



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0197

Introduced 1/14/2009, by Rep. John A. Fritchey

SYNOPSIS AS INTRODUCED:

See Index

Amends the Property Tax Code. Provides that, in Cook County, homestead property must be valued at 100% of its fair cash value. Requires the Cook County Clerk to abate the property taxes levied on homestead property in an amount equal to: (1) the amount of the aggregate extension of all taxing districts against the property; less (2) an amount equal to 1% of the equalized assessed value of the property. Sets forth procedures to apply this abatement to the aggregate extensions of each taxing district. Creates the Cook County general homestead exemption to limit the assessment increases of homestead property to the lesser of: (i) 2%; or (ii) the increase in the CPI. Sets forth the taxable years in which this general homestead exemption applies. Amends the State aid provisions of the School Code to provide that, if the general homestead exemption is determined under the Cook County general homestead exemption provisions, then the available local resources are not effected. In provisions concerning the Property Tax Extension Limitation Law in the Property Tax Code, defines "extension limitation", for the 2009 taxable year and thereafter, as (a) the lesser of 2% (now, 5%) or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year or (b) the rate of increase approved by voters. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 03304 HLH 13322 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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 15-10, 15-170, 15-175, 18-185, and 20-178 and by
6 adding Sections 9-147, 15-178, and 18-179 as follows:

7 (35 ILCS 200/9-147 new)

8 Sec. 9-147. Statutory level of assessment for homestead
9 property in Cook County. Beginning with the 2009 taxable year,
10 in Cook County, any tract or lot of property that is classified
11 as homestead property must be valued at 100% of its fair cash
12 value.

13 (35 ILCS 200/15-10)

14 Sec. 15-10. Exempt property; procedures for certification.
15 All property granted an exemption by the Department pursuant to
16 the requirements of Section 15-5 and described in the Sections
17 following Section 15-30 and preceding Section 16-5, to the
18 extent therein limited, is exempt from taxation. In order to
19 maintain that exempt status, the titleholder or the owner of
20 the beneficial interest of any property that is exempt must
21 file with the chief county assessment officer, on or before
22 January 31 of each year (May 31 in the case of property

1 exempted by Section 15-170), an affidavit stating whether there
2 has been any change in the ownership or use of the property or
3 the status of the owner-resident, or that a disabled veteran
4 who qualifies under Section 15-165 owned and used the property
5 as of January 1 of that year. The nature of any change shall be
6 stated in the affidavit. Failure to file an affidavit shall, in
7 the discretion of the assessment officer, constitute cause to
8 terminate the exemption of that property, notwithstanding any
9 other provision of this Code. Owners of 5 or more such exempt
10 parcels within a county may file a single annual affidavit in
11 lieu of an affidavit for each parcel. The assessment officer,
12 upon request, shall furnish an affidavit form to the owners, in
13 which the owner may state whether there has been any change in
14 the ownership or use of the property or status of the owner or
15 resident as of January 1 of that year. The owner of 5 or more
16 exempt parcels shall list all the properties giving the same
17 information for each parcel as required of owners who file
18 individual affidavits.

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

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

25 (2) Section 15-40.

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

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

3 An application for homestead exemptions shall be filed as
4 provided in Section 15-170 (senior citizens homestead
5 exemption), Section 15-172 (senior citizens assessment freeze
6 homestead exemption), and Sections 15-175 (general homestead
7 exemption), 15-176 (general alternative homestead exemption),
8 ~~and~~ 15-177 (long-time occupant homestead exemption), and
9 15-178 (Cook County homestead exemption), respectively.

10 (Source: P.A. 95-644, eff. 10-12-07.)

11 (35 ILCS 200/15-170)

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

1 the payment of property taxes. Before taxable year 2004, the
2 maximum reduction shall be \$2,500 in counties with 3,000,000 or
3 more inhabitants and \$2,000 in all other counties. For taxable
4 years 2004 through 2005, the maximum reduction shall be \$3,000
5 in all counties. For taxable years 2006 and 2007, the maximum
6 reduction shall be \$3,500 and, for taxable years 2008 and
7 thereafter, the maximum reduction is \$4,000 in all counties.

