing  
32 transportation. Such reimbursement shall be approved in  
33 accordance with Section 14-12.01 and each district shall file  
34 its claims, computed in accordance with rules prescribed by

1 the State Board of Education, on forms prescribed by the  
2 State Superintendent of Education. Data used as a basis of  
3 reimbursement claims shall be for the preceding regular  
4 school term and summer school term. Each school district  
5 shall transmit its claims to the State Board of Education on  
6 or before August 15. The State Board of Education, before  
7 approving any such claims, shall determine their accuracy and  
8 whether they are based upon services and facilities provided  
9 under approved programs. Upon approval the State Board shall  
10 cause vouchers to be prepared showing the amount due for  
11 payment of reimbursement claims to school districts, for  
12 transmittal to the State Comptroller on the 30th day of  
13 September, December, and March, respectively, and the final  
14 voucher, no later than June 20. If the money appropriated by  
15 the General Assembly for such purpose for any year is  
16 insufficient, it shall be apportioned on the basis of the  
17 claims approved.

18 No child shall be placed in a special education program  
19 pursuant to this Section if the tuition cost for special  
20 education and related services increases more than 10 percent  
21 over the tuition cost for the previous school year or exceeds  
22 \$4,500 per year unless such costs have been approved by the  
23 Illinois Purchased Care Review Board. The Illinois  
24 Purchased Care Review Board shall consist of the following  
25 persons, or their designees: the Directors of Children and  
26 Family Services, Public Health, Public Aid, and the Bureau of  
27 the Budget; the Secretary of Human Services; the State  
28 Superintendent of Education; and such other persons as the  
29 Governor may designate. The Review Board shall establish  
30 rules and regulations for its determination of allowable  
31 costs and payments made by local school districts for special  
32 education, room and board, and other related services  
33 provided by non-public schools or special education  
34 facilities and shall establish uniform standards and criteria



1 which it shall follow.

2 The Review Board shall establish uniform definitions and  
3 criteria for accounting separately by special education, room  
4 and board and other related services costs. The Board shall  
5 also establish guidelines for the coordination of services  
6 and financial assistance provided by all State agencies to  
7 assure that no otherwise qualified disabled child receiving  
8 services under Article 14 shall be excluded from  
9 participation in, be denied the benefits of or be subjected  
10 to discrimination under any program or activity provided by  
11 any State agency.

12 The Review Board shall review the costs for special  
13 education and related services provided by non-public schools  
14 or special education facilities and shall approve or  
15 disapprove such facilities in accordance with the rules and  
16 regulations established by it with respect to allowable  
17 costs.

18 The State Board of Education shall provide administrative  
19 and staff support for the Review Board as deemed reasonable  
20 by the State Superintendent of Education. This support shall  
21 not include travel expenses or other compensation for any  
22 Review Board member other than the State Superintendent of  
23 Education.

24 The Review Board shall seek the advice of the Advisory  
25 Council on Education of Children with Disabilities on the  
26 rules and regulations to be promulgated by it relative to  
27 providing special education services.

28 If a child has been placed in a program in which the  
29 actual per pupil costs of tuition for special education and  
30 related services based on program enrollment, excluding room,  
31 board and transportation costs, exceed \$4,500 and such costs  
32 have been approved by the Review Board, the district shall  
33 pay such total costs which exceed \$4,500. A district making  
34 such tuition payments in excess of \$4,500 pursuant to this

1 Section shall be responsible for an amount in excess of  
2 \$4,500 equal to the district per capita tuition charge and  
3 shall be eligible for reimbursement from the State for the  
4 amount of such payments actually made in excess of the  
5 district's districts per capita tuition charge for students  
6 not receiving special education services and the cost of  
7 providing transportation.

8 If a child has been placed in an approved individual  
9 program and the tuition costs including room and board costs  
10 have been approved by the Review Board, then such room and  
11 board costs shall be paid by the appropriate State agency  
12 subject to the provisions of Section 14-8.01 of this Act.  
13 Room and board costs not provided by a State agency other  
14 than the State Board of Education shall be provided by the  
15 State Board of Education on a current basis. In no event,  
16 however, shall the State's liability for funding of these  
17 tuition costs begin until after the legal obligations of  
18 third party payors have been subtracted from such costs. If  
19 the money appropriated by the General Assembly for such  
20 purpose for any year is insufficient, it shall be apportioned  
21 on the basis of the claims approved. Each district shall  
22 submit estimated claims to the State Superintendent of  
23 Education. Upon approval of such claims, the State  
24 Superintendent of Education shall direct the State  
25 Comptroller to make payments on a monthly basis. The  
26 frequency for submitting estimated claims and the method of  
27 determining payment shall be prescribed in rules and  
28 regulations adopted by the State Board of Education. Such  
29 current state reimbursement shall be reduced by an amount  
30 equal to the proceeds which the child or child's parents are  
31 eligible to receive under any public or private insurance or  
32 assistance program. Nothing in this Section shall be  
33 construed as relieving an insurer or similar third party from  
34 an otherwise valid obligation to provide or to pay for

1 services provided to a disabled child.

2 If--it--otherwise--qualifies,--a--school--district--is--eligible  
3 for--the--transportation--reimbursement--under--Section--14-13.01  
4 and--for--the--reimbursement--of--tuition--payments--under--this  
5 Section--whether--the--non--public--school--or--special--education  
6 facility,--public--out--of--state--school--or--county--special  
7 education--facility,--attended--by--a--child--who--resides--in--that  
8 district--and--requires--special--educational--services,--is--within  
9 or--outside--of--the--State--of--Illinois,--However,--a--district--is  
10 not--eligible--to--claim--transportation--reimbursement--under--this  
11 Section--unless--the--district---certifies---to---the---State  
12 Superintendent--of--Education--that--the--district--is--unable--to  
13 provide--special--educational--services--required--by--the--child  
14 for--the--current--school--year.

15 Nothing in this Section authorizes the reimbursement of a  
16 school district for the amount paid for tuition of a child  
17 attending a non-public school or special education facility,  
18 public out-of-state school or county special education  
19 facility unless the school district certifies to the State  
20 Superintendent of Education that the special education  
21 program of that district is unable to meet the needs of that  
22 child because of his disability and the State Superintendent  
23 of Education finds that the school district is in substantial  
24 compliance with Section 14-4.01.

25 Any educational or related services provided, pursuant to  
26 this Section in a non-public school or special education  
27 facility or a special education facility owned and operated  
28 by a county government unit shall be at no cost to the parent  
29 or guardian of the child. However, current law and practices  
30 relative to contributions by parents or guardians for costs  
31 other than educational or related services are not affected  
32 by this amendatory Act of 1978.

33 Reimbursement for children attending public school  
34 residential facilities shall be made in accordance with the

1 provisions of this Section.

2 Notwithstanding any other provision of law, any school  
3 district receiving a payment under this Section or under  
4 Section 14-7.02a, 14-13.01, or 29-5 of this Code may classify  
5 all or a portion of the funds that it receives in a  
6 particular fiscal year or from general State aid pursuant to  
7 Section 18-8.05 of this Code as funds received in connection  
8 with any funding program for which it is entitled to receive  
9 funds from the State in that fiscal year (including, without  
10 limitation, any funding program referenced in this Section),  
11 regardless of the source or timing of the receipt. The  
12 district may not classify more funds as funds received in  
13 connection with the funding program than the district is  
14 entitled to receive in that fiscal year for that program.  
15 Any classification by a district must be made by a resolution  
16 of its board of education. The resolution must identify the  
17 amount of any payments or general State aid to be classified  
18 under this paragraph and must specify the funding program to  
19 which the funds are to be treated as received in connection  
20 therewith. This resolution is controlling as to the  
21 classification of funds referenced therein. A certified copy  
22 of the resolution must be sent to the State Superintendent of  
23 Education. The resolution shall still take effect even though  
24 a copy of the resolution has not been sent to the State  
25 Superintendent of Education in a timely manner. No  
26 classification under this paragraph by a district shall  
27 affect the total amount or timing of money the district is  
28 entitled to receive under this Code. No classification under  
29 this paragraph by a district shall in any way relieve the  
30 district from or affect any requirements that otherwise would  
31 apply with respect to that funding program, including any  
32 accounting of funds by source, reporting expenditures by  
33 original source and purpose, reporting requirements, or  
34 requirements of providing services.

1 (Source: P.A. 91-764, eff. 6-9-00; 92-568, eff. 6-26-02.)

2 (105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)

3 Sec. 14-13.01. Reimbursement payable by State; Amounts.  
4 Reimbursement for furnishing special educational facilities  
5 in a recognized school to the type of children defined in  
6 Section 14-1.02 shall be paid to the school districts in  
7 accordance with Section 14-12.01 for each school year ending  
8 June 30 by the State Comptroller out of any money in the  
9 treasury appropriated for such purposes on the presentation  
10 of vouchers by the State Board of Education.

11 The reimbursement shall be limited to funds expended for  
12 construction and maintenance of special education facilities  
13 designed and utilized to house instructional programs,  
14 diagnostic services, other special education services for  
15 children with disabilities and reimbursement as provided in  
16 Section 14-13.01. There shall be no reimbursement for  
17 construction and maintenance of any administrative facility  
18 separated from special education facilities designed and  
19 utilized to house instructional programs, diagnostic services  
20 and other special education services for children with  
21 disabilities.

22 (a) For children who have not been identified as  
23 eligible for special education and for eligible children with  
24 physical disabilities, including all eligible children whose  
25 placement has been determined under Section 14-8.02 in  
26 hospital or home instruction, 1/2 of the teacher's salary but  
27 not more than \$1,000 annually per child or \$8,000 per teacher  
28 for the 1985-1986 school year and thereafter, whichever is  
29 less. Children to be included in any reimbursement under  
30 this paragraph must regularly receive a minimum of one hour  
31 of instruction each school day, or in lieu thereof of a  
32 minimum of 5 hours of instruction in each school week in  
33 order to qualify for full reimbursement under this Section.

1 If the attending physician for such a child has certified  
2 that the child should not receive as many as 5 hours of  
3 instruction in a school week, however, reimbursement under  
4 this paragraph on account of that child shall be computed  
5 proportionate to the actual hours of instruction per week for  
6 that child divided by 5.

7 (b) (Blank). ~~For children described in Section 14-1.02,~~  
8 ~~4/5 of the cost of transportation for each such child, whom~~  
9 ~~the State Superintendent of Education determined in advance~~  
10 ~~requires special transportation service in order to take~~  
11 ~~advantage of special educational facilities. Transportation~~  
12 ~~costs shall be determined in the same fashion as provided in~~  
13 ~~Section 29-5. For purposes of this subsection (b), the dates~~  
14 ~~for processing claims specified in Section 29-5 shall apply.~~

15 (c) For each professional worker excluding those  
16 included in subparagraphs (a), (d), (e), and (f) of this  
17 Section, the annual sum of \$8,000 for the 1985-1986 school  
18 year and thereafter.

19 (d) For one full time qualified director of the special  
20 education program of each school district which maintains a  
21 fully approved program of special education the annual sum of  
22 \$8,000 for the 1985-1986 school year and thereafter.  
23 Districts participating in a joint agreement special  
24 education program shall not receive such reimbursement if  
25 reimbursement is made for a director of the joint agreement  
26 program.

27 (e) For each school psychologist as defined in Section  
28 14-1.09 the annual sum of \$8,000 for the 1985-1986 school  
29 year and thereafter.

30 (f) For each qualified teacher working in a fully  
31 approved program for children of preschool age who are deaf  
32 or hard-of-hearing the annual sum of \$8,000 for the 1985-1986  
33 school year and thereafter.

34 (g) For readers, working with blind or partially seeing

1 children 1/2 of their salary but not more than \$400 annually  
2 per child. Readers may be employed to assist such children  
3 and shall not be required to be certified but prior to  
4 employment shall meet standards set up by the State Board of  
5 Education.

6 (h) For necessary non-certified employees working in any  
7 class or program for children defined in this Article, 1/2 of  
8 the salary paid or \$2,800 annually per employee, whichever is  
9 less.

10 The State Board of Education shall set standards and  
11 prescribe rules for determining the allocation of  
12 reimbursement under this section on less than a full time  
13 basis and for less than a school year.

14 When any school district eligible for reimbursement under  
15 this Section operates a school or program approved by the  
16 State Superintendent of Education for a number of days in  
17 excess of the adopted school calendar but not to exceed 235  
18 school days, such reimbursement shall be increased by 1/185  
19 of the amount or rate paid hereunder for each day such school  
20 is operated in excess of 185 days per calendar year.

21 Notwithstanding any other provision of law, any school  
22 district receiving a payment under this Section or under  
23 Section 14-7.02, 14-7.02a, or 29-5 of this Code may classify  
24 all or a portion of the funds that it receives in a  
25 particular fiscal year or from general State aid pursuant to  
26 Section 18-8.05 of this Code as funds received in connection  
27 with any funding program for which it is entitled to receive  
28 funds from the State in that fiscal year (including, without  
29 limitation, any funding program referenced in this Section),  
30 regardless of the source or timing of the receipt. The  
31 district may not classify more funds as funds received in  
32 connection with the funding program than the district is  
33 entitled to receive in that fiscal year for that program.  
34 Any classification by a district must be made by a resolution

1 of its board of education. The resolution must identify the  
2 amount of any payments or general State aid to be classified  
3 under this paragraph and must specify the funding program to  
4 which the funds are to be treated as received in connection  
5 therewith. This resolution is controlling as to the  
6 classification of funds referenced therein. A certified copy  
7 of the resolution must be sent to the State Superintendent of  
8 Education. The resolution shall still take effect even though  
9 a copy of the resolution has not been sent to the State  
10 Superintendent of Education in a timely manner. No  
11 classification under this paragraph by a district shall  
12 affect the total amount or timing of money the district is  
13 entitled to receive under this Code. No classification under  
14 this paragraph by a district shall in any way relieve the  
15 district from or affect any requirements that otherwise would  
16 apply with respect to that funding program, including any  
17 accounting of funds by source, reporting expenditures by  
18 original source and purpose, reporting requirements, or  
19 requirements of providing services.

20 (Source: P.A. 92-568, eff. 6-26-02.)

21 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

22 Sec. 29-5. Reimbursement by State for transportation.

23 (a) Any school district, other than a school district  
24 organized under Article 34, maintaining a school, providing  
25 transportation for students enrolled in special education  
26 programs, transporting non-public school students under  
27 Section 29-4, transporting resident pupils to another school  
28 district's vocational program, offered through a joint  
29 agreement approved by the State Board of Education, as  
30 provided in Section 10-22.22, or transporting its resident  
31 pupils to a school which meets the standards for recognition  
32 as established by the State Board of Education which provides  
33 transportation meeting the standards of safety, comfort,



1 convenience, efficiency, and operation prescribed by the  
2 State Board of Education for resident pupils in  
3 pre-kindergarten through grade 12 or in adult education  
4 programs operated by or on behalf of the school district  
5 kindergarten--or--any--of--grades--1--through--12 who (i) (a)  
6 reside at least 1 1/2 miles, as measured by the customary  
7 route of travel, from the school attended; or (b) reside in  
8 areas where conditions are such that walking constitutes a  
9 hazard to the safety of the child when determined under  
10 Section 29-3; and (ii) (e) are transported to the school  
11 attended from pick-up points at the beginning of the school  
12 day and back again at the close of the school day, are or  
13 transported to and from their assigned attendance centers  
14 during the school day, or are transported based upon the  
15 contents of individualized education plans shall be  
16 reimbursed by the State as hereinafter provided in this  
17 Section. An entity other than a school district may not apply  
18 for a transportation reimbursement.

