



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0437

Introduced 1/26/2005, by Rep. Roger L. Eddy

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-80
35 ILCS 200/18-185
105 ILCS 5/2-3.29 new
105 ILCS 5/3-15.1 from Ch. 122, par. 3-15.1
105 ILCS 5/17-9.02 new

Amends the Property Tax Code and School Code. Provides a notice form that must be used by school districts (other than Chicago) proposing a tax increase (now, all taxing districts use the same form). Excludes from the definition of "aggregate extension" a special purpose extension made for mandate shortfall relief under the School Code. Changes the definition of "debt service extension base" for school districts (other than Chicago). Requires a school district's annual financial statement to include a report showing the receipts and disbursements for special educational and transportation purposes. Provides that any shortfall in those funds permits the school board to levy (i) a mandate shortfall relief tax for special education mandates and (ii) a mandate shortfall relief tax for transportation mandates. Effective immediately.

LRB094 04199 BDD 34223 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning schools.

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

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

6 (35 ILCS 200/18-80)

7 Sec. 18-80. Time and form of notice. The notice shall
8 appear not more than 14 days nor less than 7 days prior to the
9 date of the public hearing. The notice shall be no less than
10 1/8 page in size, and the smallest type used shall be 12 point
11 and shall be enclosed in a black border no less than 1/4 inch
12 wide. The notice shall not be placed in that portion of the
13 newspaper where legal notices and classified advertisements
14 appear. The notice for all taxing districts except school
15 districts having a population of less than 500,000 inhabitants
16 shall be published in substantially the following form:

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

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

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

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

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

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

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

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

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

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

16 The notice for all school districts having a population of
17 less than 500,000 inhabitants shall be published in
18 substantially the following form:

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

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

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

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

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

36 III. The property taxes extended for debt service and

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

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

7 IV. The audit completed for fiscal year (previous fiscal
8 year) for special education mandates listed a shortfall of
9 (dollar amount of shortfall; \$0 if a surplus). The audit
10 completed for that fiscal year for transportation mandates
11 listed a shortfall of (dollar amount of shortfall; \$0 if a
12 surplus). The proposed mandate shortfall relief levy for
13 special education mandates for (current year) is (dollar amount
14 not to exceed the amount of the audited shortfall). The
15 proposed mandate shortfall relief levy for transportation
16 mandates for (current year) is (dollar amount not exceed the
17 amount of the audited shortfall).

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

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

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

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

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

31 (35 ILCS 200/18-185)

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

35 "Consumer Price Index" means the Consumer Price Index for

1 All Urban Consumers for all items published by the United
2 States Department of Labor.

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

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

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

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

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

1 under Section 5-8 of the Park District Code or Section 11-95-14
2 of the Illinois Municipal Code; (m) made for temporary
3 relocation loan repayment purposes pursuant to Sections 2-3.77
4 and 17-2.2d of the School Code; ~~and~~ (n) made for payment of
5 principal and interest on any bonds issued under the authority
6 of Section 17-2.2d of the School Code; (o) and (m) made for
7 contributions to a firefighter's pension fund created under
8 Article 4 of the Illinois Pension Code, to the extent of the
9 amount certified under item (5) of Section 4-134 of the
10 Illinois Pension Code; and (p) made for mandate shortfall
11 relief under Section 17-9.02 of the School Code.

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

1 the commission before March 1, 1995 to pay for the building
2 project; (g) made for payments due under installment contracts
3 entered into before March 1, 1995; (h) made for payments of
4 principal and interest on bonds issued under the Metropolitan
5 Water Reclamation District Act to finance construction
6 projects initiated before October 1, 1991; (h-4) made for
7 stormwater management purposes by the Metropolitan Water
8 Reclamation District of Greater Chicago under Section 12 of the
9 Metropolitan Water Reclamation District Act; (i) made for
10 payments of principal and interest on limited bonds, as defined
11 in Section 3 of the Local Government Debt Reform Act, in an
12 amount not to exceed the debt service extension base less the
13 amount in items (b), (c), and (e) of this definition for
14 non-referendum obligations, except obligations initially
15 issued pursuant to referendum and bonds described in subsection
16 (h) of this definition; (j) made for payments of principal and
17 interest on bonds issued under Section 15 of the Local
18 Government Debt Reform Act; (k) made for payments of principal
19 and interest on bonds authorized by Public Act 88-503 and
20 issued under Section 20a of the Chicago Park District Act for
21 aquarium or museum projects; (l) made for payments of principal
22 and interest on bonds authorized by Public Act 87-1191 or
23 93-601 and (i) issued pursuant to Section 21.2 of the Cook
24 County Forest Preserve District Act, (ii) issued under Section
25 42 of the Cook County Forest Preserve District Act for
26 zoological park projects, or (iii) issued under Section 44.1 of
27 the Cook County Forest Preserve District Act for botanical
28 gardens projects; (m) made pursuant to Section 34-53.5 of the
29 School Code, whether levied annually or not; (n) made to fund
30 expenses of providing joint recreational programs for the
31 handicapped under Section 5-8 of the Park District Code or
32 Section 11-95-14 of the Illinois Municipal Code; (o) made by
33 the Chicago Park District for recreational programs for the
34 handicapped under subsection (c) of Section 7.06 of the Chicago
35 Park District Act; ~~and~~ (p) made for contributions to a
36 firefighter's pension fund created under Article 4 of the

