



Lisa M. Dugan

**Filed: 02/19/04**

09300SB1498ham011

LRB093 06568 RCE 47732 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, 15-175, and 20-178 and by adding  
4 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. The maximum reduction shall be  
30          \$2,500 in counties with 3,000,000 or more inhabitants and  
31          \$2,000 in all other counties. For land improved with an  
32          apartment building owned and operated as a cooperative, the  
33          maximum reduction from the value of the property, as equalized



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

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

34 A person who will be 65 years of age during the current

1 assessment year shall be eligible to apply for the homestead  
2 exemption during that assessment year. Application shall be  
3 made during the application period in effect for the county of  
4 his residence.

5 Beginning with assessment year 2003, for taxes payable in  
6 2004, property that is first occupied as a residence after  
7 January 1 of any assessment year by a person who is eligible  
8 for the senior citizens homestead exemption under this Section  
9 must be granted a pro-rata exemption for the assessment year.  
10 The amount of the pro-rata exemption is the exemption allowed  
11 in the county under this Section divided by 365 and multiplied  
12 by the number of days during the assessment year the property  
13 is occupied as a residence by a person eligible for the  
14 exemption under this Section. The chief county assessment  
15 officer must adopt reasonable procedures to establish  
16 eligibility for this pro-rata exemption.

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

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

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

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

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

21 In counties with less than 3,000,000 inhabitants, if the  
22 assessor or chief county assessment officer requires annual  
23 application for verification of eligibility for an exemption  
24 once granted under this Section, the application shall be  
25 mailed to the taxpayer.

26 The assessor or chief county assessment officer shall  
27 notify each person who qualifies for an exemption under this  
28 Section that the person may also qualify for deferral of real  
29 estate taxes under the Senior Citizens Real Estate Tax Deferral  
30 Act. The notice shall set forth the qualifications needed for  
31 deferral of real estate taxes, the address and telephone number  
32 of county collector, and a statement that applications for  
33 deferral of real estate taxes may be obtained from the county  
34 collector.

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

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

5           (35 ILCS 200/15-175)

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

20           Except as provided in Section 15-176, the maximum reduction  
21 shall be \$4,500 in counties with 3,000,000 or more inhabitants  
22 and \$3,500 in all other counties.

23           In counties with fewer than 3,000,000 inhabitants, if,  
24 based on the most recent assessment, the equalized assessed  
25 value of the homestead property for the current assessment year  
26 is greater than the equalized assessed value of the property  
27 for 1977, the owner of the property shall automatically receive  
28 the exemption granted under this Section in an amount equal to  
29 the increase over the 1977 assessment up to the maximum  
30 reduction set forth in this Section.

31           If in any assessment year beginning with the 2000  
32 assessment year, homestead property has a pro-rata valuation  
33 under Section 9-180 resulting in an increase in the assessed

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

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

32 In a cooperative where a homestead exemption has been  
33 granted, the cooperative association or its management firm  
34 shall credit the savings resulting from that exemption only to

1 the apportioned tax liability of the owner who qualified for  
2 the exemption. Any person who willfully refuses to so credit  
3 the savings shall be guilty of a Class B misdemeanor.

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

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

14 In counties with fewer than 3,000,000 inhabitants, in the  
15 event of a sale of homestead property the homestead exemption  
16 shall remain in effect for the remainder of the assessment year  
17 of the sale. The assessor or chief county assessment officer  
18 may require the new owner of the property to apply for the  
19 homestead exemption for the following assessment year.

20 (Source: P.A. 90-368, eff. 1-1-98; 90-552, eff. 12-12-97;  
21 90-655, eff. 7-30-98; 91-346, eff. 7-29-99.)

22 (35 ILCS 200/15-176 new)

23 Sec. 15-176. Alternative general homestead exemption.

24 (a) For the assessment years as determined under subsection  
25 (j), in any county that has elected, by an ordinance in  
26 accordance with subsection (k), to be subject to the provisions  
27 of this Section in lieu of the provisions of Section 15-175,  
28 homestead property is entitled to an annual homestead exemption  
29 equal to a reduction in the property's equalized assessed value  
30 calculated as provided in this Section.

31 (b) As used in this Section:

32 (1) "Assessor" means the supervisor of assessments or  
33 the chief county assessment officer of each county.

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

3           (A) The property's base homestead value increased  
4           by 7% for each tax year after the base year through and  
5           including the current tax year, or, if the property is  
6           sold or ownership is otherwise transferred, the  
7           property's base homestead value increased by 7% for  
8           each tax year after the year of the sale or transfer  
9           through and including the current tax year. The  
10           increase by 7% each year is an increase by 7% over the  
11           prior year.