19 The--State--will--pay--the--cost--of--transporting--eligible  
20 pupils--less--the--assessed--valuation--in--a--dual--school--district  
21 maintaining--secondary--grades--9--to--12--inclusive--times--a  
22 qualifying--rate--of--.05%;--in--elementary--school--districts  
23 maintaining--grades--K--to--8--times--a--qualifying--rate--of--.06%;--in  
24 unit--districts--maintaining--grades--K--to--12--times--a--qualifying  
25 rate--of--.07%.--To--be--eligible--to--receive--reimbursement--in  
26 excess--of--4/5--of--the--cost--to--transport--eligible--pupils,--a  
27 school--district--shall--have--a--Transportation--Fund--tax--rate--of  
28 at--least--.12%.--If--a--school--district--does--not--have--a--.12%  
29 Transportation--Fund--tax--rate,--the--amount--of--its--claim--in  
30 excess--of--4/5--of--the--cost--of--transporting--pupils--shall--be  
31 reduced--by--the--sum--arrived--at--by--subtracting--the  
32 Transportation--Fund--tax--rate--from--.12%--and--multiplying--that  
33 amount--by--the--districts--equalized--or--assessed--valuation,  
34 provided,--that--in--no--case--shall--said--reduction--result--in

1 reimbursement of less than  $\frac{4}{5}$  of the cost to transport  
2 eligible pupils.

3 The minimum amount to be received by a district is \$16  
4 times the number of eligible pupils transported.

5 Any such district transporting resident pupils during the  
6 school day to an area vocational school or another school  
7 district's vocational program more than  $1\frac{1}{2}$  miles from the  
8 school attended, as provided in Sections 10-22.20a and  
9 10-22.22, shall be reimbursed by the State for  $\frac{4}{5}$  of the  
10 cost of transporting eligible pupils.

11 School day means that period of time which the pupil is  
12 required to be in attendance for instructional purposes.

13 If a pupil is at a location within the school district  
14 other than his residence for child care purposes at the time  
15 for transportation to school, that location may be considered  
16 for purposes of determining the  $1\frac{1}{2}$  miles from the school  
17 attended.

18 Claims for reimbursement that include children who attend  
19 any school other than a public school shall show the number  
20 of such children transported.

21 Claims for reimbursement under this Section shall not be  
22 paid for the transportation of pupils for whom transportation  
23 costs are claimed for payment under other Sections of this  
24 Act.

25 The allowable direct cost of transporting pupils for  
26 regular, vocational, and special education pupil  
27 transportation shall be limited to the sum of the cost of  
28 physical examinations required for employment as a school bus  
29 driver; the salaries of full or part-time drivers and school  
30 bus maintenance personnel; employee benefits excluding  
31 Illinois municipal retirement payments, social security  
32 payments, unemployment insurance payments and workers'  
33 compensation insurance premiums; expenditures to independent  
34 carriers who operate school buses; payments to other school

1 districts--for--pupil--transportation--services; pre-approved  
2 contractual-expenditures-for-computerized-bus-scheduling; the  
3 cost-of-gasoline, oil, tires, and--other--supplies--necessary  
4 for--the--operation--of--school-buses; the-cost-of-converting  
5 buses<sup>1</sup>-gasoline-engines-to-more-fuel-efficient-engines-or--to  
6 engines--which--use--alternative--energy-sources; the-cost-of  
7 travel-to-meetings-and-workshops-conducted--by--the--regional  
8 superintendent--or--the--State--Superintendent--of--Education  
9 pursuant--to--the--standards--established-by-the-Secretary-of  
10 State-under-Section-6-106-of-the--Illinois--Vehicle--Code--to  
11 improve-the-driving-skills-of-school-bus-drivers; the-cost-of  
12 maintenance--of--school--buses--including-parts-and-materials  
13 used;--expenditures--for--leasing--transportation--vehicles,  
14 except--interest--and--service-charges; the-cost-of-insurance  
15 and-licenses-for-transportation--vehicles;--expenditures--for  
16 the--rental--of-transportation-equipment; plus-a-depreciation  
17 allowance-of-20%-for-5-years-for-school--buses--and--vehicles  
18 approved--for--transporting--pupils--to-and-from-school-and-a  
19 depreciation--allowance--of--10%--for--10--years--for--other  
20 transportation--equipment--so--used. In-addition-to-the-above  
21 allowable--costs--school--districts--shall--also--claim--all  
22 transportation--supervisory--salary-costs, including-Illinois  
23 municipal-retirement-payments, and-all-transportation-related  
24 building-and-building-maintenance-costs-without-limitation.

25 Special-education--allowable--costs--shall--also--include  
26 expenditures-for-the-salaries-of-attendants-or-aides-for-that  
27 portion--of--the--time--they--assist-special-education-pupils  
28 while-in-transit-and--expenditures--for--parents--and--public  
29 carriers--for--transporting--special--education--pupils--when  
30 pre-approved-by-the-State-Superintendent-of-Education.

31 Indirect--costs--shall--be--included-in-the-reimbursement  
32 claim-for-districts-which-own-and-operate--their--own--school  
33 buses.---Such--indirect--costs--shall--include-administrative  
34 costs, or-any-costs-attributable-to-transporting-pupils--from

1 their--attendance--centers--to--another--school--building--for  
2 instructional--purposes.--No--school--district--which--owns--and  
3 operates--its--own--school--buses--may--claim--reimbursement--for  
4 indirect--costs--which--exceed--5%--of--the--total--allowable--direct  
5 costs--for--pupil--transportation.

6 (b) The State Board of Education shall prescribe uniform  
7 regulations for determining the costs of providing  
8 transportation using school district-based cost accounting  
9 principles, including all costs associated with the provision  
10 of transportation services and transportation costs incurred  
11 by a district to accomplish transportation of staff between  
12 attendance centers to provide required educational services  
13 or to enhance curriculum offerings when done in lieu of  
14 transporting students.

15 (c) All students transported by the school district as  
16 authorized in this Article may be claimed for transportation  
17 reimbursement by the school district. Claims shall include  
18 allowable costs provided in the State Board of Education's  
19 regulations and the number of students transported as  
20 follows:

21 (1) special education students transported on  
22 special routes in conformance with their individualized  
23 education plans; and

24 (2) all students transported on all routes,  
25 excluding those students listed in subdivision (1) of  
26 this subsection (c).

27 (d) The following formula shall be used to determine  
28 State transportation reimbursement:

29 (1) The number of weighted pupils transported by  
30 each school district shall be determined by multiplying  
31 the number of special education students transported by  
32 the district by the ratio of the statewide average cost  
33 per pupil of providing special education transportation  
34 to the statewide average cost per pupil of providing all

1 transportation and by adding this product to the total  
2 number of all other students transported by the district.  
3 The ratio of the statewide average cost per pupil of  
4 providing special education transportation to the  
5 statewide average cost per pupil of providing all  
6 transportation shall be initially calculated using fiscal  
7 year 2003 data and formulas. The ratio shall be updated  
8 every 5 years beginning with fiscal year 2008 using  
9 current data and formulas from a stratified random sample  
10 of districts.

11 (2) The district's threshold contribution per  
12 weighted pupil transported shall be determined by  
13 multiplying a tax rate of 0.06% for districts maintaining  
14 grades 1 through 8, 0.06% for districts maintaining  
15 grades 9 through 12, and 0.10% for districts maintaining  
16 grades K through 12 by the equalized assessed valuation  
17 of the real property of the district as determined under  
18 subsection (G) of Section 18-8.05 of this Code and by  
19 dividing this product by the number of weighted pupils  
20 transported by the district.

21 (3) The district's average cost per weighted pupil  
22 transported shall be determined by dividing the total  
23 cost for providing all transportation services reported  
24 by the district by the number of weighted pupils  
25 transported by the district.

26 (4) The State shall reimburse 100% of the  
27 district's transportation costs between the district's  
28 threshold contribution per weighted pupil transported  
29 established by subdivision (2) of this subsection (d) and  
30 the lesser of (i) the statewide average cost per pupil  
31 transported or (ii) the district's average cost per  
32 weighted pupil transported.

33 (5) The State shall reimburse 50% of the district's  
34 transportation costs between the district's average cost

1 per weighted pupil transported and 150% of the statewide  
2 average cost per pupil transported less any threshold  
3 revenue that exceeds the statewide average cost per pupil  
4 transported.

5 (6) The State shall reimburse 25% of the district's  
6 average costs per weighted pupil transported in excess of  
7 150% of the statewide average cost per pupil transported  
8 less any threshold revenue that exceeds 150% of the  
9 statewide average cost per pupil transported.

10 (7) The district's total reimbursement shall be the  
11 sum of the amounts specified in subdivisions (4), (5),  
12 and (6) of this subsection (d) multiplied by the number  
13 of weighted pupils transported by the district.

14 If the appropriation for a fiscal year is insufficient to  
15 reimburse districts at 100% of the eligible claims as  
16 calculated in this Section, proration shall occur in reverse  
17 order of subdivisions (4), (5), and (6) of this subsection  
18 (d) in a manner as determined by the State Board of  
19 Education.

20 If a district's reimbursement for fiscal year 2004, 2005,  
21 or 2006 is less than its reimbursement entitlement for fiscal  
22 year 2003 under the provisions of this Section as they  
23 existed before the effective date of this amendatory Act of  
24 the 93rd General Assembly, the district shall receive an  
25 additional payment from funds appropriated for this purpose  
26 so that its reimbursement is not less than the amount paid  
27 for fiscal year 2003. The amount of the additional payment  
28 shall be the difference between the district's reimbursement  
29 calculated under the provisions of this Section and the  
30 amount that the district was paid for fiscal year 2003. above  
31 standards--and--shall--prescribe--forms--of--cost--accounting--and  
32 standards--of--determining--reasonable--depreciation.---Such  
33 depreciation--shall--include--the--cost--of--equipping--school--buses  
34 with--the--safety--features--required--by--law--or--by--the--rules,

1 regulations-and-standards-promulgated-by-the-State--Board--of  
2 Education,--and--the--Department--of--Transportation--for-the  
3 safety-and-construction-of-school--buses--provided,--however,  
4 any---equipment---cost---reimbursed---by--the--Department--of  
5 Transportation-for-equipping-school-buses--with--such--safety  
6 equipment--shall--be--deducted-from-the-allowable-cost-in-the  
7 computation-of-reimbursement-under-this-Section-in--the--same  
8 percentage-as-the-cost-of-the-equipment-is-depreciated.

9 (e) On--or--before-July-10,--annually,--the-board-clerk-or  
10 the-secretary-of The district shall certify-to--the--regional  
11 superintendent--of-schools-upon-forms-prescribed-by-the-State  
12 Superintendent--of--Education--the---district's---claim---for  
13 reimbursement--for--the--school--year--ended--on-June-30-next  
14 preceding.--The--regional--superintendent--of--schools--shall  
15 check--all-transportation-claims-to-ascertain-compliance-with  
16 the-prescribed-standards-and-upon-his-approval-shall certify  
17 not later than July 25 to the State Superintendent of  
18 Education the district's claim regional-report-of-claims for  
19 reimbursement reimbursements. The State Superintendent of  
20 Education shall check and approve the claims and prepare the  
21 vouchers showing the amounts due for district reimbursement  
22 claims. Beginning-with--the--1977--fiscal--year, The State  
23 Superintendent of Education shall prepare and transmit the  
24 first 3 vouchers to the Comptroller on the 30th day of  
25 September, December and March, respectively, and the final  
26 voucher, no later than June 15.

27 If---the---amount---appropriated---for---transportation  
28 reimbursement--is--insufficient--to-fund-total-claims-for-any  
29 fiscal-year,--the-State-Board-of-Education-shall--reduce--each  
30 school--district's--allowable--costs--and--flat--grant-amount  
31 proportionately-to-make-total-adjusted-claims-equal-the-total  
32 amount-appropriated.

33 For-purposes--of--calculating--claims--for--reimbursement  
34 under--this--Section--for--any--school-year-beginning-July-1,

1 1998, or thereafter, the equalized assessed valuation for a  
2 school district used to compute reimbursement shall be  
3 computed in the same manner as it is computed under paragraph  
4 (2) of subsection (G) of Section 18-8.05.

5 All reimbursements received from the State shall be  
6 deposited into the district's transportation fund or into the  
7 fund from which the allowable expenditures were made.

8 Notwithstanding any other provision of law, any school  
9 district receiving a payment under this Section or under  
10 Section 14-7.02, 14-7.02a, or 14-13.01 of this Code may  
11 classify all or a portion of the funds that it receives in a  
12 particular fiscal year or from general State aid pursuant to  
13 Section 18-8.05 of this Code as funds received in connection  
14 with any funding program for which it is entitled to receive  
15 funds from the State in that fiscal year (including, without  
16 limitation, any funding program referenced in this Section),  
17 regardless of the source or timing of the receipt. The  
18 district may not classify more funds as funds received in  
19 connection with the funding program than the district is  
20 entitled to receive in that fiscal year for that program.  
21 Any classification by a district must be made by a resolution  
22 of its board of education. The resolution must identify the  
23 amount of any payments or general State aid to be classified  
24 under this paragraph and must specify the funding program to  
25 which the funds are to be treated as received in connection  
26 therewith. This resolution is controlling as to the  
27 classification of funds referenced therein. A certified copy  
28 of the resolution must be sent to the State Superintendent of  
29 Education. The resolution shall still take effect even though  
30 a copy of the resolution has not been sent to the State  
31 Superintendent of Education in a timely manner. No  
32 classification under this paragraph by a district shall  
33 affect the total amount or timing of money the district is  
34 entitled to receive under this Code. No classification



1 under this paragraph by a district shall in any way relieve  
2 the district from or affect any requirements that otherwise  
3 would apply with respect to that funding program, including  
4 any accounting of funds by source, reporting expenditures by  
5 original source and purpose, reporting requirements, or  
6 requirements of providing services.

7 Any school district with a population of not more than  
8 500,000 must deposit all funds received under this Article  
9 into the transportation fund and use those funds for the  
10 provision of transportation services.

11 (Source: P.A. 91-96, eff. 7-9-99; 92-568, eff. 6-26-02.)

12 (105 ILCS 5/29-5a new)

13 Sec. 29-5a. Transportation appropriation for a district  
14 organized under Article 34. Annually the State Superintendent  
15 of Education shall request an appropriation for  
16 transportation expenses incurred by a school district  
17 organized under Article 34 of this Code. Each year the  
18 appropriation request shall be increased in the same  
19 proportion as appropriation requests are increased under  
20 Section 29-5 of this Code. The appropriation shall be paid  
21 directly to the district as part of a block grant under  
22 Section 1D-1 of this Code.

23 (105 ILCS 5/2-3.51.5 rep.)

24 Section 20-10. The School Code is amended by repealing  
25 Section 2-3.51.5.

26 ARTICLE 25

27 Section 25-5. The Illinois Pension Code is amended by  
28 changing Sections 7-171, 21-110, and 21-110.1 as follows:

29 (40 ILCS 5/7-171) (from Ch. 108 1/2, par. 7-171)

1 Sec. 7-171. Finance; taxes.

2 (a) Each municipality other than a school district shall  
3 appropriate an amount sufficient to provide for the current  
4 municipality contributions required by Section 7-172 of this  
5 Article, for the fiscal year for which the appropriation is  
6 made and all amounts due for municipal contributions for  
7 previous years. Those municipalities which have been assessed  
8 an annual amount to amortize its unfunded obligation, as  
9 provided in subparagraph 5 of paragraph (a) of Section 7-172  
10 of this Article, shall include in the appropriation an amount  
11 sufficient to pay the amount assessed. The appropriation  
12 shall be based upon an estimate of assets available for  
13 municipality contributions and liabilities therefor for the  
14 fiscal year for which appropriations are to be made,  
15 including funds available from levies for this purpose in  
16 prior years.

17 (b) For the purpose of providing monies for municipality  
18 contributions, beginning for the year in which a municipality  
19 is included in this fund:

20 (1) A municipality other than a school district may  
21 levy a tax which shall not exceed the amount appropriated  
22 for municipality contributions.

