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LRB093 06568 SJM 42255 a

1 AMENDMENT TO SENATE BILL 1498

2 AMENDMENT NO. _____. Amend Senate Bill 1498, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

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

7 (20 ILCS 620/6) (from Ch. 67 1/2, par. 1006)

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

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

1 from which shall be deducted the homestead exemptions provided
2 by Sections 15-170, ~~and 15-175,~~ and 15-176 of the Property Tax
3 Code, and shall certify such amount as the "total initial
4 equalized assessed value" of the taxable real property within
5 the economic development project area.

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

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

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

5 (35 ILCS 200/14-15)

6 Sec. 14-15. Certificate of error; counties of 3,000,000 or
7 more.

8 (a) In counties with 3,000,000 or more inhabitants, if,
9 after the assessment is certified pursuant to Section 16-150,
10 but subject to the limitations of subsection (c) of this
11 Section, the county assessor discovers an error or mistake in
12 the assessment, the assessor shall execute a certificate
13 setting forth the nature and cause of the error. The
14 certificate when endorsed by the county assessor, or when
15 endorsed by the county assessor and board of appeals (until the
16 first Monday in December 1998 and the board of review beginning
17 the first Monday in December 1998 and thereafter) where the
18 certificate is executed for any assessment which was the
19 subject of a complaint filed in the board of appeals (until the
20 first Monday in December 1998 and the board of review beginning
21 the first Monday in December 1998 and thereafter) for the tax
22 year for which the certificate is issued, may, either be
23 certified according to the procedure authorized by this Section
24 or be presented and received in evidence in any court of
25 competent jurisdiction. Certification is authorized, at the
26 discretion of the county assessor, for: (1) certificates of
27 error allowing homestead exemptions pursuant to Sections
28 15-170, 15-172, ~~and~~ 15-175, and 15-176; (2) certificates of
29 error on residential property of 6 units or less; (3)
30 certificates of error allowing exemption of the property
31 pursuant to Section 14-25; and (4) other certificates of error
32 reducing assessed value by less than \$100,000. Any certificate

1 of error not certified shall be presented to the court. The
2 county assessor shall develop reasonable procedures for the
3 filing and processing of certificates of error. Prior to the
4 certification or presentation to the court, the county assessor
5 or his or her designee shall execute and include in the
6 certificate of error a statement attesting that all procedural
7 requirements pertaining to the issuance of the certificate of
8 error have been met and that in fact an error exists. When so
9 introduced in evidence such certificate shall become a part of
10 the court records, and shall not be removed from the files
11 except upon the order of the court.

12 Certificates of error that will be presented to the court
13 shall be filed as an objection in the application for judgment
14 and order of sale for the year in relation to which the
15 certificate is made or as an amendment to the objection under
16 subsection (b). Certificates of error that are to be certified
17 according to the procedure authorized by this Section need not
18 be presented to the court as an objection or an amendment under
19 subsection (b). The State's Attorney of the county in which the
20 property is situated shall mail a copy of any final judgment
21 entered by the court regarding any certificate of error to the
22 taxpayer of record for the year in question.

23 Any unpaid taxes after the entry of the final judgment by
24 the court or certification on certificates issued under this
25 Section may be included in a special tax sale, provided that an
26 advertisement is published and a notice is mailed to the person
27 in whose name the taxes were last assessed, in a form and
28 manner substantially similar to the advertisement and notice
29 required under Sections 21-110 and 21-135. The advertisement
30 and sale shall be subject to all provisions of law regulating
31 the annual advertisement and sale of delinquent property, to
32 the extent that those provisions may be made applicable.

33 A certificate of error certified under this Section shall
34 be given effect by the county treasurer, who shall mark the tax

1 books and, upon receipt of one of the following certificates
 2 from the county assessor or the county assessor and the board
 3 of review where the board of review is required to endorse the
 4 certificate of error, shall issue refunds to the taxpayer
 5 accordingly:

6 "CERTIFICATION

7 I,, county assessor, hereby certify
 8 that the Certificates of Error set out on the attached list
 9 have been duly issued to correct an error or mistake in the
 10 assessment."

11 "CERTIFICATION

12 I,, county assessor, and we,
 13,
 14 members of the board of review, hereby certify that the
 15 Certificates of Error set out on the attached list have
 16 been duly issued to correct an error or mistake in the
 17 assessment and that any certificates of error required to
 18 be endorsed by the board of review have been so endorsed."

19 The county treasurer has the power to mark the tax books to
 20 reflect the issuance of certificates of error certified
 21 according to the procedure authorized in this Section for
 22 certificates of error issued under Section 14-25 or
 23 certificates of error issued to and including 3 years after the
 24 date on which the annual judgment and order of sale for that
 25 tax year was first entered. The county treasurer has the power
 26 to issue refunds to the taxpayer as set forth above until all
 27 refunds authorized by this Section have been completed.

28 To the extent that the certificate of error obviates the
 29 liability for nonpayment of taxes, certification of a
 30 certificate of error according to the procedure authorized in
 31 this Section shall operate to vacate any judgment or forfeiture

1 as to that year's taxes, and the warrant books and judgment
2 books shall be marked to reflect that the judgment or
3 forfeiture has been vacated.

4 (b) Nothing in subsection (a) of this Section shall be
5 construed to prohibit the execution, endorsement, issuance,
6 and adjudication of a certificate of error if (i) the annual
7 judgment and order of sale for the tax year in question is
8 reopened for further proceedings upon consent of the county
9 collector and county assessor, represented by the State's
10 Attorney, and (ii) a new final judgment is subsequently entered
11 pursuant to the certificate. This subsection (b) shall be
12 construed as declarative of existing law and not as a new
13 enactment.

14 (c) No certificate of error, other than a certificate to
15 establish an exemption under Section 14-25, shall be executed
16 for any tax year more than 3 years after the date on which the
17 annual judgment and order of sale for that tax year was first
18 entered, except that during calendar years 1999 and 2000 a
19 certificate of error may be executed for any tax year, provided
20 that the error or mistake in the assessment was discovered no
21 more than 3 years after the date on which the annual judgment
22 and order of sale for that tax year was first entered.

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

31 (e) The changes made by this amendatory Act of the 91st
32 General Assembly apply to certificates of error issued before,
33 on, and after the effective date of this amendatory Act of the
34 91st General Assembly.

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

3 (35 ILCS 200/15-10)

4 Sec. 15-10. Exempt property; procedures for certification.
5 All property granted an exemption by the Department pursuant to
6 the requirements of Section 15-5 and described in the Sections
7 following Section 15-30 and preceding Section 16-5, to the
8 extent therein limited, is exempt from taxation. In order to
9 maintain that exempt status, the titleholder or the owner of
10 the beneficial interest of any property that is exempt must
11 file with the chief county assessment officer, on or before
12 January 31 of each year (May 31 in the case of property
13 exempted by Section 15-170), an affidavit stating whether there
14 has been any change in the ownership or use of the property or
15 the status of the owner-resident, or that a disabled veteran
16 who qualifies under Section 15-165 owned and used the property
17 as of January 1 of that year. The nature of any change shall be
18 stated in the affidavit. Failure to file an affidavit shall, in
19 the discretion of the assessment officer, constitute cause to
20 terminate the exemption of that property, notwithstanding any
21 other provision of this Code. Owners of 5 or more such exempt
22 parcels within a county may file a single annual affidavit in
23 lieu of an affidavit for each parcel. The assessment officer,
24 upon request, shall furnish an affidavit form to the owners, in
25 which the owner may state whether there has been any change in
26 the ownership or use of the property or status of the owner or
27 resident as of January 1 of that year. The owner of 5 or more
28 exempt parcels shall list all the properties giving the same
29 information for each parcel as required of owners who file
30 individual affidavits.

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

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

4 (2) Section 15-40.

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

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

8 An application for homestead exemptions shall be filed as
9 provided in Section 15-170 (senior citizens homestead
10 exemption), Section 15-172 (senior citizens assessment freeze
11 homestead exemption), and Sections ~~Section~~ 15-175 and 15-176
12 (general homestead exemption), respectively.

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

14 (35 ILCS 200/15-170)

15 Sec. 15-170. Senior Citizens Homestead Exemption. An
16 annual homestead exemption limited, except as described here
17 with relation to cooperatives or life care facilities, to a
18 maximum reduction set forth below from the property's value, as
19 equalized or assessed by the Department, is granted for
20 property that is occupied as a residence by a person 65 years
21 of age or older who is liable for paying real estate taxes on
22 the property and is an owner of record of the property or has a
23 legal or equitable interest therein as evidenced by a written
24 instrument, except for a leasehold interest, other than a
25 leasehold interest of land on which a single family residence
26 is located, which is occupied as a residence by a person 65
27 years or older who has an ownership interest therein, legal,
28 equitable or as a lessee, and on which he or she is liable for
29 the payment of property taxes.

30 Before taxable year 2003, the maximum reduction shall be
31 \$2,500 in counties with 3,000,000 or more inhabitants and
32 \$2,000 in all other counties. For taxable years 2003 and
33 thereafter, the maximum reduction shall be \$2,500 in all

1 counties.