12           (B) The property's equalized assessed value for  
13           the current tax year minus \$4,500 in Cook County or  
14           \$3,500 in all other counties.

15           (3) "Base homestead value".

16           (A) Except as provided in subdivision ((b)(3)(B),  
17           "base homestead value" means the equalized assessed  
18           value of the property for the base year prior to  
19           exemptions, minus \$4,500 in Cook County or \$3,500 in  
20           all other counties, provided that it was assessed for  
21           that year as residential property qualified for any of  
22           the homestead exemptions under Sections 15-170 through  
23           15-175 of this Code, then in force, and further  
24           provided that the property's assessment was not based  
25           on a reduced assessed value resulting from a temporary  
26           irregularity in the property for that year. Except as  
27           provided in subdivision (b)(3)(B), if the property did  
28           not have a residential equalized assessed value for the  
29           base year, then "base homestead value" means the base  
30           homestead value established by the assessor under  
31           subsection (c).

32           (B) If the property is sold or ownership is  
33           otherwise transferred, other than sales or transfers  
34           between spouses or between a parent and a child, "base

1 homestead value" means the equalized assessed value of  
2 the property at the time of the sale or transfer prior  
3 to exemptions, minus \$4,500 in Cook County or \$3,500 in  
4 all other counties, provided that it was assessed as  
5 residential property qualified for any of the  
6 homestead exemptions under Sections 15-170 through  
7 15-175 of this Code, then in force, and further  
8 provided that the property's assessment was not based  
9 on a reduced assessed value resulting from a temporary  
10 irregularity in the property.

11 (3.5) "Base year" means (i) tax year 2002 in Cook  
12 County or (ii) tax year 2002 or 2003 in all other counties  
13 in accordance with the designation made by the county as  
14 provided in subsection (k).

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

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

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

20 (A) Residential property that as of January 1 of  
21 the tax year is occupied by its owner or owners as his,  
22 her, or their principal dwelling place, or that is a  
23 leasehold interest on which a single family residence  
24 is situated, that is occupied as a residence by a  
25 person who has a legal or equitable interest therein  
26 evidenced by a written instrument, as an owner or as a  
27 lessee, and on which the person is liable for the  
28 payment of property taxes. Residential units in an  
29 apartment building owned and operated as a  
30 cooperative, or as a life care facility, which are  
31 occupied by persons who hold a legal or equitable  
32 interest in the cooperative apartment building or life  
33 care facility as owners or lessees, and who are liable  
34 by contract for the payment of property taxes, shall be



1 included within this definition of homestead property.  
2 Residential property containing 6 or fewer dwelling  
3 units shall also be included in this definition of  
4 homestead property provided that at least one such unit  
5 is occupied by the property's owner or owners as his,  
6 her, or their principal dwelling place.

7 (B) A homestead includes the dwelling place,  
8 appurtenant structures, and so much of the surrounding  
9 land constituting the parcel on which the dwelling  
10 place is situated as is used for residential purposes.  
11 If the assessor has established a specific legal  
12 description for a portion of property constituting the  
13 homestead, then the homestead shall be limited to the  
14 property within that description.

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

17 (c) If the property did not have a residential equalized  
18 assessed value for the base year as provided in subdivision  
19 (b)(3)(A) of this Section, then the assessor shall first  
20 determine an initial value for the property by comparison with  
21 assessed values for the base year of other properties having  
22 physical and economic characteristics similar to those of the  
23 subject property, so that the initial value is uniform in  
24 relation to assessed values of those other properties for the  
25 base year. The product of the initial value multiplied by the  
26 equalized factor for the base year for homestead properties in  
27 that county, less \$4,500 in Cook County or \$3,500 in all other  
28 counties, is the base homestead value.

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

34 (d) The base homestead value shall remain constant, except

1 that the assessor may revise it under the following  
2 circumstances:

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

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

16 (3) If the property is sold or ownership is otherwise  
17 transferred, the base homestead value of the property shall  
18 be adjusted as provided in subdivision (b) (3) (B). This item  
19 (3) does not apply to sales or transfers between spouses or  
20 between a parent and a child.

21 (4) If the assessor discovers an error in fact on the  
22 property record card or in the posting of the assessed  
23 value onto the assessment rolls, such error shall be  
24 corrected and the assessment recalculated, and the base  
25 homestead value shall be adjusted to reflect the corrected,  
26 recalculated assessment.

