



## 93RD GENERAL ASSEMBLY

### State of Illinois

### 2003 and 2004

Introduced 02/04/04, by David E. Miller, Roger L. Eddy,  
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#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-80  
35 ILCS 200/18-185  
105 ILCS 5/2-3.134 new  
105 ILCS 5/3-15.1 from Ch. 122, par. 3-15.1  
105 ILCS 5/17-9.02 new

Amends the School Code. Authorizes school districts to adopt mandate relief levies for special education mandates and transportation mandates. Requires each school district to include in its annual financial statement a report showing the receipts and disbursements for special educational purposes and for transportation purposes, including the balance in those funds. Amends the Property Tax Code. Changes the Truth in Taxation Law with respect to the form of the notice required to be published by school districts. Exempts the new school levies from the limitations imposed by the Property Tax Extension Limitation Law. Effective July 1, 2004.

LRB093 14861 SJM 40422 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning taxation.

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

4 Section 5. The Property Tax Code is amended by changing  
5 Sections 18-80 and 18-185 as follows:

6 (35 ILCS 200/18-80)

7 Sec. 18-80. Time and form of notice. The notice shall  
8 appear not more than 14 days nor less than 7 days prior to the  
9 date of the public hearing. The notice shall be no less than  
10 1/8 page in size, and the smallest type used shall be 12 point  
11 and shall be enclosed in a black border no less than 1/4 inch  
12 wide. The notice shall not be placed in that portion of the  
13 newspaper where legal notices and classified advertisements  
14 appear. The notice for all taxing districts except school  
15 districts shall be published in substantially the following  
16 form:

17 Notice of Proposed Property Tax Increase for ... (commonly  
18 known name of taxing district).

19 I. A public hearing to approve a proposed property tax levy  
20 increase for ... (legal name of the taxing district)... for ...  
21 (year) ... will be held on ... (date) ... at ... (time) ... at  
22 ... (location).

23 Any person desiring to appear at the public hearing and  
24 present testimony to the taxing district may contact ... (name,  
25 title, address and telephone number of an appropriate  
26 official).

27 II. The corporate and special purpose property taxes  
28 extended or abated for ... (preceding year) ... were ...  
29 (dollar amount of the final aggregate levy as extended, plus  
30 the amount abated by the taxing district prior to extension).

31 The proposed corporate and special purpose property taxes  
32 to be levied for ... (current year) ... are ... (dollar amount

1 of the proposed aggregate levy). This represents a ...  
2 (percentage) ... increase over the previous year.

3 III. The property taxes extended for debt service and  
4 public building commission leases for ... (preceding year) ...  
5 were ... (dollar amount).

6 The estimated property taxes to be levied for debt service  
7 and public building commission leases for ... (current year)  
8 ... are ... (dollar amount). This represents a ... (percentage  
9 increase or decrease) ... over the previous year.

10 IV. The total property taxes extended or abated for ...  
11 (preceding year) ... were ... (dollar amount).

12 The estimated total property taxes to be levied for ...  
13 (current year) ... are ... (dollar amount). This represents a  
14 ... (percentage increase or decrease) ... over the previous  
15 year.

16 The notice for all school districts shall be published in  
17 substantially the following form:

18 Notice of Proposed Property Tax Increase for ... (commonly  
19 known name of school district).

20 I. A public hearing to approve a proposed property tax levy  
21 increase for ... (legal name of the taxing district)... for ...  
22 (year) ... will be held on ... (date) ... at ... (time) ... at  
23 ... (location).

24 Any person desiring to appear at the public hearing and  
25 present testimony to the taxing district may contact ... (name,  
26 title, address, and telephone number of an appropriate  
27 official).

28 II. The corporate and special purpose property taxes  
29 extended or abated for ... (preceding year) ... were ...  
30 (dollar amount of the final aggregate levy as extended, plus  
31 the amount abated by the taxing district prior to extension).

