



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

HB4068

Introduced 1/15/2004, by Carole Pankau - Sidney H. Mathias -
Paul D. Froehlich

SYNOPSIS AS INTRODUCED:

See Index

Amends the Property Tax Code. Amends the Senior Citizens Homestead Exemption provisions to provide that, if a property has been granted a homestead exemption under these provisions, then the person qualifying need not reapply for the exemption. Increases the ceiling for household income eligibility for the Senior Citizens Assessment Freeze Homestead Exemption provisions, for taxable years 2003 and thereafter, from \$40,000 per year to \$45,000 per year and provides that the exemption amount shall be \$2,500 in all counties (now, \$2,500 in Cook County and \$2,000 in all other counties). Provides that the exemption amount for the general homestead exemption shall be \$4,500 in all counties (now, \$4,500 in Cook County and \$3,500 in all other counties). Creates a general homestead exemption provision that applies only to counties subject to the Property Tax Extension Limitation Law. Provides that the amount of the exemption is the equalized assessed value of the homestead property for the current tax year minus the adjusted homestead value. Defines "adjusted homestead value" as the lesser of (i) the property's base homestead value increased by 7% for each tax year after 2002 through and including the current tax year or (ii) the property's equalized assessed value for the current tax year minus \$4,500. Provides that "base homestead value" means the equalized assessed value of the property for tax year 2002 prior to exemptions, minus \$4,500. Establishes procedures for determining the base homestead value of property improved after the 2002 tax year. Sunsets the provisions after the 2010 assessment year. Amends the Economic Development Area Tax Increment Allocation Act, the County Economic Development Project Area Property Tax Allocation Act, the County Economic Development Project Area Tax Increment Allocation Act of 1991, the Economic Development Project Area Tax Increment Allocation Act of 1995, the Tax Increment Allocation Redevelopment Act and the Industrial Jobs Recovery Law in the Illinois Municipal Code, the School Code, and the Criminal Code of 1961 to include a cross reference to the new general homestead exemption provision in the Property Tax Code. Amends the State Mandates Act to require implementation without reimbursement for the new general homestead exemption and the Senior Citizens Assessment Freeze Homestead Exemption. Effective immediately.

LRB093 18265 SJM 43966 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning taxes.

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

4 Section 5. The Economic Development Area Tax Increment
5 Allocation Act is amended by changing Section 6 as follows:

6 (20 ILCS 620/6) (from Ch. 67 1/2, par. 1006)

7 Sec. 6. Filing with county clerk; certification of initial
8 equalized assessed value.

9 (a) The municipality shall file a certified copy of any
10 ordinance authorizing tax increment allocation financing for
11 an economic development project area with the county clerk, and
12 the county clerk shall immediately thereafter determine (1) the
13 most recently ascertained equalized assessed value of each lot,
14 block, tract or parcel of real property within the economic
15 development project area from which shall be deducted the
16 homestead exemptions provided by Sections 15-170, ~~and~~ 15-175,
17 and 15-176 of the Property Tax Code, which value shall be the
18 "initial equalized assessed value" of each such piece of
19 property, and (2) the total equalized assessed value of all
20 taxable real property within the economic development project
21 area by adding together the most recently ascertained equalized
22 assessed value of each taxable lot, block, tract, or parcel of
23 real property within such economic development project area,
24 from which shall be deducted the homestead exemptions provided
25 by Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax
26 Code, and shall certify such amount as the "total initial
27 equalized assessed value" of the taxable real property within
28 the economic development project area.

29 (b) After the county clerk has certified the "total initial
30 equalized assessed value" of the taxable real property in the
31 economic development project area, then in respect to every
32 taxing district containing an economic development project

1 area, the county clerk or any other official required by law to
2 ascertain the amount of the equalized assessed value of all
3 taxable property within that taxing district for the purpose of
4 computing the rate per cent of tax to be extended upon taxable
5 property within that taxing district, shall in every year that
6 tax increment allocation financing is in effect ascertain the
7 amount of value of taxable property in an economic development
8 project area by including in that amount the lower of the
9 current equalized assessed value or the certified "total
10 initial equalized assessed value" of all taxable real property
11 in such area. The rate per cent of tax determined shall be
12 extended to the current equalized assessed value of all
13 property in the economic development project area in the same
14 manner as the rate per cent of tax is extended to all other
15 taxable property in the taxing district. The method of
16 allocating taxes established under this Section shall
17 terminate when the municipality adopts an ordinance dissolving
18 the special tax allocation fund for the economic development
19 project area, terminating the economic development project
20 area, and terminating the use of tax increment allocation
21 financing for the economic development project area. This Act
22 shall not be construed as relieving property owners within an
23 economic development project area from paying a uniform rate of
24 taxes upon the current equalized assessed value of their
25 taxable property as provided in the Property Tax Code.

26 (Source: P.A. 88-670, eff. 12-2-94.)

27 Section 10. The Property Tax Code is amended by changing
28 Sections 14-15, 15-10, 15-170, 15-172, 15-175, and 20-178 and
29 by adding Section 15-176 as follows:

30 (35 ILCS 200/14-15)

31 Sec. 14-15. Certificate of error; counties of 3,000,000 or
32 more.

33 (a) In counties with 3,000,000 or more inhabitants, if,
34 after the assessment is certified pursuant to Section 16-150,

1 but subject to the limitations of subsection (c) of this
2 Section, the county assessor discovers an error or mistake in
3 the assessment, the assessor shall execute a certificate
4 setting forth the nature and cause of the error. The
5 certificate when endorsed by the county assessor, or when
6 endorsed by the county assessor and board of appeals (until the
7 first Monday in December 1998 and the board of review beginning
8 the first Monday in December 1998 and thereafter) where the
9 certificate is executed for any assessment which was the
10 subject of a complaint filed in the board of appeals (until the
11 first Monday in December 1998 and the board of review beginning
12 the first Monday in December 1998 and thereafter) for the tax
13 year for which the certificate is issued, may, either be
14 certified according to the procedure authorized by this Section
15 or be presented and received in evidence in any court of
16 competent jurisdiction. Certification is authorized, at the
17 discretion of the county assessor, for: (1) certificates of
18 error allowing homestead exemptions pursuant to Sections
19 15-170, 15-172, ~~and~~ 15-175, and 15-176; (2) certificates of
20 error on residential property of 6 units or less; (3)
21 certificates of error allowing exemption of the property
22 pursuant to Section 14-25; and (4) other certificates of error
23 reducing assessed value by less than \$100,000. Any certificate
24 of error not certified shall be presented to the court. The
25 county assessor shall develop reasonable procedures for the
26 filing and processing of certificates of error. Prior to the
27 certification or presentation to the court, the county assessor
28 or his or her designee shall execute and include in the
29 certificate of error a statement attesting that all procedural
30 requirements pertaining to the issuance of the certificate of
31 error have been met and that in fact an error exists. When so
32 introduced in evidence such certificate shall become a part of
33 the court records, and shall not be removed from the files
34 except upon the order of the court.

35 Certificates of error that will be presented to the court
36 shall be filed as an objection in the application for judgment

1 and order of sale for the year in relation to which the
 2 certificate is made or as an amendment to the objection under
 3 subsection (b). Certificates of error that are to be certified
 4 according to the procedure authorized by this Section need not
 5 be presented to the court as an objection or an amendment under
 6 subsection (b). The State's Attorney of the county in which the
 7 property is situated shall mail a copy of any final judgment
 8 entered by the court regarding any certificate of error to the
 9 taxpayer of record for the year in question.

10 Any unpaid taxes after the entry of the final judgment by
 11 the court or certification on certificates issued under this
 12 Section may be included in a special tax sale, provided that an
 13 advertisement is published and a notice is mailed to the person
 14 in whose name the taxes were last assessed, in a form and
 15 manner substantially similar to the advertisement and notice
 16 required under Sections 21-110 and 21-135. The advertisement
 17 and sale shall be subject to all provisions of law regulating
 18 the annual advertisement and sale of delinquent property, to
 19 the extent that those provisions may be made applicable.

20 A certificate of error certified under this Section shall
 21 be given effect by the county treasurer, who shall mark the tax
 22 books and, upon receipt of one of the following certificates
 23 from the county assessor or the county assessor and the board
 24 of review where the board of review is required to endorse the
 25 certificate of error, shall issue refunds to the taxpayer
 26 accordingly:

27 "CERTIFICATION

28 I,, county assessor, hereby certify
 29 that the Certificates of Error set out on the attached list
 30 have been duly issued to correct an error or mistake in the
 31 assessment."

32 "CERTIFICATION

33 I,, county assessor, and we,
 34,

1 members of the board of review, hereby certify that the
2 Certificates of Error set out on the attached list have
3 been duly issued to correct an error or mistake in the
4 assessment and that any certificates of error required to
5 be endorsed by the board of review have been so endorsed."

6 The county treasurer has the power to mark the tax books to
7 reflect the issuance of certificates of error certified
8 according to the procedure authorized in this Section for
9 certificates of error issued under Section 14-25 or
10 certificates of error issued to and including 3 years after the
11 date on which the annual judgment and order of sale for that
12 tax year was first entered. The county treasurer has the power
13 to issue refunds to the taxpayer as set forth above until all
14 refunds authorized by this Section have been completed.

15 To the extent that the certificate of error obviates the
16 liability for nonpayment of taxes, certification of a
17 certificate of error according to the procedure authorized in
18 this Section shall operate to vacate any judgment or forfeiture
19 as to that year's taxes, and the warrant books and judgment
20 books shall be marked to reflect that the judgment or
21 forfeiture has been vacated.

22 (b) Nothing in subsection (a) of this Section shall be
23 construed to prohibit the execution, endorsement, issuance,
24 and adjudication of a certificate of error if (i) the annual
25 judgment and order of sale for the tax year in question is
26 reopened for further proceedings upon consent of the county
27 collector and county assessor, represented by the State's
28 Attorney, and (ii) a new final judgment is subsequently entered
29 pursuant to the certificate. This subsection (b) shall be
30 construed as declarative of existing law and not as a new
31 enactment.

32 (c) No certificate of error, other than a certificate to
33 establish an exemption under Section 14-25, shall be executed
34 for any tax year more than 3 years after the date on which the
35 annual judgment and order of sale for that tax year was first

1 entered, except that during calendar years 1999 and 2000 a
2 certificate of error may be executed for any tax year, provided
3 that the error or mistake in the assessment was discovered no
4 more than 3 years after the date on which the annual judgment
5 and order of sale for that tax year was first entered.

6 (d) The time limitation of subsection (c) shall not apply
7 to a certificate of error correcting an assessment to \$1, under
8 Section 10-35, on a parcel that a subdivision or planned
9 development has acquired by adverse possession, if during the
10 tax year for which the certificate is executed the subdivision
11 or planned development used the parcel as common area, as
12 defined in Section 10-35, and if application for the
13 certificate of error is made prior to December 1, 1997.

14 (e) The changes made by this amendatory Act of the 91st
15 General Assembly apply to certificates of error issued before,
16 on, and after the effective date of this amendatory Act of the
17 91st General Assembly.

18 (Source: P.A. 90-4, eff. 3-7-97; 90-288, eff. 8-1-97; 90-655,
19 eff. 7-30-98; 91-393, eff. 7-30-99; 91-686, eff. 1-26-00.)

20 (35 ILCS 200/15-10)

21 Sec. 15-10. Exempt property; procedures for certification.
22 All property granted an exemption by the Department pursuant to
23 the requirements of Section 15-5 and described in the Sections
24 following Section 15-30 and preceding Section 16-5, to the
25 extent therein limited, is exempt from taxation. In order to
26 maintain that exempt status, the titleholder or the owner of
27 the beneficial interest of any property that is exempt must
28 file with the chief county assessment officer, on or before
29 January 31 of each year (May 31 in the case of property
30 exempted by Section 15-170), an affidavit stating whether there
31 has been any change in the ownership or use of the property or
32 the status of the owner-resident, or that a disabled veteran
33 who qualifies under Section 15-165 owned and used the property
34 as of January 1 of that year. The nature of any change shall be
35 stated in the affidavit. Failure to file an affidavit shall, in

1 the discretion of the assessment officer, constitute cause to
2 terminate the exemption of that property, notwithstanding any
3 other provision of this Code. Owners of 5 or more such exempt
4 parcels within a county may file a single annual affidavit in
5 lieu of an affidavit for each parcel. The assessment officer,
6 upon request, shall furnish an affidavit form to the owners, in
7 which the owner may state whether there has been any change in
8 the ownership or use of the property or status of the owner or
9 resident as of January 1 of that year. The owner of 5 or more
10 exempt parcels shall list all the properties giving the same
11 information for each parcel as required of owners who file
12 individual affidavits.

13 However, titleholders or owners of the beneficial interest
14 in any property exempted under any of the following provisions
15 are not required to submit an annual filing under this Section:

16 (1) Section 15-45 (burial grounds) in counties of less
17 than 3,000,000 inhabitants and owned by a not-for-profit
18 organization.

19 (2) Section 15-40.

20 (3) Section 15-50 (United States property).

21 If there is a change in use or ownership, however, notice
22 must be filed pursuant to Section 15-20.

23 An application for homestead exemptions shall be filed as
24 provided in Section 15-170 (senior citizens homestead
25 exemption), Section 15-172 (senior citizens assessment freeze
26 homestead exemption), and Sections ~~Section~~ 15-175 and
27 15-176 (general homestead exemption), respectively.