8 For land improved with an apartment building owned and
9 operated as a cooperative, the maximum reduction from the value
10 of the property, as equalized by the Department, shall be
11 multiplied by the number of apartments or units occupied by a
12 person 65 years of age or older who is liable, by contract with
13 the owner or owners of record, for paying property taxes on the
14 property and is an owner of record of a legal or equitable
15 interest in the cooperative apartment building, other than a
16 leasehold interest. For land improved with a life care
17 facility, the maximum reduction from the value of the property,
18 as equalized by the Department, shall be multiplied by the
19 number of apartments or units occupied by persons 65 years of
20 age or older, irrespective of any legal, equitable, or
21 leasehold interest in the facility, who are liable, under a
22 contract with the owner or owners of record of the facility,
23 for paying property taxes on the property. In a cooperative or
24 a life care facility where a homestead exemption has been
25 granted, the cooperative association or the management firm of
26 the cooperative or facility shall credit the savings resulting

1 from that exemption only to the apportioned tax liability of
2 the owner or resident who qualified for the exemption. Any
3 person who willfully refuses to so credit the savings shall be
4 guilty of a Class B misdemeanor. Under this Section and
5 Sections 15-175, 15-176, ~~and~~ 15-177, and 15-178, "life care
6 facility" means a facility, as defined in Section 2 of the Life
7 Care Facilities Act, with which the applicant for the homestead
8 exemption has a life care contract as defined in that Act.

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

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

22 Beginning with assessment year 2003, for taxes payable in
23 2004, property that is first occupied as a residence after
24 January 1 of any assessment year by a person who is eligible
25 for the senior citizens homestead exemption under this Section
26 must be granted a pro-rata exemption for the assessment year.

1 The amount of the pro-rata exemption is the exemption allowed
2 in the county under this Section divided by 365 and multiplied
3 by the number of days during the assessment year the property
4 is occupied as a residence by a person eligible for the
5 exemption under this Section. The chief county assessment
6 officer must adopt reasonable procedures to establish
7 eligibility for this pro-rata exemption.

8 The assessor or chief county assessment officer may
9 determine the eligibility of a life care facility to receive
10 the benefits provided by this Section, by affidavit,
11 application, visual inspection, questionnaire or other
12 reasonable methods in order to insure that the tax savings
13 resulting from the exemption are credited by the management
14 firm to the apportioned tax liability of each qualifying
15 resident. The assessor may request reasonable proof that the
16 management firm has so credited the exemption.

17 The chief county assessment officer of each county with
18 less than 3,000,000 inhabitants shall provide to each person
19 allowed a homestead exemption under this Section a form to
20 designate any other person to receive a duplicate of any notice
21 of delinquency in the payment of taxes assessed and levied
22 under this Code on the property of the person receiving the
23 exemption. The duplicate notice shall be in addition to the
24 notice required to be provided to the person receiving the
25 exemption, and shall be given in the manner required by this
26 Code. The person filing the request for the duplicate notice

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

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

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

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

25 The assessor or chief county assessment officer shall
26 notify each person who qualifies for an exemption under this

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

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

11 (Source: P.A. 94-794, eff. 5-22-06; 95-644, eff. 10-12-07;
12 95-876, eff. 8-21-08.)

13 (35 ILCS 200/15-175)

14 Sec. 15-175. General homestead exemption. Except as
15 provided in Sections 15-176, ~~and~~ 15-177, and 15-178, homestead
16 property is entitled to an annual homestead exemption limited,
17 except as described here with relation to cooperatives, to a
18 reduction in the equalized assessed value of homestead property
19 equal to the increase in equalized assessed value for the
20 current assessment year above the equalized assessed value of
21 the property for 1977, up to the maximum reduction set forth
22 below. If however, the 1977 equalized assessed value upon which
23 taxes were paid is subsequently determined by local assessing
24 officials, the Property Tax Appeal Board, or a court to have
25 been excessive, the equalized assessed value which should have

1 been placed on the property for 1977 shall be used to determine
2 the amount of the exemption.

3 Except as provided in Section 15-176, the maximum reduction
4 before taxable year 2004 shall be \$4,500 in counties with
5 3,000,000 or more inhabitants and \$3,500 in all other counties.
6 Except as provided in Sections 15-176, ~~and~~ 15-177, and 15-178
7 for taxable years 2004 through 2007, the maximum reduction
8 shall be \$5,000, for taxable year 2008, the maximum reduction
9 is \$5,500, and, for taxable years 2009 and thereafter, the
10 maximum reduction is \$6,000 in all counties. If a county has
11 elected to subject itself to the provisions of Section 15-176
12 as provided in subsection (k) of that Section, or in Cook
13 County, ~~then,~~ for the first taxable year only after the
14 provisions of Section 15-176 or Section 15-178 no longer apply,
15 for owners who, for the taxable year, have not been granted a
16 senior citizens assessment freeze homestead exemption under
17 Section 15-172 or a long-time occupant homestead exemption
18 under Section 15-177, there shall be an additional exemption of
19 \$5,000 for owners with a household income of \$30,000 or less.

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

1 reduction set forth in this Section.