23 (2) A school district may levy a tax (i) in an  
24 amount reasonably calculated at the time of the levy to  
25 provide for the municipality contributions required under  
26 Section 7-172 of this Article for the fiscal years for  
27 which revenues from the levy will be received and all  
28 amounts due for municipal contributions for previous  
29 years, (ii) in an amount necessary to meet the cost of  
30 participation in the Federal Social Security Insurance  
31 Program, and (iii) in an amount necessary to meet the  
32 cost of participation in the Federal Medicare Program,  
33 including any share of the cost of participation of an  
34 instrumentality or entity described in subdivision (b) or

1 (c) of Section 21-102.8 for which the school district is  
2 responsible, without regard to whether that participation  
3 is mandatory or optional and without regard to whether  
4 the school district has otherwise come under the  
5 provisions of Article 21 for purposes of participation in  
6 the Federal Social Security Insurance Program. Any levy  
7 adopted before the effective date of this amendatory Act  
8 of 1995 by a school district shall be considered valid  
9 and authorized to the extent that the amount was  
10 reasonably calculated at the time of the levy to provide  
11 for the municipality contributions required under Section  
12 7-172 for the fiscal years for which revenues from the  
13 levy will be received and all amounts due for municipal  
14 contributions for previous years. In no event shall a  
15 budget adopted by a school district limit a levy of that  
16 school district adopted under this Section.

17 (c) Any county which is served by a regional office of  
18 education that serves 2 or more counties may include in its  
19 appropriation an amount sufficient to provide its  
20 proportionate share of the municipality contributions for  
21 that regional office of education. The tax levy authorized  
22 by this Section may include an amount necessary to provide  
23 monies for this contribution.

24 (d) Any county that is a part of a multiple-county  
25 health department or consolidated health department which is  
26 formed under "An Act in relation to the establishment and  
27 maintenance of county and multiple-county public health  
28 departments", approved July 9, 1943, as amended, and which is  
29 a participating instrumentality may include in the county's  
30 appropriation an amount sufficient to provide its  
31 proportionate share of municipality contributions of the  
32 department. The tax levy authorized by this Section may  
33 include the amount necessary to provide monies for this  
34 contribution.

1 (d-5) A school district participating in a special  
2 education joint agreement created under Section 10-22.31 of  
3 the School Code that is a participating instrumentality may  
4 include in the school district's tax levy under this Section  
5 an amount sufficient to provide its proportionate share of  
6 the municipality contributions for current and prior service  
7 by employees of the participating instrumentality created  
8 under the joint agreement.

9 (e) Such tax shall be levied and collected in like  
10 manner, with the general taxes of the municipality and shall  
11 be in addition to all other taxes which the municipality is  
12 now or may hereafter be authorized to levy upon all taxable  
13 property therein, and shall be exclusive of and in addition  
14 to the amount of tax levied for general purposes under  
15 Section 8-3-1 of the "Illinois Municipal Code", approved May  
16 29, 1961, as amended, or under any other law or laws which  
17 may limit the amount of tax which the municipality may levy  
18 for general purposes. The tax may be levied by the governing  
19 body of the municipality without being authorized as being  
20 additional to all other taxes by a vote of the people of the  
21 municipality.

22 (f) The county clerk of the county in which any such  
23 municipality is located, in reducing tax levies shall not  
24 consider any such tax as a part of the general tax levy for  
25 municipality purposes, and shall not include the same in the  
26 limitation of any other tax rate which may be extended.

27 (g) The amount of the tax to be levied in any year  
28 shall, within the limits herein prescribed, be determined by  
29 the governing body of the respective municipality.

30 (h) The revenue derived from any such tax levy shall be  
31 used only for the purposes specified in this Article and, as  
32 collected, shall be paid to the treasurer of the municipality  
33 levying the tax. Monies received by a county treasurer for  
34 use in making contributions to a regional office of education

1 for its municipality contributions shall be held by him for  
2 that purpose and paid to the regional office of education in  
3 the same manner as other monies appropriated for the expense  
4 of the regional office.

5 (i) The payment of Medicare taxes to the State agency  
6 shall be made in the same manner and under the same  
7 conditions as are set forth in Section 21-109 for payment of  
8 Social Security contributions, except that the State agency  
9 may designate a retirement system to assume responsibility to  
10 the State agency for the compiling of wage data, the  
11 collection of Medicare taxes, and the timely reporting and  
12 payment of these items for specified persons under mandatory  
13 or optional Medicare coverage, regardless of whether the  
14 retirement system has entered into a coverage agreement for  
15 Social Security coverage pursuant to Section 21-105.

16 (j) The penalty and audit provisions of Sections 21-112,  
17 21-113 and 21-114 shall apply to the failure or refusal to  
18 make timely and correct payments of Medicare taxes or reports  
19 of wages in accordance with State agency rules.

20 (Source: P.A. 89-329, eff. 8-17-95; 90-448, eff. 8-16-97;  
21 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

22 (40 ILCS 5/21-110) (from Ch. 108 1/2, par. 21-110)  
23 Sec. 21-110. Tax levy. The governing body of any  
24 political subdivision with the power to levy taxes (except a  
25 school district having a population of fewer than 500,000) is  
26 hereby authorized and empowered to increase its annual tax  
27 levy above the limitation now or hereafter otherwise  
28 authorized by law, by the amount necessary to meet the cost  
29 of participation in the Federal Social Security Insurance  
30 Program, including any share of the cost of participation of  
31 an instrumentality or entity described in subsection (b) or  
32 (c) of Section 21-102.8 for which the political subdivision  
33 is responsible, without regard to whether such participation

1 is mandatory or optional, and without regard to whether the  
2 political subdivision has otherwise come under the provisions  
3 of this Article for purposes of participation in the Federal  
4 Social Security Insurance Program.

5 (Source: P.A. 87-11.)

6 (40 ILCS 5/21-110.1) (from Ch. 108 1/2, par. 21-110.1)  
7 Sec. 21-110.1. Medicare taxes.

8 (a) The governing body of every political subdivision  
9 with the power to levy taxes (except a school district having  
10 a population of fewer than 500,000) is hereby authorized and  
11 empowered to increase its annual tax levy above the  
12 limitation now or hereafter otherwise authorized by law, by  
13 the amount necessary to meet the cost of its participation in  
14 the Federal Medicare Program, including any share of the cost  
15 of participation of an instrumentality or entity described in  
16 subsection (b) or (c) of Section 21-102.8 for which the  
17 political subdivision is responsible, without regard to  
18 whether such participation is mandatory or optional, and  
19 without regard to whether the political subdivision has come  
20 under the provisions of this Article for purposes of  
21 participation in the Federal Social Security Insurance  
22 Program.

23 (b) The payment of medicare taxes to the State Agency  
24 shall be made in the same manner and under the same  
25 conditions as are set forth in Section 21-109 for payment of  
26 Social Security contributions, except that the State Agency  
27 may designate a retirement system to assume responsibility to  
28 the State Agency for the compiling of wage data, the  
29 collection of medicare taxes, and the timely reporting and  
30 payment of such items for specified persons under mandatory  
31 or optional medicare coverage, regardless of whether such  
32 retirement system has entered into a coverage agreement for  
33 Social Security coverage pursuant to Section 21-105.

1 (c) The penalty and audit provisions of Sections 21-112,  
2 21-113 and 21-114 shall apply to the failure or refusal to  
3 make timely and correct payments of medicare taxes or reports  
4 of wages in accordance with State Agency regulations.

5 (Source: P.A. 84-1472.)

6 Section 25-10. The School Code is amended by changing  
7 Sections 2-3.77, 10-22.31, 10-22.44, 11A-15, 17-2, 17-2.2c,  
8 17-2.11, 17-2C, 17-3, 17-3.2, 17-3.4, 17-7, 17-8, 17-9,  
9 17-11, 17-12, 17-16, 19-30, 19-31, 20-1, 20-2, 20-3, 20-4,  
10 20-5, 20-6, 20-7, 35-5, 35-7, and 35-25, by changing the  
11 heading of Article 20, and by adding Sections 17-1.10,  
12 17-1.15, and 20-10 as follows:

13 (105 ILCS 5/2-3.77) (from Ch. 122, par. 2-3.77)

14 Sec. 2-3.77. Temporary relocation expenses.

15 (a) The State Board of Education may distribute loan or  
16 grant moneys appropriated for temporary relocation expenses  
17 incurred by school districts as a result of fires,  
18 earthquakes, tornados, or other natural or man-made disasters  
19 which destroy school buildings, or as a result of the  
20 condemnation of a school building under Section 3-14.22. The  
21 State Board of Education shall by rule prescribe those  
22 expenses which qualify as temporary relocation expenses and  
23 the manner of determining and reporting the same, provided  
24 that such expenses shall be deemed to include amounts  
25 reasonably required to be expended for the lease, rental, and  
26 renovation of educational facilities and for additional  
27 transportation and other expenses directly associated with  
28 the temporary relocation and housing of the normal  
29 operations, activities, and affairs of a school district.

30 (b) Except as provided in subsection (c), no moneys  
31 appropriated to the State Board of Education for purposes of  
32 distribution in accordance with the provisions of this

1 Section shall be distributed to any school district unless  
2 the school board of such district, as an express condition of  
3 any such distribution, agrees ~~to levy the tax provided for by~~  
4 ~~Section 17-2.2e at the maximum rate permitted thereunder--and~~  
5 to pay to the State of Illinois for deposit in the Temporary  
6 Relocation Expenses Revolving Grant Fund ~~(i) all proceeds--of~~  
7 ~~such--tax--attributable to the first year and succeeding years~~  
8 ~~for which the tax is levied--after--moneys--appropriated--for~~  
9 ~~purposes--of this Section have been distributed to the school~~  
10 ~~district,~~ ~~--and--(ii)~~ all insurance proceeds which become  
11 payable to the district under those provisions of any  
12 contract or policy of insurance which provide reimbursement  
13 for or other coverage against loss with respect to any  
14 temporary relocation expenses of the school district;  
15 provided, that the aggregate ~~--of--any--tax--and~~ insurance  
16 proceeds paid by the school district to the State pursuant to  
17 this Section shall not exceed in amount the moneys  
18 distributed to the school district pursuant to this Section.

19 (c) The State Board of Education may, from  
20 appropriations made for this purpose from the Temporary  
21 Relocation Expenses Revolving Grant Fund, make grants that do  
22 not require repayment to school districts that qualify for  
23 temporary relocation assistance under this Section to the  
24 extent that the amount of temporary relocation expenses  
25 incurred by a district exceeds the amount that the district  
26 is able to repay to the State through insurance proceeds ~~and~~  
27 ~~the tax levy authorized in Section 17-2.2e.~~

28 (d) The Temporary Relocation Expenses Revolving Grant  
29 Fund is hereby established as a special fund within the State  
30 treasury. Appropriations and amounts that school districts  
31 repay to the State under subsection (b) of this Section shall  
32 be deposited into that Fund. If the balance in that Fund  
33 exceeds \$3,000,000, the excess shall be transferred into the  
34 General Revenue Fund.



1 (e) The State Board of Education shall promulgate such  
2 rules and regulations, not inconsistent with the provisions  
3 of this Section, as are necessary to provide for the  
4 distribution of loan and grant moneys and for the repayment  
5 of loan moneys distributed pursuant to this Section.

6 (Source: P.A. 90-464, eff. 8-17-97.)

7 (105 ILCS 5/10-22.31) (from Ch. 122, par. 10-22.31)

8 Sec. 10-22.31. Special education.

9 (a) To enter into joint agreements with other school  
10 boards to provide the needed special educational facilities  
11 and to employ a director and other professional workers as  
12 defined in Section 14-1.10 and to establish facilities as  
13 defined in Section 14-1.08 for the types of children  
14 described in Sections 14-1.02 through 14-1.07. The director  
15 (who may be employed under a multi-year contract as provided  
16 in subsection (c) of this Section) and other professional  
17 workers may be employed by one district, which shall be  
18 reimbursed on a mutually agreed basis by other districts that  
19 are parties to the joint agreement. Such agreements may  
20 provide that one district may supply professional workers for  
21 a joint program conducted in another district. Such  
22 agreement shall provide that any full-time school  
23 psychologist who is employed by a joint agreement program and  
24 spends over 50% of his or her time in one school district  
25 shall not be required to work a different teaching schedule  
26 than the other school psychologists in that district. Such  
27 agreement shall include, but not be limited to, provisions  
28 for administration, staff, programs, financing, housing,  
29 transportation, an advisory body, and the withdrawal of  
30 districts from the joint agreement. Except as otherwise  
31 provided in Section 10-22.31.1, the withdrawal of districts  
32 from the joint agreement shall be by petition to the regional  
33 board of school trustees. Such agreement may be amended at

1 any time as provided in the joint agreement or, if the joint  
2 agreement does not so provide, then such agreement may be  
3 amended at any time upon the adoption of concurring  
4 resolutions by the school boards of all member districts. A  
5 fully executed copy of any such agreement or amendment  
6 entered into on or after January 1, 1989 shall be filed with  
7 the State Board of Education. Such petitions for withdrawal  
8 shall be made to the regional board of school trustees of all  
9 counties having jurisdiction over one or more of the  
10 districts in the joint agreement. Upon receipt of a petition  
11 for withdrawal, the regional boards of school trustees having  
12 jurisdiction over the cooperating districts shall publish  
13 notice of and conduct a joint hearing on the issue as  
14 provided in Section 7-6. No such petition may be considered,  
15 however, unless in compliance with Section 7-8. If approved  
16 by a 2/3 vote of all trustees of those regional boards, at a  
17 joint meeting, the withdrawal takes effect as provided in  
18 Section 7-9 of this Act.

19 (b) To either (1) designate an administrative district  
20 to act as fiscal and legal agent for the districts that are  
21 parties to the joint agreement, or (2) designate a governing  
22 board composed of one member of the school board of each  
23 cooperating district and designated by such boards to act in  
24 accordance with the joint agreement. No such governing board  
25 may levy taxes and no such governing board may incur any  
26 indebtedness except within an annual budget for the joint  
27 agreement approved by the governing board and by the boards  
28 of at least a majority of the cooperating school districts or  
29 a number of districts greater than a majority if required by  
30 the joint agreement. The governing board may appoint an  
31 executive board of at least 7 members to administer the joint  
32 agreement in accordance with its terms. However, if 7 or more  
33 school districts are parties to a joint agreement that does  
34 not have an administrative district: (i) at least a majority

1 of the members appointed by the governing board to the  
2 executive board shall be members of the school boards of the  
3 cooperating districts; or (ii) if the governing board wishes  
4 to appoint members who are not school board members, they  
5 shall be superintendents from the cooperating districts.

6 (c) To employ a director of a joint agreement program  
7 under a multi-year contract. No such contract can be offered  
8 or accepted for less than or more than 3 years, except for a  
9 person serving as a director of a special education joint  
10 agreement for the first time in Illinois. In such a case,  
11 the initial contract shall be for a 2 year period. Such  
12 contract may be discontinued at any time by mutual agreement  
13 of the contracting parties, or may be extended for an  
14 additional 3 years at the end of any year.

15 The contract year is July 1 through the following June  
16 30th, unless the contract specifically provides otherwise.  
17 Notice of intent not to renew a contract when given by a  
18 controlling board or administrative district must be in  
19 writing stating the specific reason therefor. Notice of  
20 intent not to renew the contract must be given by the  
21 controlling board or the administrative district at least 90  
22 days before the contract expires. Failure to do so will  
23 automatically extend the contract for one additional year.

24 By accepting the terms of the multi-year contract, the  
25 director of a special education joint agreement waives all  
26 rights granted under Sections 24-11 through 24-16 for the  
27 duration of his or her employment as a director of a special  
28 education joint agreement.

29 (d) To designate a district that is a party to the joint  
30 agreement as the issuer of bonds or notes for the purposes  
31 and in the manner provided in this Section. It is not  
32 necessary for such district to also be the administrative  
33 district for the joint agreement, nor is it necessary for the  
34 same district to be designated as the issuer of all series of

1 bonds or notes issued hereunder. Any district so designated  
2 may, from time to time, borrow money and, in evidence of its  
3 obligation to repay the borrowing, issue its negotiable bonds  
4 or notes for the purpose of acquiring, constructing,  
5 altering, repairing, enlarging and equipping any building or  
6 portion thereof, together with any land or interest therein,  
7 necessary to provide special educational facilities and  
8 services as defined in Section 14-1.08. Title in and to any  
9 such facilities shall be held in accordance with the joint  
10 agreement.

11 Any such bonds or notes shall be authorized by a  
12 resolution of the board of education of the issuing district.  
13 The resolution may contain such covenants as may be deemed  
14 necessary or advisable by the district to assure the payment  
15 of the bonds or notes. The resolution shall be effective  
16 immediately upon its adoption.