2 For land improved with an apartment building owned and operated
3 as a cooperative, the maximum reduction from the value of the
4 property, as equalized by the Department, shall be multiplied
5 by the number of apartments or units occupied by a person 65
6 years of age or older who is liable, by contract with the owner
7 or owners of record, for paying property taxes on the property
8 and is an owner of record of a legal or equitable interest in
9 the cooperative apartment building, other than a leasehold
10 interest. For land improved with a life care facility, the
11 maximum reduction from the value of the property, as equalized
12 by the Department, shall be multiplied by the number of
13 apartments or units occupied by persons 65 years of age or
14 older, irrespective of any legal, equitable, or leasehold
15 interest in the facility, who are liable, under a contract with
16 the owner or owners of record of the facility, for paying
17 property taxes on the property. In a cooperative or a life care
18 facility where a homestead exemption has been granted, the
19 cooperative association or the management firm of the
20 cooperative or facility shall credit the savings resulting from
21 that exemption only to the apportioned tax liability of the
22 owner or resident who qualified for the exemption. Any person
23 who willfully refuses to so credit the savings shall be guilty
24 of a Class B misdemeanor. Under this Section and Sections
25 ~~Section~~ 15-175 and 15-176, "life care facility" means a
26 facility as defined in Section 2 of the Life Care Facilities
27 Act, with which the applicant for the homestead exemption has a
28 life care contract as defined in that Act.

29 When a homestead exemption has been granted under this
30 Section and the person qualifying subsequently becomes a
31 resident of a facility licensed under the Nursing Home Care
32 Act, the exemption shall continue so long as the residence
33 continues to be occupied by the qualifying person's spouse if
34 the spouse is 65 years of age or older, or if the residence

1 remains unoccupied but is still owned by the person qualified
2 for the homestead exemption.

3 A person who will be 65 years of age during the current
4 assessment year shall be eligible to apply for the homestead
5 exemption during that assessment year. Application shall be
6 made during the application period in effect for the county of
7 his residence.

8 Beginning with assessment year 2003, for taxes payable in
9 2004, property that is first occupied as a residence after
10 January 1 of any assessment year by a person who is eligible
11 for the senior citizens homestead exemption under this Section
12 must be granted a pro-rata exemption for the assessment year.
13 The amount of the pro-rata exemption is the exemption allowed
14 in the county under this Section divided by 365 and multiplied
15 by the number of days during the assessment year the property
16 is occupied as a residence by a person eligible for the
17 exemption under this Section. The chief county assessment
18 officer must adopt reasonable procedures to establish
19 eligibility for this pro-rata exemption.

20 The assessor or chief county assessment officer may
21 determine the eligibility of a life care facility to receive
22 the benefits provided by this Section, by affidavit,
23 application, visual inspection, questionnaire or other
24 reasonable methods in order to insure that the tax savings
25 resulting from the exemption are credited by the management
26 firm to the apportioned tax liability of each qualifying
27 resident. The assessor may request reasonable proof that the
28 management firm has so credited the exemption.

29 The chief county assessment officer of each county with
30 less than 3,000,000 inhabitants shall provide to each person
31 allowed a homestead exemption under this Section a form to
32 designate any other person to receive a duplicate of any notice
33 of delinquency in the payment of taxes assessed and levied
34 under this Code on the property of the person receiving the

1 exemption. The duplicate notice shall be in addition to the
2 notice required to be provided to the person receiving the
3 exemption, and shall be given in the manner required by this
4 Code. The person filing the request for the duplicate notice
5 shall pay a fee of \$5 to cover administrative costs to the
6 supervisor of assessments, who shall then file the executed
7 designation with the county collector. Notwithstanding any
8 other provision of this Code to the contrary, the filing of
9 such an executed designation requires the county collector to
10 provide duplicate notices as indicated by the designation. A
11 designation may be rescinded by the person who executed such
12 designation at any time, in the manner and form required by the
13 chief county assessment officer.

14 The assessor or chief county assessment officer may
15 determine the eligibility of residential property to receive
16 the homestead exemption provided by this Section by
17 application, visual inspection, questionnaire or other
18 reasonable methods. The determination shall be made in
19 accordance with guidelines established by the Department.

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

24 If a property has been granted a homestead exemption under
25 this Section, the person qualifying need not reapply for the
26 exemption.

27 In counties with less than 3,000,000 inhabitants, if the
28 assessor or chief county assessment officer requires annual
29 application for verification of eligibility for an exemption
30 once granted under this Section, the application shall be
31 mailed to the taxpayer.

32 The assessor or chief county assessment officer shall
33 notify each person who qualifies for an exemption under this
34 Section that the person may also qualify for deferral of real

1 estate taxes under the Senior Citizens Real Estate Tax Deferral
2 Act. The notice shall set forth the qualifications needed for
3 deferral of real estate taxes, the address and telephone number
4 of county collector, and a statement that applications for
5 deferral of real estate taxes may be obtained from the county
6 collector.

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

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

11 (35 ILCS 200/15-172)

12 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
13 Exemption.

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

16 (b) As used in this Section:

17 "Applicant" means an individual who has filed an
18 application under this Section.

19 "Base amount" means the base year equalized assessed value
20 of the residence plus the first year's equalized assessed value
21 of any added improvements which increased the assessed value of
22 the residence after the base year.

23 "Base year" means the taxable year prior to the taxable
24 year for which the applicant first qualifies and applies for
25 the exemption provided that in the prior taxable year the
26 property was improved with a permanent structure that was
27 occupied as a residence by the applicant who was liable for
28 paying real property taxes on the property and who was either
29 (i) an owner of record of the property or had legal or
30 equitable interest in the property as evidenced by a written
31 instrument or (ii) had a legal or equitable interest as a
32 lessee in the parcel of property that was single family
33 residence. If in any subsequent taxable year for which the

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

21 "Chief County Assessment Officer" means the County
22 Assessor or Supervisor of Assessments of the county in which
23 the property is located.

24 "Equalized assessed value" means the assessed value as
25 equalized by the Illinois Department of Revenue.

26 "Household" means the applicant, the spouse of the
27 applicant, and all persons using the residence of the applicant
28 as their principal place of residence.

29 "Household income" means the combined income of the members
30 of a household for the calendar year preceding the taxable
31 year.

32 "Income" has the same meaning as provided in Section 3.07
33 of the Senior Citizens and Disabled Persons Property Tax Relief
34 and Pharmaceutical Assistance Act, except that, beginning in

1 assessment year 2001, "income" does not include veteran's
2 benefits.

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

7 "Life care facility that qualifies as a cooperative" means
8 a facility as defined in Section 2 of the Life Care Facilities
9 Act.

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

20 "Taxable year" means the calendar year during which ad
21 valorem property taxes payable in the next succeeding year are
22 levied.

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

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

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

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

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

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

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

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

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

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

31 For taxable year 1994 only, in counties having less than
32 3,000,000 inhabitants, to receive the exemption, a person shall
33 submit an application by February 15, 1995 to the Chief County
34 Assessment Officer of the county in which the property is

1 located. In counties having 3,000,000 or more inhabitants, for
2 taxable year 1994 and all subsequent taxable years, to receive
3 the exemption, a person may submit an application to the Chief
4 County Assessment Officer of the county in which the property
5 is located during such period as may be specified by the Chief
6 County Assessment Officer. The Chief County Assessment Officer
7 in counties of 3,000,000 or more inhabitants shall annually
8 give notice of the application period by mail or by
9 publication. In counties having less than 3,000,000
10 inhabitants, beginning with taxable year 1995 and thereafter,
11 to receive the exemption, a person shall submit an application
12 by July 1 of each taxable year to the Chief County Assessment
13 Officer of the county in which the property is located. A
14 county may, by ordinance, establish a date for submission of
15 applications that is different than July 1. The applicant shall
16 submit with the application an affidavit of the applicant's
17 total household income, age, marital status (and if married the
18 name and address of the applicant's spouse, if known), and
19 principal dwelling place of members of the household on January
20 1 of the taxable year. The Department shall establish, by rule,
21 a method for verifying the accuracy of affidavits filed by
22 applicants under this Section. The applications shall be
23 clearly marked as applications for the Senior Citizens
24 Assessment Freeze Homestead Exemption.

25 Notwithstanding any other provision to the contrary, in
26 counties having fewer than 3,000,000 inhabitants, if an
27 applicant fails to file the application required by this
28 Section in a timely manner and this failure to file is due to a
29 mental or physical condition sufficiently severe so as to
30 render the applicant incapable of filing the application in a
31 timely manner, the Chief County Assessment Officer may extend
32 the filing deadline for a period of 30 days after the applicant
33 regains the capability to file the application, but in no case
34 may the filing deadline be extended beyond 3 months of the

1 original filing deadline. In order to receive the extension
2 provided in this paragraph, the applicant shall provide the
3 Chief County Assessment Officer with a signed statement from
4 the applicant's physician stating the nature and extent of the
5 condition, that, in the physician's opinion, the condition was
6 so severe that it rendered the applicant incapable of filing
7 the application in a timely manner, and the date on which the
8 applicant regained the capability to file the application.

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

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

1 taxable year 1996 as a result of using 1994, rather than 1993,
2 as the base year, and (iii) the amount of the exemption
3 erroneously denied for taxable year 1994.

4 For purposes of this Section, a person who will be 65 years
5 of age during the current taxable year shall be eligible to
6 apply for the homestead exemption during that taxable year.
7 Application shall be made during the application period in
8 effect for the county of his or her residence.