28 (Source: P.A. 92-333, eff. 8-10-01; 92-729, eff. 7-25-02.)

29 (35 ILCS 200/15-170)

30 Sec. 15-170. Senior Citizens Homestead Exemption. An
31 annual homestead exemption limited, except as described here
32 with relation to cooperatives or life care facilities, to a
33 maximum reduction set forth below from the property's value, as
34 equalized or assessed by the Department, is granted for
35 property that is occupied as a residence by a person 65 years

1 of age or older who is liable for paying real estate taxes on
2 the property and is an owner of record of the property or has a
3 legal or equitable interest therein as evidenced by a written
4 instrument, except for a leasehold interest, other than a
5 leasehold interest of land on which a single family residence
6 is located, which is occupied as a residence by a person 65
7 years or older who has an ownership interest therein, legal,
8 equitable or as a lessee, and on which he or she is liable for
9 the payment of property taxes.

10 Before taxable year 2003, the maximum reduction shall be
11 \$2,500 in counties with 3,000,000 or more inhabitants and
12 \$2,000 in all other counties. For taxable years 2003 and
13 thereafter, the maximum reduction shall be \$2,500 in all
14 counties.

15 For land improved with an apartment building owned and operated
16 as a cooperative, the maximum reduction from the value of the
17 property, as equalized by the Department, shall be multiplied
18 by the number of apartments or units occupied by a person 65
19 years of age or older who is liable, by contract with the owner
20 or owners of record, for paying property taxes on the property
21 and is an owner of record of a legal or equitable interest in
22 the cooperative apartment building, other than a leasehold
23 interest. For land improved with a life care facility, the
24 maximum reduction from the value of the property, as equalized
25 by the Department, shall be multiplied by the number of
26 apartments or units occupied by persons 65 years of age or
27 older, irrespective of any legal, equitable, or leasehold
28 interest in the facility, who are liable, under a contract with
29 the owner or owners of record of the facility, for paying
30 property taxes on the property. In a cooperative or a life care
31 facility where a homestead exemption has been granted, the
32 cooperative association or the management firm of the
33 cooperative or facility shall credit the savings resulting from
34 that exemption only to the apportioned tax liability of the
35 owner or resident who qualified for the exemption. Any person
36 who willfully refuses to so credit the savings shall be guilty

1 of a Class B misdemeanor. Under this Section and Sections
2 ~~Section~~ 15-175 and 15-176, "life care facility" means a
3 facility as defined in Section 2 of the Life Care Facilities
4 Act, with which the applicant for the homestead exemption has a
5 life care contract as defined in that Act.

6 When a homestead exemption has been granted under this
7 Section and the person qualifying subsequently becomes a
8 resident of a facility licensed under the Nursing Home Care
9 Act, the exemption shall continue so long as the residence
10 continues to be occupied by the qualifying person's spouse if
11 the spouse is 65 years of age or older, or if the residence
12 remains unoccupied but is still owned by the person qualified
13 for the homestead exemption.

14 A person who will be 65 years of age during the current
15 assessment year shall be eligible to apply for the homestead
16 exemption during that assessment year. Application shall be
17 made during the application period in effect for the county of
18 his residence.

19 Beginning with assessment year 2003, for taxes payable in
20 2004, property that is first occupied as a residence after
21 January 1 of any assessment year by a person who is eligible
22 for the senior citizens homestead exemption under this Section
23 must be granted a pro-rata exemption for the assessment year.
24 The amount of the pro-rata exemption is the exemption allowed
25 in the county under this Section divided by 365 and multiplied
26 by the number of days during the assessment year the property
27 is occupied as a residence by a person eligible for the
28 exemption under this Section. The chief county assessment
29 officer must adopt reasonable procedures to establish
30 eligibility for this pro-rata exemption.

31 The assessor or chief county assessment officer may
32 determine the eligibility of a life care facility to receive
33 the benefits provided by this Section, by affidavit,
34 application, visual inspection, questionnaire or other
35 reasonable methods in order to insure that the tax savings
36 resulting from the exemption are credited by the management

1 firm to the apportioned tax liability of each qualifying
2 resident. The assessor may request reasonable proof that the
3 management firm has so credited the exemption.

4 The chief county assessment officer of each county with
5 less than 3,000,000 inhabitants shall provide to each person
6 allowed a homestead exemption under this Section a form to
7 designate any other person to receive a duplicate of any notice
8 of delinquency in the payment of taxes assessed and levied
9 under this Code on the property of the person receiving the
10 exemption. The duplicate notice shall be in addition to the
11 notice required to be provided to the person receiving the
12 exemption, and shall be given in the manner required by this
13 Code. The person filing the request for the duplicate notice
14 shall pay a fee of \$5 to cover administrative costs to the
15 supervisor of assessments, who shall then file the executed
16 designation with the county collector. Notwithstanding any
17 other provision of this Code to the contrary, the filing of
18 such an executed designation requires the county collector to
19 provide duplicate notices as indicated by the designation. A
20 designation may be rescinded by the person who executed such
21 designation at any time, in the manner and form required by the
22 chief county assessment officer.

23 The assessor or chief county assessment officer may
24 determine the eligibility of residential property to receive
25 the homestead exemption provided by this Section by
26 application, visual inspection, questionnaire or other
27 reasonable methods. The determination shall be made in
28 accordance with guidelines established by the Department.

29 In counties with less than 3,000,000 inhabitants, the
30 county board may by resolution provide that if a person has
31 been granted a homestead exemption under this Section, the
32 person qualifying need not reapply for the exemption.

33 If a property has been granted a homestead exemption under
34 this Section, the person qualifying need not reapply for the
35 exemption.

36 In counties with less than 3,000,000 inhabitants, if the

1 assessor or chief county assessment officer requires annual
2 application for verification of eligibility for an exemption
3 once granted under this Section, the application shall be
4 mailed to the taxpayer.

5 The assessor or chief county assessment officer shall
6 notify each person who qualifies for an exemption under this
7 Section that the person may also qualify for deferral of real
8 estate taxes under the Senior Citizens Real Estate Tax Deferral
9 Act. The notice shall set forth the qualifications needed for
10 deferral of real estate taxes, the address and telephone number
11 of county collector, and a statement that applications for
12 deferral of real estate taxes may be obtained from the county
13 collector.

14 Notwithstanding Sections 6 and 8 of the State Mandates Act,
15 no reimbursement by the State is required for the
16 implementation of any mandate created by this Section.

17 (Source: P.A. 92-196, eff. 1-1-02; 93-511, eff. 8-11-03.)

18 (35 ILCS 200/15-172)

19 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
20 Exemption.

21 (a) This Section may be cited as the Senior Citizens
22 Assessment Freeze Homestead Exemption.

23 (b) As used in this Section:

24 "Applicant" means an individual who has filed an
25 application under this Section.

26 "Base amount" means the base year equalized assessed value
27 of the residence plus the first year's equalized assessed value
28 of any added improvements which increased the assessed value of
29 the residence after the base year.

30 "Base year" means the taxable year prior to the taxable
31 year for which the applicant first qualifies and applies for
32 the exemption provided that in the prior taxable year the
33 property was improved with a permanent structure that was
34 occupied as a residence by the applicant who was liable for
35 paying real property taxes on the property and who was either

1 (i) an owner of record of the property or had legal or
2 equitable interest in the property as evidenced by a written
3 instrument or (ii) had a legal or equitable interest as a
4 lessee in the parcel of property that was single family
5 residence. If in any subsequent taxable year for which the
6 applicant applies and qualifies for the exemption the equalized
7 assessed value of the residence is less than the equalized
8 assessed value in the existing base year (provided that such
9 equalized assessed value is not based on an assessed value that
10 results from a temporary irregularity in the property that
11 reduces the assessed value for one or more taxable years), then
12 that subsequent taxable year shall become the base year until a
13 new base year is established under the terms of this paragraph.
14 For taxable year 1999 only, the Chief County Assessment Officer
15 shall review (i) all taxable years for which the applicant
16 applied and qualified for the exemption and (ii) the existing
17 base year. The assessment officer shall select as the new base
18 year the year with the lowest equalized assessed value. An
19 equalized assessed value that is based on an assessed value
20 that results from a temporary irregularity in the property that
21 reduces the assessed value for one or more taxable years shall
22 not be considered the lowest equalized assessed value. The
23 selected year shall be the base year for taxable year 1999 and
24 thereafter until a new base year is established under the terms
25 of this paragraph.

26 "Chief County Assessment Officer" means the County
27 Assessor or Supervisor of Assessments of the county in which
28 the property is located.

29 "Equalized assessed value" means the assessed value as
30 equalized by the Illinois Department of Revenue.

31 "Household" means the applicant, the spouse of the
32 applicant, and all persons using the residence of the applicant
33 as their principal place of residence.

34 "Household income" means the combined income of the members
35 of a household for the calendar year preceding the taxable
36 year.

1 "Income" has the same meaning as provided in Section 3.07
2 of the Senior Citizens and Disabled Persons Property Tax Relief
3 and Pharmaceutical Assistance Act, except that, beginning in
4 assessment year 2001, "income" does not include veteran's
5 benefits.

6 "Internal Revenue Code of 1986" means the United States
7 Internal Revenue Code of 1986 or any successor law or laws
8 relating to federal income taxes in effect for the year
9 preceding the taxable year.

10 "Life care facility that qualifies as a cooperative" means
11 a facility as defined in Section 2 of the Life Care Facilities
12 Act.

13 "Residence" means the principal dwelling place and
14 appurtenant structures used for residential purposes in this
15 State occupied on January 1 of the taxable year by a household
16 and so much of the surrounding land, constituting the parcel
17 upon which the dwelling place is situated, as is used for
18 residential purposes. If the Chief County Assessment Officer
19 has established a specific legal description for a portion of
20 property constituting the residence, then that portion of
21 property shall be deemed the residence for the purposes of this
22 Section.

23 "Taxable year" means the calendar year during which ad
24 valorem property taxes payable in the next succeeding year are
25 levied.

26 (c) Beginning in taxable year 1994, a senior citizens
27 assessment freeze homestead exemption is granted for real
28 property that is improved with a permanent structure that is
29 occupied as a residence by an applicant who (i) is 65 years of
30 age or older during the taxable year, (ii) has a household
31 income of \$35,000 or less prior to taxable year 1999, ~~or~~ \$40,000
32 or less in taxable years year 1999 through 2002, or \$45,000 or
33 less in taxable year 2003 and thereafter, (iii) is liable for
34 paying real property taxes on the property, and (iv) is an
35 owner of record of the property or has a legal or equitable
36 interest in the property as evidenced by a written instrument.

1 This homestead exemption shall also apply to a leasehold
2 interest in a parcel of property improved with a permanent
3 structure that is a single family residence that is occupied as
4 a residence by a person who (i) is 65 years of age or older
5 during the taxable year, (ii) has a household income of \$35,000
6 or less prior to taxable year 1999, ~~or~~ \$40,000 or less in
7 taxable years ~~year~~ 1999 through 2002, or \$45,000 or less in
8 taxable year 2003 and thereafter, (iii) has a legal or
9 equitable ownership interest in the property as lessee, and
10 (iv) is liable for the payment of real property taxes on that
11 property.

12 The amount of this exemption shall be the equalized
13 assessed value of the residence in the taxable year for which
14 application is made minus the base amount.

15 When the applicant is a surviving spouse of an applicant
16 for a prior year for the same residence for which an exemption
17 under this Section has been granted, the base year and base
18 amount for that residence are the same as for the applicant for
19 the prior year.

20 Each year at the time the assessment books are certified to
21 the County Clerk, the Board of Review or Board of Appeals shall
22 give to the County Clerk a list of the assessed values of
23 improvements on each parcel qualifying for this exemption that
24 were added after the base year for this parcel and that
25 increased the assessed value of the property.

26 In the case of land improved with an apartment building
27 owned and operated as a cooperative or a building that is a
28 life care facility that qualifies as a cooperative, the maximum
29 reduction from the equalized assessed value of the property is
30 limited to the sum of the reductions calculated for each unit
31 occupied as a residence by a person ~~or persons~~ (i) 65 years of
32 age or older, (ii) with a household income of \$35,000 or less
33 prior to taxable year 1999, ~~or~~ \$40,000 or less in taxable years
34 year 1999 through 2002, or \$45,000 or less in taxable year
35 2003 and thereafter, (iii) who is liable, by contract with the
36 owner or owners of record, for paying real property taxes on

1 the property, and (iv) who is an owner of record of a legal or
2 equitable interest in the cooperative apartment building,
3 other than a leasehold interest. In the instance of a
4 cooperative where a homestead exemption has been granted under
5 this Section, the cooperative association or its management
6 firm shall credit the savings resulting from that exemption
7 only to the apportioned tax liability of the owner who
8 qualified for the exemption. Any person who willfully refuses
9 to credit that savings to an owner who qualifies for the
10 exemption is guilty of a Class B misdemeanor.

11 When a homestead exemption has been granted under this
12 Section and an applicant then becomes a resident of a facility
13 licensed under the Nursing Home Care Act, the exemption shall
14 be granted in subsequent years so long as the residence (i)
15 continues to be occupied by the qualified applicant's spouse or
16 (ii) if remaining unoccupied, is still owned by the qualified
17 applicant for the homestead exemption.