32 The proposed corporate and special purpose property taxes  
33 to be levied for ... (current year) ... are ... (dollar amount  
34 of the proposed aggregate levy). This represents a ...  
35 (percentage) ... increase over the previous year.

36 III. The property taxes extended for debt service and

1 public building commission leases for ... (preceding year) ...  
2 were ... (dollar amount).

3 The estimated property taxes to be levied for debt service  
4 and public building commission leases for ... (current year)  
5 ... are ... (dollar amount). This represents a ... (percentage  
6 increase or decrease) ... over the previous year.

7 IV. The audit completed for fiscal year ... (previous  
8 fiscal year) for the Special Education Mandate listed a  
9 shortfall of ... (dollar amount of shortfall; \$0 if a surplus).  
10 The audit completed for that fiscal year for the Transportation  
11 Mandate listed a shortfall of ... (dollar amount of shortfall;  
12 \$0 if a surplus). The proposed Mandate Shortfall Relief Levy  
13 for the Special Education Mandate for ... (current year) is ...  
14 (dollar amount not to exceed the amount of the audited  
15 shortfall). The proposed Mandate Shortfall Relief Levy for the  
16 Transportation Mandate for ... (current year) is ... (dollar  
17 amount not to exceed the amount of the audited shortfall).

18 V. The total property taxes extended or abated for ...  
19 (preceding year) ... were ... (dollar amount).

20 The estimated total property taxes to be levied for ...  
21 (current year) ... are ... (dollar amount). This represents a  
22 ... (percentage increase or decrease) ... over the previous  
23 year.

24 Any notice which includes any information not specified and  
25 required by this Article shall be an invalid notice.

26 All hearings shall be open to the public. The corporate  
27 authority of the taxing district shall explain the reasons for  
28 the proposed increase and shall permit persons desiring to be  
29 heard an opportunity to present testimony within reasonable  
30 time limits as it determines.

31 (Source: P.A. 92-382, eff. 8-16-01.)

32 (35 ILCS 200/18-185)

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

1 "Consumer Price Index" means the Consumer Price Index for  
2 All Urban Consumers for all items published by the United  
3 States Department of Labor.

4 "Extension limitation" means (a) the lesser of 5% or the  
5 percentage increase in the Consumer Price Index during the  
6 12-month calendar year preceding the levy year or (b) the rate  
7 of increase approved by voters under Section 18-205.

8 "Affected county" means a county of 3,000,000 or more  
9 inhabitants or a county contiguous to a county of 3,000,000 or  
10 more inhabitants.

11 "Taxing district" has the same meaning provided in Section  
12 1-150, except as otherwise provided in this Section. For the  
13 1991 through 1994 levy years only, "taxing district" includes  
14 only each non-home rule taxing district having the majority of  
15 its 1990 equalized assessed value within any county or counties  
16 contiguous to a county with 3,000,000 or more inhabitants.  
17 Beginning with the 1995 levy year, "taxing district" includes  
18 only each non-home rule taxing district subject to this Law  
19 before the 1995 levy year and each non-home rule taxing  
20 district not subject to this Law before the 1995 levy year  
21 having the majority of its 1994 equalized assessed value in an  
22 affected county or counties. Beginning with the levy year in  
23 which this Law becomes applicable to a taxing district as  
24 provided in Section 18-213, "taxing district" also includes  
25 those taxing districts made subject to this Law as provided in  
26 Section 18-213.

27 "Aggregate extension" for taxing districts to which this  
28 Law applied before the 1995 levy year means the annual  
29 corporate extension for the taxing district and those special  
30 purpose extensions that are made annually for the taxing  
31 district, excluding special purpose extensions: (a) made for  
32 the taxing district to pay interest or principal on general  
33 obligation bonds that were approved by referendum; (b) made for  
34 any taxing district to pay interest or principal on general  
35 obligation bonds issued before October 1, 1991; (c) made for  
36 any taxing district to pay interest or principal on bonds

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

1 expenses of providing joint recreational programs for the  
2 handicapped under Section 5-8 of the Park District Code or  
3 Section 11-95-14 of the Illinois Municipal Code; and (m) made  
4 for any mandate shortfall relief levy under Section 17-9.02 of  
5 the School Code.