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

15 "Homestead property" under this Section includes
16 residential property that is occupied by its owner or owners as
17 his or their principal dwelling place, or that is a leasehold
18 interest on which a single family residence is situated, which
19 is occupied as a residence by a person who has an ownership
20 interest therein, legal or equitable or as a lessee, and on
21 which the person is liable for the payment of property taxes.
22 For land improved with an apartment building owned and operated
23 as a cooperative or a building which is a life care facility as
24 defined in Section 15-170 and considered to be a cooperative
25 under Section 15-170, the maximum reduction from the equalized
26 assessed value shall be limited to the increase in the value

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

10 "Household", as used in this Section, means the owner, the
11 spouse of the owner, and all persons using the residence of the
12 owner as their principal place of residence.

13 "Household income", as used in this Section, means the
14 combined income of the members of a household for the calendar
15 year preceding the taxable year.

16 "Income", as used in this Section, has the same meaning as
17 provided in Section 3.07 of the Senior Citizens and Disabled
18 Persons Property Tax Relief and Pharmaceutical Assistance Act,
19 except that "income" does not include veteran's benefits.

20 In a cooperative where a homestead exemption has been
21 granted, the cooperative association or its management firm
22 shall credit the savings resulting from that exemption only to
23 the apportioned tax liability of the owner who qualified for
24 the exemption. Any person who willfully refuses to so credit
25 the savings shall be guilty of a Class B misdemeanor.

26 Where married persons maintain and reside in separate

1 residences qualifying as homestead property, each residence
2 shall receive 50% of the total reduction in equalized assessed
3 valuation provided by this Section.

4 In all counties, the assessor or chief county assessment
5 officer may determine the eligibility of residential property
6 to receive the homestead exemption and the amount of the
7 exemption by application, visual inspection, questionnaire or
8 other reasonable methods. The determination shall be made in
9 accordance with guidelines established by the Department,
10 provided that the taxpayer applying for an additional general
11 exemption under this Section shall submit to the chief county
12 assessment officer an application with an affidavit of the
13 applicant's total household income, age, marital status (and,
14 if married, the name and address of the applicant's spouse, if
15 known), and principal dwelling place of members of the
16 household on January 1 of the taxable year. The Department
17 shall issue guidelines establishing a method for verifying the
18 accuracy of the affidavits filed by applicants under this
19 paragraph. The applications shall be clearly marked as
20 applications for the Additional General Homestead Exemption.

21 In counties with fewer than 3,000,000 inhabitants, in the
22 event of a sale of homestead property the homestead exemption
23 shall remain in effect for the remainder of the assessment year
24 of the sale. The assessor or chief county assessment officer
25 may require the new owner of the property to apply for the
26 homestead exemption for the following assessment year.

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. 95-644, eff. 10-12-07.)

5 (35 ILCS 200/15-178 new)

6 Sec. 15-178. The Cook County general homestead exemption.

7 (a) In Cook County, homestead property is entitled to an
8 annual homestead exemption equal to a reduction in the
9 property's equalized assessed value calculated as provided in
10 this Section.

11 (b) As used in this Section:

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

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

16 (A) The property's base homestead value increased
17 by the adjustment limitation for each tax year after
18 the base year through and including the current tax
19 year, or, if the property is sold or ownership is
20 otherwise transferred, the property's base homestead
21 value increased by the adjustment limitation for each
22 tax year after the year of the sale or transfer through
23 and including the current tax year. The increase by the
24 adjustment limitation each year is an increase by the
25 limitation over the prior year.

1 (B) The property's equalized assessed value for
2 the current tax year minus \$5,000.

3 (3) "Assessment limitation" means the lesser of: (i)
4 5%; or (ii) the percentage increase in the Consumer Price
5 Index during the 12-month calendar year preceding the levy
6 year. "Consumer Price Index" means the Consumer Price Index
7 for All Urban Consumers for all items published by the
8 United States Department of Labor.

9 (4) "Base homestead value".

10 (A) Except as provided in subdivision (b) (4) (B),
11 "base homestead value" means the equalized assessed
12 value of the property for the base year prior to
13 exemptions, minus \$5,000, provided that it was
14 assessed for that year as residential property
15 qualified for any of the homestead exemptions under
16 Sections 15-170 through 15-175 of this Code, then in
17 force, and further provided that the property's
18 assessment was not based on a reduced assessed value
19 resulting from a temporary irregularity in the
20 property for that year. Except as provided in
21 subdivision (b) (4) (B), if the property did not have a
22 residential equalized assessed value for the base
23 year, then "base homestead value" means the base
24 homestead value established by the assessor under
25 subsection (c).

26 (B) If the property is sold or ownership is

1 otherwise transferred, other than sales or transfers
2 between spouses or between a parent and a child, "base
3 homestead value" means the equalized assessed value of
4 the property at the time of the sale or transfer prior
5 to exemptions, minus \$5,000, provided that it was
6 assessed as residential property qualified for any of
7 the homestead exemptions under Sections 15-170 through
8 15-175 of this Code, then in force, and further
9 provided that the property's assessment was not based
10 on a reduced assessed value resulting from a temporary
11 irregularity in the property.