27 (e) The amount of the exemption under this Section is the  
28 equalized assessed value of the homestead property for the  
29 current tax year, minus the adjusted homestead value, with the  
30 following exceptions:

31 (1) The exemption under this Section shall not exceed  
32 \$25,000 for any taxable year.

33 (2) In the case of homestead property that also  
34 qualifies for the exemption under Section 15-172, the

1 property is entitled to the exemption under this Section,  
2 limited to the amount of \$4,500 in Cook County or \$3,500 in  
3 all other counties.

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

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

21 (h) In the event of a sale or other transfer in ownership  
22 of the homestead property, the exemption under this Section  
23 shall remain in effect for the remainder of the tax year in  
24 which the sale or transfer occurs, but (other than for sales or  
25 transfers between spouses or between a parent and a child)  
26 shall be calculated using the new base homestead value as  
27 provided in subdivision (b) (3) (B). The assessor may require the  
28 new owner of the property to apply for the exemption in the  
29 following year.

30 (i) The assessor may determine whether property qualifies  
31 as a homestead under this Section by application, visual  
32 inspection, questionnaire, or other reasonable methods. Each  
33 year, at the time the assessment books are certified to the  
34 county clerk by the board of review, the assessor shall furnish

1 to the county clerk a list of the properties qualified for the  
2 homestead exemption under this Section. The list shall note the  
3 base homestead value of each property to be used in the  
4 calculation of the exemption for the current tax year.

5 (j) In counties with 3,000,000 or more inhabitants, the  
6 provisions of this Section apply as follows:

7 (1) If the general assessment year for the property is  
8 2003, this Section applies for assessment years 2003, 2004,  
9 and 2005. Thereafter, the provisions of Section 15-175  
10 apply.

11 (2) If the general assessment year for the property is  
12 2004, this Section applies for assessment years 2004, 2005,  
13 and 2006. Thereafter, the provisions of Section 15-175  
14 apply.

15 (3) If the general assessment year for the property is  
16 2005, this Section applies for assessment years 2005, 2006,  
17 and 2007. Thereafter, the provisions of Section 15-175  
18 apply.

19 In counties with less than 3,000,000 inhabitants, this  
20 Section applies for assessment years (i) 2003, 2004, and 2005  
21 if 2002 is the designated base year or (ii) 2004, 2005, and  
22 2006 if 2003 is the designated base year. Thereafter, the  
23 provisions of Section 15-175 apply.

24 (k) To be subject to the provisions of this Section in lieu  
25 of Section 15-175, a county must adopt an ordinance to subject  
26 itself to the provisions of this Section within 6 months after  
27 the effective date of this amendatory Act of the 93rd General  
28 Assembly. In a county other than Cook County, the ordinance  
29 must designate either tax year 2002 or tax year 2003 as the  
30 base year.

31 (l) Notwithstanding Sections 6 and 8 of the State Mandates  
32 Act, no reimbursement by the State is required for the  
33 implementation of any mandate created by this Section.

1 (35 ILCS 200/20-178)

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

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

23 This Section shall not apply to any certificate of error  
24 granting a homestead exemption under Section 15-170, 15-172, ~~or~~  
25 15-175, or 15-176.

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

27 Section 13. The Longtime Owner-Occupant Property Tax  
28 Relief Act is amended by changing Section 20 as follows:

29 (35 ILCS 250/20)

30 Sec. 20. Conditions of deferral or exemption.

31 (a) Any deferral or exemption of payment of an increase in  
32 real property taxes granted under this Act shall be limited to

1 real property that meets both of the following conditions:

2 (1) The property is owned and occupied by a longtime  
3 owner-occupant.

4 (2) The property is the principal residence and  
5 domicile of the longtime owner-occupant.

6 The corporate authorities of a county, by ordinance or  
7 resolution, may impose additional criteria for qualifying for a  
8 deferral or exemption under this Act including, but not limited  
9 to, (i) requiring the owner-occupant to have owned and occupied  
10 the same dwelling place as principal residence and domicile for  
11 a period of more than 10 years, (ii) establishing age criteria  
12 for eligibility of an owner-occupant, and (iii) establishing  
13 income criteria for eligibility of an owner-occupant. A  
14 deferral or exemption, or combination thereof, under an  
15 ordinance or resolution adopted pursuant to this Act, may not  
16 exceed \$25,000 in equalized assessed value per tax year.

17 (b) No penalties or interest shall accrue on the portion of  
18 any deferral granted under this Act.

19 (c) Except as provided in subsection (d) of Section 15,  
20 school districts and municipalities within a county to which  
21 this Act applies may determine whether financial need, age, or  
22 both, of the longtime owner-occupant shall be used to determine  
23 eligibility.