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

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

30 Nothing contained in this Section shall prevent the
31 Director or chief county assessment officer from publishing or
32 making available reasonable statistics concerning the
33 operation of the exemption contained in this Section in which
34 the contents of claims are grouped into aggregates in such a

1 way that information contained in any individual claim shall
2 not be disclosed.

3 (d) Each Chief County Assessment Officer shall annually
4 publish a notice of availability of the exemption provided
5 under this Section. The notice shall be published at least 60
6 days but no more than 75 days prior to the date on which the
7 application must be submitted to the Chief County Assessment
8 Officer of the county in which the property is located. The
9 notice shall appear in a newspaper of general circulation in
10 the county.

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

14 (Source: P.A. 90-14, eff. 7-1-97; 90-204, eff. 7-25-97; 90-523,
15 eff. 11-13-97; 90-524, eff. 1-1-98; 90-531, eff. 1-1-98;
16 90-655, eff. 7-30-98; 91-45, eff. 6-30-99; 91-56, eff. 6-30-99;
17 91-819, eff. 6-13-00.)

18 (35 ILCS 200/15-175)

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

33 Before taxable year 2003, the maximum reduction shall be

1 \$4,500 in counties with 3,000,000 or more inhabitants and shall
2 be \$3,500 in all other counties. Except as provided in Section
3 15-176, for taxable years 2003 an thereafter, the maximum
4 reduction shall be \$4,500 in all counties.

5 In counties with fewer than 3,000,000 inhabitants, if,
6 based on the most recent assessment, the equalized assessed
7 value of the homestead property for the current assessment year
8 is greater than the equalized assessed value of the property
9 for 1977, the owner of the property shall automatically receive
10 the exemption granted under this Section in an amount equal to
11 the increase over the 1977 assessment up to the maximum
12 reduction set forth in this Section.

13 If in any assessment year beginning with the 2000
14 assessment year, homestead property has a pro-rata valuation
15 under Section 9-180 resulting in an increase in the assessed
16 valuation, a reduction in equalized assessed valuation equal to
17 the increase in equalized assessed value of the property for
18 the year of the pro-rata valuation above the equalized assessed
19 value of the property for 1977 shall be applied to the property
20 on a proportionate basis for the period the property qualified
21 as homestead property during the assessment year. The maximum
22 proportionate homestead exemption shall not exceed the maximum
23 homestead exemption allowed in the county under this Section
24 divided by 365 and multiplied by the number of days the
25 property qualified as homestead property.

26 "Homestead property" under this Section includes
27 residential property that is occupied by its owner or owners as
28 his or their principal dwelling place, or that is a leasehold
29 interest on which a single family residence is situated, which
30 is occupied as a residence by a person who has an ownership
31 interest therein, legal or equitable or as a lessee, and on
32 which the person is liable for the payment of property taxes.
33 For land improved with an apartment building owned and operated
34 as a cooperative or a building which is a life care facility as

1 defined in Section 15-170 and considered to be a cooperative
2 under Section 15-170, the maximum reduction from the equalized
3 assessed value shall be limited to the increase in the value
4 above the equalized assessed value of the property for 1977, up
5 to the maximum reduction set forth above, multiplied by the
6 number of apartments or units occupied by a person or persons
7 who is liable, by contract with the owner or owners of record,
8 for paying property taxes on the property and is an owner of
9 record of a legal or equitable interest in the cooperative
10 apartment building, other than a leasehold interest. For
11 purposes of this Section, the term "life care facility" has the
12 meaning stated in Section 15-170.

13 In a cooperative where a homestead exemption has been
14 granted, the cooperative association or its management firm
15 shall credit the savings resulting from that exemption only to
16 the apportioned tax liability of the owner who qualified for
17 the exemption. Any person who willfully refuses to so credit
18 the savings shall be guilty of a Class B misdemeanor.

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

23 In counties with more than 3,000,000 inhabitants, the
24 assessor or chief county assessment officer may determine the
25 eligibility of residential property to receive the homestead
26 exemption by application, visual inspection, questionnaire or
27 other reasonable methods. The determination shall be made in
28 accordance with guidelines established by the Department.

29 In the event of a sale of homestead property the homestead
30 exemption shall remain in effect for the remainder of the
31 assessment year of the sale. The assessor or chief county
32 assessment officer may require the new owner of the property to
33 apply for the homestead exemption for the following assessment
34 year.

1 (Source: P.A. 90-368, eff. 1-1-98; 90-552, eff. 12-12-97;
2 90-655, eff. 7-30-98; 91-346, eff. 7-29-99.)

3 (35 ILCS 200/15-176)

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

6 (a) In counties subject to the Property Tax Extension
7 Limitation Law, beginning with assessments made for the tax
8 year 2003 and for subsequent tax years, homestead property is
9 entitled to an annual homestead exemption equal to a reduction
10 in the property's equalized assessed value calculated as
11 provided in this Section.

12 (b) As used in this Section:

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

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

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

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

22 (3) "Base homestead value" means:

23 (A) The equalized assessed value of the property
24 for tax year 2002, prior to exemptions, minus \$4,500,
25 provided that it was assessed for that year as
26 residential property qualified for any of the
27 homestead exemptions under Sections 15-170 through
28 15-175 of this Code, then in force, and further
29 provided that the property's assessment was not based
30 on a reduced assessed value resulting from a temporary
31 irregularity in the property for that year.

32 (B) If the property was not improved or otherwise
33 did not have a residential equalized assessed value for

1 tax year 2002 as provided in subdivision (b) (3) (A) of
2 this Section, then the "base homestead value" means the
3 base homestead value established by the assessor under
4 subsection (c).

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

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

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

10 (A) Residential property that as of January 1 of
11 the tax year is occupied by its owner or owners as his,
12 her, or their principal dwelling place, or that is a
13 leasehold interest on which a single family residence
14 is situated, that is occupied as a residence by a
15 person who has a legal or equitable interest therein
16 evidenced by a written instrument, as an owner or as a
17 lessee, and on which the person is liable for the
18 payment of property taxes. Residential units in an
19 apartment building owned and operated as a
20 cooperative, or as a life care facility, which are
21 occupied by persons who hold a legal or equitable
22 interest in the cooperative apartment building or life
23 care facility as owners or lessees, and who are liable
24 by contract for the payment of property taxes, shall be
25 included within this definition of homestead property.
26 Residential property containing 6 or fewer dwelling
27 units shall also be included in this definition of
28 homestead property provided that at least one such unit
29 is occupied by the property's owner or owners as his,
30 her, or their principal dwelling place.

31 (B) A homestead includes the dwelling place,
32 appurtenant structures, and so much of the surrounding
33 land constituting the parcel on which the dwelling
34 place is situated as is used for residential purposes.

1 If the assessor has established a specific legal
2 description for a portion of property constituting the
3 homestead, then the homestead shall be limited to the
4 property within that description.

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

7 (c) If the property did not have a residential assessed
8 value for tax year 2002 as provided in subdivision (b) (3) (A) of
9 this Section, then the assessor shall first determine an
10 initial value for the property by comparison with assessed
11 values for tax year 2002 of other properties having physical
12 and economic characteristics similar to those of the subject
13 property, so that the initial value is uniform in relation to
14 assessed values of those other properties for tax year 2002.
15 The product of the initial value multiplied by the 2002
16 equalization factor for homestead properties in that county,
17 less \$4,500, is the base homestead value.

18 For any tax year for which the assessor determines or
19 adjusts an initial value and hence a base homestead value under
20 this subsection (c), the initial value shall be subject to
21 review by the same procedures applicable to assessed values
22 established under this Code for that tax year.

23 (d) The base homestead value shall remain constant, except
24 that the assessor may revise it under the following
25 circumstances:

26 (1) If the equalized assessed value of a homestead
27 property for the current tax year is less than the previous
28 base homestead value for that property, then the current
29 equalized assessed value (provided it is not based on a
30 reduced assessed value resulting from a temporary
31 irregularity in the property) shall become the base
32 homestead value in subsequent tax years.

33 (2) For any year in which new buildings, structures, or
34 other improvements are constructed on the homestead

1 property that would increase its assessed value, the
2 assessor shall adjust the base homestead value as provided
3 in subsection (c) of this Section with due regard to the
4 value added by the new improvements.

5 (e) The amount of the exemption under this Section is the
6 equalized assessed value of the homestead property for the
7 current tax year, minus the adjusted homestead value. Provided,
8 however, that in the case of homestead property that also
9 qualifies for the exemption under Section 15-172, the property
10 is also entitled to the exemption under this Section, limited
11 to the amount of \$4,500.

12 (f) In the case of an apartment building owned and operated
13 as a cooperative, or as a life care facility, that contains
14 residential units that qualify as homestead property under this
15 Section, the maximum cumulative exemption amount attributed to
16 the entire building or facility shall not exceed the sum of the
17 exemptions calculated for each qualified residential unit. The
18 cooperative association, management firm, or other person or
19 entity that manages or controls the cooperative apartment
20 building or life care facility shall credit the exemption
21 attributable to each residential unit only to the apportioned
22 tax liability of the owner or other person responsible for
23 payment of taxes as to that unit. Any person who willfully
24 refuses to so credit the exemption is guilty of a Class B
25 misdemeanor.