12 (5) "Base year" means tax year 2008.

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

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

17 (8) "Homestead" or "homestead property" means:

18 (A) Residential property that as of January 1 of
19 the tax year is occupied by its owner or owners as his,
20 her, or their principal dwelling place, or that is a
21 leasehold interest on which a single family residence
22 is situated, that is occupied as a residence by a
23 person who has a legal or equitable interest therein
24 evidenced by a written instrument, as an owner or as a
25 lessee, and on which the person is liable for the
26 payment of property taxes. Residential units in an

1 apartment building owned and operated as a
2 cooperative, or as a life care facility, which are
3 occupied by persons who hold a legal or equitable
4 interest in the cooperative apartment building or life
5 care facility as owners or lessees, and who are liable
6 by contract for the payment of property taxes, are
7 included within this definition of homestead property.

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

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

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

1 equalized factor for the base year for homestead properties in
2 that county, less 5,000, is the base homestead value.

3 For any tax year for which the assessor determines or
4 adjusts an initial value and, hence, a base homestead value
5 under this subsection (c), the initial value is subject to
6 review by the same procedures applicable to assessed values
7 established under this Code for that tax year.

8 (d) The base homestead value must remain constant, except
9 that the assessor may revise it under any of the following
10 circumstances:

11 (1) If the equalized assessed value of a homestead
12 property for the current tax year is less than the previous
13 base homestead value for that property, then the current
14 equalized assessed value (provided it is not based on a
15 reduced assessed value resulting from a temporary
16 irregularity in the property) becomes the base homestead
17 value in subsequent tax years.

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

24 (3) If the property is sold or ownership is otherwise
25 transferred, the base homestead value of the property must
26 be adjusted as provided in subdivision (b) (4) (B). This item

1 (3) does not apply to sales or transfers between spouses or
2 between a parent and a child.

3 (e) The amount of the exemption under this Section is the
4 equalized assessed value of the homestead property for the
5 current tax year, minus the adjusted homestead value. In the
6 case of homestead property that also qualifies for the
7 exemption under Section 15-172, the property is entitled to the
8 exemption under this Section, limited to the amount of \$5,000.

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

23 (g) When married persons maintain separate residences, the
24 exemption provided under this Section may be claimed by only
25 one such person and for only one residence.

26 (h) In the event of a sale or other transfer in ownership

1 of the homestead property, the exemption under this Section
2 remains in effect for the remainder of the tax year in which
3 the sale or transfer occurs, but (other than for sales or
4 transfers between spouses or between a parent and a child) must
5 be calculated using the new base homestead value as provided in
6 subdivision (b)(4)(B). The assessor may require the new owner
7 of the property to apply for the exemption in the following
8 year.

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

18 (j) In Cook County, the provisions of this Section apply as
19 follows:

20 (1) If the general assessment year for the property is
21 2009, then this Section applies for assessment years 2009,
22 2010, and 2011. Thereafter, the provisions of Section
23 15-175 apply.

24 (2) If the general assessment year for the property is
25 2010, this Section applies for assessment years 2010, 2011,
26 and 2012. Thereafter, the provisions of Section 15-175

1 apply.

2 (3) If the general assessment year for the property is
3 2011, this Section applies for assessment years 2011, 2012,
4 and 2013. Thereafter, the provisions of Section 15-175
5 apply.

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

9 (35 ILCS 200/18-179 new)

10 Sec. 18-179. Cook County homestead abatement.

11 (a) The county clerk must abate the property taxes levied
12 on each parcel of homestead property that must be valued at
13 100% of its fair cash value under Section 9-147. The amount of
14 the abatement under this Section is:

15 (1) the amount of the aggregate extension of all taxing
16 districts against the property; less

17 (2) an amount equal to 1% of the equalized assessed
18 value of the property.

19 (b) This abatement must be applied to the aggregate
20 extensions of each taxing district that levies a property tax
21 on the property in an amount based on the percentage that the
22 district's aggregate extension bears to the total aggregate
23 extension of all taxing districts.

24 (35 ILCS 200/18-185)

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

4 "Consumer Price Index" means the Consumer Price Index for
5 All Urban Consumers for all items published by the United
6 States Department of Labor.

7 "Extension limitation", for taxable years prior to 2009,
8 means (a) the lesser of 5% or the percentage increase in the
9 Consumer Price Index during the 12-month calendar year
10 preceding the levy year or (b) the rate of increase approved by
11 voters under Section 18-205. "Extension limitation", for the
12 2009 taxable year and thereafter, means (a) the lesser of 2% or
13 the percentage increase in the Consumer Price Index during the
14 12-month calendar year preceding the levy year or (b) the rate
15 of increase approved by voters under Section 18-205.