24 (Source: P.A. 90-648, eff. 7-24-98.)

25 Section 15. The County Economic Development Project Area  
26 Property Tax Allocation Act is amended by changing Section 6 as  
27 follows:

28 (55 ILCS 85/6) (from Ch. 34, par. 7006)

29 Sec. 6. Filing with county clerk; certification of initial  
30 equalized assessed value.

31 (a) The county shall file a certified copy of any ordinance  
32 authorizing property tax allocation financing for an economic

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

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

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

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

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

18 (55 ILCS 90/45) (from Ch. 34, par. 8045)

19 Sec. 45. Filing with county clerk; certification of initial  
20 equalized assessed value.

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



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

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

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

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

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

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

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

28 (a) That portion of taxes levied upon each taxable lot,  
29 block, tract or parcel of real property which is attributable  
30 to the lower of the current equalized assessed value or the  
31 initial equalized assessed value of each such taxable lot,  
32 block, tract or parcel of real property in the redevelopment

1 project area shall be allocated to and when collected shall be  
2 paid by the county collector to the respective affected taxing  
3 districts in the manner required by law in the absence of the  
4 adoption of tax increment allocation financing.

5 (b) Except from a tax levied by a township to retire bonds  
6 issued to satisfy court-ordered damages, that portion, if any,  
7 of such taxes which is attributable to the increase in the  
8 current equalized assessed valuation of each taxable lot,  
9 block, tract or parcel of real property in the redevelopment  
10 project area over and above the initial equalized assessed  
11 value of each property in the project area shall be allocated  
12 to and when collected shall be paid to the municipal treasurer  
13 who shall deposit said taxes into a special fund called the  
14 special tax allocation fund of the municipality for the purpose  
15 of paying redevelopment project costs and obligations incurred  
16 in the payment thereof. In any county with a population of  
17 3,000,000 or more that has adopted a procedure for collecting  
18 taxes that provides for one or more of the installments of the  
19 taxes to be billed and collected on an estimated basis, the  
20 municipal treasurer shall be paid for deposit in the special  
21 tax allocation fund of the municipality, from the taxes  
22 collected from estimated bills issued for property in the  
23 redevelopment project area, the difference between the amount  
24 actually collected from each taxable lot, block, tract, or  
25 parcel of real property within the redevelopment project area  
26 and an amount determined by multiplying the rate at which taxes  
27 were last extended against the taxable lot, block, track, or  
28 parcel of real property in the manner provided in subsection  
29 (c) of Section 11-74.4-9 by the initial equalized assessed  
30 value of the property divided by the number of installments in  
31 which real estate taxes are billed and collected within the  
32 county; provided that the payments on or before December 31,  
33 1999 to a municipal treasurer shall be made only if each of the  
34 following conditions are met:

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

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

8           (3) The municipal clerk has certified to the county  
9 clerk that the municipality has issued its obligations to  
10 which there has been pledged the incremental property taxes  
11 of the redevelopment project area or taxes levied and  
12 collected on any or all property in the municipality or the  
13 full faith and credit of the municipality to pay or secure  
14 payment for all or a portion of the redevelopment project  
15 costs. The certification shall be filed annually no later  
16 than September 1 for the estimated taxes to be distributed  
17 in the following year; however, for the year 1992 the  
18 certification shall be made at any time on or before March  
19 31, 1992.

20           (4) The municipality has not requested that the total  
21 initial equalized assessed value of real property be  
22 adjusted as provided in subsection (b) of Section  
23 11-74.4-9.

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

1 overpayment.

2 It is the intent of this Division that after the effective  
3 date of this amendatory Act of 1988 a municipality's own ad  
4 valorem tax arising from levies on taxable real property be  
5 included in the determination of incremental revenue in the  
6 manner provided in paragraph (c) of Section 11-74.4-9. If the  
7 municipality does not extend such a tax, it shall annually  
8 deposit in the municipality's Special Tax Increment Fund an  
9 amount equal to 10% of the total contributions to the fund from  
10 all other taxing districts in that year. The annual 10% deposit  
11 required by this paragraph shall be limited to the actual  
12 amount of municipally produced incremental tax revenues  
13 available to the municipality from taxpayers located in the  
14 redevelopment project area in that year if: (a) the plan for  
15 the area restricts the use of the property primarily to  
16 industrial purposes, (b) the municipality establishing the  
17 redevelopment project area is a home-rule community with a 1990  
18 population of between 25,000 and 50,000, (c) the municipality  
19 is wholly located within a county with a 1990 population of  
20 over 750,000 and (d) the redevelopment project area was  
21 established by the municipality prior to June 1, 1990. This  
22 payment shall be in lieu of a contribution of ad valorem taxes  
23 on real property. If no such payment is made, any redevelopment  
24 project area of the municipality shall be dissolved.