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

29 (h) In the event of a sale of the homestead property, the
30 exemption under this Section shall remain in effect for the
31 remainder of the tax year in which the sale occurs. The
32 assessor may require the new owner of the property to apply for
33 the exemption in the following year.

34 (i) The assessor may determine whether property qualifies

1 as a homestead under this Section by application, visual
2 inspection, questionnaire, or other reasonable methods. Each
3 year, at the time the assessment books are certified to the
4 county clerk by the board of review, the assessor shall furnish
5 to the county clerk a list of the properties qualified for the
6 homestead exemption under this Section. The list shall note the
7 base homestead value of each property to be used in the
8 calculation of the exemption for the current tax year.

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

10 (1) If the general assessment year for the property is
11 2003, this Section applies for assessment years 2003, 2004,
12 2005, 2006, 2007, 2008, 2009, and 2010. Thereafter, the
13 provisions of Section 15-175 apply.

14 (2) If the general assessment year for the property is
15 2004, this Section applies for assessment years 2004, 2005,
16 2006, 2007, 2008, 2009, and 2010. Thereafter, the
17 provisions of Section 15-175 apply.

18 (3) If the general assessment year for the property is
19 2005, this Section applies for assessment years 2005, 2006,
20 2007, 2008, 2009, and 2010. Thereafter, the provisions of
21 Section 15-175 apply.

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

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

29 (35 ILCS 200/20-178)

30 Sec. 20-178. Certificate of error; refund; interest. When
31 the county collector makes any refunds due on certificates of
32 error issued under Sections 14-15 through 14-25 that have been
33 either certified or adjudicated, the county collector shall pay

1 the taxpayer interest on the amount of the refund at the rate
2 of 0.5% per month.

3 No interest shall be due under this Section for any time
4 prior to 60 days after the effective date of this amendatory
5 Act of the 91st General Assembly. For certificates of error
6 issued prior to the effective date of this amendatory Act of
7 the 91st General Assembly, the county collector shall pay the
8 taxpayer interest from 60 days after the effective date of this
9 amendatory Act of the 91st General Assembly until the date the
10 refund is paid. For certificates of error issued on or after
11 the effective date of this amendatory Act of the 91st General
12 Assembly, interest shall be paid from 60 days after the
13 certificate of error is issued by the chief county assessment
14 officer to the date the refund is made. To cover the cost of
15 interest, the county collector shall proportionately reduce
16 the distribution of taxes collected for each taxing district in
17 which the property is situated.

18 This Section shall not apply to any certificate of error
19 granting a homestead exemption under Section 15-170, 15-172, ~~or~~
20 15-175, or 15-176.

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

22 Section 15. The County Economic Development Project Area
23 Property Tax Allocation Act is amended by changing Section 6 as
24 follows:

25 (55 ILCS 85/6) (from Ch. 34, par. 7006)

26 Sec. 6. Filing with county clerk; certification of initial
27 equalized assessed value.

28 (a) The county shall file a certified copy of any ordinance
29 authorizing property tax allocation financing for an economic
30 development project area with the county clerk, and the county
31 clerk shall immediately thereafter determine (1) the most
32 recently ascertained equalized assessed value of each lot,

1 block, tract or parcel of real property within the economic
2 development project area from which shall be deducted the
3 homestead exemptions provided by Sections 15-170, ~~and~~ 15-175,
4 and 15-176 of the Property Tax Code, which value shall be the
5 "initial equalized assessed value" of each such piece of
6 property, and (2) the total equalized assessed value of all
7 taxable real property within the economic development project
8 area by adding together the most recently ascertained equalized
9 assessed value of each taxable lot, block, tract, or parcel of
10 real property within such economic development project area,
11 from which shall be deducted the homestead exemptions provided
12 by Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax
13 Code. Upon receiving written notice from the Department of its
14 approval and certification of such economic development
15 project area, the county clerk shall immediately certify such
16 amount as the "total initial equalized assessed value" of the
17 taxable property within the economic development project area.

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

1 manner as the rate percent of tax is extended to all other
2 taxable property in the taxing district. The method of
3 allocating taxes established under this Section shall
4 terminate when the county adopts an ordinance dissolving the
5 special tax allocation fund for the economic development
6 project area. This Act shall not be construed as relieving
7 property owners within an economic development project area
8 from paying a uniform rate of taxes upon the current equalized
9 assessed value of their taxable property as provided in the
10 Property Tax Code.

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

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

15 (55 ILCS 90/45) (from Ch. 34, par. 8045)

16 Sec. 45. Filing with county clerk; certification of initial
17 equalized assessed value.

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

1 assessed value of each taxable lot, block, tract, or parcel of
2 real property within the economic development project area,
3 from which shall be deducted the homestead exemptions provided
4 by Sections 15-170 ~~, and~~ 15-175, and 15-176 of the Property Tax
5 Code, and shall certify that amount as the "total initial
6 equalized assessed value" of the taxable real property within
7 the economic development project area.

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

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

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

4 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

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

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

1 adoption of tax increment allocation financing.

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

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

1 (2) Not more than 50% of the total equalized assessed
2 value of the redevelopment project area as last determined
3 is attributable to a piece of property assigned a single
4 real estate index number.

5 (3) The municipal clerk has certified to the county
6 clerk that the municipality has issued its obligations to
7 which there has been pledged the incremental property taxes
8 of the redevelopment project area or taxes levied and
9 collected on any or all property in the municipality or the
10 full faith and credit of the municipality to pay or secure
11 payment for all or a portion of the redevelopment project
12 costs. The certification shall be filed annually no later
13 than September 1 for the estimated taxes to be distributed
14 in the following year; however, for the year 1992 the
15 certification shall be made at any time on or before March
16 31, 1992.

17 (4) The municipality has not requested that the total
18 initial equalized assessed value of real property be
19 adjusted as provided in subsection (b) of Section
20 11-74.4-9.

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

33 It is the intent of this Division that after the effective
34 date of this amendatory Act of 1988 a municipality's own ad

1 valorem tax arising from levies on taxable real property be
2 included in the determination of incremental revenue in the
3 manner provided in paragraph (c) of Section 11-74.4-9. If the
4 municipality does not extend such a tax, it shall annually
5 deposit in the municipality's Special Tax Increment Fund an
6 amount equal to 10% of the total contributions to the fund from
7 all other taxing districts in that year. The annual 10% deposit
8 required by this paragraph shall be limited to the actual
9 amount of municipally produced incremental tax revenues
10 available to the municipality from taxpayers located in the
11 redevelopment project area in that year if: (a) the plan for
12 the area restricts the use of the property primarily to
13 industrial purposes, (b) the municipality establishing the
14 redevelopment project area is a home-rule community with a 1990
15 population of between 25,000 and 50,000, (c) the municipality
16 is wholly located within a county with a 1990 population of
17 over 750,000 and (d) the redevelopment project area was
18 established by the municipality prior to June 1, 1990. This
19 payment shall be in lieu of a contribution of ad valorem taxes
20 on real property. If no such payment is made, any redevelopment
21 project area of the municipality shall be dissolved.

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

1 as follows:

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

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

31 The municipality may pledge in the ordinance the funds in
32 and to be deposited in the special tax allocation fund for the
33 payment of such costs and obligations. No part of the current
34 equalized assessed valuation of each property in the

1 redevelopment project area attributable to any increase above
2 the total initial equalized assessed value, or the total
3 initial equalized assessed value as adjusted, of such
4 properties shall be used in calculating the general State
5 school aid formula, provided for in Section 18-8 of the School
6 Code, until such time as all redevelopment project costs have
7 been paid as provided for in this Section.

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

27 When such redevelopment projects costs, including without
28 limitation all municipal obligations financing redevelopment
29 project costs incurred under this Division, have been paid, all
30 surplus funds then remaining in the special tax allocation fund
31 shall be distributed by being paid by the municipal treasurer
32 to the Department of Revenue, the municipality and the county
33 collector; first to the Department of Revenue and the
34 municipality in direct proportion to the tax incremental

1 revenue received from the State and the municipality, but not
2 to exceed the total incremental revenue received from the State
3 or the municipality less any annual surplus distribution of
4 incremental revenue previously made; with any remaining funds
5 to be paid to the County Collector who shall immediately
6 thereafter pay said funds to the taxing districts in the
7 redevelopment project area in the same manner and proportion as
8 the most recent distribution by the county collector to the
9 affected districts of real property taxes from real property in
10 the redevelopment project area.

11 Upon the payment of all redevelopment project costs, the
12 retirement of obligations, the distribution of any excess
13 monies pursuant to this Section, and final closing of the books
14 and records of the redevelopment project area, the municipality
15 shall adopt an ordinance dissolving the special tax allocation
16 fund for the redevelopment project area and terminating the
17 designation of the redevelopment project area as a
18 redevelopment project area. Title to real or personal property
19 and public improvements acquired by or for the municipality as
20 a result of the redevelopment project and plan shall vest in
21 the municipality when acquired and shall continue to be held by
22 the municipality after the redevelopment project area has been
23 terminated. Municipalities shall notify affected taxing
24 districts prior to November 1 if the redevelopment project area
25 is to be terminated by December 31 of that same year. If a
26 municipality extends estimated dates of completion of a
27 redevelopment project and retirement of obligations to finance
28 a redevelopment project, as allowed by this amendatory Act of
29 1993, that extension shall not extend the property tax
30 increment allocation financing authorized by this Section.
31 Thereafter the rates of the taxing districts shall be extended
32 and taxes levied, collected and distributed in the manner
33 applicable in the absence of the adoption of tax increment
34 allocation financing.