6 "Aggregate extension" for the taxing districts to which  
7 this Law did not apply before the 1995 levy year (except taxing  
8 districts subject to this Law in accordance with Section  
9 18-213) means the annual corporate extension for the taxing  
10 district and those special purpose extensions that are made  
11 annually for the taxing district, excluding special purpose  
12 extensions: (a) made for the taxing district to pay interest or  
13 principal on general obligation bonds that were approved by  
14 referendum; (b) made for any taxing district to pay interest or  
15 principal on general obligation bonds issued before March 1,  
16 1995; (c) made for any taxing district to pay interest or  
17 principal on bonds issued to refund or continue to refund those  
18 bonds issued before March 1, 1995; (d) made for any taxing  
19 district to pay interest or principal on bonds issued to refund  
20 or continue to refund bonds issued after March 1, 1995 that  
21 were approved by referendum; (e) made for any taxing district  
22 to pay interest or principal on revenue bonds issued before  
23 March 1, 1995 for payment of which a property tax levy or the  
24 full faith and credit of the unit of local government is  
25 pledged; however, a tax for the payment of interest or  
26 principal on those bonds shall be made only after the governing  
27 body of the unit of local government finds that all other  
28 sources for payment are insufficient to make those payments;  
29 (f) made for payments under a building commission lease when  
30 the lease payments are for the retirement of bonds issued by  
31 the commission before March 1, 1995 to pay for the building  
32 project; (g) made for payments due under installment contracts  
33 entered into before March 1, 1995; (h) made for payments of  
34 principal and interest on bonds issued under the Metropolitan  
35 Water Reclamation District Act to finance construction  
36 projects initiated before October 1, 1991; (i) made for

1 payments of principal and interest on limited bonds, as defined  
2 in Section 3 of the Local Government Debt Reform Act, in an  
3 amount not to exceed the debt service extension base less the  
4 amount in items (b), (c), and (e) of this definition for  
5 non-referendum obligations, except obligations initially  
6 issued pursuant to referendum and bonds described in subsection  
7 (h) of this definition; (j) made for payments of principal and  
8 interest on bonds issued under Section 15 of the Local  
9 Government Debt Reform Act; (k) made for payments of principal  
10 and interest on bonds authorized by Public Act 88-503 and  
11 issued under Section 20a of the Chicago Park District Act for  
12 aquarium or museum projects; (l) made for payments of principal  
13 and interest on bonds authorized by Public Act 87-1191 or  
14 93-601 ~~this amendatory Act of the 93rd General Assembly~~ and (i)  
15 issued pursuant to Section 21.2 of the Cook County Forest  
16 Preserve District Act, (ii) issued under Section 42 of the Cook  
17 County Forest Preserve District Act for zoological park  
18 projects, or (iii) issued under Section 44.1 of the Cook County  
19 Forest Preserve District Act for botanical gardens projects;  
20 (m) made pursuant to Section 34-53.5 of the School Code,  
21 whether levied annually or not; (n) made to fund expenses of  
22 providing joint recreational programs for the handicapped  
23 under Section 5-8 of the Park District Code or Section 11-95-14  
24 of the Illinois Municipal Code; ~~and~~ (o) made by the Chicago  
25 Park District for recreational programs for the handicapped  
26 under subsection (c) of Section 7.06 of the Chicago Park  
27 District Act; and (p) made for any mandate shortfall relief  
28 levy under Section 17-9.02 of the School Code.

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



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

1 Section 15 of the Local Government Debt Reform Act; (j) made  
2 for a qualified airport authority to pay interest or principal  
3 on general obligation bonds issued for the purpose of paying  
4 obligations due under, or financing airport facilities  
5 required to be acquired, constructed, installed or equipped  
6 pursuant to, contracts entered into before March 1, 1996 (but  
7 not including any amendments to such a contract taking effect  
8 on or after that date); ~~and~~ (k) made to fund expenses of  
9 providing joint recreational programs for the handicapped  
10 under Section 5-8 of the Park District Code or Section 11-95-14  
11 of the Illinois Municipal Code; and (l) made for any mandate  
12 shortfall relief levy under Section 17-9.02 of the School Code.