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

1 the taxable real property in such redevelopment project area by  
2 taxing districts and tax rates determined in the manner  
3 provided in paragraph (c) of Section 11-74.4-9 shall be divided  
4 as follows:

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

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

34 The municipality may pledge in the ordinance the funds in

1 and to be deposited in the special tax allocation fund for the  
2 payment of such costs and obligations. No part of the current  
3 equalized assessed valuation of each property in the  
4 redevelopment project area attributable to any increase above  
5 the total initial equalized assessed value, or the total  
6 initial equalized assessed value as adjusted, of such  
7 properties shall be used in calculating the general State  
8 school aid formula, provided for in Section 18-8 of the School  
9 Code, until such time as all redevelopment project costs have  
10 been paid as provided for in this Section.

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

30 When such redevelopment projects costs, including without  
31 limitation all municipal obligations financing redevelopment  
32 project costs incurred under this Division, have been paid, all  
33 surplus funds then remaining in the special tax allocation fund  
34 shall be distributed by being paid by the municipal treasurer

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

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



1 and taxes levied, collected and distributed in the manner  
2 applicable in the absence of the adoption of tax increment  
3 allocation financing.

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

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

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

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

13 (a) If a municipality by ordinance provides for tax  
14 increment allocation financing pursuant to Section 11-74.4-8,  
15 the county clerk immediately thereafter shall determine (1) the  
16 most recently ascertained equalized assessed value of each lot,  
17 block, tract or parcel of real property within such  
18 redevelopment project area from which shall be deducted the  
19 homestead exemptions provided by Sections 15-170, ~~and~~ 15-175,  
20 and 15-176 of the Property Tax Code, which value shall be the  
21 "initial equalized assessed value" of each such piece of  
22 property, and (2) the total equalized assessed value of all  
23 taxable real property within such redevelopment project area by  
24 adding together the most recently ascertained equalized  
25 assessed value of each taxable lot, block, tract, or parcel of  
26 real property within such project area, from which shall be  
27 deducted the homestead exemptions provided by Sections 15-170,  
28 ~~and~~ 15-175, and 15-176 of the Property Tax Code, and shall  
29 certify such amount as the "total initial equalized assessed  
30 value" of the taxable real property within such project area.

31 (b) In reference to any municipality which has adopted tax  
32 increment financing after January 1, 1978, and in respect to  
33 which the county clerk has certified the "total initial

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

21 (c) After the county clerk has certified the "total initial  
22 equalized assessed value" of the taxable real property in such  
23 area, then in respect to every taxing district containing a  
24 redevelopment project area, the county clerk or any other  
25 official required by law to ascertain the amount of the  
26 equalized assessed value of all taxable property within such  
27 district for the purpose of computing the rate per cent of tax  
28 to be extended upon taxable property within such district,  
29 shall in every year that tax increment allocation financing is  
30 in effect ascertain the amount of value of taxable property in  
31 a redevelopment project area by including in such amount the  
32 lower of the current equalized assessed value or the certified  
33 "total initial equalized assessed value" of all taxable real  
34 property in such area, except that after he has certified the

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

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

22 (65 ILCS 5/11-74.6-40)

23 Sec. 11-74.6-40. Equalized assessed value determination;  
24 property tax extension.

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

28 (1) shall determine the initial equalized assessed  
29 value of each parcel of real property in the redevelopment  
30 project area, which is the most recently established  
31 equalized assessed value of each lot, block, tract or  
32 parcel of taxable real property within the redevelopment  
33 project area, minus the homestead exemptions provided by

1 Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax  
2 Code; and

3 (2) shall certify to the municipality the total initial  
4 equalized assessed value of all taxable real property  
5 within the redevelopment project area.

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

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

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

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

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

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

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

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

32 Section 30. The Economic Development Project Area Tax  
33 Increment Allocation Act of 1995 is amended by changing Section

1 45 as follows:

2 (65 ILCS 110/45)

3 Sec. 45. Filing with county clerk; certification of initial  
4 equalized assessed value.

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

27 (b) After the county clerk has certified the "total initial  
28 equalized assessed value" of the taxable real property in the  
29 economic development project area, then in respect to every  
30 taxing district containing an economic development project  
31 area, the county clerk or any other official required by law to  
32 ascertain the amount of the equalized assessed value of all  
33 taxable property within the taxing district for the purpose of

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

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

22 Section 35. The School Code is amended by changing Section  
23 18-8.05 as follows:

24 (105 ILCS 5/18-8.05)

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

28 (A) General Provisions.