18 Beginning January 1, 1997, when an individual dies who
19 would have qualified for an exemption under this Section, and
20 the surviving spouse does not independently qualify for this
21 exemption because of age, the exemption under this Section
22 shall be granted to the surviving spouse for the taxable year
23 preceding and the taxable year of the death, provided that,
24 except for age, the surviving spouse meets all other
25 qualifications for the granting of this exemption for those
26 years.

27 When married persons maintain separate residences, the
28 exemption provided for in this Section may be claimed by only
29 one of such persons and for only one residence.

30 For taxable year 1994 only, in counties having less than
31 3,000,000 inhabitants, to receive the exemption, a person shall
32 submit an application by February 15, 1995 to the Chief County
33 Assessment Officer of the county in which the property is
34 located. In counties having 3,000,000 or more inhabitants, for
35 taxable year 1994 and all subsequent taxable years, to receive
36 the exemption, a person may submit an application to the Chief

1 County Assessment Officer of the county in which the property
2 is located during such period as may be specified by the Chief
3 County Assessment Officer. The Chief County Assessment Officer
4 in counties of 3,000,000 or more inhabitants shall annually
5 give notice of the application period by mail or by
6 publication. In counties having less than 3,000,000
7 inhabitants, beginning with taxable year 1995 and thereafter,
8 to receive the exemption, a person shall submit an application
9 by July 1 of each taxable year to the Chief County Assessment
10 Officer of the county in which the property is located. A
11 county may, by ordinance, establish a date for submission of
12 applications that is different than July 1. The applicant shall
13 submit with the application an affidavit of the applicant's
14 total household income, age, marital status (and if married the
15 name and address of the applicant's spouse, if known), and
16 principal dwelling place of members of the household on January
17 1 of the taxable year. The Department shall establish, by rule,
18 a method for verifying the accuracy of affidavits filed by
19 applicants under this Section. The applications shall be
20 clearly marked as applications for the Senior Citizens
21 Assessment Freeze Homestead Exemption.

22 Notwithstanding any other provision to the contrary, in
23 counties having fewer than 3,000,000 inhabitants, if an
24 applicant fails to file the application required by this
25 Section in a timely manner and this failure to file is due to a
26 mental or physical condition sufficiently severe so as to
27 render the applicant incapable of filing the application in a
28 timely manner, the Chief County Assessment Officer may extend
29 the filing deadline for a period of 30 days after the applicant
30 regains the capability to file the application, but in no case
31 may the filing deadline be extended beyond 3 months of the
32 original filing deadline. In order to receive the extension
33 provided in this paragraph, the applicant shall provide the
34 Chief County Assessment Officer with a signed statement from
35 the applicant's physician stating the nature and extent of the
36 condition, that, in the physician's opinion, the condition was

1 so severe that it rendered the applicant incapable of filing
2 the application in a timely manner, and the date on which the
3 applicant regained the capability to file the application.

4 Beginning January 1, 1998, notwithstanding any other
5 provision to the contrary, in counties having fewer than
6 3,000,000 inhabitants, if an applicant fails to file the
7 application required by this Section in a timely manner and
8 this failure to file is due to a mental or physical condition
9 sufficiently severe so as to render the applicant incapable of
10 filing the application in a timely manner, the Chief County
11 Assessment Officer may extend the filing deadline for a period
12 of 3 months. In order to receive the extension provided in this
13 paragraph, the applicant shall provide the Chief County
14 Assessment Officer with a signed statement from the applicant's
15 physician stating the nature and extent of the condition, and
16 that, in the physician's opinion, the condition was so severe
17 that it rendered the applicant incapable of filing the
18 application in a timely manner.

19 In counties having less than 3,000,000 inhabitants, if an
20 applicant was denied an exemption in taxable year 1994 and the
21 denial occurred due to an error on the part of an assessment
22 official, or his or her agent or employee, then beginning in
23 taxable year 1997 the applicant's base year, for purposes of
24 determining the amount of the exemption, shall be 1993 rather
25 than 1994. In addition, in taxable year 1997, the applicant's
26 exemption shall also include an amount equal to (i) the amount
27 of any exemption denied to the applicant in taxable year 1995
28 as a result of using 1994, rather than 1993, as the base year,
29 (ii) the amount of any exemption denied to the applicant in
30 taxable year 1996 as a result of using 1994, rather than 1993,
31 as the base year, and (iii) the amount of the exemption
32 erroneously denied for taxable year 1994.

33 For purposes of this Section, a person who will be 65 years
34 of age during the current taxable year shall be eligible to
35 apply for the homestead exemption during that taxable year.
36 Application shall be made during the application period in

1 effect for the county of his or her residence.

2 The Chief County Assessment Officer may determine the
3 eligibility of a life care facility that qualifies as a
4 cooperative to receive the benefits provided by this Section by
5 use of an affidavit, application, visual inspection,
6 questionnaire, or other reasonable method in order to insure
7 that the tax savings resulting from the exemption are credited
8 by the management firm to the apportioned tax liability of each
9 qualifying resident. The Chief County Assessment Officer may
10 request reasonable proof that the management firm has so
11 credited that exemption.

12 Except as provided in this Section, all information
13 received by the chief county assessment officer or the
14 Department from applications filed under this Section, or from
15 any investigation conducted under the provisions of this
16 Section, shall be confidential, except for official purposes or
17 pursuant to official procedures for collection of any State or
18 local tax or enforcement of any civil or criminal penalty or
19 sanction imposed by this Act or by any statute or ordinance
20 imposing a State or local tax. Any person who divulges any such
21 information in any manner, except in accordance with a proper
22 judicial order, is guilty of a Class A misdemeanor.

23 Nothing contained in this Section shall prevent the
24 Director or chief county assessment officer from publishing or
25 making available reasonable statistics concerning the
26 operation of the exemption contained in this Section in which
27 the contents of claims are grouped into aggregates in such a
28 way that information contained in any individual claim shall
29 not be disclosed.

30 (d) Each Chief County Assessment Officer shall annually
31 publish a notice of availability of the exemption provided
32 under this Section. The notice shall be published at least 60
33 days but no more than 75 days prior to the date on which the
34 application must be submitted to the Chief County Assessment
35 Officer of the county in which the property is located. The
36 notice shall appear in a newspaper of general circulation in

1 the county.

2 (e) Notwithstanding Sections 6 and 8 of the State Mandates
3 Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this Section.

5 (Source: P.A. 90-14, eff. 7-1-97; 90-204, eff. 7-25-97; 90-523,
6 eff. 11-13-97; 90-524, eff. 1-1-98; 90-531, eff. 1-1-98;
7 90-655, eff. 7-30-98; 91-45, eff. 6-30-99; 91-56, eff. 6-30-99;
8 91-819, eff. 6-13-00.)

9 (35 ILCS 200/15-175)

10 Sec. 15-175. General homestead exemption. Except as
11 provided in Section 15-176, homestead property is entitled to
12 an annual homestead exemption limited, except as described here
13 with relation to cooperatives, to a reduction in the equalized
14 assessed value of homestead property equal to the increase in
15 equalized assessed value for the current assessment year above
16 the equalized assessed value of the property for 1977, up to
17 the maximum reduction set forth below. If however, the 1977
18 equalized assessed value upon which taxes were paid is
19 subsequently determined by local assessing officials, the
20 Property Tax Appeal Board, or a court to have been excessive,
21 the equalized assessed value which should have been placed on
22 the property for 1977 shall be used to determine the amount of
23 the exemption.

24 Before taxable year 2003, the maximum reduction shall be
25 \$4,500 in counties with 3,000,000 or more inhabitants and shall
26 be \$3,500 in all other counties. Except as provided in Section
27 15-176, for taxable years 2003 and thereafter, the maximum
28 reduction shall be \$4,500 in all counties.

29 In counties with fewer than 3,000,000 inhabitants, if,
30 based on the most recent assessment, the equalized assessed
31 value of the homestead property for the current assessment year
32 is greater than the equalized assessed value of the property
33 for 1977, the owner of the property shall automatically receive
34 the exemption granted under this Section in an amount equal to
35 the increase over the 1977 assessment up to the maximum

1 reduction set forth in this Section.

2 If in any assessment year beginning with the 2000
3 assessment year, homestead property has a pro-rata valuation
4 under Section 9-180 resulting in an increase in the assessed
5 valuation, a reduction in equalized assessed valuation equal to
6 the increase in equalized assessed value of the property for
7 the year of the pro-rata valuation above the equalized assessed
8 value of the property for 1977 shall be applied to the property
9 on a proportionate basis for the period the property qualified
10 as homestead property during the assessment year. The maximum
11 proportionate homestead exemption shall not exceed the maximum
12 homestead exemption allowed in the county under this Section
13 divided by 365 and multiplied by the number of days the
14 property qualified as homestead property.

15 "Homestead property" under this Section includes
16 residential property that is occupied by its owner or owners as
17 his or their principal dwelling place, or that is a leasehold
18 interest on which a single family residence is situated, which
19 is occupied as a residence by a person who has an ownership
20 interest therein, legal or equitable or as a lessee, and on
21 which the person is liable for the payment of property taxes.
22 For land improved with an apartment building owned and operated
23 as a cooperative or a building which is a life care facility as
24 defined in Section 15-170 and considered to be a cooperative
25 under Section 15-170, the maximum reduction from the equalized
26 assessed value shall be limited to the increase in the value
27 above the equalized assessed value of the property for 1977, up
28 to the maximum reduction set forth above, multiplied by the
29 number of apartments or units occupied by a person or persons
30 who is liable, by contract with the owner or owners of record,
31 for paying property taxes on the property and is an owner of
32 record of a legal or equitable interest in the cooperative
33 apartment building, other than a leasehold interest. For
34 purposes of this Section, the term "life care facility" has the
35 meaning stated in Section 15-170.

36 In a cooperative where a homestead exemption has been

1 granted, the cooperative association or its management firm
2 shall credit the savings resulting from that exemption only to
3 the apportioned tax liability of the owner who qualified for
4 the exemption. Any person who willfully refuses to so credit
5 the savings shall be guilty of a Class B misdemeanor.

6 Where married persons maintain and reside in separate
7 residences qualifying as homestead property, each residence
8 shall receive 50% of the total reduction in equalized assessed
9 valuation provided by this Section.

10 In counties with more than 3,000,000 inhabitants, the
11 assessor or chief county assessment officer may determine the
12 eligibility of residential property to receive the homestead
13 exemption by application, visual inspection, questionnaire or
14 other reasonable methods. The determination shall be made in
15 accordance with guidelines established by the Department.

16 In the event of a sale of homestead property the homestead
17 exemption shall remain in effect for the remainder of the
18 assessment year of the sale. The assessor or chief county
19 assessment officer may require the new owner of the property to
20 apply for the homestead exemption for the following assessment
21 year.

22 (Source: P.A. 90-368, eff. 1-1-98; 90-552, eff. 12-12-97;
23 90-655, eff. 7-30-98; 91-346, eff. 7-29-99.)

24 (35 ILCS 200/15-176)

25 Sec. 15-176. General homestead exemption; counties subject
26 to the Property Tax Extension Limitation Law.

27 (a) In counties subject to the Property Tax Extension
28 Limitation Law, beginning with assessments made for the tax
29 year 2003 and for subsequent tax years, homestead property is
30 entitled to an annual homestead exemption equal to a reduction
31 in the property's equalized assessed value calculated as
32 provided in this Section.

33 (b) As used in this Section:

34 (1) "Assessor" means the supervisor of assessments or
35 the county assessor in each county.

1 (2) "Adjusted homestead value" means the lesser of the
2 following values:

3 (A) The property's base homestead value increased
4 by 7% for each tax year after 2002 through and
5 including the current tax year.

6 (B) The property's equalized assessed value for
7 the current tax year minus \$4,500.

8 (3) "Base homestead value" means:

9 (A) The equalized assessed value of the property
10 for tax year 2002, prior to exemptions, minus \$4,500,
11 provided that it was assessed for that year as
12 residential property qualified for any of the
13 homestead exemptions under Sections 15-170 through
14 15-175 of this Code, then in force, and further
15 provided that the property's assessment was not based
16 on a reduced assessed value resulting from a temporary
17 irregularity in the property for that year.

18 (B) If the property was not improved or otherwise
19 did not have a residential equalized assessed value for
20 tax year 2002 as provided in subdivision (b) (3) (A) of
21 this Section, then the "base homestead value" means the
22 base homestead value established by the assessor under
23 subsection (c).

24 (4) "Current tax year" means the tax year for which the
25 exemption under this Section is being applied.

26 (5) "Equalized assessed value" means the property's
27 assessed value as equalized by the Department.

28 (6) "Homestead" or "homestead property" means:

29 (A) Residential property that as of January 1 of
30 the tax year is occupied by its owner or owners as his,
31 her, or their principal dwelling place, or that is a
32 leasehold interest on which a single family residence
33 is situated, that is occupied as a residence by a
34 person who has a legal or equitable interest therein
35 evidenced by a written instrument, as an owner or as a
36 lessee, and on which the person is liable for the

1 payment of property taxes. Residential units in an
2 apartment building owned and operated as a
3 cooperative, or as a life care facility, which are
4 occupied by persons who hold a legal or equitable
5 interest in the cooperative apartment building or life
6 care facility as owners or lessees, and who are liable
7 by contract for the payment of property taxes, shall be
8 included within this definition of homestead property.
9 Residential property containing 6 or fewer dwelling
10 units shall also be included in this definition of
11 homestead property provided that at least one such unit
12 is occupied by the property's owner or owners as his,
13 her, or their principal dwelling place.