16 "Affected county" means a county of 3,000,000 or more
17 inhabitants or a county contiguous to a county of 3,000,000 or
18 more inhabitants.

19 "Taxing district" has the same meaning provided in Section
20 1-150, except as otherwise provided in this Section. For the
21 1991 through 1994 levy years only, "taxing district" includes
22 only each non-home rule taxing district having the majority of
23 its 1990 equalized assessed value within any county or counties
24 contiguous to a county with 3,000,000 or more inhabitants.
25 Beginning with the 1995 levy year, "taxing district" includes
26 only each non-home rule taxing district subject to this Law

1 before the 1995 levy year and each non-home rule taxing
2 district not subject to this Law before the 1995 levy year
3 having the majority of its 1994 equalized assessed value in an
4 affected county or counties. Beginning with the levy year in
5 which this Law becomes applicable to a taxing district as
6 provided in Section 18-213, "taxing district" also includes
7 those taxing districts made subject to this Law as provided in
8 Section 18-213.

9 "Aggregate extension" for taxing districts to which this
10 Law applied before the 1995 levy year means the annual
11 corporate extension for the taxing district and those special
12 purpose extensions that are made annually for the taxing
13 district, excluding special purpose extensions: (a) made for
14 the taxing district to pay interest or principal on general
15 obligation bonds that were approved by referendum; (b) made for
16 any taxing district to pay interest or principal on general
17 obligation bonds issued before October 1, 1991; (c) made for
18 any taxing district to pay interest or principal on bonds
19 issued to refund or continue to refund those bonds issued
20 before October 1, 1991; (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 October 1, 1991 that were approved by
23 referendum; (e) made for any taxing district to pay interest or
24 principal on revenue bonds issued before October 1, 1991 for
25 payment of which a property tax levy or the full faith and
26 credit of the unit of local government is pledged; however, a

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

1 of any extension under this item (k) shall be certified by the
2 school district to the county clerk; (l) made to fund expenses
3 of providing joint recreational programs for the handicapped
4 under Section 5-8 of the Park District Code or Section 11-95-14
5 of the Illinois Municipal Code; (m) made for temporary
6 relocation loan repayment purposes pursuant to Sections 2-3.77
7 and 17-2.2d of the School Code; (n) made for payment of
8 principal and interest on any bonds issued under the authority
9 of Section 17-2.2d of the School Code; and (o) made for
10 contributions to a firefighter's pension fund created under
11 Article 4 of the Illinois Pension Code, to the extent of the
12 amount certified under item (5) of Section 4-134 of the
13 Illinois Pension Code.

14 "Aggregate extension" for the taxing districts to which
15 this Law did not apply before the 1995 levy year (except taxing
16 districts subject to this Law in accordance with Section
17 18-213) means the annual corporate extension for the taxing
18 district and those special purpose extensions that are made
19 annually for the taxing district, excluding special purpose
20 extensions: (a) made for the taxing district to pay interest or
21 principal on general obligation bonds that were approved by
22 referendum; (b) made for any taxing district to pay interest or
23 principal on general obligation bonds issued before March 1,
24 1995; (c) made for any taxing district to pay interest or
25 principal on bonds issued to refund or continue to refund those
26 bonds issued before March 1, 1995; (d) made for any taxing

1 district to pay interest or principal on bonds issued to refund
2 or continue to refund bonds issued after March 1, 1995 that
3 were approved by referendum; (e) made for any taxing district
4 to pay interest or principal on revenue bonds issued before
5 March 1, 1995 for payment of which a property tax levy or the
6 full faith and credit of the unit of local government is
7 pledged; however, a tax for the payment of interest or
8 principal on those bonds shall be made only after the governing
9 body of the unit of local government finds that all other
10 sources for payment are insufficient to make those payments;
11 (f) made for payments under a building commission lease when
12 the lease payments are for the retirement of bonds issued by
13 the commission before March 1, 1995 to pay for the building
14 project; (g) made for payments due under installment contracts
15 entered into before March 1, 1995; (h) made for payments of
16 principal and interest on bonds issued under the Metropolitan
17 Water Reclamation District Act to finance construction
18 projects initiated before October 1, 1991; (h-4) made for
19 stormwater management purposes by the Metropolitan Water
20 Reclamation District of Greater Chicago under Section 12 of the
21 Metropolitan Water Reclamation District Act; (i) made for
22 payments of principal and interest on limited bonds, as defined
23 in Section 3 of the Local Government Debt Reform Act, in an
24 amount not to exceed the debt service extension base less the
25 amount in items (b), (c), and (e) of this definition for
26 non-referendum obligations, except obligations initially