1 Illinois Pension Code, to the extent of the amount certified
2 under item (5) of Section 4-134 of the Illinois Pension Code;
3 and (q) made for mandate shortfall relief under Section 17-9.02
4 of the School Code.

5 "Aggregate extension" for all taxing districts to which
6 this Law applies in accordance with Section 18-213, except for
7 those taxing districts subject to paragraph (2) of subsection
8 (e) of Section 18-213, means the annual corporate extension for
9 the taxing district and those special purpose extensions that
10 are made annually for the taxing district, excluding special
11 purpose extensions: (a) made for the taxing district to pay
12 interest or principal on general obligation bonds that were
13 approved by referendum; (b) made for any taxing district to pay
14 interest or principal on general obligation bonds issued before
15 the date on which the referendum making this Law applicable to
16 the taxing district is held; (c) made for any taxing district
17 to pay interest or principal on bonds issued to refund or
18 continue to refund those bonds issued before the date on which
19 the referendum making this Law applicable to the taxing
20 district is held; (d) made for any taxing district to pay
21 interest or principal on bonds issued to refund or continue to
22 refund bonds issued after the date on which the referendum
23 making this Law applicable to the taxing district is held if
24 the bonds were approved by referendum after the date on which
25 the referendum making this Law applicable to the taxing
26 district is held; (e) made for any taxing district to pay
27 interest or principal on revenue bonds issued before the date
28 on which the referendum making this Law applicable to the
29 taxing district is held for payment of which a property tax
30 levy or the full faith and credit of the unit of local
31 government is pledged; however, a tax for the payment of
32 interest or principal on those bonds shall be made only after
33 the governing body of the unit of local government finds that
34 all other sources for payment are insufficient to make those
35 payments; (f) made for payments under a building commission
36 lease when the lease payments are for the retirement of bonds

1 issued by the commission before the date on which the
2 referendum making this Law applicable to the taxing district is
3 held to pay for the building project; (g) made for payments due
4 under installment contracts entered into before the date on
5 which the referendum making this Law applicable to the taxing
6 district is held; (h) made for payments of principal and
7 interest on limited bonds, as defined in Section 3 of the Local
8 Government Debt Reform Act, in an amount not to exceed the debt
9 service extension base less the amount in items (b), (c), and
10 (e) of this definition for non-referendum obligations, except
11 obligations initially issued pursuant to referendum; (i) made
12 for payments of principal and interest on bonds issued under
13 Section 15 of the Local Government Debt Reform Act; (j) made
14 for a qualified airport authority to pay interest or principal
15 on general obligation bonds issued for the purpose of paying
16 obligations due under, or financing airport facilities
17 required to be acquired, constructed, installed or equipped
18 pursuant to, contracts entered into before March 1, 1996 (but
19 not including any amendments to such a contract taking effect
20 on or after that date); (k) made to fund expenses of providing
21 joint recreational programs for the handicapped under Section
22 5-8 of the Park District Code or Section 11-95-14 of the
23 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
24 firefighter's pension fund created under Article 4 of the
25 Illinois Pension Code, to the extent of the amount certified
26 under item (5) of Section 4-134 of the Illinois Pension Code; and
27 and (m) made for mandate shortfall relief under Section 17-9.02
28 of the School Code.