14 (B) A homestead includes the dwelling place,
15 appurtenant structures, and so much of the surrounding
16 land constituting the parcel on which the dwelling
17 place is situated as is used for residential purposes.
18 If the assessor has established a specific legal
19 description for a portion of property constituting the
20 homestead, then the homestead shall be limited to the
21 property within that description.

22 (7) "Life care facility" means a facility as defined in
23 Section 2 of the Life Care Facilities Act.

24 (c) If the property did not have a residential assessed
25 value for tax year 2002 as provided in subdivision (b) (3) (A) of
26 this Section, then the assessor shall first determine an
27 initial value for the property by comparison with assessed
28 values for tax year 2002 of other properties having physical
29 and economic characteristics similar to those of the subject
30 property, so that the initial value is uniform in relation to
31 assessed values of those other properties for tax year 2002.
32 The product of the initial value multiplied by the 2002
33 equalization factor for homestead properties in that county,
34 less \$4,500, is the base homestead value.

35 For any tax year for which the assessor determines or
36 adjusts an initial value and hence a base homestead value under

1 this subsection (c), the initial value shall be subject to
2 review by the same procedures applicable to assessed values
3 established under this Code for that tax year.

4 (d) The base homestead value shall remain constant, except
5 that the assessor may revise it under the following
6 circumstances:

7 (1) If the equalized assessed value of a homestead
8 property for the current tax year is less than the previous
9 base homestead value for that property, then the current
10 equalized assessed value (provided it is not based on a
11 reduced assessed value resulting from a temporary
12 irregularity in the property) shall become the base
13 homestead value in subsequent tax years.

14 (2) For any year in which new buildings, structures, or
15 other improvements are constructed on the homestead
16 property that would increase its assessed value, the
17 assessor shall adjust the base homestead value as provided
18 in subsection (c) of this Section with due regard to the
19 value added by the new improvements.

20 (e) The amount of the exemption under this Section is the
21 equalized assessed value of the homestead property for the
22 current tax year, minus the adjusted homestead value. Provided,
23 however, that in the case of homestead property that also
24 qualifies for the exemption under Section 15-172, the property
25 is also entitled to the exemption under this Section, limited
26 to the amount of \$4,500.

27 (f) In the case of an apartment building owned and operated
28 as a cooperative, or as a life care facility, that contains
29 residential units that qualify as homestead property under this
30 Section, the maximum cumulative exemption amount attributed to
31 the entire building or facility shall not exceed the sum of the
32 exemptions calculated for each qualified residential unit. The
33 cooperative association, management firm, or other person or
34 entity that manages or controls the cooperative apartment
35 building or life care facility shall credit the exemption
36 attributable to each residential unit only to the apportioned

1 tax liability of the owner or other person responsible for
2 payment of taxes as to that unit. Any person who willfully
3 refuses to so credit the exemption is guilty of a Class B
4 misdemeanor.

5 (g) When married persons maintain separate residences, the
6 exemption provided under this Section shall be claimed by only
7 one such person and for only one residence.

8 (h) In the event of a sale of the homestead property, the
9 exemption under this Section shall remain in effect for the
10 remainder of the tax year in which the sale occurs. The
11 assessor may require the new owner of the property to apply for
12 the exemption in the following year.

13 (i) The assessor may determine whether property qualifies
14 as a homestead under this Section by application, visual
15 inspection, questionnaire, or other reasonable methods. Each
16 year, at the time the assessment books are certified to the
17 county clerk by the board of review, the assessor shall furnish
18 to the county clerk a list of the properties qualified for the
19 homestead exemption under this Section. The list shall note the
20 base homestead value of each property to be used in the
21 calculation of the exemption for the current tax year.

22 (j) The provisions of this Section apply as follows:

23 (1) If the general assessment year for the property is
24 2003, this Section applies for assessment years 2003, 2004,
25 2005, 2006, 2007, 2008, 2009, and 2010. Thereafter, the
26 provisions of Section 15-175 apply.

27 (2) If the general assessment year for the property is
28 2004, this Section applies for assessment years 2004, 2005,
29 2006, 2007, 2008, 2009, and 2010. Thereafter, the
30 provisions of Section 15-175 apply.

31 (3) If the general assessment year for the property is
32 2005, this Section applies for assessment years 2005, 2006,
33 2007, 2008, 2009, and 2010. Thereafter, the provisions of
34 Section 15-175 apply.

35 (4) If the general assessment year for the property is
36 2006, this Section applies for assessment years 2006, 2007,

1 2008, 2009, and 2010. Thereafter, the provisions of Section
2 15-175 apply.

3 (k) Notwithstanding Sections 6 and 8 of the State Mandates
4 Act, no reimbursement by the State is required for the
5 implementation of any mandate created by this Section.

6 (35 ILCS 200/20-178)

7 Sec. 20-178. Certificate of error; refund; interest. When
8 the county collector makes any refunds due on certificates of
9 error issued under Sections 14-15 through 14-25 that have been
10 either certified or adjudicated, the county collector shall pay
11 the taxpayer interest on the amount of the refund at the rate
12 of 0.5% per month.

13 No interest shall be due under this Section for any time
14 prior to 60 days after the effective date of this amendatory
15 Act of the 91st General Assembly. For certificates of error
16 issued prior to the effective date of this amendatory Act of
17 the 91st General Assembly, the county collector shall pay the
18 taxpayer interest from 60 days after the effective date of this
19 amendatory Act of the 91st General Assembly until the date the
20 refund is paid. For certificates of error issued on or after
21 the effective date of this amendatory Act of the 91st General
22 Assembly, interest shall be paid from 60 days after the
23 certificate of error is issued by the chief county assessment
24 officer to the date the refund is made. To cover the cost of
25 interest, the county collector shall proportionately reduce
26 the distribution of taxes collected for each taxing district in
27 which the property is situated.

28 This Section shall not apply to any certificate of error
29 granting a homestead exemption under Section 15-170, 15-172,
30 ~~or~~ 15-175, or 15-176.

31 (Source: P.A. 91-393, eff. 7-30-99.)

32 Section 15. The County Economic Development Project Area
33 Property Tax Allocation Act is amended by changing Section 6 as
34 follows:

1 (55 ILCS 85/6) (from Ch. 34, par. 7006)

2 Sec. 6. Filing with county clerk; certification of initial
3 equalized assessed value.

4 (a) The county shall file a certified copy of any ordinance
5 authorizing property tax allocation financing for an economic
6 development project area with the county clerk, and the county
7 clerk shall immediately thereafter determine (1) the most
8 recently ascertained equalized assessed value of each lot,
9 block, tract or parcel of real property within the economic
10 development project area from which shall be deducted the
11 homestead exemptions provided by Sections 15-170, ~~and~~ 15-175,
12 and 15-176 of the Property Tax Code, which value shall be the
13 "initial equalized assessed value" of each such piece of
14 property, and (2) the total equalized assessed value of all
15 taxable real property within the economic development project
16 area by adding together the most recently ascertained equalized
17 assessed value of each taxable lot, block, tract, or parcel of
18 real property within such economic development project area,
19 from which shall be deducted the homestead exemptions provided
20 by Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax
21 Code. Upon receiving written notice from the Department of its
22 approval and certification of such economic development
23 project area, the county clerk shall immediately certify such
24 amount as the "total initial equalized assessed value" of the
25 taxable property within the economic development project area.

26 (b) After the county clerk has certified the "total initial
27 equalized assessed value" of the taxable real property in the
28 economic development project area, then in respect to every
29 taxing district containing an economic development project
30 area, the county clerk or any other official required by law to
31 ascertain the amount of the equalized assessed value of all
32 taxable property within that taxing district for the purpose of
33 computing the rate percent of tax to be extended upon taxable
34 property within the taxing district, shall in every year that
35 property tax allocation financing is in effect ascertain the

1 amount of value of taxable property in an economic development
2 project area by including in that amount the lower of the
3 current equalized assessed value or the certified "total
4 initial equalized assessed value" of all taxable real property
5 in such area. The rate percent of tax determined shall be
6 extended to the current equalized assessed value of all
7 property in the economic development project area in the same
8 manner as the rate percent of tax is extended to all other
9 taxable property in the taxing district. The method of
10 allocating taxes established under this Section shall
11 terminate when the county adopts an ordinance dissolving the
12 special tax allocation fund for the economic development
13 project area. This Act shall not be construed as relieving
14 property owners within an economic development project area
15 from paying a uniform rate of taxes upon the current equalized
16 assessed value of their taxable property as provided in the
17 Property Tax Code.

18 (Source: P.A. 88-670, eff. 12-2-94.)

19 Section 20. The County Economic Development Project Area
20 Tax Increment Allocation Act of 1991 is amended by changing
21 Section 45 as follows:

22 (55 ILCS 90/45) (from Ch. 34, par. 8045)

23 Sec. 45. Filing with county clerk; certification of initial
24 equalized assessed value.

25 (a) A county that has by ordinance approved an economic
26 development plan, established an economic development project
27 area, and adopted tax increment allocation financing for that
28 area shall file certified copies of the ordinance or ordinances
29 with the county clerk. Upon receiving the ordinance or
30 ordinances, the county clerk shall immediately determine (i)
31 the most recently ascertained equalized assessed value of each
32 lot, block, tract, or parcel of real property within the
33 economic development project area from which shall be deducted
34 the homestead exemptions provided by Sections 15-170, l

1 ~~and~~ 15-175, and 15-176 of the Property Tax Code (that value
2 being the "initial equalized assessed value" of each such piece
3 of property) and (ii) the total equalized assessed value of all
4 taxable real property within the economic development project
5 area by adding together the most recently ascertained equalized
6 assessed value of each taxable lot, block, tract, or parcel of
7 real property within the economic development project area,
8 from which shall be deducted the homestead exemptions provided
9 by Sections 15-170 ~~, and~~ 15-175, and 15-176 of the Property Tax
10 Code, and shall certify that amount as the "total initial
11 equalized assessed value" of the taxable real property within
12 the economic development project area.

13 (b) After the county clerk has certified the "total initial
14 equalized assessed value" of the taxable real property in the
15 economic development project area, then in respect to every
16 taxing district containing an economic development project
17 area, the county clerk or any other official required by law to
18 ascertain the amount of the equalized assessed value of all
19 taxable property within the taxing district for the purpose of
20 computing the rate per cent of tax to be extended upon taxable
21 property within the taxing district shall, in every year that
22 tax increment allocation financing is in effect, ascertain the
23 amount of value of taxable property in an economic development
24 project area by including in that amount the lower of the
25 current equalized assessed value or the certified "total
26 initial equalized assessed value" of all taxable real property
27 in the area. The rate per cent of tax determined shall be
28 extended to the current equalized assessed value of all
29 property in the economic development project area in the same
30 manner as the rate per cent of tax is extended to all other
31 taxable property in the taxing district. The method of
32 extending taxes established under this Section shall terminate
33 when the county adopts an ordinance dissolving the special tax
34 allocation fund for the economic development project area. This
35 Act shall not be construed as relieving property owners within
36 an economic development project area from paying a uniform rate

1 of taxes upon the current equalized assessed value of their
2 taxable property as provided in the Property Tax Code.

3 (Source: P.A. 87-1; 88-670, eff. 12-2-94.)

4 Section 25. The Illinois Municipal Code is amended by
5 changing Sections 11-74.4-8, 11-74.4-9, and 11-74.6-40 as
6 follows:

7 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

8 Sec. 11-74.4-8. Tax increment allocation financing. A
9 municipality may not adopt tax increment financing in a
10 redevelopment project area after the effective date of this
11 amendatory Act of 1997 that will encompass an area that is
12 currently included in an enterprise zone created under the
13 Illinois Enterprise Zone Act unless that municipality,
14 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,
15 amends the enterprise zone designating ordinance to limit the
16 eligibility for tax abatements as provided in Section 5.4.1 of
17 the Illinois Enterprise Zone Act. A municipality, at the time a
18 redevelopment project area is designated, may adopt tax
19 increment allocation financing by passing an ordinance
20 providing that the ad valorem taxes, if any, arising from the
21 levies upon taxable real property in such redevelopment project
22 area by taxing districts and tax rates determined in the manner
23 provided in paragraph (c) of Section 11-74.4-9 each year after
24 the effective date of the ordinance until redevelopment project
25 costs and all municipal obligations financing redevelopment
26 project costs incurred under this Division have been paid shall
27 be divided as follows:

28 (a) That portion of taxes levied upon each taxable lot,
29 block, tract or parcel of real property which is attributable
30 to the lower of the current equalized assessed value or the
31 initial equalized assessed value of each such taxable lot,
32 block, tract or parcel of real property in the redevelopment
33 project area shall be allocated to and when collected shall be
34 paid by the county collector to the respective affected taxing

1 districts in the manner required by law in the absence of the
2 adoption of tax increment allocation financing.