17 Prior to the issuance of such bonds or notes, each school  
18 district that is a party to the joint agreement shall agree,  
19 whether by amendment to the joint agreement or by resolution  
20 of the board of education, to be jointly and severally liable  
21 for the payment of the bonds and notes. The bonds or notes  
22 shall be payable solely and only from the payments made  
23 pursuant to such agreement.

24 Neither the bonds or notes nor the obligation to pay the  
25 bonds or notes under any joint agreement shall constitute an  
26 indebtedness of any district, including the issuing district,  
27 within the meaning of any constitutional or statutory  
28 limitation.

29 As long as any bonds or notes are outstanding and unpaid,  
30 the agreement by a district to pay the bonds and notes shall  
31 be irrevocable notwithstanding the district's withdrawal from  
32 membership in the joint special education program.

33 (e) If a district whose employees are on strike was,  
34 prior to the strike, sending students with disabilities to

1 special educational facilities and services in another  
2 district or cooperative, the district affected by the strike  
3 shall continue to send such students during the strike and  
4 shall be eligible to receive appropriate State reimbursement.

5 (f) With respect to those joint agreements that have a  
6 governing board composed of one member of the school board of  
7 each cooperating district and designated by those boards to  
8 act in accordance with the joint agreement, the governing  
9 board shall have, in addition to its other powers under this  
10 Section, the authority to issue bonds or notes for the  
11 purposes and in the manner provided in this subsection. The  
12 governing board of the joint agreement may from time to time  
13 borrow money and, in evidence of its obligation to repay the  
14 borrowing, issue its negotiable bonds or notes for the  
15 purpose of acquiring, constructing, altering, repairing,  
16 enlarging and equipping any building or portion thereof,  
17 together with any land or interest therein, necessary to  
18 provide special educational facilities and services as  
19 defined in Section 14-1.08 and including also facilities for  
20 activities of administration and educational support  
21 personnel employees. Title in and to any such facilities  
22 shall be held in accordance with the joint agreement.

23 Any such bonds or notes shall be authorized by a  
24 resolution of the governing board. The resolution may  
25 contain such covenants as may be deemed necessary or  
26 advisable by the governing board to assure the payment of the  
27 bonds or notes and interest accruing thereon. The resolution  
28 shall be effective immediately upon its adoption.

29 Each school district that is a party to the joint  
30 agreement shall be automatically liable, by virtue of its  
31 membership in the joint agreement, for its proportionate  
32 share of the principal amount of the bonds and notes plus  
33 interest accruing thereon, as provided in the resolution.  
34 Subject to the joint and several liability hereinafter

1 provided for, the resolution may provide for different  
2 payment schedules for different districts except that the  
3 aggregate amount of scheduled payments for each district  
4 shall be equal to its proportionate share of the debt service  
5 in the bonds or notes based upon the fraction that its  
6 equalized assessed valuation bears to the total equalized  
7 assessed valuation of all the district members of the joint  
8 agreement as adjusted in the manner hereinafter provided. In  
9 computing that fraction the most recent available equalized  
10 assessed valuation at the time of the issuance of the bonds  
11 and notes shall be used, and the equalized assessed valuation  
12 of any district maintaining grades K to 12 shall be doubled  
13 in both the numerator and denominator of the fraction used  
14 for all of the districts that are members of the joint  
15 agreement. In case of default in payment by any member, each  
16 school district that is a party to the joint agreement shall  
17 automatically be jointly and severally liable for the amount  
18 of any deficiency. The bonds or notes and interest thereon  
19 shall be payable solely and only from the funds made  
20 available pursuant to the procedures set forth in this  
21 subsection. No project authorized under this subsection may  
22 require an annual contribution for bond payments from any  
23 member district in excess of 0.15% of the value of taxable  
24 property as equalized or assessed by the Department of  
25 Revenue in the case of districts maintaining grades K-8 or  
26 9-12 and 0.30% of the value of taxable property as equalized  
27 or assessed by the Department of Revenue in the case of  
28 districts maintaining grades K-12. This limitation on taxing  
29 authority is expressly applicable to taxing authority  
30 provided under Section 17-9 and other applicable Sections of  
31 this Act. Nothing contained in this subsection shall be  
32 construed as an exception to the property tax limitations  
33 contained in Section 17-2~~7~~--17-2.2a~~7~~--17-5~~7~~ or any other  
34 applicable Section of this Code Act.

1 Neither the bonds or notes nor the obligation to pay the  
2 bonds or notes under any joint agreement shall constitute an  
3 indebtedness of any district within the meaning of any  
4 constitutional or statutory limitation.

5 As long as any bonds or notes are outstanding and unpaid,  
6 the obligation of a district to pay its proportionate share  
7 of the principal of and interest on the bonds and notes as  
8 required in this Section shall be a general obligation of the  
9 district payable from any and all sources of revenue  
10 designated for that purpose by the board of education of the  
11 district and shall be irrevocable notwithstanding the  
12 district's withdrawal from membership in the joint special  
13 education program.

14 (Source: P.A. 89-397, eff. 8-20-95; 89-613, eff. 8-9-96;  
15 89-626, eff. 8-9-96; 90-103, eff. 7-11-97; 90-515, eff.  
16 8-22-97; 90-637, eff. 7-24-98; 90-655, eff. 7-30-98.)

17 (105 ILCS 5/10-22.44) (from Ch. 122, par. 10-22.44)

18 Sec. 10-22.44. To transfer the interest earned from any  
19 moneys of the district in the respective fund of the district  
20 that is most in need of such interest income, as determined  
21 by the board. This Section does not apply to any interest  
22 earned which has been earmarked or restricted by the board  
23 for a designated purpose. This Section does not apply to any  
24 interest earned on any funds for purposes of Illinois  
25 Municipal Retirement under the Pension Code, Tort Immunity  
26 under the Local Governmental and Governmental Employees Tort  
27 Immunity Act, and Fire Prevention, Safety, Energy  
28 Conservation and School Security Purposes under Section  
29 17-2.11, ~~and Capital Improvements under Section 17-2.3.~~  
30 Interest earned on these exempted funds shall be used only  
31 for the purposes authorized for the respective exempted funds  
32 from which the interest earnings were derived.

33 (Source: P.A. 87-984.)

1 (105 ILCS 5/11A-15) (from Ch. 122, par. 11A-15)

2 Sec. 11A-15. Joint agreement vocational education  
3 program. Whenever a community unit school district is  
4 established under the provisions of this Act and more than  
5 50% of the territory of such community unit school district  
6 is territory which immediately prior to its inclusion in such  
7 community unit school district was included in a high school  
8 district or districts which were signatories under the same  
9 joint agreement vocational educational project, pursuant to  
10 the provisions of this Act, then any such community unit  
11 school district shall upon its establishment be deemed to be  
12 a member and signatory to any such joint agreement and--shall  
13 ~~also--have--the--right--to--continue--to--extend--any--previous~~  
14 ~~authority--to--levy--a--tax--under--Section--17-2.4.~~ In those  
15 instances, however, where more than 50% of the territory of  
16 any community unit school district was not immediately prior  
17 to its establishment included within the territory of any  
18 such high school district which was a signatory to the same  
19 joint agreement vocational educational program, then any such  
20 community unit school district shall not be deemed upon its  
21 establishment to be a signatory to any such joint agreement  
22 ~~nor--shall--such--community-unit-school-district-be-deemed-to~~  
23 ~~have--the--special--tax--levy--rights--under--Section--17-2.4--of--this~~  
24 ~~Act.~~ Nothing herein shall be deemed to forbid such community  
25 unit school district from subsequently joining any such joint  
26 agreement vocational education program and--to--thereafter--levy  
27 ~~a--tax--under--Section--17-2.4--of--this--Act--by--following--the~~  
28 ~~provisions--of--such--Section.~~ In the event any such community  
29 unit school district should subsequently join any such joint  
30 agreement vocational education program, it shall be entitled  
31 to a fair credit, as computed by the State Board of  
32 Education, for any capital contributions previously made to  
33 such joint agreement vocational education program from taxes  
34 levied against the assessed valuation of property situated in



1 any part of the territory included within any such community  
2 unit school district.

3 (Source: P.A. 83-686.)

4 (105 ILCS 5/17-1.10 new)

5 Section 17-1.10. References to educational purpose tax,  
6 operations and maintenance purposes tax, or transportation  
7 purposes tax. For tax years 2002 and thereafter, if involving  
8 a school district having a population of less than 500,000  
9 inhabitants, references to a school district's educational  
10 purposes tax, operations and maintenance purposes tax, or  
11 transportation purposes tax under this Code or any other law  
12 of this State shall be deemed to refer to that district's  
13 general educational purposes tax.

14 (105 ILCS 5/17-1.15 new)

15 Sec. 17-1.15. References to educational fund. If  
16 involving a school district having a population of less than  
17 500,000 inhabitants, references to a school district's  
18 educational fund under this Code or any other law of this  
19 State shall be deemed to refer to that district's general  
20 educational fund.

21 (105 ILCS 5/17-2) (from Ch. 122, par. 17-2)

22 Sec. 17-2. Tax levies; purposes; rates. Except as  
23 otherwise provided in Articles 12 and 13 of this Act, the  
24 following maximum rates shall apply to all taxes levied after  
25 the effective date of this amendatory Act of the 93rd General  
26 Assembly August-10-1965, in districts having a population of  
27 less than 500,000 inhabitants, including those districts  
28 organized under Article 11 of the School Code. The school  
29 board of any district having a population of less than  
30 500,000 inhabitants may levy a tax annually, at not to exceed  
31 the maximum rates and for the specified purposes, upon all

1 the taxable property of the district at the value, as  
2 equalized or assessed by the Department of Revenue as  
3 follows:

4 (1) Districts maintaining only grades 1 through 8,  
5 1.36% for general educational purposes.

6 (2) Districts maintaining only grades 9 through 12,  
7 1.36% for general educational purposes.

8 (3) Districts maintaining grades kindergarten  
9 through 12, 2.63% for general educational purposes.

10 (1)--districts--maintaining--only--grades--1--through--8,  
11 .92%--for--educational--purposes--and--.25%--for--operations--and  
12 maintenance--purposes;

13 (2)--districts--maintaining--only--grades--9--through--12,  
14 .92%--for--educational--purposes--and--.25%--for--operations--and  
15 maintenance--purposes;

16 (3)--districts--maintaining--grades--1--through--12,  
17 1.63%--for--the--1985--86--school--year,  
18 1.68%--for--the--1986--87  
19 school--year,  
20 1.75%--for--the--1987--88--school--year--and--1.84%  
21 for--the--1988--89--school--year--and--thereafter--for  
22 educational--purposes--and--.405%--for--the--1989--90--school  
23 year,  
24 .435%--for--the--1990--91--school--year,  
25 .465%--for--the  
26 1991--92--school--year,  
27 and--.50%--for--the--1992--93--school--year  
28 and--thereafter--for--operations--and--maintenance--purposes;

29 (4)--all--districts,  
30 .75%--for--capital--improvement  
31 purposes--(which--is--in--addition--to--the--levy--for--operations  
32 and--maintenance--purposes),  
33 which--tax--is--to--be--levied,  
34 accumulated--for--not--more--than--6--years,  
and--spent--for  
capital--improvement--purposes--(including--but--not--limited  
to--the--construction--of--a--new--school--building--or--buildings  
or--the--purchase--of--school--grounds--on--which--any--new--school  
building--is--to--be--constructed--or--located,  
or--both)--only  
in--accordance--with--Section--17-2.3--of--this--Act;

(5)--districts--maintaining--only--grades--1--through--8,  
.12%--for--transportation--purposes,  
provided--that--districts

1 maintaining only grades kindergarten through 8 which have  
2 an enrollment of at least 2600 students may levy, subject  
3 to Section 17-2.2, at not to exceed a maximum rate of  
4 .20% for transportation purposes for any school year in  
5 which the number of students requiring transportation in  
6 the district exceeds by at least 2% the number of  
7 students requiring transportation in the district during  
8 the preceding school year, as verified in the district's  
9 claim for pupil transportation and reimbursement and as  
10 certified by the State Board of Education to the county  
11 clerk of the county in which such district is located not  
12 later than November 15 following the submission of such  
13 claim; districts maintaining only grades 9 through 12,  
14 .12% for transportation purposes; and districts  
15 maintaining grades 1 through 12, .14% for the 1985-86  
16 school year, .16% for the 1986-87 school year, .18% for  
17 the 1987-88 school year and .20% for the 1988-89 school  
18 year and thereafter, for transportation purposes;

19 (6) districts providing summer classes, .15% for  
20 educational purposes, subject to Section 17-2.1 of this  
21 Act.

22 Whenever any special charter school district operating  
23 grades 1 through 12, has organized or shall organize under  
24 the general school law, the district so organized may  
25 continue to levy taxes at not to exceed the rate at which  
26 taxes were last actually extended by the special charter  
27 district, except that if such rate at which taxes were last  
28 actually extended by such special charter district was less  
29 than the maximum rate for districts maintaining grades 1  
30 through 12 authorized under this Section, such special  
31 charter district nevertheless may levy taxes at a rate not to  
32 exceed the maximum rate for districts maintaining grades 1  
33 through 12 authorized under this Section, and except that if  
34 any such district maintains only grades 1 through 8, the

1 board may levy, for general educational purposes, at a rate  
2 not to exceed the maximum rate for elementary districts  
3 authorized under this Section.

4 Whenever 2 or more school districts reorganize pursuant  
5 to Article 11A or 11B of this Code into a district  
6 maintaining grades kindergarten through 12, the newly formed  
7 district may levy a tax annually, for general educational  
8 purposes, at a rate not to exceed 2.67% upon all the taxable  
9 property of the district at the value as equalized or  
10 assessed by the Department of Revenue.

11 Maximum rates before or after established in excess of  
12 those prescribed shall not be affected by the amendatory Act  
13 of 1965.

14 (Source: P.A. 87-984; 87-1023; 88-45.)

15 (105 ILCS 5/17-2.2c) (from Ch. 122, par. 17-2.2c)

16 Sec. 17-2.2c. Tax for leasing educational facilities or  
17 computer technology or both, ~~and for temporary relocation~~  
18 ~~expense purposes.~~ The school board of any district, by  
19 proper resolution, may levy an annual tax, in addition to any  
20 other taxes and not subject to the limitations specified  
21 elsewhere in this Article, not to exceed .05% upon the value  
22 of the taxable property as equalized or assessed by the  
23 Department of Revenue, for the purpose of leasing educational  
24 facilities or computer technology or both, ~~and in order to~~  
25 ~~repay the State all moneys distributed to it for temporary~~  
26 ~~relocation expenses of the district, may levy an annual tax~~  
27 ~~not to exceed .05% upon the value of the taxable property as~~  
28 ~~equalized or assessed by the Department of Revenue for a~~  
29 ~~period not to exceed 7 years for the purpose of providing for~~  
30 ~~the repayment of moneys distributed for temporary relocation~~  
31 ~~expenses of the school district pursuant to Section 2-3-77.~~

32 Whenever 2 or more school districts reorganize pursuant  
33 to Article 11A or 11B of this Code into a district

1 maintaining grades kindergarten through 12, the newly formed  
2 district may levy a tax annually, for leasing purposes, at a  
3 rate not to exceed 0.10% upon all the taxable property of the  
4 district at the value as equalized or assessed by the  
5 Department of Revenue.

6 The tax rate limit specified by this Section with respect  
7 to an annual tax levied for the purpose of leasing  
8 educational facilities or computer technology or both may be  
9 increased to .10% upon the approval of a proposition to  
10 effect such increase by a majority of the electors voting on  
11 that proposition at a regular scheduled election. Such  
12 proposition may be initiated by resolution of the school  
13 board and shall be certified by the secretary to the proper  
14 election authorities for submission in accordance with the  
15 general election law.

16 The district is authorized to pledge any tax levied  
17 pursuant to this Section for the purpose of leasing  
18 educational facilities or computer technology or both to  
19 secure the payment of any lease, lease-purchase agreement, or  
20 installment purchase agreement entered into by the district  
21 for such purpose.