1 issued pursuant to referendum and bonds described in subsection
2 (h) of this definition; (j) made for payments of principal and
3 interest on bonds issued under Section 15 of the Local
4 Government Debt Reform Act; (k) made for payments of principal
5 and interest on bonds authorized by Public Act 88-503 and
6 issued under Section 20a of the Chicago Park District Act for
7 aquarium or museum projects; (l) made for payments of principal
8 and interest on bonds authorized by Public Act 87-1191 or
9 93-601 and (i) issued pursuant to Section 21.2 of the Cook
10 County Forest Preserve District Act, (ii) issued under Section
11 42 of the Cook County Forest Preserve District Act for
12 zoological park projects, or (iii) issued under Section 44.1 of
13 the Cook County Forest Preserve District Act for botanical
14 gardens projects; (m) made pursuant to Section 34-53.5 of the
15 School Code, whether levied annually or not; (n) made to fund
16 expenses of providing joint recreational programs for the
17 handicapped under Section 5-8 of the Park District Code or
18 Section 11-95-14 of the Illinois Municipal Code; (o) made by
19 the Chicago Park District for recreational programs for the
20 handicapped under subsection (c) of Section 7.06 of the Chicago
21 Park District Act; (p) made for contributions to a
22 firefighter's pension fund created under Article 4 of the
23 Illinois Pension Code, to the extent of the amount certified
24 under item (5) of Section 4-134 of the Illinois Pension Code;
25 and (q) made by Ford Heights School District 169 under Section
26 17-9.02 of the School Code.

1 "Aggregate extension" for all taxing districts to which
2 this Law applies in accordance with Section 18-213, except for
3 those taxing districts subject to paragraph (2) of subsection
4 (e) of Section 18-213, means the annual corporate extension for
5 the taxing district and those special purpose extensions that
6 are made annually for the taxing district, excluding special
7 purpose extensions: (a) made for the taxing district to pay
8 interest or principal on general obligation bonds that were
9 approved by referendum; (b) made for any taxing district to pay
10 interest or principal on general obligation bonds issued before
11 the date on which the referendum making this Law applicable to
12 the taxing district is held; (c) made for any taxing district
13 to pay interest or principal on bonds issued to refund or
14 continue to refund those bonds issued before the date on which
15 the referendum making this Law applicable to the taxing
16 district is held; (d) made for any taxing district to pay
17 interest or principal on bonds issued to refund or continue to
18 refund bonds issued after the date on which the referendum
19 making this Law applicable to the taxing district is held if
20 the bonds were approved by referendum after the date on which
21 the referendum making this Law applicable to the taxing
22 district is held; (e) made for any taxing district to pay
23 interest or principal on revenue bonds issued before the date
24 on which the referendum making this Law applicable to the
25 taxing district is held for payment of which a property tax
26 levy or the full faith and credit of the unit of local

1 government is pledged; however, a tax for the payment of
2 interest or principal on those bonds shall be made only after
3 the governing body of the unit of local government finds that
4 all other sources for payment are insufficient to make those
5 payments; (f) made for payments under a building commission
6 lease when the lease payments are for the retirement of bonds
7 issued by the commission before the date on which the
8 referendum making this Law applicable to the taxing district is
9 held to pay for the building project; (g) made for payments due
10 under installment contracts entered into before the date on
11 which the referendum making this Law applicable to the taxing
12 district is held; (h) made for payments of principal and
13 interest on limited bonds, as defined in Section 3 of the Local
14 Government Debt Reform Act, in an amount not to exceed the debt
15 service extension base less the amount in items (b), (c), and
16 (e) of this definition for non-referendum obligations, except
17 obligations initially issued pursuant to referendum; (i) made
18 for payments of principal and interest on bonds issued under
19 Section 15 of the Local Government Debt Reform Act; (j) made
20 for a qualified airport authority to pay interest or principal
21 on general obligation bonds issued for the purpose of paying
22 obligations due under, or financing airport facilities
23 required to be acquired, constructed, installed or equipped
24 pursuant to, contracts entered into before March 1, 1996 (but
25 not including any amendments to such a contract taking effect
26 on or after that date); (k) made to fund expenses of providing

1 joint recreational programs for the handicapped under Section
2 5-8 of the Park District Code or Section 11-95-14 of the
3 Illinois Municipal Code; and (1) made for contributions to a
4 firefighter's pension fund created under Article 4 of the
5 Illinois Pension Code, to the extent of the amount certified
6 under item (5) of Section 4-134 of the Illinois Pension Code.