1 Nothing in this Section shall be construed as relieving
2 property in such redevelopment project areas from being
3 assessed as provided in the Property Tax Code or as relieving
4 owners of such property from paying a uniform rate of taxes, as
5 required by Section 4 of Article 9 of the Illinois
6 Constitution.

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

8 (65 ILCS 5/11-74.4-9) (from Ch. 24, par. 11-74.4-9)

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

10 (a) If a municipality by ordinance provides for tax
11 increment allocation financing pursuant to Section 11-74.4-8,
12 the county clerk immediately thereafter shall determine (1) the
13 most recently ascertained equalized assessed value of each lot,
14 block, tract or parcel of real property within such
15 redevelopment 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 such redevelopment project area by
21 adding together the most recently ascertained equalized
22 assessed value of each taxable lot, block, tract, or parcel of
23 real property within such project area, from which shall be
24 deducted the homestead exemptions provided by Sections 15-170,
25 ~~and~~ 15-175, and 15-176 of the Property Tax Code, and shall
26 certify such amount as the "total initial equalized assessed
27 value" of the taxable real property within such project area.

28 (b) In reference to any municipality which has adopted tax
29 increment financing after January 1, 1978, and in respect to
30 which the county clerk has certified the "total initial
31 equalized assessed value" of the property in the redevelopment
32 area, the municipality may thereafter request the clerk in
33 writing to adjust the initial equalized value of all taxable

1 real property within the redevelopment project area by
2 deducting therefrom the exemptions provided for by Sections
3 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax Code
4 applicable to each lot, block, tract or parcel of real property
5 within such redevelopment project area. The county clerk shall
6 immediately after the written request to adjust the total
7 initial equalized value is received determine the total
8 homestead exemptions in the redevelopment project area
9 provided by Sections 15-170, ~~and~~ 15-175, and 15-176 of the
10 Property Tax Code by adding together the homestead exemptions
11 provided by said Sections on each lot, block, tract or parcel
12 of real property within such redevelopment project area and
13 then shall deduct the total of said exemptions from the total
14 initial equalized assessed value. The county clerk shall then
15 promptly certify such amount as the "total initial equalized
16 assessed value as adjusted" of the taxable real property within
17 such redevelopment project area.

18 (c) After the county clerk has certified the "total initial
19 equalized assessed value" of the taxable real property in such
20 area, then in respect to every taxing district containing a
21 redevelopment project area, the county clerk or any other
22 official required by law to ascertain the amount of the
23 equalized assessed value of all taxable property within such
24 district for the purpose of computing the rate per cent of tax
25 to be extended upon taxable property within such district,
26 shall in every year that tax increment allocation financing is
27 in effect ascertain the amount of value of taxable property in
28 a redevelopment project area by including in such amount the
29 lower of the current equalized assessed value or the certified
30 "total initial equalized assessed value" of all taxable real
31 property in such area, except that after he has certified the
32 "total initial equalized assessed value as adjusted" he shall
33 in the year of said certification if tax rates have not been
34 extended and in every year thereafter that tax increment

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

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

19 (65 ILCS 5/11-74.6-40)

20 Sec. 11-74.6-40. Equalized assessed value determination;
21 property tax extension.

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

25 (1) shall determine the initial equalized assessed
26 value of each parcel of real property in the redevelopment
27 project area, which is the most recently established
28 equalized assessed value of each lot, block, tract or
29 parcel of taxable real property within the redevelopment
30 project area, minus the homestead exemptions provided by
31 Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax
32 Code; and

33 (2) shall certify to the municipality the total initial

1 equalized assessed value of all taxable real property
2 within the redevelopment project area.

3 (b) Any municipality that has established a vacant
4 industrial buildings conservation area may, by ordinance
5 passed after the adoption of tax increment allocation
6 financing, provide that the county clerk immediately
7 thereafter shall again determine:

8 (1) the updated initial equalized assessed value of
9 each lot, block, tract or parcel of real property, which is
10 the most recently ascertained equalized assessed value of
11 each lot, block, tract or parcel of real property within
12 the vacant industrial buildings conservation area; and

13 (2) the total updated initial equalized assessed value
14 of all taxable real property within the redevelopment
15 project area, which is the total of the updated initial
16 equalized assessed value of all taxable real property
17 within the vacant industrial buildings conservation area.

18 The county clerk shall certify to the municipality the
19 total updated initial equalized assessed value of all taxable
20 real property within the industrial buildings conservation
21 area.

22 (c) After the county clerk has certified the total initial
23 equalized assessed value or the total updated initial equalized
24 assessed value of the taxable real property in the area, for
25 each taxing district in which a redevelopment project area is
26 situated, the county clerk or any other official required by
27 law to determine the amount of the equalized assessed value of
28 all taxable property within the district for the purpose of
29 computing the percentage rate of tax to be extended upon
30 taxable property within the district, shall in every year that
31 tax increment allocation financing is in effect determine the
32 total equalized assessed value of taxable property in a
33 redevelopment project area by including in that amount the
34 lower of the current equalized assessed value or the certified

1 total initial equalized assessed value or, if the total of
2 updated equalized assessed value has been certified, the total
3 updated initial equalized assessed value of all taxable real
4 property in the redevelopment project area. After he has
5 certified the total initial equalized assessed value he shall
6 in the year of that certification, if tax rates have not been
7 extended, and in every subsequent year that tax increment
8 allocation financing is in effect, determine the amount of
9 equalized assessed value of taxable property in a redevelopment
10 project area by including in that amount the lower of the
11 current total equalized assessed value or the certified total
12 initial equalized assessed value or, if the total of updated
13 initial equalized assessed values have been certified, the
14 total updated initial equalized assessed value of all taxable
15 real property in the redevelopment project area.

16 (d) The percentage rate of tax determined shall be extended
17 on the current equalized assessed value of all property in the
18 redevelopment project area in the same manner as the rate per
19 cent of tax is extended to all other taxable property in the
20 taxing district. The method of extending taxes established
21 under this Section shall terminate when the municipality adopts
22 an ordinance dissolving the special tax allocation fund for the
23 redevelopment project area. This Law shall not be construed as
24 relieving property owners within a redevelopment project area
25 from paying a uniform rate of taxes upon the current equalized
26 assessed value of their taxable property as provided in the
27 Property Tax Code.

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

29 Section 30. The Economic Development Project Area Tax
30 Increment Allocation Act of 1995 is amended by changing Section
31 45 as follows:

32 (65 ILCS 110/45)

1 Sec. 45. Filing with county clerk; certification of initial
2 equalized assessed value.

3 (a) A municipality that has by ordinance approved an
4 economic development plan, established an economic development
5 project area, and adopted tax increment allocation financing
6 for that area shall file certified copies of the ordinance or
7 ordinances with the county clerk. Upon receiving the ordinance
8 or ordinances, the county clerk shall immediately determine (i)
9 the most recently ascertained equalized assessed value of each
10 lot, block, tract, or parcel of real property within the
11 economic development project area from which shall be deducted
12 the homestead exemptions provided by Sections 15-170, ~~and~~
13 15-175, and 15-176 of the Property Tax Code (that value being
14 the "initial equalized assessed value" of each such piece of
15 property) and (ii) the total equalized assessed value of all
16 taxable real property within the economic development project
17 area by adding together the most recently ascertained equalized
18 assessed value of each taxable lot, block, tract, or parcel of
19 real property within the economic development project area,
20 from which shall be deducted the homestead exemptions provided
21 by Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax
22 Code, and shall certify that amount as the "total initial
23 equalized assessed value" of the taxable real property within
24 the economic development project area.

25 (b) After the county clerk has certified the "total initial
26 equalized assessed value" of the taxable real property in the
27 economic development project area, then in respect to every
28 taxing district containing an economic development project
29 area, the county clerk or any other official required by law to
30 ascertain the amount of the equalized assessed value of all
31 taxable property within the taxing district for the purpose of
32 computing the rate per cent of tax to be extended upon taxable
33 property within the taxing district shall, in every year that
34 tax increment 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 the area. The rate per cent 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 per cent of tax is extended to all other
9 taxable property in the taxing district. The method of
10 extending taxes established under this Section shall terminate
11 when the municipality 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 owners or lessees of property within an economic development
15 project area from paying a uniform rate of taxes upon the
16 current equalized assessed value of their taxable property as
17 provided in the Property Tax Code.

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

19 Section 35. The School Code is amended by changing Section
20 18-8.05 as follows:

21 (105 ILCS 5/18-8.05)

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

25 (A) General Provisions.

26 (1) The provisions of this Section apply to the 1998-1999
27 and subsequent school years. The system of general State
28 financial aid provided for in this Section is designed to
29 assure that, through a combination of State financial aid and
30 required local resources, the financial support provided each
31 pupil in Average Daily Attendance equals or exceeds a

1 prescribed per pupil Foundation Level. This formula approach
2 imputes a level of per pupil Available Local Resources and
3 provides for the basis to calculate a per pupil level of
4 general State financial aid that, when added to Available Local
5 Resources, equals or exceeds the Foundation Level. The amount
6 of per pupil general State financial aid for school districts,
7 in general, varies in inverse relation to Available Local
8 Resources. Per pupil amounts are based upon each school
9 district's Average Daily Attendance as that term is defined in
10 this Section.