29 (1) The provisions of this Section apply to the 1998-1999  
30 and subsequent school years. The system of general State  
31 financial aid provided for in this Section is designed to

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

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

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

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



1 Attendance in the school district. A "recognized school"  
2 means any public school which meets the standards as  
3 established for recognition by the State Board of  
4 Education. A school district or attendance center not  
5 having recognition status at the end of a school term is  
6 entitled to receive State aid payments due upon a legal  
7 claim which was filed while it was recognized.

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

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

16 (d) (Blank).

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

21 School districts are not required to exert a minimum  
22 Operating Tax Rate in order to qualify for assistance under  
23 this Section.

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

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

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

34 (c) "Corporate Personal Property Replacement Taxes":

1 Funds paid to local school districts pursuant to "An Act in  
2 relation to the abolition of ad valorem personal property  
3 tax and the replacement of revenues lost thereby, and  
4 amending and repealing certain Acts and parts of Acts in  
5 connection therewith", certified August 14, 1979, as  
6 amended (Public Act 81-1st S.S.-1).

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

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

13 (B) Foundation Level.

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

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

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

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

1 (C) Average Daily Attendance.

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

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

22 (D) Available Local Resources.

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

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

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

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

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

29 (E) Computation of General State Aid.

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

33 (2) For any school district for which Available Local

1 Resources per pupil is less than the product of 0.93 times the  
2 Foundation Level, general State aid for that district shall be  
3 calculated as an amount equal to the Foundation Level minus  
4 Available Local Resources, multiplied by the Average Daily  
5 Attendance of the school district.

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

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

27 (5) The amount of general State aid allocated to a school  
28 district for the 1999-2000 school year meeting the requirements  
29 set forth in paragraph (4) of subsection (G) shall be increased  
30 by an amount equal to the general State aid that would have  
31 been received by the district for the 1998-1999 school year by  
32 utilizing the Extension Limitation Equalized Assessed  
33 Valuation as calculated in paragraph (4) of subsection (G) less  
34 the general State aid allotted for the 1998-1999 school year.

1 This amount shall be deemed a one time increase, and shall not  
2 affect any future general State aid allocations.

3 (F) Compilation of Average Daily Attendance.

4 (1) Each school district shall, by July 1 of each year,  
5 submit to the State Board of Education, on forms prescribed by  
6 the State Board of Education, attendance figures for the school  
7 year that began in the preceding calendar year. The attendance  
8 information so transmitted shall identify the average daily  
9 attendance figures for each month of the school year. Beginning  
10 with the general State aid claim form for the 2002-2003 school  
11 year, districts shall calculate Average Daily Attendance as  
12 provided in subdivisions (a), (b), and (c) of this paragraph  
13 (1).

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

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

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

1 Except as otherwise provided in this Section, days of  
2 attendance by pupils shall be counted only for sessions of not  
3 less than 5 clock hours of school work per day under direct  
4 supervision of: (i) teachers, or (ii) non-teaching personnel or  
5 volunteer personnel when engaging in non-teaching duties and  
6 supervising in those instances specified in subsection (a) of  
7 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils  
8 of legal school age and in kindergarten and grades 1 through  
9 12.

10 Days of attendance by tuition pupils shall be accredited  
11 only to the districts that pay the tuition to a recognized  
12 school.

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

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

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

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

34 (d) A session of 3 or more clock hours may be counted

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

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



1 clock hours of instruction to be counted for a full day of  
2 attendance.

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

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

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

32 (G) Equalized Assessed Valuation Data.

33 (1) For purposes of the calculation of Available Local

1 Resources required pursuant to subsection (D), the State Board  
2 of Education shall secure from the Department of Revenue the  
3 value as equalized or assessed by the Department of Revenue of  
4 all taxable property of every school district, together with  
5 (i) the applicable tax rate used in extending taxes for the  
6 funds of the district as of September 30 of the previous year  
7 and (ii) the limiting rate for all school districts subject to  
8 property tax extension limitations as imposed under the  
9 Property Tax Extension Limitation Law.