22 For the purposes of this Section, "leasing of educational  
23 facilities or computer technology or both" includes any  
24 payment with respect to a lease, lease-purchase agreement, or  
25 installment purchase agreement to acquire or use buildings,  
26 rooms, grounds, and appurtenances to be used by the district  
27 for the use of schools or for school administration purposes  
28 and all equipment, fixtures, renovations, and improvements to  
29 existing facilities of the district necessary to accommodate  
30 computers, as well as computer hardware and software.

31 Any school district may abolish or abate its fund for  
32 leasing educational facilities or computer technology or both  
33 ~~and--for--temporary--relocation--expense--purposes~~ upon the  
34 adoption of a resolution so providing and upon a

1 determination by the school board that the moneys in the fund  
2 are no longer needed for leasing educational facilities or  
3 computer technology or both ~~or--for--temporary-relocation~~  
4 ~~expense-purposes~~. The resolution shall direct the transfer  
5 of any balance in the fund to another school district fund or  
6 funds immediately upon the resolution taking effect.  
7 Thereafter, any outstanding taxes of the school district  
8 levied pursuant to this Section shall be collected and paid  
9 into the fund or funds as directed by the school board.  
10 Nothing in this Section shall prevent a school district that  
11 has abolished or abated the fund from again creating a fund  
12 for leasing educational facilities ~~and--for--temporary~~  
13 ~~relocation-expense~~ purposes in the manner provided in this  
14 Section.

15 (Source: P.A. 89-106, eff. 7-7-95; 90-97, eff. 7-11-97;  
16 90-464, eff. 8-17-97; 90-655, eff. 7-30-98.)

17 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)  
18 Sec. 17-2.11. School board power to levy a tax or to  
19 borrow money and issue bonds for fire prevention, safety,  
20 energy conservation, disabled accessibility, school security,  
21 and specified repair purposes. Whenever, as a result of any  
22 lawful order of any agency, other than a school board, having  
23 authority to enforce any school building code applicable to  
24 any facility that houses students, or any law or regulation  
25 for the protection and safety of the environment, pursuant to  
26 the Environmental Protection Act, any school district having  
27 a population of less than 500,000 inhabitants is required to  
28 alter or reconstruct any school building or permanent, fixed  
29 equipment; or whenever any such district determines that it  
30 is necessary for energy conservation purposes that any school  
31 building or permanent, fixed equipment should be altered or  
32 reconstructed and that such alterations or reconstruction  
33 will be made with funds not necessary for the completion of

1 approved and recommended projects contained in any safety  
2 survey report or amendments thereto authorized by Section  
3 2-3.12 of this Act; or whenever any such district determines  
4 that it is necessary for disabled accessibility purposes and  
5 to comply with the school building code that any school  
6 building or equipment should be altered or reconstructed and  
7 that such alterations or reconstruction will be made with  
8 funds not necessary for the completion of approved and  
9 recommended projects contained in any safety survey report or  
10 amendments thereto authorized under Section 2-3.12 of this  
11 Act; or whenever any such district determines that it is  
12 necessary for school security purposes and the related  
13 protection and safety of pupils and school personnel that any  
14 school building or property should be altered or  
15 reconstructed or that security systems and equipment  
16 (including but not limited to intercom, early detection and  
17 warning, access control and television monitoring systems)  
18 should be purchased and installed, and that such alterations,  
19 reconstruction or purchase and installation of equipment will  
20 be made with funds not necessary for the completion of  
21 approved and recommended projects contained in any safety  
22 survey report or amendment thereto authorized by Section  
23 2-3.12 of this Act and will deter and prevent unauthorized  
24 entry or activities upon school property by unknown or  
25 dangerous persons, assure early detection and advance warning  
26 of any such actual or attempted unauthorized entry or  
27 activities and help assure the continued safety of pupils and  
28 school staff if any such unauthorized entry or activity is  
29 attempted or occurs; or if a school district does not need  
30 funds for other fire prevention and safety projects,  
31 including the completion of approved and recommended projects  
32 contained in any safety survey report or amendments thereto  
33 authorized by Section 2-3.12 of this Act, and it is  
34 determined after a public hearing (which is preceded by at

1 least one published notice (i) occurring at least 7 days  
2 prior to the hearing in a newspaper of general circulation  
3 within the school district and (ii) setting forth the time,  
4 date, place, and general subject matter of the hearing) that  
5 there is a substantial, immediate, and otherwise unavoidable  
6 threat to the health, safety, or welfare of pupils due to  
7 disrepair of school sidewalks, playgrounds, parking lots, or  
8 school bus turnarounds and repairs must be made: then in any  
9 such event, such district may, by proper resolution, levy a  
10 tax for the purpose of making such alteration or  
11 reconstruction, based on a survey report by an architect or  
12 engineer licensed in the State of Illinois, upon all the  
13 taxable property of the district at the value as assessed by  
14 the Department of Revenue at a rate not to exceed .05% per  
15 year for a period sufficient to finance such alterations,  
16 repairs, or reconstruction, upon the following conditions:

17 (a) When there are not sufficient funds available  
18 in either the operations and maintenance fund of the  
19 district or the fire prevention and safety fund of the  
20 district as determined by the district on the basis of  
21 regulations adopted by the State Board of Education to  
22 make such alterations, repairs, or reconstruction, or to  
23 purchase and install such permanent fixed equipment so  
24 ordered or determined as necessary. Appropriate school  
25 district records shall be made available to the State  
26 Superintendent of Education upon request to confirm such  
27 insufficiency.

28 (b) When a certified estimate of an architect or  
29 engineer licensed in the State of Illinois stating the  
30 estimated amount necessary to make the alterations or  
31 repairs, or to purchase and install such equipment so  
32 ordered has been secured by the district, and the  
33 estimate has been approved by the regional superintendent  
34 of schools, having jurisdiction of the district, and the



1 State Superintendent of Education. Approval shall not be  
2 granted for any work that has already started without the  
3 prior express authorization of the State Superintendent  
4 of Education. If such estimate is not approved or denied  
5 approval by the regional superintendent of schools within  
6 3 months after the date on which it is submitted to him  
7 or her, the school board of the district may submit such  
8 estimate directly to the State Superintendent of  
9 Education for approval or denial.

10 Whenever 2 or more school districts reorganize pursuant  
11 to Article 11A or 11B of this Code into a district  
12 maintaining grades kindergarten through 12, the newly formed  
13 district may levy a tax annually, for fire prevention,  
14 safety, energy conservation, disabled accessibility, school  
15 security, and specified repair purposes, at a rate not to  
16 exceed 0.10% upon all the taxable property of the district at  
17 the value as equalized or assessed by the Department of  
18 Revenue.

19 For purposes of this Section a school district may  
20 replace a school building or build additions to replace  
21 portions of a building when it is determined that the  
22 effectuation of the recommendations for the existing building  
23 will cost more than the replacement costs. Such  
24 determination shall be based on a comparison of estimated  
25 costs made by an architect or engineer licensed in the State  
26 of Illinois. The new building or addition shall be  
27 equivalent in area (square feet) and comparable in purpose  
28 and grades served and may be on the same site or another  
29 site. Such replacement may only be done upon order of the  
30 regional superintendent of schools and the approval of the  
31 State Superintendent of Education.

32 The filing of a certified copy of the resolution levying  
33 the tax when accompanied by the certificates of the regional  
34 superintendent of schools and State Superintendent of

1 Education shall be the authority of the county clerk to  
2 extend such tax.

3 The county clerk of the county in which any school  
4 district levying a tax under the authority of this Section is  
5 located, in reducing raised levies, shall not consider any  
6 such tax as a part of the general levy for school purposes  
7 and shall not include the same in the limitation of any other  
8 tax rate which may be extended.

9 Such tax shall be levied and collected in like manner as  
10 all other taxes of school districts, subject to the  
11 provisions contained in this Section.

12 The tax rate limit specified in this Section may be  
13 increased to .10% upon the approval of a proposition to  
14 effect such increase by a majority of the electors voting on  
15 that proposition at a regular scheduled election. Such  
16 proposition may be initiated by resolution of the school  
17 board and shall be certified by the secretary to the proper  
18 election authorities for submission in accordance with the  
19 general election law.

20 When taxes are levied by any school district for fire  
21 prevention, safety, energy conservation, and school security  
22 purposes as specified in this Section, and the purposes for  
23 which the taxes have been levied are accomplished and paid in  
24 full, and there remain funds on hand in the Fire Prevention  
25 and Safety Fund from the proceeds of the taxes levied,  
26 including interest earnings thereon, the school board by  
27 resolution shall use such excess and other board restricted  
28 funds excluding bond proceeds and earnings from such proceeds  
29 ~~{1}~~ for other authorized fire prevention, safety, energy  
30 conservation, and school security purposes ~~or--(2)---for~~  
31 ~~transfer--to--the--Operations--and--Maintenance--Fund--for--the~~  
32 ~~purpose--of--abating--an--equal--amount--of--operations---and~~  
33 ~~maintenance--purposes--taxes.--If--any--transfer--is--made--to--the~~  
34 ~~Operation--and--Maintenance--Fund,--the--secretary--of--the--school~~

1 board--shall--within--30--days--notify--the--county--clerk--of--the  
2 amount--of--that--transfer--and--direct--the--clerk--to--abate--the  
3 taxes--to--be--extended--for--the--purposes--of--operations--and  
4 maintenance--authorized--under--Section--17--2--of--this--Act--by--an  
5 amount--equal--to--such--transfer.

6 If the proceeds from the tax levy authorized by this  
7 Section are insufficient to complete the work approved under  
8 this Section, the school board is authorized to sell bonds  
9 without referendum under the provisions of this Section in an  
10 amount that, when added to the proceeds of the tax levy  
11 authorized by this Section, will allow completion of the  
12 approved work.

13 Such bonds shall bear interest at a rate not to exceed  
14 the maximum rate authorized by law at the time of the making  
15 of the contract, shall mature within 20 years from date, and  
16 shall be signed by the president of the school board and the  
17 treasurer of the school district.

18 In order to authorize and issue such bonds, the school  
19 board shall adopt a resolution fixing the amount of bonds,  
20 the date thereof, the maturities thereof, rates of interest  
21 thereof, place of payment and denomination, which shall be in  
22 denominations of not less than \$100 and not more than \$5,000,  
23 and provide for the levy and collection of a direct annual  
24 tax upon all the taxable property in the school district  
25 sufficient to pay the principal and interest on such bonds to  
26 maturity. Upon the filing in the office of the county clerk  
27 of the county in which the school district is located of a  
28 certified copy of the resolution, it is the duty of the  
29 county clerk to extend the tax therefor in addition to and in  
30 excess of all other taxes heretofore or hereafter authorized  
31 to be levied by such school district.

32 After the time such bonds are issued as provided for by  
33 this Section, if additional alterations or reconstructions  
34 are required to be made because of surveys conducted by an

1 architect or engineer licensed in the State of Illinois, the  
2 district may levy a tax at a rate not to exceed .05% per year  
3 upon all the taxable property of the district or issue  
4 additional bonds, whichever action shall be the most  
5 feasible.

6 This Section is cumulative and constitutes complete  
7 authority for the issuance of bonds as provided in this  
8 Section notwithstanding any other statute or law to the  
9 contrary.

10 With respect to instruments for the payment of money  
11 issued under this Section either before, on, or after the  
12 effective date of Public Act 86-004 (June 6, 1989), it is,  
13 and always has been, the intention of the General Assembly  
14 (i) that the Omnibus Bond Acts are, and always have been,  
15 supplementary grants of power to issue instruments in  
16 accordance with the Omnibus Bond Acts, regardless of any  
17 provision of this Act that may appear to be or to have been  
18 more restrictive than those Acts, (ii) that the provisions of  
19 this Section are not a limitation on the supplementary  
20 authority granted by the Omnibus Bond Acts, and (iii) that  
21 instruments issued under this Section within the  
22 supplementary authority granted by the Omnibus Bond Acts are  
23 not invalid because of any provision of this Act that may  
24 appear to be or to have been more restrictive than those  
25 Acts.

26 When the purposes for which the bonds are issued have  
27 been accomplished and paid for in full and there remain funds  
28 on hand from the proceeds of the bond sale and interest  
29 earnings therefrom, the board shall, by resolution, use such  
30 excess funds in accordance with the provisions of Section  
31 10-22.14 of this Act.

32 Whenever any tax is levied or bonds issued for fire  
33 prevention, safety, energy conservation, and school security  
34 purposes, such proceeds shall be deposited and accounted for

1 separately within the Fire Prevention and Safety Fund.  
2 (Source: P.A. 88-251; 88-508; 88-628, eff. 9-9-94; 88-670,  
3 eff. 12-2-94; 89-235, eff. 8-4-95; 89-397, eff. 8-20-95.)

4 (105 ILCS 5/17-2C)

5 Sec. 17-2C. Transfer from Restricted Uses Tort-Immunity  
6 Fund by financially distressed school districts. The school  
7 board of any school district that is certified under Section  
8 19-1.5 as a financially distressed school district may by  
9 resolution transfer from the Restricted Uses Tort-Immunity  
10 Fund to any other school district fund an amount of money not  
11 to exceed the lesser of \$2,500,000 or 0.6% of the value of  
12 the taxable property within the district, provided the amount  
13 transferred is not then required for the payment of any  
14 liabilities created by a settlement or a tort judgement,  
15 defense costs, or for the payment of any liabilities under  
16 the Unemployment Insurance Act, Workers' Compensation Act,  
17 Workers' Occupational Diseases Act, or risk care management  
18 programs.

19 (Source: P.A. 91-357, eff. 7-29-99.)

20 (105 ILCS 5/17-3) (from Ch. 122, par. 17-3)

21 Sec. 17-3. Additional levies-Submission to voters. The  
22 school board in any district having a population of less than  
23 500,000 inhabitants may, by proper resolution, cause a  
24 proposition to increase, for a limited period of not less  
25 than 3 nor more than 10 years or for an unlimited period, the  
26 annual tax rate for general educational purposes to be  
27 submitted to the voters of such district at a regular  
28 scheduled election as follows:

29 (1) in districts maintaining grades 1 through 8, or  
30 grades 9 through 12, the maximum rate for educational  
31 purposes shall not exceed 5.10% 3.5% of the value as  
32 equalized or assessed by the Department of Revenue;

1 (2) in districts maintaining grades kindergarten 1  
2 through 12 the maximum rate for general educational  
3 purposes shall not exceed 6.45%. 4.00%, except that if a  
4 single elementary district and a secondary district  
5 having boundaries that are coterminous on the effective  
6 date of this amendatory Act form a community unit  
7 district under Section 11-6, then the maximum rate for  
8 education purposes for such district shall not exceed  
9 6.00% of the value as equalized or assessed by the  
10 Department of Revenue.

11 If the resolution of the school board seeks to increase  
12 the annual tax rate for educational purposes for a limited  
13 period of not less than 3 nor more than 10 years, the  
14 proposition shall so state and shall identify the years for  
15 which the tax increase is sought.

16 If a majority of the votes cast on the proposition is in  
17 favor thereof at an election for which the election  
18 authorities have given notice either (i) in accordance with  
19 Section 12-5 of the Election Code or (ii) by publication of a  
20 true and legible copy of the specimen ballot label containing  
21 the proposition in the form in which it appeared or will  
22 appear on the official ballot label on the day of the  
23 election at least 5 days before the day of the election in at  
24 least one newspaper published in and having a general  
25 circulation in the district, the school board may thereafter,  
26 until such authority is revoked in like manner, levy annually  
27 the tax so authorized; provided that if the proposition as  
28 approved limits the increase in the annual tax rate of the  
29 district for educational purposes to a period of not less  
30 than 3 nor more than 10 years, the district may, unless such  
31 authority is sooner revoked in like manner, levy annually the  
32 tax so authorized for the limited number of years approved by  
33 a majority of the votes cast on the proposition. Upon  
34 expiration of that limited period, the rate at which the

1 district may annually levy its tax for educational purposes  
2 shall be the rate provided under Section 17-2, or the rate at  
3 which the district last levied its tax for educational  
4 purposes prior to approval of the proposition authorizing the  
5 levy of that tax at an increased rate, whichever is greater.

6 The school board shall certify the proposition to the  
7 proper election authorities in accordance with the general  
8 election law.