11 (2) In addition to general State financial aid, school
12 districts with specified levels or concentrations of pupils
13 from low income households are eligible to receive supplemental
14 general State financial aid grants as provided pursuant to
15 subsection (H). The supplemental State aid grants provided for
16 school districts under subsection (H) shall be appropriated for
17 distribution to school districts as part of the same line item
18 in which the general State financial aid of school districts is
19 appropriated under this Section.

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

23 (a) Any school district which fails for any given
24 school year to maintain school as required by law, or to
25 maintain a recognized school is not eligible to file for
26 such school year any claim upon the Common School Fund. In
27 case of nonrecognition of one or more attendance centers in
28 a school district otherwise operating recognized schools,
29 the claim of the district shall be reduced in the
30 proportion which the Average Daily Attendance in the
31 attendance center or centers bear to the Average Daily
32 Attendance in the school district. A "recognized school"
33 means any public school which meets the standards as
34 established for recognition by the State Board of

1 Education. A school district or attendance center not
2 having recognition status at the end of a school term is
3 entitled to receive State aid payments due upon a legal
4 claim which was filed while it was recognized.

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

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

13 (d) (Blank).

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

18 School districts are not required to exert a minimum
19 Operating Tax Rate in order to qualify for assistance under
20 this Section.

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

23 (a) "Average Daily Attendance": A count of pupil
24 attendance in school, averaged as provided for in
25 subsection (C) and utilized in deriving per pupil financial
26 support levels.

27 (b) "Available Local Resources": A computation of
28 local financial support, calculated on the basis of Average
29 Daily Attendance and derived as provided pursuant to
30 subsection (D).

31 (c) "Corporate Personal Property Replacement Taxes":
32 Funds paid to local school districts pursuant to "An Act in
33 relation to the abolition of ad valorem personal property
34 tax and the replacement of revenues lost thereby, and

1 amending and repealing certain Acts and parts of Acts in
2 connection therewith", certified August 14, 1979, as
3 amended (Public Act 81-1st S.S.-1).

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

6 (e) "Operating Tax Rate": All school district property
7 taxes extended for all purposes, except Bond and Interest,
8 Summer School, Rent, Capital Improvement, and Vocational
9 Education Building purposes.

10 (B) Foundation Level.

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

21 (2) For the 1998-1999 school year, the Foundation Level of
22 support is \$4,225. For the 1999-2000 school year, the
23 Foundation Level of support is \$4,325. For the 2000-2001 school
24 year, the Foundation Level of support is \$4,425.

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

27 (4) For the 2003-2004 school year and each school year
28 thereafter, the Foundation Level of support is \$4,810 or such
29 greater amount as may be established by law by the General
30 Assembly.

31 (C) Average Daily Attendance.

32 (1) For purposes of calculating general State aid pursuant

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

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

20 (D) Available Local Resources.

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

29 (2) In determining a school district's revenue from local
30 property taxes, the State Board of Education shall utilize the
31 equalized assessed valuation of all taxable property of each
32 school district as of September 30 of the previous year. The
33 equalized assessed valuation utilized shall be obtained and

1 determined as provided in subsection (G).

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

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

26 (E) Computation of General State Aid.

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

30 (2) For any school district for which Available Local
31 Resources per pupil is less than the product of 0.93 times the
32 Foundation Level, general State aid for that district shall be
33 calculated as an amount equal to the Foundation Level minus

1 Available Local Resources, multiplied by the Average Daily
2 Attendance of the school district.

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

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

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

1 (F) Compilation of Average Daily Attendance.

2 (1) Each school district shall, by July 1 of each year,
3 submit to the State Board of Education, on forms prescribed by
4 the State Board of Education, attendance figures for the school
5 year that began in the preceding calendar year. The attendance
6 information so transmitted shall identify the average daily
7 attendance figures for each month of the school year. Beginning
8 with the general State aid claim form for the 2002-2003 school
9 year, districts shall calculate Average Daily Attendance as
10 provided in subdivisions (a), (b), and (c) of this paragraph
11 (1).

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

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

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

32 Except as otherwise provided in this Section, days of
33 attendance by pupils shall be counted only for sessions of not
34 less than 5 clock hours of school work per day under direct

1 supervision of: (i) teachers, or (ii) non-teaching personnel or
2 volunteer personnel when engaging in non-teaching duties and
3 supervising in those instances specified in subsection (a) of
4 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
5 of legal school age and in kindergarten and grades 1 through
6 12.

7 Days of attendance by tuition pupils shall be accredited
8 only to the districts that pay the tuition to a recognized
9 school.

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

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

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

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

31 (d) A session of 3 or more clock hours may be counted
32 as a day of attendance (1) when the remainder of the school
33 day or at least 2 hours in the evening of that day is
34 utilized for an in-service training program for teachers,

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

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

34 (f) A session of at least 4 clock hours may be counted

1 as a day of attendance for first grade pupils, and pupils
2 in full day kindergartens, and a session of 2 or more hours
3 may be counted as 1/2 day of attendance by pupils in
4 kindergartens which provide only 1/2 day of attendance.

5 (g) For children with disabilities who are below the
6 age of 6 years and who cannot attend 2 or more clock hours
7 because of their disability or immaturity, a session of not
8 less than one clock hour may be counted as 1/2 day of
9 attendance; however for such children whose educational
10 needs so require a session of 4 or more clock hours may be
11 counted as a full day of attendance.

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

29 (G) Equalized Assessed Valuation Data.

30 (1) For purposes of the calculation of Available Local
31 Resources required pursuant to subsection (D), the State Board
32 of Education shall secure from the Department of Revenue the
33 value as equalized or assessed by the Department of Revenue of

1 all taxable property of every school district, together with
2 (i) the applicable tax rate used in extending taxes for the
3 funds of the district as of September 30 of the previous year
4 and (ii) the limiting rate for all school districts subject to
5 property tax extension limitations as imposed under the
6 Property Tax Extension Limitation Law. The Department of
7 Revenue shall add to the equalized assessed value of all
8 taxable property of each school district situated entirely or
9 partially within a county that is subject to the Property Tax
10 Extension Limitation Law an amount equal to the total amount by
11 which the homestead exemption allowed under Section 15-176 of
12 the Property Tax Code for real property situated in that school
13 district exceeds the total amount that would have been allowed
14 in that school district if the maximum reduction under Section
15 15-176 was \$4,500. The county clerk of any county that is
16 subject to the Property Tax Extension Limitation Law shall
17 annually calculate and certify to the Department of Revenue for
18 each school district all homestead exemption amounts under
19 Section 15-176 of the Property Tax Code.

20 This equalized assessed valuation, as adjusted further by
21 the requirements of this subsection, shall be utilized in the
22 calculation of Available Local Resources.

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

25 (a) For the purposes of calculating State aid under
26 this Section, with respect to any part of a school district
27 within a redevelopment project area in respect to which a
28 municipality has adopted tax increment allocation
29 financing pursuant to the Tax Increment Allocation
30 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
31 of the Illinois Municipal Code or the Industrial Jobs
32 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
33 Illinois Municipal Code, no part of the current equalized
34 assessed valuation of real property located in any such

1 project area which is attributable to an increase above the
2 total initial equalized assessed valuation of such
3 property shall be used as part of the equalized assessed
4 valuation of the district, until such time as all
5 redevelopment project costs have been paid, as provided in
6 Section 11-74.4-8 of the Tax Increment Allocation
7 Redevelopment Act or in Section 11-74.6-35 of the
8 Industrial Jobs Recovery Law. For the purpose of the
9 equalized assessed valuation of the district, the total
10 initial equalized assessed valuation or the current
11 equalized assessed valuation, whichever is lower, shall be
12 used until such time as all redevelopment project costs
13 have been paid.

14 (b) The real property equalized assessed valuation for
15 a school district shall be adjusted by subtracting from the
16 real property value as equalized or assessed by the
17 Department of Revenue for the district an amount computed
18 by dividing the amount of any abatement of taxes under
19 Section 18-170 of the Property Tax Code by 3.00% for a
20 district maintaining grades kindergarten through 12, by
21 2.30% for a district maintaining grades kindergarten
22 through 8, or by 1.05% for a district maintaining grades 9
23 through 12 and adjusted by an amount computed by dividing
24 the amount of any abatement of taxes under subsection (a)
25 of Section 18-165 of the Property Tax Code by the same
26 percentage rates for district type as specified in this
27 subparagraph (b).

28 (3) For the 1999-2000 school year and each school year
29 thereafter, if a school district meets all of the criteria of
30 this subsection (G) (3), the school district's Available Local
31 Resources shall be calculated under subsection (D) using the
32 district's Extension Limitation Equalized Assessed Valuation
33 as calculated under this subsection (G) (3).

34 For purposes of this subsection (G) (3) the following terms

1 shall have the following meanings:

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

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

6 "Preceding Tax Year": The property tax levy year
7 immediately preceding the Base Tax Year.

8 "Base Tax Year's Tax Extension": The product of the
9 equalized assessed valuation utilized by the County Clerk
10 in the Base Tax Year multiplied by the limiting rate as
11 calculated by the County Clerk and defined in the Property
12 Tax Extension Limitation Law.