10 The Department of Revenue shall add to the equalized  
11 assessed value of all taxable property of each school district  
12 situated entirely or partially within a county subject to the  
13 alternative general homestead exemption provisions of Section  
14 15-176 of the Property Tax Code an amount equal to the total  
15 amount by which the homestead exemption allowed under Section  
16 15-176 of the Property Tax Code for real property situated in  
17 that school district exceeds the total amount that would have  
18 been allowed in that school district if the maximum reduction  
19 under Section 15-176 was \$4,500 in Cook County or \$3,500 in all  
20 other counties. The county clerk of any county subject to the  
21 alternative general homestead exemption provisions of Section  
22 15-176 of the Property Tax Code shall annually calculate and  
23 certify to the Department of Revenue for each school district  
24 all homestead exemption amounts under Section 15-176 of the  
25 Property Tax Code. It is the intent of this paragraph that if  
26 the general homestead exemption for a parcel of property is  
27 determined under Section 15-176 of the Property Tax Code rather  
28 than Section 15-175, then the calculation of Available Local  
29 Resources shall not be affected by the difference, if any,  
30 between the amount of the general homestead exemption allowed  
31 for that parcel of property under Section 15-176 of the  
32 Property Tax Code and the amount that would have been allowed  
33 had the general homestead exemption for that parcel of property  
34 been determined under Section 15-175 of the Property Tax Code.

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

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

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

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

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

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

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

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

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

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

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

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

32 "Extension Limitation Ratio": A numerical ratio,  
33 certified by the County Clerk, in which the numerator is  
34 the Base Tax Year's Tax Extension and the denominator is

1 the Preceding Tax Year's Tax Extension.

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

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

27 (4) For the purposes of calculating general State aid for  
28 the 1999-2000 school year only, if a school district  
29 experienced a triennial reassessment on the equalized assessed  
30 valuation used in calculating its general State financial aid  
31 apportionment for the 1998-1999 school year, the State Board of  
32 Education shall calculate the Extension Limitation Equalized  
33 Assessed Valuation that would have been used to calculate the  
34 district's 1998-1999 general State aid. This amount shall equal

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

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

25 (H) Supplemental General State Aid.

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

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

13 (1.5) This paragraph (1.5) applies only to those school  
14 years preceding the 2003-2004 school year. For purposes of this  
15 subsection (H), the term "Low-Income Concentration Level"  
16 shall be the low-income eligible pupil count from the most  
17 recently available federal census divided by the Average Daily  
18 Attendance of the school district. If, however, (i) the  
19 percentage decrease from the 2 most recent federal censuses in  
20 the low-income eligible pupil count of a high school district  
21 with fewer than 400 students exceeds by 75% or more the  
22 percentage change in the total low-income eligible pupil count  
23 of contiguous elementary school districts, whose boundaries  
24 are coterminous with the high school district, or (ii) a high  
25 school district within 2 counties and serving 5 elementary  
26 school districts, whose boundaries are coterminous with the  
27 high school district, has a percentage decrease from the 2 most  
28 recent federal censuses in the low-income eligible pupil count  
29 and there is a percentage increase in the total low-income  
30 eligible pupil count of a majority of the elementary school  
31 districts in excess of 50% from the 2 most recent federal  
32 censuses, then the high school district's low-income eligible  
33 pupil count from the earlier federal census shall be the number  
34 used as the low-income eligible pupil count for the high school

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

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

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

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

34 (b) For any school district with a Low Income



1 Concentration Level of at least 35% and less than 50%, the  
2 grant for the 1998-1999 school year shall be \$1,100  
3 multiplied by the low income eligible pupil count.

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

8 (d) For any school district with a Low Income  
9 Concentration Level of 60% or more, the grant for the  
10 1998-99 school year shall be \$1,900 multiplied by the low  
11 income eligible pupil count.

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

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

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

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

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

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

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

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

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

13           (2.10) Except as otherwise provided, supplemental general  
14 State aid pursuant to this subsection (H) shall be provided as  
15 follows for the 2003-2004 school year and each school year  
16 thereafter:

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

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

26           For the 2003-2004 school year only, the grant shall be no  
27 less than the grant for the 2002-2003 school year. For the  
28 2004-2005 school year only, the grant shall be no less than the  
29 grant for the 2002-2003 school year multiplied by 0.66. For the  
30 2005-2006 school year only, the grant shall be no less than the  
31 grant for the 2002-2003 school year multiplied by 0.33.