13 "Aggregate extension" for all taxing districts to which  
14 this Law applies in accordance with paragraph (2) of subsection  
15 (e) of Section 18-213 means the annual corporate extension for  
16 the taxing district and those special purpose extensions that  
17 are made annually for the taxing district, excluding special  
18 purpose extensions: (a) made for the taxing district to pay  
19 interest or principal on general obligation bonds that were  
20 approved by referendum; (b) made for any taxing district to pay  
21 interest or principal on general obligation bonds issued before  
22 the effective date of this amendatory Act of 1997; (c) made for  
23 any taxing district to pay interest or principal on bonds  
24 issued to refund or continue to refund those bonds issued  
25 before the effective date of this amendatory Act of 1997; (d)  
26 made for any taxing district to pay interest or principal on  
27 bonds issued to refund or continue to refund bonds issued after  
28 the effective date of this amendatory Act of 1997 if the bonds  
29 were approved by referendum after the effective date of this  
30 amendatory Act of 1997; (e) made for any taxing district to pay  
31 interest or principal on revenue bonds issued before the  
32 effective date of this amendatory Act of 1997 for payment of  
33 which a property tax levy or the full faith and credit of the  
34 unit of local government is pledged; however, a tax for the  
35 payment of interest or principal on those bonds shall be made  
36 only after the governing body of the unit of local government

1 finds that all other sources for payment are insufficient to  
2 make those payments; (f) made for payments under a building  
3 commission lease when the lease payments are for the retirement  
4 of bonds issued by the commission before the effective date of  
5 this amendatory Act of 1997 to pay for the building project;  
6 (g) made for payments due under installment contracts entered  
7 into before the effective date of this amendatory Act of 1997;  
8 (h) made for payments of principal and interest on limited  
9 bonds, as defined in Section 3 of the Local Government Debt  
10 Reform Act, in an amount not to exceed the debt service  
11 extension base less the amount in items (b), (c), and (e) of  
12 this definition for non-referendum obligations, except  
13 obligations initially issued pursuant to referendum; (i) made  
14 for payments of principal and interest on bonds issued under  
15 Section 15 of the Local Government Debt Reform Act; (j) made  
16 for a qualified airport authority to pay interest or principal  
17 on general obligation bonds issued for the purpose of paying  
18 obligations due under, or financing airport facilities  
19 required to be acquired, constructed, installed or equipped  
20 pursuant to, contracts entered into before March 1, 1996 (but  
21 not including any amendments to such a contract taking effect  
22 on or after that date); ~~and~~ (k) made to fund expenses of  
23 providing joint recreational programs for the handicapped  
24 under Section 5-8 of the Park District Code or Section 11-95-14  
25 of the Illinois Municipal Code; and (l) made for any mandate  
26 shortfall relief levy under Section 17-9.02 of the School Code.

27 "Debt service extension base" means, for all taxing  
28 districts except school districts, an amount equal to that  
29 portion of the extension for a taxing district for the 1994  
30 levy year, or for those taxing districts subject to this Law in  
31 accordance with Section 18-213, except for those subject to  
32 paragraph (2) of subsection (e) of Section 18-213, for the levy  
33 year in which the referendum making this Law applicable to the  
34 taxing district is held, or for those taxing districts subject  
35 to this Law in accordance with paragraph (2) of subsection (e)  
36 of Section 18-213 for the 1996 levy year, constituting an