3 (b) Except from a tax levied by a township to retire bonds
4 issued to satisfy court-ordered damages, that portion, if any,
5 of such taxes which is attributable to the increase in the
6 current equalized assessed valuation of each taxable lot,
7 block, tract or parcel of real property in the redevelopment
8 project area over and above the initial equalized assessed
9 value of each property in the project area shall be allocated
10 to and when collected shall be paid to the municipal treasurer
11 who shall deposit said taxes into a special fund called the
12 special tax allocation fund of the municipality for the purpose
13 of paying redevelopment project costs and obligations incurred
14 in the payment thereof. In any county with a population of
15 3,000,000 or more that has adopted a procedure for collecting
16 taxes that provides for one or more of the installments of the
17 taxes to be billed and collected on an estimated basis, the
18 municipal treasurer shall be paid for deposit in the special
19 tax allocation fund of the municipality, from the taxes
20 collected from estimated bills issued for property in the
21 redevelopment project area, the difference between the amount
22 actually collected from each taxable lot, block, tract, or
23 parcel of real property within the redevelopment project area
24 and an amount determined by multiplying the rate at which taxes
25 were last extended against the taxable lot, block, track, or
26 parcel of real property in the manner provided in subsection
27 (c) of Section 11-74.4-9 by the initial equalized assessed
28 value of the property divided by the number of installments in
29 which real estate taxes are billed and collected within the
30 county; provided that the payments on or before December 31,
31 1999 to a municipal treasurer shall be made only if each of the
32 following conditions are met:

33 (1) The total equalized assessed value of the
34 redevelopment project area as last determined was not less
35 than 175% of the total initial equalized assessed value.

36 (2) Not more than 50% of the total equalized assessed

1 value of the redevelopment project area as last determined
2 is attributable to a piece of property assigned a single
3 real estate index number.

4 (3) The municipal clerk has certified to the county
5 clerk that the municipality has issued its obligations to
6 which there has been pledged the incremental property taxes
7 of the redevelopment project area or taxes levied and
8 collected on any or all property in the municipality or the
9 full faith and credit of the municipality to pay or secure
10 payment for all or a portion of the redevelopment project
11 costs. The certification shall be filed annually no later
12 than September 1 for the estimated taxes to be distributed
13 in the following year; however, for the year 1992 the
14 certification shall be made at any time on or before March
15 31, 1992.

16 (4) The municipality has not requested that the total
17 initial equalized assessed value of real property be
18 adjusted as provided in subsection (b) of Section
19 11-74.4-9.

20 The conditions of paragraphs (1) through (4) do not apply
21 after December 31, 1999 to payments to a municipal treasurer
22 made by a county with 3,000,000 or more inhabitants that has
23 adopted an estimated billing procedure for collecting taxes. If
24 a county that has adopted the estimated billing procedure makes
25 an erroneous overpayment of tax revenue to the municipal
26 treasurer, then the county may seek a refund of that
27 overpayment. The county shall send the municipal treasurer a
28 notice of liability for the overpayment on or before the
29 mailing date of the next real estate tax bill within the
30 county. The refund shall be limited to the amount of the
31 overpayment.

32 It is the intent of this Division that after the effective
33 date of this amendatory Act of 1988 a municipality's own ad
34 valorem tax arising from levies on taxable real property be
35 included in the determination of incremental revenue in the
36 manner provided in paragraph (c) of Section 11-74.4-9. If the

1 municipality does not extend such a tax, it shall annually
2 deposit in the municipality's Special Tax Increment Fund an
3 amount equal to 10% of the total contributions to the fund from
4 all other taxing districts in that year. The annual 10% deposit
5 required by this paragraph shall be limited to the actual
6 amount of municipally produced incremental tax revenues
7 available to the municipality from taxpayers located in the
8 redevelopment project area in that year if: (a) the plan for
9 the area restricts the use of the property primarily to
10 industrial purposes, (b) the municipality establishing the
11 redevelopment project area is a home-rule community with a 1990
12 population of between 25,000 and 50,000, (c) the municipality
13 is wholly located within a county with a 1990 population of
14 over 750,000 and (d) the redevelopment project area was
15 established by the municipality prior to June 1, 1990. This
16 payment shall be in lieu of a contribution of ad valorem taxes
17 on real property. If no such payment is made, any redevelopment
18 project area of the municipality shall be dissolved.

19 If a municipality has adopted tax increment allocation
20 financing by ordinance and the County Clerk thereafter
21 certifies the "total initial equalized assessed value as
22 adjusted" of the taxable real property within such
23 redevelopment project area in the manner provided in paragraph
24 (b) of Section 11-74.4-9, each year after the date of the
25 certification of the total initial equalized assessed value as
26 adjusted until redevelopment project costs and all municipal
27 obligations financing redevelopment project costs have been
28 paid the ad valorem taxes, if any, arising from the levies upon
29 the taxable real property in such redevelopment project area by
30 taxing districts and tax rates determined in the manner
31 provided in paragraph (c) of Section 11-74.4-9 shall be divided
32 as follows:

33 (1) That portion of the taxes levied upon each taxable
34 lot, block, tract or parcel of real property which is
35 attributable to the lower of the current equalized assessed
36 value or "current equalized assessed value as adjusted" or

1 the initial equalized assessed value of each such taxable
2 lot, block, tract, or parcel of real property existing at
3 the time tax increment financing was adopted, minus the
4 total current homestead exemptions provided by Sections
5 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax Code in
6 the redevelopment project area shall be allocated to and
7 when collected shall be paid by the county collector to the
8 respective affected taxing districts in the manner
9 required by law in the absence of the adoption of tax
10 increment allocation financing.

11 (2) That portion, if any, of such taxes which is
12 attributable to the increase in the current equalized
13 assessed valuation of each taxable lot, block, tract, or
14 parcel of real property in the redevelopment project area,
15 over and above the initial equalized assessed value of each
16 property existing at the time tax increment financing was
17 adopted, minus the total current homestead exemptions
18 pertaining to each piece of property provided by Sections
19 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax Code in
20 the redevelopment project area, shall be allocated to and
21 when collected shall be paid to the municipal Treasurer,
22 who shall deposit said taxes into a special fund called the
23 special tax allocation fund of the municipality for the
24 purpose of paying redevelopment project costs and
25 obligations incurred in the payment thereof.

26 The municipality may pledge in the ordinance the funds in
27 and to be deposited in the special tax allocation fund for the
28 payment of such costs and obligations. No part of the current
29 equalized assessed valuation of each property in the
30 redevelopment project area attributable to any increase above
31 the total initial equalized assessed value, or the total
32 initial equalized assessed value as adjusted, of such
33 properties shall be used in calculating the general State
34 school aid formula, provided for in Section 18-8 of the School
35 Code, until such time as all redevelopment project costs have
36 been paid as provided for in this Section.

1 Whenever a municipality issues bonds for the purpose of
2 financing redevelopment project costs, such municipality may
3 provide by ordinance for the appointment of a trustee, which
4 may be any trust company within the State, and for the
5 establishment of such funds or accounts to be maintained by
6 such trustee as the municipality shall deem necessary to
7 provide for the security and payment of the bonds. If such
8 municipality provides for the appointment of a trustee, such
9 trustee shall be considered the assignee of any payments
10 assigned by the municipality pursuant to such ordinance and
11 this Section. Any amounts paid to such trustee as assignee
12 shall be deposited in the funds or accounts established
13 pursuant to such trust agreement, and shall be held by such
14 trustee in trust for the benefit of the holders of the bonds,
15 and such holders shall have a lien on and a security interest
16 in such funds or accounts so long as the bonds remain
17 outstanding and unpaid. Upon retirement of the bonds, the
18 trustee shall pay over any excess amounts held to the
19 municipality for deposit in the special tax allocation fund.

20 When such redevelopment projects costs, including without
21 limitation all municipal obligations financing redevelopment
22 project costs incurred under this Division, have been paid, all
23 surplus funds then remaining in the special tax allocation fund
24 shall be distributed by being paid by the municipal treasurer
25 to the Department of Revenue, the municipality and the county
26 collector; first to the Department of Revenue and the
27 municipality in direct proportion to the tax incremental
28 revenue received from the State and the municipality, but not
29 to exceed the total incremental revenue received from the State
30 or the municipality less any annual surplus distribution of
31 incremental revenue previously made; with any remaining funds
32 to be paid to the County Collector who shall immediately
33 thereafter pay said funds to the taxing districts in the
34 redevelopment project area in the same manner and proportion as
35 the most recent distribution by the county collector to the
36 affected districts of real property taxes from real property in

1 the redevelopment project area.

2 Upon the payment of all redevelopment project costs, the
3 retirement of obligations, the distribution of any excess
4 monies pursuant to this Section, and final closing of the books
5 and records of the redevelopment project area, the municipality
6 shall adopt an ordinance dissolving the special tax allocation
7 fund for the redevelopment project area and terminating the
8 designation of the redevelopment project area as a
9 redevelopment project area. Title to real or personal property
10 and public improvements acquired by or for the municipality as
11 a result of the redevelopment project and plan shall vest in
12 the municipality when acquired and shall continue to be held by
13 the municipality after the redevelopment project area has been
14 terminated. Municipalities shall notify affected taxing
15 districts prior to November 1 if the redevelopment project area
16 is to be terminated by December 31 of that same year. If a
17 municipality extends estimated dates of completion of a
18 redevelopment project and retirement of obligations to finance
19 a redevelopment project, as allowed by this amendatory Act of
20 1993, that extension shall not extend the property tax
21 increment allocation financing authorized by this Section.
22 Thereafter the rates of the taxing districts shall be extended
23 and taxes levied, collected and distributed in the manner
24 applicable in the absence of the adoption of tax increment
25 allocation financing.

26 Nothing in this Section shall be construed as relieving
27 property in such redevelopment project areas from being
28 assessed as provided in the Property Tax Code or as relieving
29 owners of such property from paying a uniform rate of taxes, as
30 required by Section 4 of Article 9 of the Illinois
31 Constitution.

32 (Source: P.A. 92-16, eff. 6-28-01; 93-298, eff. 7-23-03.)

33 (65 ILCS 5/11-74.4-9) (from Ch. 24, par. 11-74.4-9)

34 Sec. 11-74.4-9. Equalized assessed value of property.

35 (a) If a municipality by ordinance provides for tax

1 increment allocation financing pursuant to Section 11-74.4-8,
2 the county clerk immediately thereafter shall determine (1) the
3 most recently ascertained equalized assessed value of each lot,
4 block, tract or parcel of real property within such
5 redevelopment project area from which shall be deducted the
6 homestead exemptions provided by Sections 15-170, ~~and~~ 15-175,
7 and 15-176 of the Property Tax Code, which value shall be the
8 "initial equalized assessed value" of each such piece of
9 property, and (2) the total equalized assessed value of all
10 taxable real property within such redevelopment project area by
11 adding together the most recently ascertained equalized
12 assessed value of each taxable lot, block, tract, or parcel of
13 real property within such project area, from which shall be
14 deducted the homestead exemptions provided by Sections 15-170,
15 ~~and~~ 15-175, and 15-176 of the Property Tax Code, and shall
16 certify such amount as the "total initial equalized assessed
17 value" of the taxable real property within such project area.

18 (b) In reference to any municipality which has adopted tax
19 increment financing after January 1, 1978, and in respect to
20 which the county clerk has certified the "total initial
21 equalized assessed value" of the property in the redevelopment
22 area, the municipality may thereafter request the clerk in
23 writing to adjust the initial equalized value of all taxable
24 real property within the redevelopment project area by
25 deducting therefrom the exemptions provided for by Sections
26 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax Code
27 applicable to each lot, block, tract or parcel of real property
28 within such redevelopment project area. The county clerk shall
29 immediately after the written request to adjust the total
30 initial equalized value is received determine the total
31 homestead exemptions in the redevelopment project area
32 provided by Sections 15-170, ~~and~~ 15-175, and 15-176 of the
33 Property Tax Code by adding together the homestead exemptions
34 provided by said Sections on each lot, block, tract or parcel
35 of real property within such redevelopment project area and
36 then shall deduct the total of said exemptions from the total

1 initial equalized assessed value. The county clerk shall then
2 promptly certify such amount as the "total initial equalized
3 assessed value as adjusted" of the taxable real property within
4 such redevelopment project area.

5 (c) After the county clerk has certified the "total initial
6 equalized assessed value" of the taxable real property in such
7 area, then in respect to every taxing district containing a
8 redevelopment project area, the county clerk or any other
9 official required by law to ascertain the amount of the
10 equalized assessed value of all taxable property within such
11 district for the purpose of computing the rate per cent of tax
12 to be extended upon taxable property within such district,
13 shall in every year that tax increment allocation financing is
14 in effect ascertain the amount of value of taxable property in
15 a redevelopment project area by including in such amount the
16 lower of the current equalized assessed value or the certified
17 "total initial equalized assessed value" of all taxable real
18 property in such area, except that after he has certified the
19 "total initial equalized assessed value as adjusted" he shall
20 in the year of said certification if tax rates have not been
21 extended and in every year thereafter that tax increment
22 allocation financing is in effect ascertain the amount of value
23 of taxable property in a redevelopment project area by
24 including in such amount the lower of the current equalized
25 assessed value or the certified "total initial equalized
26 assessed value as adjusted" of all taxable real property in
27 such area. The rate per cent of tax determined shall be
28 extended to the current equalized assessed value of all
29 property in the redevelopment project area in the same manner
30 as the rate per cent of tax is extended to all other taxable
31 property in the taxing district. The method of extending taxes
32 established under this Section shall terminate when the
33 municipality adopts an ordinance dissolving the special tax
34 allocation fund for the redevelopment project area. This
35 Division shall not be construed as relieving property owners
36 within a redevelopment project area from paying a uniform rate

1 of taxes upon the current equalized assessed value of their
2 taxable property as provided in the Property Tax Code.