32           For the 2003-2004 school year only, the grant shall be no  
33 greater than the grant received during the 2002-2003 school  
34 year added to the product of 0.25 multiplied by the difference

1 between the grant amount calculated under subsection (a) or (b)  
2 of this paragraph (2.10), whichever is applicable, and the  
3 grant received during the 2002-2003 school year. For the  
4 2004-2005 school year only, the grant shall be no greater than  
5 the grant received during the 2002-2003 school year added to  
6 the product of 0.50 multiplied by the difference between the  
7 grant amount calculated under subsection (a) or (b) of this  
8 paragraph (2.10), whichever is applicable, and the grant  
9 received during the 2002-2003 school year. For the 2005-2006  
10 school year only, the grant shall be no greater than the grant  
11 received during the 2002-2003 school year added to the product  
12 of 0.75 multiplied by the difference between the grant amount  
13 calculated under subsection (a) or (b) of this paragraph  
14 (2.10), whichever is applicable, and the grant received during  
15 the 2002-2003 school year.

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

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

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

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

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

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

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

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

1 the State Board of Education. Funds provided shall not be  
2 expended for any political or lobbying purposes as defined  
3 by board rule.

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

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

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

33 For purposes of determining compliance with this  
34 subsection in relation to the requirements of attendance

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

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

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

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

1 supplementary payment equal to the difference shall be made for  
2 the first 4 years of existence of the new district.

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

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

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

27 (3.5) Claims for financial assistance under this  
28 subsection (I) shall not be recomputed except as expressly  
29 provided under this Section.

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

33 (J) Supplementary Grants in Aid.



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

20           (2) If, as provided in paragraph (1) of this subsection  
21 (J), a school district is to receive aggregate general State  
22 aid in combination with supplemental general State aid under  
23 this Section for the 1998-99 school year and any subsequent  
24 school year that in any such school year is less than the  
25 amount of the aggregate general State aid entitlement that the  
26 district received for the 1997-98 school year, the school  
27 district shall also receive, from a separate appropriation made  
28 for purposes of this subsection (J), a supplementary payment  
29 that is equal to the amount of the difference in the aggregate  
30 State aid figures as described in paragraph (1).

31           (3) (Blank).

32           (K) Grants to Laboratory and Alternative Schools.

33           In calculating the amount to be paid to the governing board

1 of a public university that operates a laboratory school under  
2 this Section or to any alternative school that is operated by a  
3 regional superintendent of schools, the State Board of  
4 Education shall require by rule such reporting requirements as  
5 it deems necessary.

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

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

34 Each laboratory and alternative school shall file, on forms

1 provided by the State Superintendent of Education, an annual  
2 State aid claim which states the Average Daily Attendance of  
3 the school's students by month. The best 3 months' Average  
4 Daily Attendance shall be computed for each school. The general  
5 State aid entitlement shall be computed by multiplying the  
6 applicable Average Daily Attendance by the Foundation Level as  
7 determined under this Section.

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

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

22 (2) (Blank).

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

25 (M) Education Funding Advisory Board.

26 The Education Funding Advisory Board, hereinafter in this  
27 subsection (M) referred to as the "Board", is hereby created.  
28 The Board shall consist of 5 members who are appointed by the  
29 Governor, by and with the advice and consent of the Senate. The  
30 members appointed shall include representatives of education,  
31 business, and the general public. One of the members so  
32 appointed shall be designated by the Governor at the time the

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

29 The Education Funding Advisory Board shall be deemed  
30 established, and the initial members appointed by the Governor  
31 to serve as members of the Board shall take office, on the date  
32 that the Governor makes his or her appointment of the fifth  
33 initial member of the Board, whether those initial members are  
34 then serving pursuant to appointment and confirmation or

1 pursuant to temporary appointments that are made by the  
2 Governor as in the case of vacancies.

3 The State Board of Education shall provide such staff  
4 assistance to the Education Funding Advisory Board as is  
5 reasonably required for the proper performance by the Board of  
6 its responsibilities.

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

21 (N) (Blank).

22 (O) References.

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

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

31 (Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29,  
32 eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 92-636,

1 eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 7-1-03.)

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

4 (720 ILCS 5/17A-1) (from Ch. 38, par. 17A-1)

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

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

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

21 (c) The double income tax exemption conferred upon persons  
22 65 years of age or older by Section 204 of the Illinois Income  
23 Tax Act.

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

25 (e) Reductions in vehicle registration fees under Section  
26 3-806.3 of the Illinois Vehicle Code.

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

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

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

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

1           Section 90. The State Mandates Act is amended by adding  
2 Section 8.28 as follows:

3           (30 ILCS 805/8.28 new)

4           Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8  
5 of this Act, no reimbursement by the State is required for the  
6 implementation of any mandate created by the General Homestead  
7 Exemption under Section 15-176 of the Property Tax Code.

8           Section 99. Effective date. This Act takes effect upon  
9 becoming law.".