1 extension for payment of principal and interest on bonds issued  
2 by the taxing district without referendum, but not including  
3 excluded non-referendum bonds. For park districts (i) that were  
4 first subject to this Law in 1991 or 1995 and (ii) whose  
5 extension for the 1994 levy year for the payment of principal  
6 and interest on bonds issued by the park district without  
7 referendum (but not including excluded non-referendum bonds)  
8 was less than 51% of the amount for the 1991 levy year  
9 constituting an extension for payment of principal and interest  
10 on bonds issued by the park district without referendum (but  
11 not including excluded non-referendum bonds), "debt service  
12 extension base" means an amount equal to that portion of the  
13 extension for the 1991 levy year constituting an extension for  
14 payment of principal and interest on bonds issued by the park  
15 district without referendum (but not including excluded  
16 non-referendum bonds). The debt service extension base may be  
17 established or increased as provided under Section 18-212.  
18 "Excluded non-referendum bonds" means (i) bonds authorized by  
19 Public Act 88-503 and issued under Section 20a of the Chicago  
20 Park District Act for aquarium and museum projects; (ii) bonds  
21 issued under Section 15 of the Local Government Debt Reform  
22 Act; or (iii) refunding obligations issued to refund or to  
23 continue to refund obligations initially issued pursuant to  
24 referendum. "Debt service extension base" means, for school  
25 districts, an amount equal to 33% of the school district's  
26 currently applicable debt limitation under Section 19-1 of the  
27 School Code.

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

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

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

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

5 "New property" means (i) the assessed value, after final  
6 board of review or board of appeals action, of new improvements  
7 or additions to existing improvements on any parcel of real  
8 property that increase the assessed value of that real property  
9 during the levy year multiplied by the equalization factor  
10 issued by the Department under Section 17-30, (ii) the assessed  
11 value, after final board of review or board of appeals action,  
12 of real property not exempt from real estate taxation, which  
13 real property was exempt from real estate taxation for any  
14 portion of the immediately preceding levy year, multiplied by  
15 the equalization factor issued by the Department under Section  
16 17-30, and (iii) in counties that classify in accordance with  
17 Section 4 of Article IX of the Illinois Constitution, an  
18 incentive property's additional assessed value resulting from  
19 a scheduled increase in the level of assessment as applied to  
20 the first year final board of review market value. In addition,  
21 the county clerk in a county containing a population of  
22 3,000,000 or more shall include in the 1997 recovered tax  
23 increment value for any school district, any recovered tax  
24 increment value that was applicable to the 1995 tax year  
25 calculations.

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

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

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

33 Except as otherwise provided in this Section, "limiting  
34 rate" means a fraction the numerator of which is the last  
35 preceding aggregate extension base times an amount equal to one  
36 plus the extension limitation defined in this Section and the

1 denominator of which is the current year's equalized assessed  
2 value of all real property in the territory under the  
3 jurisdiction of the taxing district during the prior levy year.  
4 For those taxing districts that reduced their aggregate  
5 extension for the last preceding levy year, the highest  
6 aggregate extension in any of the last 3 preceding levy years  
7 shall be used for the purpose of computing the limiting rate.  
8 The denominator shall not include new property. The denominator  
9 shall not include the recovered tax increment value.

10 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;  
11 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised  
12 12-10-03.)

13 Section 10. The School Code is amended by changing Section  
14 3-15.1 and by adding Sections 2-3.134 and 17-9.02 as follows:

15 (105 ILCS 5/2-3.134 new)

16 Sec. 2-3.134. Mandates shortfall audits. To require to be  
17 included in the annual financial statement of each school  
18 district prepared and submitted under Section 3-15.1 of this  
19 Code a report showing the receipts and disbursements for  
20 special educational purposes and for transportation purposes,  
21 including the balance in those funds. Each statement must show  
22 an amount for each such fund reflecting the extent to which  
23 disbursements for each such purpose exceeded receipts for each  
24 such purposes, those receipts excluding any transfers from  
25 other school district funds and excluding revenues raised from  
26 any taxes levied pursuant to Section 17-9.02 of this Code. Such  
27 amount in either fund shall be considered a "mandate shortfall"  
28 for the audited year and shall permit a mandate shortfall  
29 relief levy in the next occurring school district levy, subject  
30 to the provisions of Section 17-9.02 of this Code. The State  
31 Board may adopt any rules necessary and consistent with the  
32 requirements of this Section to implement its provisions.