3 (Source: P.A. 88-670, eff. 12-2-94.)

4 (65 ILCS 5/11-74.6-40)

5 Sec. 11-74.6-40. Equalized assessed value determination;
6 property tax extension.

7 (a) If a municipality by ordinance provides for tax
8 increment allocation financing under Section 11-74.6-35, the
9 county clerk immediately thereafter:

10 (1) shall determine the initial equalized assessed
11 value of each parcel of real property in the redevelopment
12 project area, which is the most recently established
13 equalized assessed value of each lot, block, tract or
14 parcel of taxable real property within the redevelopment
15 project area, minus the homestead exemptions provided by
16 Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax
17 Code; and

18 (2) shall certify to the municipality the total initial
19 equalized assessed value of all taxable real property
20 within the redevelopment project area.

21 (b) Any municipality that has established a vacant
22 industrial buildings conservation area may, by ordinance
23 passed after the adoption of tax increment allocation
24 financing, provide that the county clerk immediately
25 thereafter shall again determine:

26 (1) the updated initial equalized assessed value of
27 each lot, block, tract or parcel of real property, which is
28 the most recently ascertained equalized assessed value of
29 each lot, block, tract or parcel of real property within
30 the vacant industrial buildings conservation area; and

31 (2) the total updated initial equalized assessed value
32 of all taxable real property within the redevelopment
33 project area, which is the total of the updated initial
34 equalized assessed value of all taxable real property
35 within the vacant industrial buildings conservation area.

1 The county clerk shall certify to the municipality the
2 total updated initial equalized assessed value of all taxable
3 real property within the industrial buildings conservation
4 area.

5 (c) After the county clerk has certified the total initial
6 equalized assessed value or the total updated initial equalized
7 assessed value of the taxable real property in the area, for
8 each taxing district in which a redevelopment project area is
9 situated, the county clerk or any other official required by
10 law to determine the amount of the equalized assessed value of
11 all taxable property within the district for the purpose of
12 computing the percentage rate of tax to be extended upon
13 taxable property within the district, shall in every year that
14 tax increment allocation financing is in effect determine the
15 total equalized assessed value of taxable property in a
16 redevelopment project area by including in that amount the
17 lower of the current equalized assessed value or the certified
18 total initial equalized assessed value or, if the total of
19 updated equalized assessed value has been certified, the total
20 updated initial equalized assessed value of all taxable real
21 property in the redevelopment project area. After he has
22 certified the total initial equalized assessed value he shall
23 in the year of that certification, if tax rates have not been
24 extended, and in every subsequent year that tax increment
25 allocation financing is in effect, determine the amount of
26 equalized assessed value of taxable property in a redevelopment
27 project area by including in that amount the lower of the
28 current total equalized assessed value or the certified total
29 initial equalized assessed value or, if the total of updated
30 initial equalized assessed values have been certified, the
31 total updated initial equalized assessed value of all taxable
32 real property in the redevelopment project area.

33 (d) The percentage rate of tax determined shall be extended
34 on the current equalized assessed value of all property in the
35 redevelopment project area in the same manner as the rate per
36 cent of tax is extended to all other taxable property in the

1 taxing district. The method of extending taxes established
2 under this Section shall terminate when the municipality adopts
3 an ordinance dissolving the special tax allocation fund for the
4 redevelopment project area. This Law shall not be construed as
5 relieving property owners within a redevelopment project area
6 from paying a uniform rate of taxes upon the current equalized
7 assessed value of their taxable property as provided in the
8 Property Tax Code.

9 (Source: P.A. 88-537; 88-670, eff. 12-2-94.)

10 Section 30. The Economic Development Project Area Tax
11 Increment Allocation Act of 1995 is amended by changing Section
12 45 as follows:

13 (65 ILCS 110/45)

14 Sec. 45. Filing with county clerk; certification of initial
15 equalized assessed value.

16 (a) A municipality that has by ordinance approved an
17 economic development plan, established an economic development
18 project area, and adopted tax increment allocation financing
19 for that area shall file certified copies of the ordinance or
20 ordinances with the county clerk. Upon receiving the ordinance
21 or ordinances, the county clerk shall immediately determine (i)
22 the most recently ascertained equalized assessed value of each
23 lot, block, tract, or parcel of real property within the
24 economic development project area from which shall be deducted
25 the homestead exemptions provided by Sections 15-170,
26 ~~and~~ 15-175, and 15-176 of the Property Tax Code (that value
27 being the "initial equalized assessed value" of each such piece
28 of property) and (ii) the total equalized assessed value of all
29 taxable real property within the economic development project
30 area by adding together the most recently ascertained equalized
31 assessed value of each taxable lot, block, tract, or parcel of
32 real property within the economic development project area,
33 from which shall be deducted the homestead exemptions provided
34 by Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax

1 Code, and shall certify that amount as the "total initial
2 equalized assessed value" of the taxable real property within
3 the economic development project area.

4 (b) After the county clerk has certified the "total initial
5 equalized assessed value" of the taxable real property in the
6 economic development project area, then in respect to every
7 taxing district containing an economic development project
8 area, the county clerk or any other official required by law to
9 ascertain the amount of the equalized assessed value of all
10 taxable property within the taxing district for the purpose of
11 computing the rate per cent of tax to be extended upon taxable
12 property within the taxing district shall, in every year that
13 tax increment allocation financing is in effect, ascertain the
14 amount of value of taxable property in an economic development
15 project area by including in that amount the lower of the
16 current equalized assessed value or the certified "total
17 initial equalized assessed value" of all taxable real property
18 in the area. The rate per cent of tax determined shall be
19 extended to the current equalized assessed value of all
20 property in the economic development project area in the same
21 manner as the rate per cent of tax is extended to all other
22 taxable property in the taxing district. The method of
23 extending taxes established under this Section shall terminate
24 when the municipality adopts an ordinance dissolving the
25 special tax allocation fund for the economic development
26 project area. This Act shall not be construed as relieving
27 owners or lessees of property within an economic development
28 project area from paying a uniform rate of taxes upon the
29 current equalized assessed value of their taxable property as
30 provided in the Property Tax Code.

31 (Source: P.A. 89-176, eff. 1-1-96.)

32 Section 35. The School Code is amended by changing Section
33 18-8.05 as follows:

34 (105 ILCS 5/18-8.05)

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

4 (A) General Provisions.

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

21 (2) In addition to general State financial aid, school
22 districts with specified levels or concentrations of pupils
23 from low income households are eligible to receive supplemental
24 general State financial aid grants as provided pursuant to
25 subsection (H). The supplemental State aid grants provided for
26 school districts under subsection (H) shall be appropriated for
27 distribution to school districts as part of the same line item
28 in which the general State financial aid of school districts is
29 appropriated under this Section.

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

33 (a) Any school district which fails for any given
34 school year to maintain school as required by law, or to
35 maintain a recognized school is not eligible to file for

1 such school year any claim upon the Common School Fund. In
2 case of nonrecognition of one or more attendance centers in
3 a school district otherwise operating recognized schools,
4 the claim of the district shall be reduced in the
5 proportion which the Average Daily Attendance in the
6 attendance center or centers bear to the Average Daily
7 Attendance in the school district. A "recognized school"
8 means any public school which meets the standards as
9 established for recognition by the State Board of
10 Education. A school district or attendance center not
11 having recognition status at the end of a school term is
12 entitled to receive State aid payments due upon a legal
13 claim which was filed while it was recognized.

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

17 (c) If a school district operates a full year school
18 under Section 10-19.1, the general State aid to the school
19 district shall be determined by the State Board of
20 Education in accordance with this Section as near as may be
21 applicable.

22 (d) (Blank).

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

27 School districts are not required to exert a minimum
28 Operating Tax Rate in order to qualify for assistance under
29 this Section.

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

32 (a) "Average Daily Attendance": A count of pupil
33 attendance in school, averaged as provided for in
34 subsection (C) and utilized in deriving per pupil financial
35 support levels.

36 (b) "Available Local Resources": A computation of

1 local financial support, calculated on the basis of Average
2 Daily Attendance and derived as provided pursuant to
3 subsection (D).

4 (c) "Corporate Personal Property Replacement Taxes":
5 Funds paid to local school districts pursuant to "An Act in
6 relation to the abolition of ad valorem personal property
7 tax and the replacement of revenues lost thereby, and
8 amending and repealing certain Acts and parts of Acts in
9 connection therewith", certified August 14, 1979, as
10 amended (Public Act 81-1st S.S.-1).

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

13 (e) "Operating Tax Rate": All school district property
14 taxes extended for all purposes, except Bond and Interest,
15 Summer School, Rent, Capital Improvement, and Vocational
16 Education Building purposes.

17 (B) Foundation Level.

18 (1) The Foundation Level is a figure established by the
19 State representing the minimum level of per pupil financial
20 support that should be available to provide for the basic
21 education of each pupil in Average Daily Attendance. As set
22 forth in this Section, each school district is assumed to exert
23 a sufficient local taxing effort such that, in combination with
24 the aggregate of general State financial aid provided the
25 district, an aggregate of State and local resources are
26 available to meet the basic education needs of pupils in the
27 district.

28 (2) For the 1998-1999 school year, the Foundation Level of
29 support is \$4,225. For the 1999-2000 school year, the
30 Foundation Level of support is \$4,325. For the 2000-2001 school
31 year, the Foundation Level of support is \$4,425.

32 (3) For the 2001-2002 school year and 2002-2003 school
33 year, the Foundation Level of support is \$4,560.

34 (4) For the 2003-2004 school year and each school year
35 thereafter, the Foundation Level of support is \$4,810 or such

1 greater amount as may be established by law by the General
2 Assembly.

3 (C) Average Daily Attendance.

4 (1) For purposes of calculating general State aid pursuant
5 to subsection (E), an Average Daily Attendance figure shall be
6 utilized. The Average Daily Attendance figure for formula
7 calculation purposes shall be the monthly average of the actual
8 number of pupils in attendance of each school district, as
9 further averaged for the best 3 months of pupil attendance for
10 each school district. In compiling the figures for the number
11 of pupils in attendance, school districts and the State Board
12 of Education shall, for purposes of general State aid funding,
13 conform attendance figures to the requirements of subsection
14 (F).

15 (2) The Average Daily Attendance figures utilized in
16 subsection (E) shall be the requisite attendance data for the
17 school year immediately preceding the school year for which
18 general State aid is being calculated or the average of the
19 attendance data for the 3 preceding school years, whichever is
20 greater. The Average Daily Attendance figures utilized in
21 subsection (H) shall be the requisite attendance data for the
22 school year immediately preceding the school year for which
23 general State aid is being calculated.

24 (D) Available Local Resources.

25 (1) For purposes of calculating general State aid pursuant
26 to subsection (E), a representation of Available Local
27 Resources per pupil, as that term is defined and determined in
28 this subsection, shall be utilized. Available Local Resources
29 per pupil shall include a calculated dollar amount representing
30 local school district revenues from local property taxes and
31 from Corporate Personal Property Replacement Taxes, expressed
32 on the basis of pupils in Average Daily Attendance.

33 (2) In determining a school district's revenue from local
34 property taxes, the State Board of Education shall utilize the

1 equalized assessed valuation of all taxable property of each
2 school district as of September 30 of the previous year. The
3 equalized assessed valuation utilized shall be obtained and
4 determined as provided in subsection (G).

5 (3) For school districts maintaining grades kindergarten
6 through 12, local property tax revenues per pupil shall be
7 calculated as the product of the applicable equalized assessed
8 valuation for the district multiplied by 3.00%, and divided by
9 the district's Average Daily Attendance figure. For school
10 districts maintaining grades kindergarten through 8, local
11 property tax revenues per pupil shall be calculated as the
12 product of the applicable equalized assessed valuation for the
13 district multiplied by 2.30%, and divided by the district's
14 Average Daily Attendance figure. For school districts
15 maintaining grades 9 through 12, local property tax revenues
16 per pupil shall be the applicable equalized assessed valuation
17 of the district multiplied by 1.05%, and divided by the
18 district's Average Daily Attendance figure.

19 (4) The Corporate Personal Property Replacement Taxes paid
20 to each school district during the calendar year 2 years before
21 the calendar year in which a school year begins, divided by the
22 Average Daily Attendance figure for that district, shall be
23 added to the local property tax revenues per pupil as derived
24 by the application of the immediately preceding paragraph (3).
25 The sum of these per pupil figures for each school district
26 shall constitute Available Local Resources as that term is
27 utilized in subsection (E) in the calculation of general State
28 aid.

29 (E) Computation of General State Aid.

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

33 (2) For any school district for which Available Local
34 Resources per pupil is less than the product of 0.93 times the
35 Foundation Level, general State aid for that district shall be

1 calculated as an amount equal to the Foundation Level minus
2 Available Local Resources, multiplied by the Average Daily
3 Attendance of the school district.