13 "Preceding Tax Year's Tax Extension": The product of
14 the equalized assessed valuation utilized by the County
15 Clerk in the Preceding Tax Year multiplied by the Operating
16 Tax Rate as defined in subsection (A).

17 "Extension Limitation Ratio": A numerical ratio,
18 certified by the County Clerk, in which the numerator is
19 the Base Tax Year's Tax Extension and the denominator is
20 the Preceding Tax Year's Tax Extension.

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

23 If a school district is subject to property tax extension
24 limitations as imposed under the Property Tax Extension
25 Limitation Law, the State Board of Education shall calculate
26 the Extension Limitation Equalized Assessed Valuation of that
27 district. For the 1999-2000 school year, the Extension
28 Limitation Equalized Assessed Valuation of a school district as
29 calculated by the State Board of Education shall be equal to
30 the product of the district's 1996 Equalized Assessed Valuation
31 and the district's Extension Limitation Ratio. For the
32 2000-2001 school year and each school year thereafter, the
33 Extension Limitation Equalized Assessed Valuation of a school
34 district as calculated by the State Board of Education shall be

1 equal to the product of the Equalized Assessed Valuation last
2 used in the calculation of general State aid and the district's
3 Extension Limitation Ratio. If the Extension Limitation
4 Equalized Assessed Valuation of a school district as calculated
5 under this subsection (G)(3) is less than the district's
6 equalized assessed valuation as calculated pursuant to
7 subsections (G)(1) and (G)(2), then for purposes of calculating
8 the district's general State aid for the Budget Year pursuant
9 to subsection (E), that Extension Limitation Equalized
10 Assessed Valuation shall be utilized to calculate the
11 district's Available Local Resources under subsection (D).

12 (4) For the purposes of calculating general State aid for
13 the 1999-2000 school year only, if a school district
14 experienced a triennial reassessment on the equalized assessed
15 valuation used in calculating its general State financial aid
16 apportionment for the 1998-1999 school year, the State Board of
17 Education shall calculate the Extension Limitation Equalized
18 Assessed Valuation that would have been used to calculate the
19 district's 1998-1999 general State aid. This amount shall equal
20 the product of the equalized assessed valuation used to
21 calculate general State aid for the 1997-1998 school year and
22 the district's Extension Limitation Ratio. If the Extension
23 Limitation Equalized Assessed Valuation of the school district
24 as calculated under this paragraph (4) is less than the
25 district's equalized assessed valuation utilized in
26 calculating the district's 1998-1999 general State aid
27 allocation, then for purposes of calculating the district's
28 general State aid pursuant to paragraph (5) of subsection (E),
29 that Extension Limitation Equalized Assessed Valuation shall
30 be utilized to calculate the district's Available Local
31 Resources.

32 (5) For school districts having a majority of their
33 equalized assessed valuation in any county except Cook, DuPage,
34 Kane, Lake, McHenry, or Will, if the amount of general State

1 aid allocated to the school district for the 1999-2000 school
2 year under the provisions of subsection (E), (H), and (J) of
3 this Section is less than the amount of general State aid
4 allocated to the district for the 1998-1999 school year under
5 these subsections, then the general State aid of the district
6 for the 1999-2000 school year only shall be increased by the
7 difference between these amounts. The total payments made under
8 this paragraph (5) shall not exceed \$14,000,000. Claims shall
9 be prorated if they exceed \$14,000,000.

10 (H) Supplemental General State Aid.

11 (1) In addition to the general State aid a school district
12 is allotted pursuant to subsection (E), qualifying school
13 districts shall receive a grant, paid in conjunction with a
14 district's payments of general State aid, for supplemental
15 general State aid based upon the concentration level of
16 children from low-income households within the school
17 district. Supplemental State aid grants provided for school
18 districts under this subsection shall be appropriated for
19 distribution to school districts as part of the same line item
20 in which the general State financial aid of school districts is
21 appropriated under this Section. If the appropriation in any
22 fiscal year for general State aid and supplemental general
23 State aid is insufficient to pay the amounts required under the
24 general State aid and supplemental general State aid
25 calculations, then the State Board of Education shall ensure
26 that each school district receives the full amount due for
27 general State aid and the remainder of the appropriation shall
28 be used for supplemental general State aid, which the State
29 Board of Education shall calculate and pay to eligible
30 districts on a prorated basis.

31 (1.5) This paragraph (1.5) applies only to those school
32 years preceding the 2003-2004 school year. For purposes of this
33 subsection (H), the term "Low-Income Concentration Level"

1 shall be the low-income eligible pupil count from the most
2 recently available federal census divided by the Average Daily
3 Attendance of the school district. If, however, (i) the
4 percentage decrease from the 2 most recent federal censuses in
5 the low-income eligible pupil count of a high school district
6 with fewer than 400 students exceeds by 75% or more the
7 percentage change in the total low-income eligible pupil count
8 of contiguous elementary school districts, whose boundaries
9 are coterminous with the high school district, or (ii) a high
10 school district within 2 counties and serving 5 elementary
11 school districts, whose boundaries are coterminous with the
12 high school district, has a percentage decrease from the 2 most
13 recent federal censuses in the low-income eligible pupil count
14 and there is a percentage increase in the total low-income
15 eligible pupil count of a majority of the elementary school
16 districts in excess of 50% from the 2 most recent federal
17 censuses, then the high school district's low-income eligible
18 pupil count from the earlier federal census shall be the number
19 used as the low-income eligible pupil count for the high school
20 district, for purposes of this subsection (H). The changes made
21 to this paragraph (1) by Public Act 92-28 shall apply to
22 supplemental general State aid grants for school years
23 preceding the 2003-2004 school year that are paid in fiscal
24 year 1999 or thereafter and to any State aid payments made in
25 fiscal year 1994 through fiscal year 1998 pursuant to
26 subsection 1(n) of Section 18-8 of this Code (which was
27 repealed on July 1, 1998), and any high school district that is
28 affected by Public Act 92-28 is entitled to a recomputation of
29 its supplemental general State aid grant or State aid paid in
30 any of those fiscal years. This recomputation shall not be
31 affected by any other funding.

32 (1.10) This paragraph (1.10) applies to the 2003-2004
33 school year and each school year thereafter. For purposes of
34 this subsection (H), the term "Low-Income Concentration Level"

1 shall, for each fiscal year, be the low-income eligible pupil
2 count as of July 1 of the immediately preceding fiscal year (as
3 determined by the Department of Human Services based on the
4 number of pupils who are eligible for at least one of the
5 following low income programs: Medicaid, KidCare, TANF, or Food
6 Stamps, excluding pupils who are eligible for services provided
7 by the Department of Children and Family Services, averaged
8 over the 2 immediately preceding fiscal years for fiscal year
9 2004 and over the 3 immediately preceding fiscal years for each
10 fiscal year thereafter) divided by the Average Daily Attendance
11 of the school district.

12 (2) Supplemental general State aid pursuant to this
13 subsection (H) shall be provided as follows for the 1998-1999,
14 1999-2000, and 2000-2001 school years only:

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

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

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

27 (d) For any school district with a Low Income
28 Concentration Level of 60% or more, the grant for the
29 1998-99 school year shall be \$1,900 multiplied by the low
30 income eligible pupil count.

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

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

5 (2.5) Supplemental general State aid pursuant to this
6 subsection (H) shall be provided as follows for the 2002-2003
7 school year:

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

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

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

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

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

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

32 (2.10) Except as otherwise provided, supplemental general
33 State aid pursuant to this subsection (H) shall be provided as
34 follows for the 2003-2004 school year and each school year

1 thereafter:

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

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

11 For the 2003-2004 school year only, the grant shall be no
12 less than the grant for the 2002-2003 school year. For the
13 2004-2005 school year only, the grant shall be no less than the
14 grant for the 2002-2003 school year multiplied by 0.66. For the
15 2005-2006 school year only, the grant shall be no less than the
16 grant for the 2002-2003 school year multiplied by 0.33.

17 For the 2003-2004 school year only, the grant shall be no
18 greater than the grant received during the 2002-2003 school
19 year added to the product of 0.25 multiplied by the difference
20 between the grant amount calculated under subsection (a) or (b)
21 of this paragraph (2.10), whichever is applicable, and the
22 grant received during the 2002-2003 school year. For the
23 2004-2005 school year only, the grant shall be no greater than
24 the grant received during the 2002-2003 school year added to
25 the product of 0.50 multiplied by the difference between the
26 grant amount calculated under subsection (a) or (b) of this
27 paragraph (2.10), whichever is applicable, and the grant
28 received during the 2002-2003 school year. For the 2005-2006
29 school year only, the grant shall be no greater than the grant
30 received during the 2002-2003 school year added to the product
31 of 0.75 multiplied by the difference between the grant amount
32 calculated under subsection (a) or (b) of this paragraph
33 (2.10), whichever is applicable, and the grant received during
34 the 2002-2003 school year.

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

11 (4) School districts with an Average Daily Attendance of
12 50,000 or more that qualify for supplemental general State aid
13 pursuant to this subsection shall be required to distribute
14 from funds available pursuant to this Section, no less than
15 \$261,000,000 in accordance with the following requirements:

16 (a) The required amounts shall be distributed to the
17 attendance centers within the district in proportion to the
18 number of pupils enrolled at each attendance center who are
19 eligible to receive free or reduced-price lunches or
20 breakfasts under the federal Child Nutrition Act of 1966
21 and under the National School Lunch Act during the
22 immediately preceding school year.