7 "Aggregate extension" for all taxing districts to which
8 this Law applies in accordance with paragraph (2) of subsection
9 (e) of Section 18-213 means the annual corporate extension for
10 the taxing district and those special purpose extensions that
11 are made annually for the taxing district, excluding special
12 purpose extensions: (a) made for the taxing district to pay
13 interest or principal on general obligation bonds that were
14 approved by referendum; (b) made for any taxing district to pay
15 interest or principal on general obligation bonds issued before
16 the effective date of this amendatory Act of 1997; (c) made for
17 any taxing district to pay interest or principal on bonds
18 issued to refund or continue to refund those bonds issued
19 before the effective date of this amendatory Act of 1997; (d)
20 made for any taxing district to pay interest or principal on
21 bonds issued to refund or continue to refund bonds issued after
22 the effective date of this amendatory Act of 1997 if the bonds
23 were approved by referendum after the effective date of this
24 amendatory Act of 1997; (e) made for any taxing district to pay
25 interest or principal on revenue bonds issued before the
26 effective date of this amendatory Act of 1997 for payment of

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

1 joint recreational programs for the handicapped under Section
2 5-8 of the Park District Code or Section 11-95-14 of the
3 Illinois Municipal Code; and (1) made for contributions to a
4 firefighter's pension fund created under Article 4 of the
5 Illinois Pension Code, to the extent of the amount certified
6 under item (5) of Section 4-134 of the Illinois Pension Code.

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

1 extension base" means an amount equal to that portion of the
2 extension for the 1991 levy year constituting an extension for
3 payment of principal and interest on bonds issued by the park
4 district without referendum (but not including excluded
5 non-referendum bonds). The debt service extension base may be
6 established or increased as provided under Section 18-212.
7 "Excluded non-referendum bonds" means (i) bonds authorized by
8 Public Act 88-503 and issued under Section 20a of the Chicago
9 Park District Act for aquarium and museum projects; (ii) bonds
10 issued under Section 15 of the Local Government Debt Reform
11 Act; or (iii) refunding obligations issued to refund or to
12 continue to refund obligations initially issued pursuant to
13 referendum.

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 18-135, 18-215, and 18-230. An adjustment under Section 18-135
25 shall be made for the 2007 levy year and all subsequent levy
26 years whenever one or more counties within which a taxing

1 district is located (i) used estimated valuations or rates when
2 extending taxes in the taxing district for the last preceding
3 levy year that resulted in the over or under extension of
4 taxes, or (ii) increased or decreased the tax extension for the
5 last preceding levy year as required by Section 18-135(c).
6 Whenever an adjustment is required under Section 18-135, the
7 aggregate extension base of the taxing district shall be equal
8 to the amount that the aggregate extension of the taxing
9 district would have been for the last preceding levy year if
10 either or both (i) actual, rather than estimated, valuations or
11 rates had been used to calculate the extension of taxes for the
12 last levy year, or (ii) the tax extension for the last
13 preceding levy year had not been adjusted as required by
14 subsection (c) of Section 18-135.

15 "Levy year" has the same meaning as "year" under Section
16 1-155.

17 "New property" means (i) the assessed value, after final
18 board of review or board of appeals action, of new improvements
19 or additions to existing improvements on any parcel of real
20 property that increase the assessed value of that real property
21 during the levy year multiplied by the equalization factor
22 issued by the Department under Section 17-30, (ii) the assessed
23 value, after final board of review or board of appeals action,
24 of real property not exempt from real estate taxation, which
25 real property was exempt from real estate taxation for any
26 portion of the immediately preceding levy year, multiplied by

1 the equalization factor issued by the Department under Section
2 17-30, including the assessed value, upon final stabilization
3 of occupancy after new construction is complete, of any real
4 property located within the boundaries of an otherwise or
5 previously exempt military reservation that is intended for
6 residential use and owned by or leased to a private corporation
7 or other entity, and (iii) in counties that classify in
8 accordance with Section 4 of Article IX of the Illinois
9 Constitution, an incentive property's additional assessed
10 value resulting from a scheduled increase in the level of
11 assessment as applied to the first year final board of review
12 market value. In addition, the county clerk in a county
13 containing a population of 3,000,000 or more shall include in
14 the 1997 recovered tax increment value for any school district,
15 any recovered tax increment value that was applicable to the
16 1995 tax year calculations.

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

21 "Recovered tax increment value" means, except as otherwise
22 provided in this paragraph, the amount of the current year's
23 equalized assessed value, in the first year after a
24 municipality terminates the designation of an area as a
25 redevelopment project area previously established under the
26 Tax Increment Allocation Development Act in the Illinois

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

1 under the Tax Increment Allocation Development Act in the
2 Illinois Municipal Code, the Industrial Jobs Recovery Law in
3 the Illinois Municipal Code, or the Economic Development Area
4 Tax Increment Allocation Act, "recovered tax increment value"
5 means the amount of the current year's equalized assessed value
6 of each taxable lot, block, tract, or parcel of real property
7 removed from the redevelopment project area over and above the
8 initial equalized assessed value of that real property before
9 removal from the redevelopment project area.