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

1 interest or principal on general obligation bonds issued before
2 the effective date of this amendatory Act of 1997; (c) made for
3 any taxing district to pay interest or principal on bonds
4 issued to refund or continue to refund those bonds issued
5 before the effective date of this amendatory Act of 1997; (d)
6 made for any taxing district to pay interest or principal on
7 bonds issued to refund or continue to refund bonds issued after
8 the effective date of this amendatory Act of 1997 if the bonds
9 were approved by referendum after the effective date of this
10 amendatory Act of 1997; (e) made for any taxing district to pay
11 interest or principal on revenue bonds issued before the
12 effective date of this amendatory Act of 1997 for payment of
13 which a property tax levy or the full faith and credit of the
14 unit of local government is pledged; however, a tax for the
15 payment of interest or principal on those bonds shall be made
16 only after the governing body of the unit of local government
17 finds that all other sources for payment are insufficient to
18 make those payments; (f) made for payments under a building
19 commission lease when the lease payments are for the retirement
20 of bonds issued by the commission before the effective date of
21 this amendatory Act of 1997 to pay for the building project;
22 (g) made for payments due under installment contracts entered
23 into before the effective date of this amendatory Act of 1997;
24 (h) made for payments of principal and interest on limited
25 bonds, as defined in Section 3 of the Local Government Debt
26 Reform Act, in an amount not to exceed the debt service
27 extension base less the amount in items (b), (c), and (e) of
28 this definition for non-referendum obligations, except
29 obligations initially issued pursuant to referendum; (i) made
30 for payments of principal and interest on bonds issued under
31 Section 15 of the Local Government Debt Reform Act; (j) made
32 for a qualified airport authority to pay interest or principal
33 on general obligation bonds issued for the purpose of paying
34 obligations due under, or financing airport facilities
35 required to be acquired, constructed, installed or equipped
36 pursuant to, contracts entered into before March 1, 1996 (but

1 not including any amendments to such a contract taking effect
2 on or after that date); (k) made to fund expenses of providing
3 joint recreational programs for the handicapped under Section
4 5-8 of the Park District Code or Section 11-95-14 of the
5 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
6 firefighter's pension fund created under Article 4 of the
7 Illinois Pension Code, to the extent of the amount certified
8 under item (5) of Section 4-134 of the Illinois Pension Code;
9 and (m) made for mandate shortfall relief under Section 17-9.02
10 of the School Code.

11 "Debt service extension base" means, for taxing districts
12 except school districts having a population of less than
13 500,000 inhabitants, an amount equal to that portion of the
14 extension for a taxing district for the 1994 levy year, or for
15 those taxing districts subject to this Law in accordance with
16 Section 18-213, except for those subject to paragraph (2) of
17 subsection (e) of Section 18-213, for the levy year in which
18 the referendum making this Law applicable to the taxing
19 district is held, or for those taxing districts subject to this
20 Law in accordance with paragraph (2) of subsection (e) of
21 Section 18-213 for the 1996 levy year, constituting an
22 extension for payment of principal and interest on bonds issued
23 by the taxing district without referendum, but not including
24 excluded non-referendum bonds. For park districts (i) that were
25 first subject to this Law in 1991 or 1995 and (ii) whose
26 extension for the 1994 levy year for the payment of principal
27 and interest on bonds issued by the park district without
28 referendum (but not including excluded non-referendum bonds)
29 was less than 51% of the amount for the 1991 levy year
30 constituting an extension for payment of principal and interest
31 on bonds issued by the park district without referendum (but
32 not including excluded non-referendum bonds), "debt service
33 extension base" means an amount equal to that portion of the
34 extension for the 1991 levy year constituting an extension for
35 payment of principal and interest on bonds issued by the park
36 district without referendum (but not including excluded

1 non-referendum bonds). The debt service extension base may be
2 established or increased as provided under Section 18-212.
3 "Excluded non-referendum bonds" means (i) bonds authorized by
4 Public Act 88-503 and issued under Section 20a of the Chicago
5 Park District Act for aquarium and museum projects; (ii) bonds
6 issued under Section 15 of the Local Government Debt Reform
7 Act; or (iii) refunding obligations issued to refund or to
8 continue to refund obligations initially issued pursuant to
9 referendum.

10 "Debt service extension base" means, for school districts
11 having a population of less than 500,000 inhabitants, an amount
12 equal to 33% of the school district's currently applicable debt
13 limitation pursuant to Section 19-1 of the School Code.

14 "Special purpose extensions" include, but are not limited
15 to, extensions for levies made on an annual basis for
16 unemployment and workers' compensation, self-insurance,
17 contributions to pension plans, and extensions made pursuant to
18 Section 6-601 of the Illinois Highway Code for a road
19 district's permanent road fund whether levied annually or not.
20 The extension for a special service area is not included in the
21 aggregate extension.