23 (b) The distribution of these portions of supplemental
24 and general State aid among attendance centers according to
25 these requirements shall not be compensated for or
26 contravened by adjustments of the total of other funds
27 appropriated to any attendance centers, and the Board of
28 Education shall utilize funding from one or several sources
29 in order to fully implement this provision annually prior
30 to the opening of school.

31 (c) Each attendance center shall be provided by the
32 school district a distribution of noncategorical funds and
33 other categorical funds to which an attendance center is
34 entitled under law in order that the general State aid and

1 supplemental general State aid provided by application of
2 this subsection supplements rather than supplants the
3 noncategorical funds and other categorical funds provided
4 by the school district to the attendance centers.

5 (d) Any funds made available under this subsection that
6 by reason of the provisions of this subsection are not
7 required to be allocated and provided to attendance centers
8 may be used and appropriated by the board of the district
9 for any lawful school purpose.

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

23 (f) Each district subject to the provisions of this
24 subdivision (H) (4) shall submit an acceptable plan to meet
25 the educational needs of disadvantaged children, in
26 compliance with the requirements of this paragraph, to the
27 State Board of Education prior to July 15 of each year.
28 This plan shall be consistent with the decisions of local
29 school councils concerning the school expenditure plans
30 developed in accordance with part 4 of Section 34-2.3. The
31 State Board shall approve or reject the plan within 60 days
32 after its submission. If the plan is rejected, the district
33 shall give written notice of intent to modify the plan
34 within 15 days of the notification of rejection and then

1 submit a modified plan within 30 days after the date of the
2 written notice of intent to modify. Districts may amend
3 approved plans pursuant to rules promulgated by the State
4 Board of Education.

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

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

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

1 or the notification of remedial or corrective action in a
2 timely manner shall result in a withholding of the affected
3 funds.

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

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

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

21 (2) For a school district which annexes all of the
22 territory of one or more entire other school districts, for the
23 first year during which the change of boundaries attributable
24 to such annexation becomes effective for all purposes as
25 determined under Section 7-9 or 7A-8, the general State aid and
26 supplemental general State aid calculated under this Section
27 shall be computed for the annexing district as constituted
28 after the annexation and for the annexing and each annexed
29 district as constituted prior to the annexation; and if the
30 computation on the basis of the annexing and annexed districts
31 as constituted prior to the annexation is greater, a
32 supplementary payment equal to the difference shall be made for
33 the first 4 years of existence of the annexing school district

1 as constituted upon such annexation.

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

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

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

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

18 (J) Supplementary Grants in Aid.

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

1 received by the district under Section 18-8 (exclusive of
2 amounts received under subsections 5(p) and 5(p-5) of that
3 Section) for the 1997-1998 school year, pursuant to the
4 provisions of that Section as it was then in effect.

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

16 (3) (Blank).

17 (K) Grants to Laboratory and Alternative Schools.

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

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

1 not have more than 1,000 students, excluding students with
2 disabilities in a special education program.

3 As used in this Section, "alternative school" means a
4 public school which is created and operated by a Regional
5 Superintendent of Schools and approved by the State Board of
6 Education. Such alternative schools may offer courses of
7 instruction for which credit is given in regular school
8 programs, courses to prepare students for the high school
9 equivalency testing program or vocational and occupational
10 training. A regional superintendent of schools may contract
11 with a school district or a public community college district
12 to operate an alternative school. An alternative school serving
13 more than one educational service region may be established by
14 the regional superintendents of schools of the affected
15 educational service regions. An alternative school serving
16 more than one educational service region may be operated under
17 such terms as the regional superintendents of schools of those
18 educational service regions may agree.

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

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

28 (1) For a school district operating under the financial
29 supervision of an Authority created under Article 34A, the
30 general State aid otherwise payable to that district under this
31 Section, but not the supplemental general State aid, shall be
32 reduced by an amount equal to the budget for the operations of
33 the Authority as certified by the Authority to the State Board

1 of Education, and an amount equal to such reduction shall be
2 paid to the Authority created for such district for its
3 operating expenses in the manner provided in Section 18-11. The
4 remainder of general State school aid for any such district
5 shall be paid in accordance with Article 34A when that Article
6 provides for a disposition other than that provided by this
7 Article.

8 (2) (Blank).

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

11 (M) Education Funding Advisory Board.

12 The Education Funding Advisory Board, hereinafter in this
13 subsection (M) referred to as the "Board", is hereby created.
14 The Board shall consist of 5 members who are appointed by the
15 Governor, by and with the advice and consent of the Senate. The
16 members appointed shall include representatives of education,
17 business, and the general public. One of the members so
18 appointed shall be designated by the Governor at the time the
19 appointment is made as the chairperson of the Board. The
20 initial members of the Board may be appointed any time after
21 the effective date of this amendatory Act of 1997. The regular
22 term of each member of the Board shall be for 4 years from the
23 third Monday of January of the year in which the term of the
24 member's appointment is to commence, except that of the 5
25 initial members appointed to serve on the Board, the member who
26 is appointed as the chairperson shall serve for a term that
27 commences on the date of his or her appointment and expires on
28 the third Monday of January, 2002, and the remaining 4 members,
29 by lots drawn at the first meeting of the Board that is held
30 after all 5 members are appointed, shall determine 2 of their
31 number to serve for terms that commence on the date of their
32 respective appointments and expire on the third Monday of
33 January, 2001, and 2 of their number to serve for terms that

1 commence on the date of their respective appointments and
2 expire on the third Monday of January, 2000. All members
3 appointed to serve on the Board shall serve until their
4 respective successors are appointed and confirmed. Vacancies
5 shall be filled in the same manner as original appointments. If
6 a vacancy in membership occurs at a time when the Senate is not
7 in session, the Governor shall make a temporary appointment
8 until the next meeting of the Senate, when he or she shall
9 appoint, by and with the advice and consent of the Senate, a
10 person to fill that membership for the unexpired term. If the
11 Senate is not in session when the initial appointments are
12 made, those appointments shall be made as in the case of
13 vacancies.

14 The Education Funding Advisory Board shall be deemed
15 established, and the initial members appointed by the Governor
16 to serve as members of the Board shall take office, on the date
17 that the Governor makes his or her appointment of the fifth
18 initial member of the Board, whether those initial members are
19 then serving pursuant to appointment and confirmation or
20 pursuant to temporary appointments that are made by the
21 Governor as in the case of vacancies.

22 The State Board of Education shall provide such staff
23 assistance to the Education Funding Advisory Board as is
24 reasonably required for the proper performance by the Board of
25 its responsibilities.

26 For school years after the 2000-2001 school year, the
27 Education Funding Advisory Board, in consultation with the
28 State Board of Education, shall make recommendations as
29 provided in this subsection (M) to the General Assembly for the
30 foundation level under subdivision (B)(3) of this Section and
31 for the supplemental general State aid grant level under
32 subsection (H) of this Section for districts with high
33 concentrations of children from poverty. The recommended
34 foundation level shall be determined based on a methodology

1 which incorporates the basic education expenditures of
2 low-spending schools exhibiting high academic performance. The
3 Education Funding Advisory Board shall make such
4 recommendations to the General Assembly on January 1 of odd
5 numbered years, beginning January 1, 2001.

6 (N) (Blank).

7 (O) References.

8 (1) References in other laws to the various subdivisions of
9 Section 18-8 as that Section existed before its repeal and
10 replacement by this Section 18-8.05 shall be deemed to refer to
11 the corresponding provisions of this Section 18-8.05, to the
12 extent that those references remain applicable.

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

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

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

21 (720 ILCS 5/17A-1) (from Ch. 38, par. 17A-1)

22 Sec. 17A-1. Persons under deportation order; ineligible
23 for benefits. An individual against whom a United States
24 Immigration Judge has issued an order of deportation which has
25 been affirmed by the Board of Immigration Review, as well as an
26 individual who appeals such an order pending appeal, under
27 paragraph 19 of Section 241(a) of the Immigration and
28 Nationality Act relating to persecution of others on account of
29 race, religion, national origin or political opinion under the
30 direction of or in association with the Nazi government of

1 Germany or its allies, shall be ineligible for the following
2 benefits authorized by State law:

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

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

8 (c) The double income tax exemption conferred upon persons
9 65 years of age or older by Section 204 of the Illinois Income
10 Tax Act.

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

12 (e) Reductions in vehicle registration fees under Section
13 3-806.3 of the Illinois Vehicle Code.

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

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

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

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

20 Section 90. The State Mandates Act is amended by adding
21 Section 8.28 as follows:

22 (30 ILCS 805/8.28 new)

23 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8
24 of this Act, no reimbursement by the State is required for the
25 implementation of any mandate created by (i) the Senior
26 Citizens Assessment Freeze Homestead Exemption under Section
27 15-172 of the Property Tax Code or (ii) the General Homestead
28 Exemption in counties subject to the Property Tax Extension
29 Limitation Law under Section 15-176 of the Property Tax Code."

30 Section 99. Effective date. This Act takes effect upon
31 becoming law.