9 The provisions of this Section concerning notice of the  
10 tax rate increase referendum apply only to consolidated  
11 primary elections held prior to January 1, 2002 at which not  
12 less than 55% of the voters voting on the tax rate increase  
13 proposition voted in favor of the tax rate increase  
14 proposition.

15 (Source: P.A. 92-6, eff. 6-7-01.)

16 (105 ILCS 5/17-3.2) (from Ch. 122, par. 17-3.2)

17 Sec. 17-3.2. Additional or supplemental budget. Whenever  
18 the voters of a school district have voted in favor of an  
19 increase in the annual tax rate for general educational or  
20 operations and maintenance purposes or both at an election  
21 held after the adoption of the annual school budget for any  
22 fiscal year, the board may adopt or pass during that fiscal  
23 year an additional or supplemental budget under the sole  
24 authority of this Section by a vote of a majority of the full  
25 membership of the board, any other provision of this Article  
26 to the contrary notwithstanding, in and by which such  
27 additional or supplemental budget the board shall appropriate  
28 such additional sums of money as it may find necessary to  
29 defray expenses and liabilities of that district to be  
30 incurred for general educational or operations and  
31 maintenance purposes or both of the district during that  
32 fiscal year, but not in excess of the additional funds  
33 estimated to be available by virtue of such voted increase in

1 the annual tax rate for general educational ~~er-operations-and~~  
2 ~~maintenance~~ purposes ~~er-beth~~. Such additional or supplemental  
3 budget shall be regarded as an amendment of the annual school  
4 budget for the fiscal year in which it is adopted, and the  
5 board may levy the additional tax for general educational ~~er~~  
6 ~~operations-and-maintenance~~ purposes ~~er--beth~~ to equal the  
7 amount of the additional sums of money appropriated in that  
8 additional or supplemental budget, immediately.

9 (Source: P.A. 86-1334.)

10 (105 ILCS 5/17-3.4) (from Ch. 122, par. 17-3.4)

11 Sec. 17-3.4. Form of ballot and notice. ~~Except--as~~  
12 ~~otherwise--provided--under--subsection-(d)-of-Section-17-6-1,~~  
13 Whenever any proposition to authorize or to levy an annual  
14 tax, or to increase the annual rate of tax levied by any  
15 school district, for any school purpose is submitted to the  
16 voters of such district at any election, each required notice  
17 or other publication of the election or referendum and the  
18 form of ballot shall contain, in addition to any other  
19 matters required by law:

20 (a) the geographic or other common name of the  
21 school district by which that district is commonly known  
22 and referred to, as well as the number of the district;

23 (b) the maximum rate at which such tax may be  
24 levied if the proposition is approved;

25 (c) the total dollar amount of the most recently  
26 approved annual budget of the school district, what the  
27 total dollar amount of that annual budget would be if  
28 increased by the amount of additional tax which may be  
29 levied if the proposition is approved, and what would be  
30 the percentage of increase in the total dollar amount of  
31 the most recently approved annual budget of the school  
32 district if such total dollar amount were increased by  
33 the amount of additional tax which may be levied if the



1 proposition is approved; and

2 (d) if the proposition is to increase the annual rate of  
3 an existing tax levied by the school district, then in  
4 addition to the matters set forth in (a), (b) and (c) above,  
5 the annual rate at which such existing tax currently is  
6 levied and the percentage of increase between the maximum  
7 rate at which such tax may be levied if the proposition is  
8 approved and the annual rate at which such tax currently is  
9 levied.

10 (Source: P.A. 86-579; 86-1318.)

11 (105 ILCS 5/17-7) (from Ch. 122, par. 17-7)

12 Sec. 17-7. Payments from tax levied. Any sum expended or  
13 obligations incurred for the improvement, maintenance, repair  
14 or benefit of school buildings and property, including the  
15 cost of interior decorating and the installation,  
16 improvement, repair, replacement and maintenance of building  
17 fixtures, for the rental of buildings and property for school  
18 purposes, or for the payment of all premiums for insurance  
19 upon school buildings and school building fixtures or for the  
20 purchase or equipment to be used in the school lunch program  
21 shall be paid from the tax levied for general educational  
22 ~~operations--and--maintenance~~ purposes and the purchase of  
23 school grounds. The board may provide by resolution that the  
24 payment of all salaries of janitors, engineers or other  
25 custodial employees and all costs of fuel, lights, gas,  
26 water, telephone service, and custodial supplies and  
27 equipment or the cost of a professional survey of the  
28 conditions of school buildings as provided in Section 2-3.12,  
29 or any one or more of the preceding items shall be paid from  
30 the tax levied for general educational ~~operations---~~  
31 ~~maintenance~~ purposes and the purchase of school grounds in  
32 which event such salaries or specified costs, or both, shall  
33 be so paid until the next fiscal year after the repeal of

1 such resolution. Expenditures for all purposes not specified  
2 in Sections 17-7 or 17-8 or other provisions of this Act  
3 shall be made from the general educational fund.

4 (Source: P.A. 86-1334; 87-984.)

5 (105 ILCS 5/17-8) (from Ch. 122, par. 17-8)

6 Sec. 17-8. Transportation costs paid from transportation  
7 fund. Any transportation operating costs incurred for  
8 transporting pupils to and from school and school sponsored  
9 activities and the costs of acquiring equipment shall be paid  
10 from a transportation fund to consist of moneys received from  
11 any tax levy for general educational purposes such--purpose,  
12 state reimbursement for transportation, except as provided in  
13 Section 29-5, all funds received from other districts for  
14 transporting pupils and any charges for transportation  
15 services rendered to individuals or auxiliary enterprises of  
16 the school.

17 For the purpose of this Act "transportation operating  
18 cost" shall include all costs of transportation except  
19 interest and rental of building facilities.

20 (Source: P.A. 85-581.)

21 (105 ILCS 5/17-9) (from Ch. 122, par. 17-9)

22 Sec. 17-9. Extension of taxes by county clerk--Separate  
23 tax for payment of bonds.

24 When the county clerk determines the amount of taxes to  
25 be extended upon all the taxable property in any school  
26 district having a population of less than 500,000  
27 inhabitants, he shall determine from the certified copies of  
28 bond resolutions filed in his office the amount necessary to  
29 pay the maturing principal of and interest on any bonds of  
30 the district and shall extend a separate tax sufficient to  
31 pay all principal and interest thereon which matures prior to  
32 the first delinquent date of taxes to be realized from the

1 next succeeding tax extension or all interest and sinking  
2 fund requirements for the payment of principal which must be  
3 extended prior to said date. The separate tax shall be  
4 extended without limitation as to rate or amount. No  
5 deduction shall be made in the rate which may be extended for  
6 general educational ~~or-operations,-building--and--maintenance~~  
7 purposes by reason of any rate extended for payment of  
8 principal or interest of bonds, except as provided in this  
9 section, nor by reason of any tax required to be extended  
10 pursuant to the exercise of the power conferred in Section  
11 10-22.12.

12 (Source: P.A. 77-2744.)

13 (105 ILCS 5/17-11) (from Ch. 122, par. 17-11)

14 Sec. 17-11. Certificate of tax levy. The school board  
15 of each district shall ascertain, as near as practicable,  
16 annually, how much money must be raised ~~by-special-tax-for~~  
17 ~~transportation-purposes-if-any-and~~ for general educational  
18 ~~and--for--operations--and--maintenance~~ purposes for the next  
19 ensuing year. In school districts with a population of less  
20 than 500,000, these amounts shall be certified and returned  
21 to each county clerk on or before the last Tuesday in  
22 December, annually. The certificate shall be signed by the  
23 president and clerk or secretary, and may be in the following  
24 form:

25 CERTIFICATE OF TAX LEVY

26 We hereby certify that we require the sum of .....  
27 dollars, to be levied as a special tax ~~for-transportation~~  
28 ~~purposes-and-the-sum-of-.....-dollars--to--be--levied--as--a~~  
29 ~~special--tax~~ for general educational purposes, ~~and-the-sum~~  
30 ~~.....-dollars-to-be-levied-as-a-special-tax--for--operations~~  
31 ~~and-maintenance-purposes,~~ and the sum of ..... to be levied  
32 as a special tax for a working purposes ~~cash-fund,~~ on the  
33 equalized assessed value of the taxable property of our

1 district, for the year (insert year).

2 Signed on (insert date).

3 A ..... B ....., President

4 C ..... D....., Clerk (Secretary)

5 Dist. No. ...., ..... County

6 A failure by the school board to file the certificate  
7 with the county clerk in the time required shall not vitiate  
8 the assessment.

9 (Source: P.A. 91-357, eff. 7-29-99.)

10 (105 ILCS 5/17-12) (from Ch. 122, par. 17-12)

11 Sec. 17-12. Districts in two or more counties. When a  
12 district lies partly in two or more counties the school board  
13 shall ascertain, as near as practicable, the amount to be  
14 raised by special tax for general educational and-operations  
15 and-maintenance purposes and shall prepare a certificate for  
16 each county in which the district lies and shall deliver one  
17 of such certificates to each of the county clerks of the  
18 counties in which a part of the district is situated. On the  
19 first Monday following the delivery of the certificate, or as  
20 soon thereafter as may be practicable, each county clerk  
21 shall ascertain the total equalized valuation of all the  
22 taxable property in that part of the district as lies in his  
23 county, and certify the amount thereof to the county clerk of  
24 each of the other counties in which any part of the district  
25 lies. From the aggregate of such equalized valuation and  
26 from the certificate of the amount so required to be levied,  
27 such clerk shall ascertain the rate per cent required to  
28 produce in the district the amount of such levy, and at that  
29 rate shall extend the special tax to be levied for general  
30 educational and--operations-and-maintenance purposes in that  
31 part of the district lying in his respective county.

32 (Source: P.A. 86-1334.)

1 (105 ILCS 5/17-16) (from Ch. 122, par. 17-16)

2 Sec. 17-16. Tax anticipation warrants. When there is no  
3 money in the treasury of any school district having a  
4 population of 500,000 or less inhabitants, whether governed  
5 by either or both the general school laws or any special  
6 charter, to defray the necessary expenses of the district,  
7 including amounts necessary to pay maturing principal and  
8 interest of bonds, the school board may issue warrants, or  
9 may provide a fund to meet the expenses by issuing and  
10 disposing of warrants, drawn against and in anticipation of  
11 any taxes levied for the payment of the necessary expenses of  
12 the district, either for general transportation, educational  
13 ~~or for all operations and maintenance~~ purposes, or for  
14 payments to the Illinois Municipal Retirement Fund, or for  
15 the payment of maturing principal and interest of bonds, or  
16 for fire prevention, safety, energy conservation and school  
17 security purposes, as the case may be, to the extent of 85%  
18 of the total amount of the tax so levied. The warrants shall  
19 show upon their face that they are payable in the numerical  
20 order of their issuance solely from such taxes when  
21 collected, and shall be received by any collector of taxes in  
22 payment of the taxes against which they are issued, and such  
23 taxes shall be set apart and held for their payment.

24 Every warrant shall bear interest, payable only out of  
25 the taxes against which it is drawn, at a rate not exceeding  
26 the maximum rate authorized by the Bond Authorization Act, as  
27 amended at the time of the making of the contract, if issued  
28 before July 1, 1971 and if issued thereafter at the rate of  
29 not to exceed the maximum rate authorized by the Bond  
30 Authorization Act, as amended at the time of the making of  
31 the contract, from the date of its issuance until paid or  
32 until notice shall be given by publication in a newspaper or  
33 otherwise that the money for its payment is available and  
34 that it will be paid on presentation, unless a lower rate of

1 interest is specified therein, in which case the interest  
2 shall be computed and paid at the lower rate.

3 With respect to instruments for the payment of money  
4 issued under this Section either before, on, or after the  
5 effective date of this amendatory Act of 1989, it is and  
6 always has been the intention of the General Assembly (i)  
7 that the Omnibus Bond Acts are and always have been  
8 supplementary grants of power to issue instruments in  
9 accordance with the Omnibus Bond Acts, regardless of any  
10 provision of this Act that may appear to be or to have been  
11 more restrictive than those Acts, (ii) that the provisions of  
12 this Section are not a limitation on the supplementary  
13 authority granted by the Omnibus Bond Acts, and (iii) that  
14 instruments issued under this Section within the  
15 supplementary authority granted by the Omnibus Bond Acts are  
16 not invalid because of any provision of this Act that may  
17 appear to be or to have been more restrictive than those  
18 Acts.

19 (Source: P.A. 86-4; 86-1334; 87-984.)

20 (105 ILCS 5/19-30) (from Ch. 122, par. 19-30)

21 Sec. 19-30. Any school district which, pursuant to  
22 Section 10-22.31b of this Act, has entered into a joint  
23 agreement with one or more school districts to acquire,  
24 build, establish and maintain sites and buildings for area  
25 vocational purposes may by proper resolution borrow money for  
26 the purpose of acquiring sites and buildings and building,  
27 equipping, improving and remodeling buildings and sites for  
28 vocational education purposes and as evidence of such  
29 indebtedness issue bonds without referendum, provided that  
30 the project which is the subject of such joint agreement has  
31 been designated by the State Board of Vocational Education  
32 and Rehabilitation as an Area Secondary Vocational Center,  
33 and further provided (a)--that--such--district--has---been

1 authorized--by--referendum--to--impose--the--tax--under--Section  
2 17-2.4--of--this--Act,--or--(b) that such district,--not--having  
3 been--so--authorized--by--such--referendum, by resolution has  
4 authorized the payment of its proportionate share of the cost  
5 of the area vocational center under such agreement from funds  
6 raised by building tax levies. The proceeds of the sale of  
7 such bonds may, in the discretion of the school board of the  
8 district issuing such bonds, be transferred to the Capital  
9 Development Board, any other school district which is a party  
10 to such joint agreement or the State or any of its agencies  
11 provided, however, that such board first determines that such  
12 transfer is necessary in order to accomplish the purposes for  
13 which such bonds are issued. The amount of the bonds issued  
14 by any such participating school district shall not exceed  
15 the district's estimated proportionate share of the cost of  
16 the area vocational center as budgeted under such agreement  
17 and as certified by the State Board of Vocational Education  
18 and Rehabilitation, and provided that (a)--any--such  
19 participating--district--which---has---been---authorized---by  
20 referendum--to--impose--the--tax--under--Section--17-2.4--of--this  
21 Act,--shall--thereafter--reduce--the--maximum--statutory--amount  
22 which--may--be--raised--by--such--levy--under--Section--17-2.4--to--the  
23 extent--of--the--total--amount--to--be--yielded--by--the--imposition--of  
24 the--tax--authorized--by--this--Section,--and--(b) any such  
25 participating district, not--having--been--so--authorized--by--such  
26 referendum,--but having by resolution authorized the payment  
27 of its proportionate share of the cost of the area vocational  
28 center under such joint agreement from funds raised by  
29 building tax levies, shall thereafter, annually reduce the  
30 maximum statutory amount which may be raised by such building  
31 tax levies to the extent of the amount to be yielded annually  
32 by the imposition of the tax authorized by this Section.  
33 Such bonds shall bear interest at a rate of not to exceed the  
34 maximum rate authorized by the Bond Authorization Act, as

1 amended at the time of the making of the contract, and shall  
2 mature within 20 years from date.

3 The failure on the part of a school district to abate or  
4 reduce such taxes as described in this Section ~~(a)-and-(b)~~  
5 shall not constitute a forfeiture by the district of its  
6 right to levy the direct annual tax authorized by this  
7 Section.

8 In order to authorize and issue such bonds, the school  
9 board shall adopt a resolution fixing the amount of the  
10 bonds, the date thereof, maturities thereof, rates of  
11 interest thereof, place of payment and denomination, which  
12 shall be in denominations of not less than \$100 and not more  
13 than \$5,000 and provide for the levy and collection of a  
14 direct annual tax upon all the taxable property in the school  
15 district sufficient to pay the principal of and interest on  
16 such bonds to maturity. Upon the filing in the office of the  
17 County Clerk or Clerks of the County or Counties in which the  
18 school district is located of a certified copy of such  
19 resolution it shall be the duty of such County Clerk or  
20 Clerks to extend the tax therefor, in addition to and in  
21 excess of all other taxes heretofore or hereafter authorized  
22 to be levied by such school district.