4 (3) For any school district for which Available Local
5 Resources per pupil is equal to or greater than the product of
6 0.93 times the Foundation Level and less than the product of
7 1.75 times the Foundation Level, the general State aid per
8 pupil shall be a decimal proportion of the Foundation Level
9 derived using a linear algorithm. Under this linear algorithm,
10 the calculated general State aid per pupil shall decline in
11 direct linear fashion from 0.07 times the Foundation Level for
12 a school district with Available Local Resources equal to the
13 product of 0.93 times the Foundation Level, to 0.05 times the
14 Foundation Level for a school district with Available Local
15 Resources equal to the product of 1.75 times the Foundation
16 Level. The allocation of general State aid for school districts
17 subject to this paragraph 3 shall be the calculated general
18 State aid per pupil figure multiplied by the Average Daily
19 Attendance of the school district.

20 (4) For any school district for which Available Local
21 Resources per pupil equals or exceeds the product of 1.75 times
22 the Foundation Level, the general State aid for the school
23 district shall be calculated as the product of \$218 multiplied
24 by the Average Daily Attendance of the school district.

25 (5) The amount of general State aid allocated to a school
26 district for the 1999-2000 school year meeting the requirements
27 set forth in paragraph (4) of subsection (G) shall be increased
28 by an amount equal to the general State aid that would have
29 been received by the district for the 1998-1999 school year by
30 utilizing the Extension Limitation Equalized Assessed
31 Valuation as calculated in paragraph (4) of subsection (G) less
32 the general State aid allotted for the 1998-1999 school year.
33 This amount shall be deemed a one time increase, and shall not
34 affect any future general State aid allocations.

35 (F) Compilation of Average Daily Attendance.

1 (1) Each school district shall, by July 1 of each year,
2 submit to the State Board of Education, on forms prescribed by
3 the State Board of Education, attendance figures for the school
4 year that began in the preceding calendar year. The attendance
5 information so transmitted shall identify the average daily
6 attendance figures for each month of the school year. Beginning
7 with the general State aid claim form for the 2002-2003 school
8 year, districts shall calculate Average Daily Attendance as
9 provided in subdivisions (a), (b), and (c) of this paragraph
10 (1).

11 (a) In districts that do not hold year-round classes,
12 days of attendance in August shall be added to the month of
13 September and any days of attendance in June shall be added
14 to the month of May.

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

19 (c) In districts in which some buildings, but not all,
20 hold year-round classes, for the non-year-round buildings,
21 days of attendance in August shall be added to the month of
22 September and any days of attendance in June shall be added
23 to the month of May. The average daily attendance for the
24 year-round buildings shall be computed as provided in
25 subdivision (b) of this paragraph (1). To calculate the
26 Average Daily Attendance for the district, the average
27 daily attendance for the year-round buildings shall be
28 multiplied by the days in session for the non-year-round
29 buildings for each month and added to the monthly
30 attendance of the non-year-round buildings.

31 Except as otherwise provided in this Section, days of
32 attendance by pupils shall be counted only for sessions of not
33 less than 5 clock hours of school work per day under direct
34 supervision of: (i) teachers, or (ii) non-teaching personnel or
35 volunteer personnel when engaging in non-teaching duties and
36 supervising in those instances specified in subsection (a) of

1 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
2 of legal school age and in kindergarten and grades 1 through
3 12.

4 Days of attendance by tuition pupils shall be accredited
5 only to the districts that pay the tuition to a recognized
6 school.

7 (2) Days of attendance by pupils of less than 5 clock hours
8 of school shall be subject to the following provisions in the
9 compilation of Average Daily Attendance.

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

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

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

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

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

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

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

34 (g) For children with disabilities who are below the
35 age of 6 years and who cannot attend 2 or more clock hours
36 because of their disability or immaturity, a session of not

1 less than one clock hour may be counted as 1/2 day of
2 attendance; however for such children whose educational
3 needs so require a session of 4 or more clock hours may be
4 counted as a full day of attendance.

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

22 (G) Equalized Assessed Valuation Data.

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

1 Extension Limitation Law an amount equal to the total amount by
2 which the homestead exemption allowed under Section 15-176 of
3 the Property Tax Code for real property situated in that school
4 district exceeds the total amount that would have been allowed
5 in that school district if the maximum reduction under Section
6 15-176 was \$4,500. The county clerk of any county that is
7 subject to the Property Tax Extension Limitation Law shall
8 annually calculate and certify to the Department of Revenue for
9 each school district all homestead exemption amounts under
10 Section 15-176 of the Property Tax Code.

11 This equalized assessed valuation, as adjusted further by
12 the requirements of this subsection, shall be utilized in the
13 calculation of Available Local Resources.

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

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

1 used until such time as all redevelopment project costs
2 have been paid.

3 (b) The real property equalized assessed valuation for
4 a school district shall be adjusted by subtracting from the
5 real property value as equalized or assessed by the
6 Department of Revenue for the district an amount computed
7 by dividing the amount of any abatement of taxes under
8 Section 18-170 of the Property Tax Code by 3.00% for a
9 district maintaining grades kindergarten through 12, by
10 2.30% for a district maintaining grades kindergarten
11 through 8, or by 1.05% for a district maintaining grades 9
12 through 12 and adjusted by an amount computed by dividing
13 the amount of any abatement of taxes under subsection (a)
14 of Section 18-165 of the Property Tax Code by the same
15 percentage rates for district type as specified in this
16 subparagraph (b).

17 (3) For the 1999-2000 school year and each school year
18 thereafter, if a school district meets all of the criteria of
19 this subsection (G) (3), the school district's Available Local
20 Resources shall be calculated under subsection (D) using the
21 district's Extension Limitation Equalized Assessed Valuation
22 as calculated under this subsection (G) (3).

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

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

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

29 "Preceding Tax Year": The property tax levy year
30 immediately preceding the Base Tax Year.

31 "Base Tax Year's Tax Extension": The product of the
32 equalized assessed valuation utilized by the County Clerk
33 in the Base Tax Year multiplied by the limiting rate as
34 calculated by the County Clerk and defined in the Property
35 Tax Extension Limitation Law.

36 "Preceding Tax Year's Tax Extension": The product of

1 the equalized assessed valuation utilized by the County
2 Clerk in the Preceding Tax Year multiplied by the Operating
3 Tax Rate as defined in subsection (A).

4 "Extension Limitation Ratio": A numerical ratio,
5 certified by the County Clerk, in which the numerator is
6 the Base Tax Year's Tax Extension and the denominator is
7 the Preceding Tax Year's Tax Extension.

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

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

33 (4) For the purposes of calculating general State aid for
34 the 1999-2000 school year only, if a school district
35 experienced a triennial reassessment on the equalized assessed
36 valuation used in calculating its general State financial aid

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

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

29 (H) Supplemental General State Aid.

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

1 district. Supplemental State aid grants provided for school
2 districts under this subsection shall be appropriated for
3 distribution to school districts as part of the same line item
4 in which the general State financial aid of school districts is
5 appropriated under this Section. If the appropriation in any
6 fiscal year for general State aid and supplemental general
7 State aid is insufficient to pay the amounts required under the
8 general State aid and supplemental general State aid
9 calculations, then the State Board of Education shall ensure
10 that each school district receives the full amount due for
11 general State aid and the remainder of the appropriation shall
12 be used for supplemental general State aid, which the State
13 Board of Education shall calculate and pay to eligible
14 districts on a prorated basis.

15 (1.5) This paragraph (1.5) applies only to those school
16 years preceding the 2003-2004 school year. For purposes of this
17 subsection (H), the term "Low-Income Concentration Level"
18 shall be the low-income eligible pupil count from the most
19 recently available federal census divided by the Average Daily
20 Attendance of the school district. If, however, (i) the
21 percentage decrease from the 2 most recent federal censuses in
22 the low-income eligible pupil count of a high school district
23 with fewer than 400 students exceeds by 75% or more the
24 percentage change in the total low-income eligible pupil count
25 of contiguous elementary school districts, whose boundaries
26 are coterminous with the high school district, or (ii) a high
27 school district within 2 counties and serving 5 elementary
28 school districts, whose boundaries are coterminous with the
29 high school district, has a percentage decrease from the 2 most
30 recent federal censuses in the low-income eligible pupil count
31 and there is a percentage increase in the total low-income
32 eligible pupil count of a majority of the elementary school
33 districts in excess of 50% from the 2 most recent federal
34 censuses, then the high school district's low-income eligible
35 pupil count from the earlier federal census shall be the number
36 used as the low-income eligible pupil count for the high school

1 district, for purposes of this subsection (H). The changes made
2 to this paragraph (1) by Public Act 92-28 shall apply to
3 supplemental general State aid grants for school years
4 preceding the 2003-2004 school year that are paid in fiscal
5 year 1999 or thereafter and to any State aid payments made in
6 fiscal year 1994 through fiscal year 1998 pursuant to
7 subsection 1(n) of Section 18-8 of this Code (which was
8 repealed on July 1, 1998), and any high school district that is
9 affected by Public Act 92-28 is entitled to a recomputation of
10 its supplemental general State aid grant or State aid paid in
11 any of those fiscal years. This recomputation shall not be
12 affected by any other funding.

13 (1.10) This paragraph (1.10) applies to the 2003-2004
14 school year and each school year thereafter. For purposes of
15 this subsection (H), the term "Low-Income Concentration Level"
16 shall, for each fiscal year, be the low-income eligible pupil
17 count as of July 1 of the immediately preceding fiscal year (as
18 determined by the Department of Human Services based on the
19 number of pupils who are eligible for at least one of the
20 following low income programs: Medicaid, KidCare, TANF, or Food
21 Stamps, excluding pupils who are eligible for services provided
22 by the Department of Children and Family Services, averaged
23 over the 2 immediately preceding fiscal years for fiscal year
24 2004 and over the 3 immediately preceding fiscal years for each
25 fiscal year thereafter) divided by the Average Daily Attendance
26 of the school district.

27 (2) Supplemental general State aid pursuant to this
28 subsection (H) shall be provided as follows for the 1998-1999,
29 1999-2000, and 2000-2001 school years only:

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

34 (b) For any school district with a Low Income
35 Concentration Level of at least 35% and less than 50%, the
36 grant for the 1998-1999 school year shall be \$1,100

1 multiplied by the low income eligible pupil count.

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

6 (d) For any school district with a Low Income
7 Concentration Level of 60% or more, the grant for the
8 1998-99 school year shall be \$1,900 multiplied by the low
9 income eligible pupil count.

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

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

18 (2.5) Supplemental general State aid pursuant to this
19 subsection (H) shall be provided as follows for the 2002-2003
20 school year:

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

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

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

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

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

5 (f) For any school district with a Low Income
6 Concentration Level of 60% or more, the grant for each
7 school year shall be \$2,080 multiplied by the low income
8 eligible pupil count.

9 (2.10) Except as otherwise provided, supplemental general
10 State aid pursuant to this subsection (H) shall be provided as
11 follows for the 2003-2004 school year and each school year
12 thereafter:

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

17 (b) For any school district with a Low Income
18 Concentration Level greater than 15%, the grant for each
19 school year shall be \$294.25 added to the product of \$2,700
20 and the square of the Low Income Concentration Level, all
21 multiplied by the low income eligible pupil count.

22 For the 2003-2004 school year only, the grant shall be no
23 less than the grant for the 2002-2003 school year. For the
24 2004-2005 school year only, the grant shall be no less than the
25 grant for the 2002-2003 school year multiplied by 0.66. For the
26 2005-2006 school year only, the grant shall be no less than the
27 grant for the 2002-2003 school year multiplied by 0.33.

28 For the 2003-2004 school year only, the grant shall be no
29 greater than the grant received during the 2002-2003 school
30 year added to the product of 0.25 multiplied by the difference
31 between the grant amount calculated under subsection (a) or (b)
32 of this paragraph (2.10), whichever is applicable, and the
33 grant received during the 2002-2003 school year. For the
34 2004-2005 school year only, the grant shall be no greater than
35 the grant received during the 2002-2003 school year added to
36 the product of 0.50 multiplied by the difference between the

1 grant amount calculated under subsection (a) or (b) of this
2 paragraph (2.10), whichever is applicable, and the grant
3 received during the 2002-2003 school year. For the 2005-2006
4 school year only, the grant shall be no greater than the grant
5 received during the 2002-2003 school year added to the product
6 of 0.75 multiplied by the difference between the grant amount
7 calculated under subsection (a) or (b) of this paragraph
8 (2.10), whichever is applicable, and the grant received during
9 the 2002-2003 school year.

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

20 (4) School districts with an Average Daily Attendance of
21 50,000 or more that qualify for supplemental general State aid
22 pursuant to this subsection shall be required to distribute
23 from funds available pursuant to this Section, no less than
24 \$261,000,000 in accordance with the following requirements:

25 (a) The required amounts shall be distributed to the
26 attendance centers within the district in proportion to the
27 number of pupils enrolled at each attendance center who are
28 eligible to receive free or reduced-price lunches or
29 breakfasts under the federal Child Nutrition Act of 1966
30 and under the National School Lunch Act during the
31 immediately preceding school year.

32 (b) The distribution of these portions of supplemental
33 and general State aid among attendance centers according to
34 these requirements shall not be compensated for or
35 contravened by adjustments of the total of other funds
36 appropriated to any attendance centers, and the Board of

1 Education shall utilize funding from one or several sources
2 in order to fully implement this provision annually prior
3 to the opening of school.

4 (c) Each attendance center shall be provided by the
5 school district a distribution of noncategorical funds and
6 other categorical funds to which an attendance center is
7 entitled under law in order that the general State aid and
8 supplemental general State aid provided by application of
9 this subsection supplements rather than supplants the
10 noncategorical funds and other categorical funds provided
11 by the school district to the attendance centers.