33 (105 ILCS 5/3-15.1) (from Ch. 122, par. 3-15.1)

1           Sec. 3-15.1. Reports. To require the appointed school  
2 treasurer in Class II counties, in each school district which  
3 forms a part of a Class II county school unit but which is not  
4 subject to the jurisdiction of the trustees of schools of any  
5 township in which such district is located, and in each school  
6 district of the Class I counties to prepare and forward to his  
7 office on or before October 15, annually, and at such other  
8 times as may be required by him or by the State Board of  
9 Education a statement exhibiting the financial condition of the  
10 school for the preceding year commencing on July 1 and ending  
11 June 30.

12           In Class I county school units, and in each school district  
13 which forms a part of a Class II county school unit but which  
14 is not subject to the jurisdiction of the trustees of schools  
15 of any township in which such school district is located, the  
16 statement shall in the case of districts on the accrual basis  
17 show the assets, liabilities and fund balance of the funds as  
18 of the end of the fiscal year. The statement shall show the  
19 operation of the funds for the fiscal year with a  
20 reconciliation and analysis of changes in the funds at the end  
21 of the period. For districts on a cash basis the statement  
22 shall show the receipts and disbursements by funds including  
23 the source of receipts and purpose for which the disbursements  
24 were made together with the balance at the end of the fiscal  
25 year. Each school district that is the administrator of a joint  
26 agreement shall cause an Annual Financial Statement to be  
27 submitted on forms prescribed by the State Board of Education  
28 exhibiting the financial condition of the program established  
29 pursuant to the joint agreement, for the fiscal year ending on  
30 the immediately preceding June 30.

31           The regional superintendent shall send all required  
32 reports to the State Board of Education on or before November  
33 15, annually.

34           For all districts the statements shall show bonded debt,  
35 tax warrants, taxes received and receivable by funds and such  
36 other information as may be required by the State Board of



1 Education. The statements shall also show the special education  
2 and transportation mandate shortfalls and the other  
3 information required under Section 2-3.134 of this Code. Any  
4 district from which such report is not so received when  
5 required shall have its portion of the distributive fund  
6 withheld for the next ensuing year until such report is filed.

7 If a district is divided by a county line or lines the  
8 foregoing required statement shall be forwarded to the regional  
9 superintendent of schools having supervision and control of the  
10 district.

11 (Source: P.A. 86-1441; 87-473.)

12 (105 ILCS 5/17-9.02 new)

13 Sec. 17-9.02. Mandates shortfall relief levies.

14 (a) The school board of any district may, by proper  
15 resolution, levy an annual tax to be known as the "mandate  
16 shortfall relief levy for the special education mandate," upon  
17 the value of the taxable property within its territory as  
18 equalized or assessed by the Department of Revenue at a rate  
19 that will produce a sum sufficient to offset the mandate  
20 shortfall for the most recently audited year for the special  
21 education mandate as determined under Section 2-3.134 of this  
22 Code and reported in the school district's annual financial  
23 report. The revenue raised by such tax shall be used only for  
24 the same special education purposes for which revenues raised  
25 by the tax authorized under Section 17-2.2a of this Code may be  
26 used.

27 (b) The school board of any district may, by proper  
28 resolution, levy an annual tax to be known as the "mandate  
29 shortfall relief levy for the transportation mandate," upon the  
30 value of the taxable property within its territory as equalized  
31 or assessed by the Department of Revenue at a rate that will  
32 produce a sum sufficient to offset the mandate shortfall for  
33 the most recently audited year for the transportation mandate  
34 as determined under Section 2-3.134 of this Code and reported  
35 in the school district's annual financial report. The revenue

1 raised by such tax shall be used only for the same  
2 transportation purposes for which revenues raised by the  
3 transportation tax authorized under item (5) of Section 17-2 of  
4 this Code may be used.

5 Section 99. Effective date. This Act takes effect on July  
6 1, 2004.