23 This Section shall be cumulative and it shall constitute  
24 complete authority for site acquisitions and building  
25 programs and for the issuance of bonds as provided for  
26 hereunder, notwithstanding any other statute or law to the  
27 contrary.

28 With respect to instruments for the payment of money  
29 issued under this Section either before, on, or after the  
30 effective date of this amendatory Act of 1989, it is and  
31 always has been the intention of the General Assembly (i)  
32 that the Omnibus Bond Acts are and always have been  
33 supplementary grants of power to issue instruments in  
34 accordance with the Omnibus Bond Acts, regardless of any



1 provision of this Act that may appear to be or to have been  
2 more restrictive than those Acts, (ii) that the provisions of  
3 this Section are not a limitation on the supplementary  
4 authority granted by the Omnibus Bond Acts, and (iii) that  
5 instruments issued under this Section within the  
6 supplementary authority granted by the Omnibus Bond Acts are  
7 not invalid because of any provision of this Act that may  
8 appear to be or to have been more restrictive than those  
9 Acts.

10 (Source: P.A. 86-4.)

11 (105 ILCS 5/19-31) (from Ch. 122, par. 19-31)

12 Sec. 19-31. Any school district which, pursuant to  
13 Section 10-22.31b of this Act, or under the provisions of the  
14 "Intergovernmental Cooperation Act", has entered into a joint  
15 agreement or contract with one or more school districts to  
16 acquire, build, establish and maintain sites and buildings  
17 for the education of one or more of the types of children  
18 with disabilities as defined in Sections 14-1.02 through  
19 14-1.07 of this Act, may by proper resolution of the board  
20 borrow money for the purpose of acquiring sites and buildings  
21 and building, equipping, improving and remodeling buildings  
22 and sites for such special education purposes, and as  
23 evidence of such indebtedness issue bonds, provided that the  
24 project which is the subject of such joint agreement has been  
25 approved by the State Board of Education. The proceeds of  
26 the sale of such bonds may, in the discretion of the school  
27 board of the district issuing such bonds, be transferred to  
28 the Capital Development Board, any other school district  
29 which is a party to such joint agreement, or the State or any  
30 of its agencies provided, however, that such board first  
31 determines that such transfer is necessary in order to  
32 accomplish the purposes for which such bonds are issued. The  
33 amount of the bonds issued by any such participating school

1 district shall not exceed the district's estimated  
2 proportionate share of the cost of such special education  
3 purposes as budgeted under such joint agreement or contract,  
4 ~~and shall be amortized over a period not exceeding the number~~  
5 ~~of years of levy remaining available to such participating~~  
6 ~~school district under Section 17-2.2a of this Act, and~~  
7 ~~provided further that any such participating district shall~~  
8 ~~hereafter reduce the maximum statutory amount which may be~~  
9 ~~raised by the tax levy authorized under Section 17-2.2a of~~  
10 ~~this Act to the extent of the total amount to be yielded by~~  
11 ~~the imposition of the tax authorized by this Section. The~~  
12 ~~failure on the part of a school district to abate or reduce~~  
13 ~~such taxes shall not however constitute a forfeiture by the~~  
14 ~~district of its right to levy the direct annual tax~~  
15 ~~authorized by this Section.~~

16 Such bonds shall bear interest at a rate of not to exceed  
17 the maximum rate authorized by the Bond Authorization Act, as  
18 amended at the time of the making of the contract, and shall  
19 mature within 8 years from the date of issuance. In order to  
20 authorize and issue such bonds, the school board shall adopt  
21 a resolution fixing the amount of the bonds, the date  
22 thereof, maturities thereof, rates of interest thereof, place  
23 of payment and denomination, which shall be in denominations  
24 of not less than \$100 and not more than \$5,000 and provide  
25 for the levy and collection of a direct annual tax upon all  
26 the taxable property in the school district sufficient to pay  
27 the principal of and interest on such bonds to maturity, ~~but~~  
28 ~~not to exceed the levy authorized under Section 17-2.2a.~~  
29 Upon the filing in the office of the County Clerk or Clerks  
30 of the County or Counties in which the school district is  
31 located of a certified copy of such resolution it shall be  
32 the duty of such County Clerk or Clerks to extend the tax  
33 therefor, in addition to and in excess of all other taxes  
34 heretofore or hereafter authorized to be levied by such

1 school district.

2 This Section shall be cumulative and it shall constitute  
3 complete authority for site acquisitions and building  
4 programs and for the issuance of bonds as provided for  
5 hereunder, notwithstanding any other statute or law to the  
6 contrary.

7 Notwithstanding the other provisions of this Section, any  
8 school district qualifying for a special education  
9 construction grant pursuant to the Capital Development Board  
10 Act may finance the construction project by ~~levying the tax~~  
11 ~~authorized by Section 17-2-2a and~~ issuing bonds in the manner  
12 provided for in this Section at a rate not to exceed the  
13 maximum rate authorized by the Bond Authorization Act, as  
14 amended at the time of the making of the contract, with a  
15 maturity date not more than 20 years from the date of  
16 issuance.

17 With respect to instruments for the payment of money  
18 issued under this Section either before, on, or after the  
19 effective date of this amendatory Act of 1989, it is and  
20 always has been the intention of the General Assembly (i)  
21 that the Omnibus Bond Acts are and always have been  
22 supplementary grants of power to issue instruments in  
23 accordance with the Omnibus Bond Acts, regardless of any  
24 provision of this Act that may appear to be or to have been  
25 more restrictive than those Acts, (ii) that the provisions of  
26 this Section are not a limitation on the supplementary  
27 authority granted by the Omnibus Bond Acts, and (iii) that  
28 instruments issued under this Section within the  
29 supplementary authority granted by the Omnibus Bond Acts are  
30 not invalid because of any provision of this Act that may  
31 appear to be or to have been more restrictive than those  
32 Acts.

33 (Source: P.A. 89-397, eff. 8-20-95.)

1 (105 ILCS 5/Art. 20 heading)

2 ARTICLE 20. RESTRICTED USES WORKING-CASH FUND

3 (105 ILCS 5/20-1) (from Ch. 122, par. 20-1)

4 Sec. 20-1. Authority to create restricted uses working  
5 cash fund. In each school district, whether organized under  
6 general law or special charter, having a population of less  
7 than 500,000 inhabitants, a fund to be known as a "Restricted  
8 Uses Working--Cash Fund" may be created, maintained and  
9 administered in the manner prescribed in this Article, for  
10 the purpose of enabling the district to have in its treasury  
11 at all time sufficient money to meet demands thereon for  
12 ordinary and necessary expenditures for corporate purposes.  
13 In addition, expenses for benefits paid to classified  
14 employees and tort judgment expenses shall be paid from this  
15 fund.

16 If involving a school district having a population of  
17 less than 500,000 inhabitants, references to a school  
18 district's working cash fund under this Code or any other law  
19 of this State shall be deemed to refer to that district's  
20 restricted uses fund.

21 (Source: P.A. 80-272.)

22 (105 ILCS 5/20-2) (from Ch. 122, par. 20-2)

23 Sec. 20-2. Indebtedness and bonds. For the purpose of  
24 creating a restricted uses working--cash fund, the school  
25 board of any such district may incur an indebtedness and  
26 issue working cash bonds as evidence thereof in an amount or  
27 amounts not exceeding in the aggregate 85% of the taxes  
28 permitted to be levied for general educational purposes for  
29 the then current year to be determined by multiplying the  
30 maximum general educational tax rate applicable to such  
31 school district by the last assessed valuation as determined  
32 at the time of the issue of said bonds plus 85% of the last

1 known entitlement of such district to taxes as by law now or  
2 hereafter enacted or amended, imposed by the General Assembly  
3 of the State of Illinois to replace revenue lost by units of  
4 local government and school districts as a result of the  
5 abolition of ad valorem personal property taxes, pursuant to  
6 Article IX, Section 5, paragraph (c) of the Constitution of  
7 the State of Illinois, except that a district that is  
8 certified under Section 19-1.5 as a financially distressed  
9 district may incur an indebtedness and issue bonds as  
10 evidence thereof in an amount or amounts not exceeding in the  
11 aggregate 125% of the taxes permitted to be levied for  
12 general educational purposes for the then current year to be  
13 determined by multiplying the maximum general educational tax  
14 rate applicable to that school district by the last assessed  
15 valuation as determined at the time of the issuance of the  
16 bonds plus 125% of the last known entitlement of that  
17 district to taxes that by law now or hereafter enacted or  
18 amended are imposed by the General Assembly to replace  
19 revenue lost by units of local government and school  
20 districts as a result of the abolition of ad valorem personal  
21 property taxes, pursuant to Article IX, Section 5, paragraph  
22 (c) of the Constitution of the State of Illinois. The bonds  
23 shall bear interest at not more than the maximum rate  
24 authorized by the Bond Authorization Act, as amended at the  
25 time of the making of the contract, if issued before January  
26 1, 1972 and not more than the maximum rate authorized by the  
27 Bond Authorization Act, as amended at the time of the making  
28 of the contract, if issued after January 1, 1972 and shall  
29 mature within 20 years from the date thereof. Subject to the  
30 foregoing limitations as to amount, the bonds may be issued  
31 in an amount including existing indebtedness which will not  
32 exceed the constitutional limitation as to debt,  
33 notwithstanding any statutory debt limitation to the  
34 contrary. When bonds have been issued under this Article by a

1 school district that is certified as a financially distressed  
2 district under Section 19-1.5, the amount of those bonds,  
3 when and after they are issued, whether issued before or  
4 after such certification, shall not be considered debt under  
5 any statutory debt limitation and shall be excluded from the  
6 computation and determination of any statutory or other debt  
7 limitation applicable to the financially distressed district.  
8 The school board shall before or at the time of issuing the  
9 bonds provide for the collection of a direct annual tax upon  
10 all the taxable property within the district sufficient to  
11 pay the principal thereof at maturity and to pay the interest  
12 thereon as it falls due, which tax shall be in addition to  
13 the maximum amount of all other taxes, either general  
14 ~~educational; transportation; operations and maintenance;~~ or  
15 fire prevention and safety fund taxes, now or hereafter  
16 authorized and in addition to any limitations upon the levy  
17 of taxes as provided by Sections 17-2 through 17-9. The bonds  
18 may be issued redeemable at the option of the school board of  
19 the district issuing them on any interest payment date on or  
20 after 5 years from date of issue.

21 With respect to instruments for the payment of money  
22 issued under this Section either before, on, or after the  
23 effective date of this amendatory Act of 1989, it is and  
24 always has been the intention of the General Assembly (i)  
25 that the Omnibus Bond Acts are and always have been  
26 supplementary grants of power to issue instruments in  
27 accordance with the Omnibus Bond Acts, regardless of any  
28 provision of this Act that may appear to be or to have been  
29 more restrictive than those Acts, (ii) that the provisions of  
30 this Section are not a limitation on the supplementary  
31 authority granted by the Omnibus Bond Acts, and (iii) that  
32 instruments issued under this Section within the  
33 supplementary authority granted by the Omnibus Bond Acts are  
34 not invalid because of any provision of this Act that may

1 appear to be or to have been more restrictive than those  
2 Acts.

3 (Source: P.A. 87-984; 88-641, eff. 9-9-94.)

4 (105 ILCS 5/20-3) (from Ch. 122, par. 20-3)

5 Sec. 20-3. Tax levy. For the purpose of providing moneys  
6 for a restricted uses working-cash fund, the school board of  
7 any such school district may also levy annually upon all the  
8 taxable property of their district a tax, known as the  
9 "working cash fund tax," not to exceed 0.05% of value, as  
10 equalized or assessed by the Department of Revenue. Provided,  
11 that: (1) no such tax shall be levied if bonds are issued in  
12 amount or amounts equal in the aggregate to the limitation  
13 set forth in Section 20-2 for the creation of a restricted  
14 uses working--cash fund; (2) no such tax shall be levied and  
15 extended by a school district that is not certified as a  
16 financially distressed district under Section 19-1.5 if the  
17 amount of the tax so to be extended will increase the  
18 restricted uses working-cash fund to a total amount exceeding  
19 85% of the taxes last extended for general educational  
20 purposes of the district plus 85% of the last known  
21 entitlement of such district to taxes as by law now or  
22 hereafter enacted or amended, imposed by the General Assembly  
23 of the State of Illinois to replace revenue lost by units of  
24 local government and school districts as a result of the  
25 abolition of ad valorem personal property taxes, pursuant to  
26 Article IX, Section 5(c) of the Constitution of the State of  
27 Illinois; and (3) no such tax shall be levied or extended by  
28 a school district that is certified as a financially  
29 distressed district under Section 19-1.5 if the amount of the  
30 tax so to be extended will increase the restricted uses  
31 working--cash fund to a total amount exceeding 125% of the  
32 taxes last extended for general educational purposes of the  
33 district plus 125% of the last known entitlement of that

1 district to taxes that by law now or hereafter enacted or  
2 amended are imposed by the General Assembly to replace  
3 revenue lost by units of local government and school  
4 districts as a result of the abolition of ad valorem personal  
5 property taxes, pursuant to Article IX, Section 5(c) of the  
6 Constitution of the State of Illinois. The collection of the  
7 tax shall not be anticipated by the issuance of any warrants  
8 drawn against it. The tax shall be levied and collected,  
9 except as otherwise provided in this Section, in like manner  
10 as the general taxes of the district, and shall be in  
11 addition to the maximum of all other taxes, either general  
12 educational;~~transportation;~~~~operations-and-maintenance;~~ or  
13 fire prevention and safety fund taxes, now or hereafter to be  
14 levied for school purposes. It may be levied by separate  
15 resolution by the last Tuesday in September in each year or  
16 it may be included in the certificate of tax levy filed under  
17 Section 17-11.

18 Whenever 2 or more school districts reorganize pursuant  
19 to Article 11A or 11B of this Code into a district  
20 maintaining grades kindergarten through 12, the newly formed  
21 district may levy a tax annually, for working cash purposes,  
22 at a rate not to exceed 0.10% upon all the taxable property  
23 of the district at the value as equalized or assessed by the  
24 Department of Revenue.

25 (Source: P.A. 87-984; 88-641, eff. 9-9-94.)

26 (105 ILCS 5/20-4) (from Ch. 122, par. 20-4)

27 Sec. 20-4. Use and reimbursement of fund. This Section  
28 shall not apply in any school district which does not operate  
29 a restricted uses working-cash fund.

30 Moneys derived from the issuance of bonds as authorized  
31 by Section 20-2, or from any tax levied pursuant to Section  
32 20-3, shall be used only for the purposes and in the manner  
33 hereinafter provided. Moneys in the fund shall not be



1 regarded as current assets available for school purposes.  
2 The school board may appropriate moneys to the restricted  
3 uses working-cash fund up to the maximum amount allowable in  
4 the fund, and the restricted uses working-cash fund may  
5 receive such appropriations and any other contributions.  
6 Moneys in the fund shall not be used by the school board in  
7 any manner other than to provide moneys with which to meet  
8 ordinary and necessary disbursements for salaries and other  
9 school purposes and may be transferred in whole or in part to  
10 the general funds or both of the school district and  
11 disbursed therefrom in anticipation of the collection of  
12 taxes lawfully levied for any or all purposes, or in  
13 anticipation of such taxes as by law now or hereafter enacted  
14 or amended are imposed by the General Assembly of the State  
15 of Illinois to replace revenue lost by units of local  
16 government and school districts as a result of the abolition  
17 of ad valorem personal property taxes, pursuant to Article  
18 IX, Section 5(c) of the Constitution of the State of  
19 Illinois. Moneys so transferred to any other fund shall be  
20 deemed to be transferred in anticipation of the collection of  
21 that part of the taxes so levied or to be received which is  
22 in excess of the amount thereof required to pay any warrants  
23 or notes and the interest thereon theretofore and thereafter  
24 issued in anticipation of the collection thereof and such  
25 taxes when collected shall be applied to the payment of any  
26 such warrants and the interest thereon, the amount estimated  
27 to be required to satisfy debt service and pension or  
28 retirement obligations, as set forth in Section 12 of the  
29 State Revenue Sharing Act and then to the reimbursement of  
30 such restricted uses working--cash fund as hereinafter  
31 provided.