22 "Aggregate extension base" means the taxing district's
23 last preceding aggregate extension as adjusted under Sections
24 18-215 through 18-230.

25 "Levy year" has the same meaning as "year" under Section
26 1-155.

27 "New property" means (i) the assessed value, after final
28 board of review or board of appeals action, of new improvements
29 or additions to existing improvements on any parcel of real
30 property that increase the assessed value of that real property
31 during the levy year multiplied by the equalization factor
32 issued by the Department under Section 17-30, (ii) the assessed
33 value, after final board of review or board of appeals action,
34 of real property not exempt from real estate taxation, which
35 real property was exempt from real estate taxation for any
36 portion of the immediately preceding levy year, multiplied by

1 the equalization factor issued by the Department under Section
2 17-30, and (iii) in counties that classify in accordance with
3 Section 4 of Article IX of the Illinois Constitution, an
4 incentive property's additional assessed value resulting from
5 a scheduled increase in the level of assessment as applied to
6 the first year final board of review market value. In addition,
7 the county clerk in a county containing a population of
8 3,000,000 or more shall include in the 1997 recovered tax
9 increment value for any school district, any recovered tax
10 increment value that was applicable to the 1995 tax year
11 calculations.

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

16 "Recovered tax increment value" means, except as otherwise
17 provided in this paragraph, the amount of the current year's
18 equalized assessed value, in the first year after a
19 municipality terminates the designation of an area as a
20 redevelopment project area previously established under the
21 Tax Increment Allocation Development Act in the Illinois
22 Municipal Code, previously established under the Industrial
23 Jobs Recovery Law in the Illinois Municipal Code, or previously
24 established under the Economic Development Area Tax Increment
25 Allocation Act, of each taxable lot, block, tract, or parcel of
26 real property in the redevelopment project area over and above
27 the initial equalized assessed value of each property in the
28 redevelopment project area. For the taxes which are extended
29 for the 1997 levy year, the recovered tax increment value for a
30 non-home rule taxing district that first became subject to this
31 Law for the 1995 levy year because a majority of its 1994
32 equalized assessed value was in an affected county or counties
33 shall be increased if a municipality terminated the designation
34 of an area in 1993 as a redevelopment project area previously
35 established under the Tax Increment Allocation Development Act
36 in the Illinois Municipal Code, previously established under

1 the Industrial Jobs Recovery Law in the Illinois Municipal
2 Code, or previously established under the Economic Development
3 Area Tax Increment Allocation Act, by an amount equal to the
4 1994 equalized assessed value of each taxable lot, block,
5 tract, or parcel of real property in the redevelopment project
6 area over and above the initial equalized assessed value of
7 each property in the redevelopment project area. In the first
8 year after a municipality removes a taxable lot, block, tract,
9 or parcel of real property from a redevelopment project area
10 established under the Tax Increment Allocation Development Act
11 in the Illinois Municipal Code, the Industrial Jobs Recovery
12 Law in the Illinois Municipal Code, or the Economic Development
13 Area Tax Increment Allocation Act, "recovered tax increment
14 value" means the amount of the current year's equalized
15 assessed value of each taxable lot, block, tract, or parcel of
16 real property removed from the redevelopment project area over
17 and above the initial equalized assessed value of that real
18 property before removal from the redevelopment project area.

19 Except as otherwise provided in this Section, "limiting
20 rate" means a fraction the numerator of which is the last
21 preceding aggregate extension base times an amount equal to one
22 plus the extension limitation defined in this Section and the
23 denominator of which is the current year's equalized assessed
24 value of all real property in the territory under the
25 jurisdiction of the taxing district during the prior levy year.
26 For those taxing districts that reduced their aggregate
27 extension for the last preceding levy year, the highest
28 aggregate extension in any of the last 3 preceding levy years
29 shall be used for the purpose of computing the limiting rate.
30 The denominator shall not include new property. The denominator
31 shall not include the recovered tax increment value.

32 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
33 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.
34 7-1-04; 93-690, eff. 7-1-04; 93-1049, eff. 11-17-04; revised
35 12-14-04.)