12 (d) Any funds made available under this subsection that
13 by reason of the provisions of this subsection are not
14 required to be allocated and provided to attendance centers
15 may be used and appropriated by the board of the district
16 for any lawful school purpose.

17 (e) Funds received by an attendance center pursuant to
18 this subsection shall be used by the attendance center at
19 the discretion of the principal and local school council
20 for programs to improve educational opportunities at
21 qualifying schools through the following programs and
22 services: early childhood education, reduced class size or
23 improved adult to student classroom ratio, enrichment
24 programs, remedial assistance, attendance improvement, and
25 other educationally beneficial expenditures which
26 supplement the regular and basic programs as determined by
27 the State Board of Education. Funds provided shall not be
28 expended for any political or lobbying purposes as defined
29 by board rule.

30 (f) Each district subject to the provisions of this
31 subdivision (H) (4) shall submit an acceptable plan to meet
32 the educational needs of disadvantaged children, in
33 compliance with the requirements of this paragraph, to the
34 State Board of Education prior to July 15 of each year.
35 This plan shall be consistent with the decisions of local
36 school councils concerning the school expenditure plans

1 developed in accordance with part 4 of Section 34-2.3. The
2 State Board shall approve or reject the plan within 60 days
3 after its submission. If the plan is rejected, the district
4 shall give written notice of intent to modify the plan
5 within 15 days of the notification of rejection and then
6 submit a modified plan within 30 days after the date of the
7 written notice of intent to modify. Districts may amend
8 approved plans pursuant to rules promulgated by the State
9 Board of Education.

10 Upon notification by the State Board of Education that
11 the district has not submitted a plan prior to July 15 or a
12 modified plan within the time period specified herein, the
13 State aid funds affected by that plan or modified plan
14 shall be withheld by the State Board of Education until a
15 plan or modified plan is submitted.

16 If the district fails to distribute State aid to
17 attendance centers in accordance with an approved plan, the
18 plan for the following year shall allocate funds, in
19 addition to the funds otherwise required by this
20 subsection, to those attendance centers which were
21 underfunded during the previous year in amounts equal to
22 such underfunding.

23 For purposes of determining compliance with this
24 subsection in relation to the requirements of attendance
25 center funding, each district subject to the provisions of
26 this subsection shall submit as a separate document by
27 December 1 of each year a report of expenditure data for
28 the prior year in addition to any modification of its
29 current plan. If it is determined that there has been a
30 failure to comply with the expenditure provisions of this
31 subsection regarding contravention or supplanting, the
32 State Superintendent of Education shall, within 60 days of
33 receipt of the report, notify the district and any affected
34 local school council. The district shall within 45 days of
35 receipt of that notification inform the State
36 Superintendent of Education of the remedial or corrective

1 action to be taken, whether by amendment of the current
2 plan, if feasible, or by adjustment in the plan for the
3 following year. Failure to provide the expenditure report
4 or the notification of remedial or corrective action in a
5 timely manner shall result in a withholding of the affected
6 funds.

7 The State Board of Education shall promulgate rules and
8 regulations to implement the provisions of this
9 subsection. No funds shall be released under this
10 subdivision (H) (4) to any district that has not submitted a
11 plan that has been approved by the State Board of
12 Education.

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

14 (1) For a new school district formed by combining property
15 included totally within 2 or more previously existing school
16 districts, for its first year of existence the general State
17 aid and supplemental general State aid calculated under this
18 Section shall be computed for the new district and for the
19 previously existing districts for which property is totally
20 included within the new district. If the computation on the
21 basis of the previously existing districts is greater, a
22 supplementary payment equal to the difference shall be made for
23 the first 4 years of existence of the new district.

24 (2) For a school district which annexes all of the
25 territory of one or more entire other school districts, for the
26 first year during which the change of boundaries attributable
27 to such annexation becomes effective for all purposes as
28 determined under Section 7-9 or 7A-8, the general State aid and
29 supplemental general State aid calculated under this Section
30 shall be computed for the annexing district as constituted
31 after the annexation and for the annexing and each annexed
32 district as constituted prior to the annexation; and if the
33 computation on the basis of the annexing and annexed districts
34 as constituted prior to the annexation is greater, a
35 supplementary payment equal to the difference shall be made for

1 the first 4 years of existence of the annexing school district
2 as constituted upon such annexation.

3 (3) For 2 or more school districts which annex all of the
4 territory of one or more entire other school districts, and for
5 2 or more community unit districts which result upon the
6 division (pursuant to petition under Section 11A-2) of one or
7 more other unit school districts into 2 or more parts and which
8 together include all of the parts into which such other unit
9 school district or districts are so divided, for the first year
10 during which the change of boundaries attributable to such
11 annexation or division becomes effective for all purposes as
12 determined under Section 7-9 or 11A-10, as the case may be, the
13 general State aid and supplemental general State aid calculated
14 under this Section shall be computed for each annexing or
15 resulting district as constituted after the annexation or
16 division and for each annexing and annexed district, or for
17 each resulting and divided district, as constituted prior to
18 the annexation or division; and if the aggregate of the general
19 State aid and supplemental general State aid as so computed for
20 the annexing or resulting districts as constituted after the
21 annexation or division is less than the aggregate of the
22 general State aid and supplemental general State aid as so
23 computed for the annexing and annexed districts, or for the
24 resulting and divided districts, as constituted prior to the
25 annexation or division, then a supplementary payment equal to
26 the difference shall be made and allocated between or among the
27 annexing or resulting districts, as constituted upon such
28 annexation or division, for the first 4 years of their
29 existence. The total difference payment shall be allocated
30 between or among the annexing or resulting districts in the
31 same ratio as the pupil enrollment from that portion of the
32 annexed or divided district or districts which is annexed to or
33 included in each such annexing or resulting district bears to
34 the total pupil enrollment from the entire annexed or divided
35 district or districts, as such pupil enrollment is determined
36 for the school year last ending prior to the date when the

1 change of boundaries attributable to the annexation or division
2 becomes effective for all purposes. The amount of the total
3 difference payment and the amount thereof to be allocated to
4 the annexing or resulting districts shall be computed by the
5 State Board of Education on the basis of pupil enrollment and
6 other data which shall be certified to the State Board of
7 Education, on forms which it shall provide for that purpose, by
8 the regional superintendent of schools for each educational
9 service region in which the annexing and annexed districts, or
10 resulting and divided districts are located.

11 (3.5) Claims for financial assistance under this
12 subsection (I) shall not be recomputed except as expressly
13 provided under this Section.

14 (4) Any supplementary payment made under this subsection
15 (I) shall be treated as separate from all other payments made
16 pursuant to this Section.

17 (J) Supplementary Grants in Aid.

18 (1) Notwithstanding any other provisions of this Section,
19 the amount of the aggregate general State aid in combination
20 with supplemental general State aid under this Section for
21 which each school district is eligible shall be no less than
22 the amount of the aggregate general State aid entitlement that
23 was received by the district under Section 18-8 (exclusive of
24 amounts received under subsections 5(p) and 5(p-5) of that
25 Section) for the 1997-98 school year, pursuant to the
26 provisions of that Section as it was then in effect. If a
27 school district qualifies to receive a supplementary payment
28 made under this subsection (J), the amount of the aggregate
29 general State aid in combination with supplemental general
30 State aid under this Section which that district is eligible to
31 receive for each school year shall be no less than the amount
32 of the aggregate general State aid entitlement that was
33 received by the district under Section 18-8 (exclusive of
34 amounts received under subsections 5(p) and 5(p-5) of that
35 Section) for the 1997-1998 school year, pursuant to the

1 provisions of that Section as it was then in effect.

2 (2) If, as provided in paragraph (1) of this subsection
3 (J), a school district is to receive aggregate general State
4 aid in combination with supplemental general State aid under
5 this Section for the 1998-99 school year and any subsequent
6 school year that in any such school year is less than the
7 amount of the aggregate general State aid entitlement that the
8 district received for the 1997-98 school year, the school
9 district shall also receive, from a separate appropriation made
10 for purposes of this subsection (J), a supplementary payment
11 that is equal to the amount of the difference in the aggregate
12 State aid figures as described in paragraph (1).

13 (3) (Blank).

14 (K) Grants to Laboratory and Alternative Schools.

15 In calculating the amount to be paid to the governing board
16 of a public university that operates a laboratory school under
17 this Section or to any alternative school that is operated by a
18 regional superintendent of schools, the State Board of
19 Education shall require by rule such reporting requirements as
20 it deems necessary.

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

33 As used in this Section, "alternative school" means a
34 public school which is created and operated by a Regional
35 Superintendent of Schools and approved by the State Board of

1 Education. Such alternative schools may offer courses of
2 instruction for which credit is given in regular school
3 programs, courses to prepare students for the high school
4 equivalency testing program or vocational and occupational
5 training. A regional superintendent of schools may contract
6 with a school district or a public community college district
7 to operate an alternative school. An alternative school serving
8 more than one educational service region may be established by
9 the regional superintendents of schools of the affected
10 educational service regions. An alternative school serving
11 more than one educational service region may be operated under
12 such terms as the regional superintendents of schools of those
13 educational service regions may agree.

14 Each laboratory and alternative school shall file, on forms
15 provided by the State Superintendent of Education, an annual
16 State aid claim which states the Average Daily Attendance of
17 the school's students by month. The best 3 months' Average
18 Daily Attendance shall be computed for each school. The general
19 State aid entitlement shall be computed by multiplying the
20 applicable Average Daily Attendance by the Foundation Level as
21 determined under this Section.

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

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

1 (2) (Blank).

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

4 (M) Education Funding Advisory Board.

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

1 person to fill that membership for the unexpired term. If the
2 Senate is not in session when the initial appointments are
3 made, those appointments shall be made as in the case of
4 vacancies.

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

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

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

31 (N) (Blank).

32 (O) References.

33 (1) References in other laws to the various subdivisions of
34 Section 18-8 as that Section existed before its repeal and

1 replacement by this Section 18-8.05 shall be deemed to refer to
2 the corresponding provisions of this Section 18-8.05, to the
3 extent that those references remain applicable.

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

7 (Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29,
8 eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 92-636,
9 eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 7-1-03.)

10 Section 40. The Criminal Code of 1961 is amended by
11 changing Section 17A-1 as follows:

12 (720 ILCS 5/17A-1) (from Ch. 38, par. 17A-1)

13 Sec. 17A-1. Persons under deportation order; ineligible
14 for benefits. An individual against whom a United States
15 Immigration Judge has issued an order of deportation which has
16 been affirmed by the Board of Immigration Review, as well as an
17 individual who appeals such an order pending appeal, under
18 paragraph 19 of Section 241(a) of the Immigration and
19 Nationality Act relating to persecution of others on account of
20 race, religion, national origin or political opinion under the
21 direction of or in association with the Nazi government of
22 Germany or its allies, shall be ineligible for the following
23 benefits authorized by State law:

24 (a) The homestead exemptions ~~exemption~~ and homestead
25 improvement exemption under Sections 15-170, 15-175,
26 15-176, and 15-180 of the Property Tax Code.

27 (b) Grants under the Senior Citizens and Disabled Persons
28 Property Tax Relief and Pharmaceutical Assistance Act.

29 (c) The double income tax exemption conferred upon persons
30 65 years of age or older by Section 204 of the Illinois Income
31 Tax Act.

32 (d) Grants provided by the Department on Aging.

33 (e) Reductions in vehicle registration fees under Section
34 3-806.3 of the Illinois Vehicle Code.

1 (f) Free fishing and reduced fishing license fees under
2 Sections 20-5 and 20-40 of the Fish and Aquatic Life Code.

3 (g) Tuition free courses for senior citizens under the
4 Senior Citizen Courses Act.

5 (h) Any benefits under the Illinois Public Aid Code.

6 (Source: P.A. 87-895; 88-670, eff. 12-2-94.)

7 Section 90. The State Mandates Act is amended by adding
8 Section 8.28 as follows:

9 (30 ILCS 805/8.28 new)

10 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8
11 of this Act, no reimbursement by the State is required for the
12 implementation of any mandate created by (i) the Senior
13 Citizens Assessment Freeze Homestead Exemption under Section
14 15-172 of the Property Tax Code or (ii) the General Homestead
15 Exemption in counties subject to the Property Tax Extension
16 Limitation Law under Section 15-176 of the Property Tax Code.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.

1		INDEX
2		Statutes amended in order of appearance
3	20 ILCS 620/6	from Ch. 67 1/2, par. 1006
4	35 ILCS 200/14-15	
5	35 ILCS 200/15-10	
6	35 ILCS 200/15-170	
7	35 ILCS 200/15-172	
8	35 ILCS 200/15-175	
9	35 ILCS 200/15-176	
10	35 ILCS 200/20-178	
11	55 ILCS 85/6	from Ch. 34, par. 7006
12	55 ILCS 90/45	from Ch. 34, par. 8045
13	65 ILCS 5/11-74.4-8	from Ch. 24, par. 11-74.4-8
14	65 ILCS 5/11-74.4-9	from Ch. 24, par. 11-74.4-9
15	65 ILCS 5/11-74.6-40	
16	65 ILCS 110/45	
17	105 ILCS 5/18-8.05	
18	720 ILCS 5/17A-1	from Ch. 38, par. 17A-1
19	30 ILCS 805/8.28 new	