32 Upon receipt by the school district of any taxes in  
33 anticipation of the collection whereof moneys of the  
34 restricted uses working-cash fund have been so transferred

1 for disbursement, the fund shall immediately be reimbursed  
2 therefrom until the full amount so transferred has been  
3 retransferred to the fund. Unless the taxes so received and  
4 applied to the reimbursement of the restricted uses working  
5 cash fund prior to the first day of the eighth month  
6 following the month in which due and unpaid real property  
7 taxes begin to bear interest are sufficient to effect a  
8 complete reimbursement of such fund for any moneys  
9 transferred therefrom in anticipation of the collection of  
10 such taxes, the restricted uses working-cash fund shall be  
11 reimbursed for the amount of the deficiency therein from any  
12 other revenues accruing to the general educational fund, and  
13 the school board shall make provisions for the immediate  
14 reimbursement of the amount of any such deficiency in its  
15 next annual tax levy.

16 (Source: P.A. 87-984; 87-1168; 88-45.)

17 (105 ILCS 5/20-5) (from Ch. 122, par. 20-5)

18 Sec. 20-5. Transfer to other fund. This Section shall  
19 not apply in any school district which does not operate a  
20 restricted uses working-cash fund.

21 Moneys, including interest earned from investment of the  
22 restricted uses working--cash fund as in this Section  
23 provided, shall be transferred from the restricted uses  
24 working-cash fund to another fund of the district only upon  
25 the authority of the school board which shall from time to  
26 time by separate resolution direct the school treasurer to  
27 make transfers of such sums as may be required for the  
28 purposes herein authorized.

29 The resolution shall set forth (a) the taxes in  
30 anticipation of which such transfer is to be made and from  
31 which the restricted uses working--cash fund is to be  
32 reimbursed; (b) the entire amount of taxes extended, or which  
33 the school board estimates will be extended or received, for

1 any year in anticipation of the collection of all or part of  
2 which such transfer is to be made; (c) the aggregate amount  
3 of warrants or notes theretofore issued in anticipation of  
4 the collection of such taxes together with the amount of  
5 interest accrued and which the school board estimates will  
6 accrue thereon; (d) the aggregate amount of receipts from  
7 taxes imposed to replace revenue lost by units of local  
8 government and school districts as a result of the abolition  
9 of ad valorem personal property taxes, pursuant to Article  
10 IX, Section 5(c) of the Constitution of the State of  
11 Illinois, which the corporate authorities estimate will be  
12 set aside for the payment of the proportionate amount of debt  
13 service and pension or retirement obligations, as required by  
14 Section 12 of the State Revenue Sharing Act; and (e) the  
15 aggregate amount of money theretofore transferred from the  
16 restricted uses ~~working--cash~~ fund to the other fund in  
17 anticipation of the collection of such taxes. The amount  
18 which any such resolution shall direct the treasurer so to  
19 transfer, in anticipation of the collection of taxes levied  
20 or to be received for any year, together with the aggregate  
21 amount of such anticipation tax warrants or notes theretofore  
22 drawn against such taxes and the amount of interest accrued  
23 and estimated to accrue thereon and the aggregate amount of  
24 such transfers to be made in anticipation of the collection  
25 of such taxes and the amount estimated to be required to  
26 satisfy debt service and pension or retirement obligations,  
27 as set forth in Section 12 of the State Revenue Sharing Act,  
28 shall not exceed 85% of the actual or estimated amount of  
29 such taxes extended or to be extended or to be received as  
30 set forth in such resolution in the case of a school district  
31 that is not certified as a financially distressed district  
32 under Section 19-1.5 or 125% of the actual or estimated  
33 amount of the taxes extended or to be extended or to be  
34 received as set forth in the resolution in the case of a

1 district that is certified as a financially distressed  
2 district under Section 19-1.5. At any time moneys are  
3 available in the restricted uses working-eash fund they shall  
4 be transferred to the general educational fund and disbursed  
5 for the payment of salaries and other school expenses so as  
6 to avoid, whenever possible, the issuance of anticipation tax  
7 warrants or notes.

8 Moneys earned as interest from the investment of the  
9 restricted uses working--eash fund, or any portion thereof,  
10 may be transferred from the restricted uses working-eash fund  
11 to another fund of the district without any requirement of  
12 repayment to the restricted uses working-eash fund, upon the  
13 authority of the school board by separate resolution  
14 directing the school treasurer to make such transfer and  
15 stating the purpose therefore as one herein authorized.

16 (Source: P.A. 87-970; 87-984; 87-1168; 88-9; 88-45; 88-641,  
17 eff. 9-9-94)

18 (105 ILCS 5/20-6) (from Ch. 122, par. 20-6)

19 Sec. 20-6. Willful violation of law. Any member of the  
20 school board of any school district to which this Article is  
21 applicable, or any other person holding any office, trust, or  
22 employment under such school district who wilfully violates  
23 any of the provisions of this Article shall be guilty of a  
24 business offense and fined not exceeding \$10,000, and shall  
25 forfeit his right to his office, trust or employment and  
26 shall be removed therefrom. Any such member or other person  
27 shall be liable for any sum that may be unlawfully diverted  
28 from the restricted uses working-eash fund or otherwise used,  
29 to be recovered by such school district or by any taxpayer in  
30 the name and for the benefit of such school district in an  
31 appropriate civil action; provided that the taxpayer shall  
32 file a bond for all costs and be liable for all costs taxed  
33 against the school district in such suit, and judgment shall

1 be rendered accordingly. Nothing herein shall bar any other  
2 remedies.

3 (Source: P.A. 79-1366.)

4 (105 ILCS 5/20-7) (from Ch. 122, par. 20-7)

5 Sec. 20-7. Resolution for issuance of bonds - Submission  
6 to voters - Ballot. No school district may issue bonds under  
7 this Article unless it adopts a resolution declaring its  
8 intention to issue bonds for the purpose therein provided and  
9 directs that notice of such intention be published at least  
10 once in a newspaper published and having a general  
11 circulation in the district, if there be one, but if there is  
12 no newspaper published in such district then by publishing  
13 such notice in a newspaper having a general circulation in  
14 the district. The notice shall set forth (1) the intention  
15 of the district to issue bonds in accordance with this  
16 Article; (2) the time within which a petition may be filed  
17 requesting the submission of the proposition to issue the  
18 bonds; (3) the specific number of voters required to sign the  
19 petition; and (4) the date of the prospective referendum. At  
20 the time of publication of the notice and for 30 days  
21 thereafter, the recording officer of the district shall  
22 provide a petition form to any individual requesting one. If  
23 within 30 days after the publication a petition is filed with  
24 the recording officer of the district, signed by the voters  
25 of the district equal to 10% or more of the registered voters  
26 of the district requesting that the proposition to issue  
27 bonds as authorized by this Article be submitted to the  
28 voters thereof, then the district shall not be authorized to  
29 issue such bonds until the proposition has been certified to  
30 the proper election authorities and has been submitted to and  
31 approved by a majority of the voters voting on the  
32 proposition at a regular scheduled election in accordance  
33 with the general election law. If no such petition is so

1 filed, or if any and all petitions filed are invalid, the  
2 district may issue the bonds. In addition to the requirements  
3 of the general election law the notice of the election shall  
4 set forth the intention of the district to issue bonds under  
5 this Article. The proposition shall be in substantially the  
6 following form:

7 OFFICIAL BALLOT

8 -----

9 Shall the board of....  
10 of School district number.... YES  
11 County, Illinois, be authorized to  
12 issue working cash bonds for a -----  
13 restricted uses working-cash  
14 fund as provided for by Article 20 NO  
15 of the School Code?

16 -----

17 (Source: P.A. 87-767.)

18 (105 ILCS 5/20-10 new)

19 Sec. 20-10. Nothing in this Article prevents a school  
20 district from dividing its restricted uses fund into subfunds  
21 for the separate purposes of working cash, classified  
22 benefits, and tort immunity.

23 (105 ILCS 5/35-5) (from Ch. 122, par. 35-5)

24 Sec. 35-5. Powers. The Commission possesses all the  
25 powers necessary and convenient to accomplish the objects  
26 prescribed by this Article including the following, which  
27 however, are not to be construed as a limitation upon the  
28 general powers hereby conferred.

29 (a) To enter into contracts with regard to any matter  
30 connected with any powers of the Commission.

31 (b) To acquire by gift, purchase or otherwise, and to  
32 construct, equip, complete, remodel and maintain school

1 buildings and equipment, and for that purpose to acquire and  
2 improve school sites by gift, purchase, condemnation or  
3 otherwise.

4 (c) To execute non-assignable leases of facilities and  
5 sites to school districts in Illinois for school purposes for  
6 periods of not to exceed one year renewable at the option of  
7 the school district from year to year, and in the event of  
8 nonpayment of the rents provided in such leases or the  
9 termination of such leases to execute leases thereof to  
10 others for any suitable purposes. ~~The Commission may extend~~  
11 ~~the time for paying the rent due or any portion thereof when~~  
12 ~~the inability of the district to pay is due to failure or~~  
13 ~~delays in the collections of the taxes levied for such~~  
14 ~~purpose.~~

15 (d) To convey such property to the appropriate authority  
16 for the use and benefit of the lessee school district in  
17 which such property is located if and when the Commission has  
18 been reimbursed out of rentals or otherwise for all direct  
19 costs pertaining thereto which have been incurred by the  
20 Commission, including acquisition and development of the  
21 site, acquisition of equipment, and design and construction  
22 of the building, collectively referred to in this Article as  
23 the costs of the project.

24 (e) To sell such property at public sale, with the  
25 approval of the Illinois Building Authority or other state  
26 agency authorized to provide funds, if the lease thereof is  
27 not renewed by the lessee district with power to sell the  
28 moveables separately from the site and building.

29 (f) To cause deeds and bills of sale authorized under  
30 this Article to be executed on behalf of the State of  
31 Illinois by the Chairman and Secretary of the Commission.

32 (g) To adopt all needful by-laws, rules and regulations  
33 for the acquisition, management and use of such sites and  
34 buildings acquired for school purposes, consistent with the

1 objects and purposes of this Article.

2 (h) To employ or contract for such services as the  
3 Commission may deem necessary to carry out its duties.

4 (i) To execute leases with the Illinois Building  
5 Authority or other state agency authorized to provide funds  
6 for school sites, buildings and fixed equipment as needed by  
7 school districts qualifying under this Article, which leases  
8 shall be payable solely and only from appropriations made by  
9 the General Assembly from time to time. However, the  
10 allocation of the amounts declared to be in the public  
11 interest by any General Assembly for school districts  
12 qualifying under this Article shall be made by the School  
13 Building Commission.

14 (j) To develop a system of documents and analyses  
15 necessary to maintain the statutory cost limitations placed  
16 on Commission projects, and for the optional use of school  
17 districts in general, to include design, materials,  
18 components, construction techniques, contracts, criteria and  
19 prototype drawings and specifications.

20 (k) To acquire by gift, purchase or otherwise, and to  
21 construct, equip, complete, remodel and maintain school  
22 buildings and equipment, and for that purpose to acquire and  
23 improve school sites by gift, purchase, condemnation or  
24 otherwise, when such facilities have been approved by the  
25 Board of Vocational Education and Rehabilitation, hereinafter  
26 referred to; and when the erection of the approved facilities  
27 has been declared to be in the public interest by the General  
28 Assembly.

29 (Source: P.A. 77-1994.)

30 (105 ILCS 5/35-7) (from Ch. 122, par. 35-7)

31 Sec. 35-7. Qualifications. No school district shall be  
32 entitled to have a building acquired or constructed in the  
33 district by the Commission unless:



1 (a) The Commission shall determine that the district  
2 will require, in addition to its present classrooms and those  
3 for which funds have been provided by the district,  
4 classrooms for at least 110 pupils in average daily  
5 attendance in grades K through 8, 110 pupils in average daily  
6 attendance in grades 9 through 12 and 200 pupils in average  
7 daily attendance in grades K through 12 at the beginning of  
8 the ensuing school fall term and that the need for such  
9 additional classrooms will continue through the 5 ensuing  
10 school years. In determining the needs of a district subject  
11 to Section 35-25 of this Act, the Commission shall consider  
12 the factors therein involved.

13 (b) It has either reduced its bonding power to less than  
14 \$5000 or will have done so in complying with the provisions  
15 of this Article.

16 (c) (Blank). ~~Its--school-board-has-been-duly-authorized~~  
17 ~~to-levy-a-special-tax-sufficient-in--amount--to--provide--the~~  
18 ~~rent--under--Section--35-15--for--the--facilities--to--be--so~~  
19 ~~provided,--but--the-Commission-may-approve-an-application-for~~  
20 ~~the-construction-of-a-classroom-in-a-district-contingent-upon~~  
21 ~~compliance-with-this-provision--within--60--days--after--such~~  
22 ~~approval.~~

23 (Source: P.A. 77-2282.)

24 (105 ILCS 5/35-25) (from Ch. 122, par. 35-25)

25 Sec. 35-25. The power of the Commission to construct a  
26 school building in the territory of a school district, shall  
27 not be vitiated by reason of the fact that a County Board of  
28 School Trustees has entered an order annexing all or part of  
29 the district, together with coterminous non-high school  
30 territory, to a school district or districts maintaining  
31 grades K to 12, if the order by reason of appeal or otherwise  
32 has not become final at the time the Commission authorizes  
33 the construction of such building. However, in considering

1 the needs of such a district under Section 35-6 of this  
2 Article and whether the district is entitled to a building  
3 under Section 35-7(a) of this Article, the Commission shall  
4 consider, in addition to the needs of the applicant district,  
5 the needs of the district to which it, or the portion of it  
6 in which the proposed building lies, will be annexed if the  
7 order of the County Board of School Trustees becomes final,  
8 and as enlarged by such annexation. If such order becomes  
9 final, the district to which such annexation is made shall be  
10 subject to the same restrictions as to future building  
11 construction or enlargement and as to changes in its  
12 boundaries as is provided in Sections 35-16 and 35-17 of this  
13 Article to the same extent as if it had been the applicant  
14 for building aid and the building had been constructed in its  
15 territory, shall be subject to all the terms and provisions  
16 of any leases entered into by the annexed district for the  
17 rental of buildings constructed by the Commission, and shall  
18 be authorized to use and occupy such building and ~~to levy a~~  
19 ~~tax throughout the annexing district in such amount as has~~  
20 ~~been authorized by the voters of the annexed district~~  
21 ~~pursuant to an election held under Section 35-22 of this~~  
22 ~~Article.~~

23 (Source: P.A. 77-2282.)

24 (105 ILCS 5/17-2.1 rep.)

25 (105 ILCS 5/17-2.2 rep.)

26 (105 ILCS 5/17-2.2a rep.)

27 (105 ILCS 5/17-2.2b rep.)

28 (105 ILCS 5/17-2.3 rep.)

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- 7 (105 ILCS 5/20-8 rep.)
- 8 (105 ILCS 5/20-9 rep.)
- 9 (105 ILCS 5/35-22 rep.)
- 10 (105 ILCS 5/35-23 rep.)
- 11 (105 ILCS 5/35-24 rep.)
- 12 (105 ILCS 5/35-26 rep.)

13 Section 25-15. The School Code is amended by repealing  
14 Sections 17-2.1, 17-2.2, 17-2.2a, 17-2.2b, 17-2.3, 17-2.4,  
15 17-2.6, 17-2A, 17-2B, 17-3.1, 17-3.3, 17-4, 17-5, 17-5.1,  
16 17-6.1, 17-9.01, 20-8, 20-9, 35-22, 35-23, 35-24, and 35-26.

17 ARTICLE 90

18 Section 90-5. The State Mandates Act is amended by  
19 adding Section 8.27 as follows:

20 (30 ILCS 805/8.27 new)

21 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6  
22 and 8 of this Act, no reimbursement by the State is required  
23 for the implementation of any mandate created by this  
24 amendatory Act of the 93rd General Assembly.

25 ARTICLE 99

26 Section 99-99. Effective date. This Act takes effect on  
27 July 1, 2003.

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