1 Section 10. The School Code is amended by adding Sections
2 2-3.29 and 17-9.02 and changing Section 3-15.1 as follows:

3 (105 ILCS 5/2-3.29 new)

4 Sec. 2-3.29. Mandate shortfall audit. To require to be
5 included in the annual financial statement of each school
6 district having a population of less than 500,000 inhabitants,
7 under Section 3-15.1 of this Code, a report showing the
8 receipts and disbursements for special educational purposes
9 and for transportation purposes, including the balance of those
10 funds. Each statement must show an amount for each fund
11 reflecting the extent to which disbursements for that purpose
12 exceeded receipts for that purpose, those receipts excluding
13 any transfers from other school district funds and revenues
14 raised from any taxes levied pursuant to Section 17-9.02 of
15 this Code. Such amount in either fund shall be considered a
16 mandate shortfall for the audited year and shall be the basis
17 for a mandate shortfall relief levy in the next occurring
18 school district levy, subject to Section 17-9.02 of this Code.
19 The State Board of Education may adopt any rules necessary and
20 consistent with this Section to implement the provisions of
21 this Section.

22 (105 ILCS 5/3-15.1) (from Ch. 122, par. 3-15.1)

23 Sec. 3-15.1. Reports. To require the appointed school
24 treasurer in Class II counties, in each school district which
25 forms a part of a Class II county school unit but which is not
26 subject to the jurisdiction of the trustees of schools of any
27 township in which such district is located, and in each school
28 district of the Class I counties to prepare and forward to his
29 office on or before October 15, annually, and at such other
30 times as may be required by him or by the State Board of
31 Education a statement exhibiting the financial condition of the
32 school for the preceding year commencing on July 1 and ending
33 June 30.

34 In Class I county school units, and in each school district

1 which forms a part of a Class II county school unit but which
2 is not subject to the jurisdiction of the trustees of schools
3 of any township in which such school district is located, the
4 statement shall in the case of districts on the accrual basis
5 show the assets, liabilities and fund balance of the funds as
6 of the end of the fiscal year. The statement shall show the
7 operation of the funds for the fiscal year with a
8 reconciliation and analysis of changes in the funds at the end
9 of the period. For districts on a cash basis the statement
10 shall show the receipts and disbursements by funds including
11 the source of receipts and purpose for which the disbursements
12 were made together with the balance at the end of the fiscal
13 year. Each school district that is the administrator of a joint
14 agreement shall cause an Annual Financial Statement to be
15 submitted on forms prescribed by the State Board of Education
16 exhibiting the financial condition of the program established
17 pursuant to the joint agreement, for the fiscal year ending on
18 the immediately preceding June 30.

19 The regional superintendent shall send all required
20 reports to the State Board of Education on or before November
21 15, annually.

22 For all districts the statements shall show bonded debt,
23 tax warrants, taxes received and receivable by funds and such
24 other information as may be required by the State Board of
25 Education. The statements shall also show special education
26 mandate and transportation mandate shortfalls and other
27 information required under Section 2-3.29 of this Code. Any
28 district from which such report is not so received when
29 required shall have its portion of the distributive fund
30 withheld for the next ensuing year until such report is filed.

31 If a district is divided by a county line or lines the
32 foregoing required statement shall be forwarded to the regional
33 superintendent of schools having supervision and control of the
34 district.

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

1 (105 ILCS 5/17-9.02 new)

2 Sec. 17-9.02. Mandate shortfall relief levy.

3 (a) The school board of any district having a population of
4 less than 500,000 inhabitants may, by proper resolution, levy
5 an annual tax, to be known as the mandate shortfall relief levy
6 for special education mandates, upon the value of the taxable
7 property within the district's territory, as equalized or
8 assessed by the Department of Revenue, at a rate that will
9 produce a sum sufficient to offset the mandate shortfall for
10 the most recently audited year for special education mandates,
11 as determined pursuant to Section 2-3.29 of this Code and
12 reported in the district's annual financial report. The revenue
13 raised by this tax shall be used only for the same special
14 education purposes for which revenues raised by the tax
15 authorized under Section 17-2.2a of this Code may be used.

16 (b) The school board of any district having a population of
17 less than 500,000 inhabitants may, by proper resolution, levy
18 an annual tax to be known as the mandate shortfall relief levy
19 for transportation mandates, upon the value of the taxable
20 property within the district's territory, as equalized or
21 assessed by the Department of Revenue, at a rate that will
22 produce a sum sufficient to offset the mandate shortfall for
23 the most recently audited year for transportation mandates, as
24 determined pursuant to Section 2-3.29 of this Code and reported
25 in the district's annual financial report. The revenue raised
26 by the tax shall be used only for the same transportation
27 purposes for which revenues raised by the transportation tax
28 authorized under subdivision (5) of Section 17-2 of this Code
29 may be used.

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