10 Except as otherwise provided in this Section, "limiting
11 rate" means a fraction the numerator of which is the last
12 preceding aggregate extension base times an amount equal to one
13 plus the extension limitation defined in this Section and the
14 denominator of which is the current year's equalized assessed
15 value of all real property in the territory under the
16 jurisdiction of the taxing district during the prior levy year.
17 For those taxing districts that reduced their aggregate
18 extension for the last preceding levy year, the highest
19 aggregate extension in any of the last 3 preceding levy years
20 shall be used for the purpose of computing the limiting rate.
21 The denominator shall not include new property or the recovered
22 tax increment value. If a new rate, a rate decrease, or a
23 limiting rate increase has been approved at an election held
24 after March 21, 2006, then (i) the otherwise applicable
25 limiting rate shall be increased by the amount of the new rate
26 or shall be reduced by the amount of the rate decrease, as the

1 case may be, or (ii) in the case of a limiting rate increase,
2 the limiting rate shall be equal to the rate set forth in the
3 proposition approved by the voters for each of the years
4 specified in the proposition, after which the limiting rate of
5 the taxing district shall be calculated as otherwise provided.

6 (Source: P.A. 94-974, eff. 6-30-06; 94-976, eff. 6-30-06;
7 94-1078, eff. 1-9-07; 95-90, eff. 1-1-08; 95-331, eff. 8-21-07;
8 95-404, eff. 1-1-08; 95-876, eff. 8-21-08.)

9 (35 ILCS 200/20-178)

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

16 No interest shall be due under this Section for any time
17 prior to 60 days after the effective date of this amendatory
18 Act of the 91st General Assembly. For certificates of error
19 issued prior to the effective date of this amendatory Act of
20 the 91st General Assembly, the county collector shall pay the
21 taxpayer interest from 60 days after the effective date of this
22 amendatory Act of the 91st General Assembly until the date the
23 refund is paid. For certificates of error issued on or after
24 the effective date of this amendatory Act of the 91st General
25 Assembly, interest shall be paid from 60 days after the

1 certificate of error is issued by the chief county assessment
2 officer to the date the refund is made. To cover the cost of
3 interest, the county collector shall proportionately reduce
4 the distribution of taxes collected for each taxing district in
5 which the property is situated.

6 This Section shall not apply to any certificate of error
7 granting a homestead exemption under Section 15-170, 15-172,
8 15-175, 15-176, ~~or 15-177,~~ or 15-178.

9 (Source: P.A. 95-644, eff. 10-12-07.)

10 Section 10. The School Code is amended by changing Section
11 18-8.05 as follows:

12 (105 ILCS 5/18-8.05)

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

16 (A) General Provisions.

17 (1) The provisions of this Section apply to the 1998-1999
18 and subsequent school years. The system of general State
19 financial aid provided for in this Section is designed to
20 assure that, through a combination of State financial aid and
21 required local resources, the financial support provided each
22 pupil in Average Daily Attendance equals or exceeds a
23 prescribed per pupil Foundation Level. This formula approach

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

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

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

22 (a) Any school district which fails for any given
23 school year to maintain school as required by law, or to
24 maintain a recognized school is not eligible to file for
25 such school year any claim upon the Common School Fund. In
26 case of nonrecognition of one or more attendance centers in

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

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

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

20 (d) (Blank).

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

25 School districts are not required to exert a minimum
26 Operating Tax Rate in order to qualify for assistance under

1 this Section.

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

4 (a) "Average Daily Attendance": A count of pupil
5 attendance in school, averaged as provided for in
6 subsection (C) and utilized in deriving per pupil financial
7 support levels.

8 (b) "Available Local Resources": A computation of
9 local financial support, calculated on the basis of Average
10 Daily Attendance and derived as provided pursuant to
11 subsection (D).

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

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

21 (e) "Operating Tax Rate": All school district property
22 taxes extended for all purposes, except Bond and Interest,
23 Summer School, Rent, Capital Improvement, and Vocational
24 Education Building purposes.

25 (B) Foundation Level.

1 (1) The Foundation Level is a figure established by the
2 State representing the minimum level of per pupil financial
3 support that should be available to provide for the basic
4 education of each pupil in Average Daily Attendance. As set
5 forth in this Section, each school district is assumed to exert
6 a sufficient local taxing effort such that, in combination with
7 the aggregate of general State financial aid provided the
8 district, an aggregate of State and local resources are
9 available to meet the basic education needs of pupils in the
10 district.

11 (2) For the 1998-1999 school year, the Foundation Level of
12 support is \$4,225. For the 1999-2000 school year, the
13 Foundation Level of support is \$4,325. For the 2000-2001 school
14 year, the Foundation Level of support is \$4,425. For the
15 2001-2002 school year and 2002-2003 school year, the Foundation
16 Level of support is \$4,560. For the 2003-2004 school year, the
17 Foundation Level of support is \$4,810. For the 2004-2005 school
18 year, the Foundation Level of support is \$4,964. For the
19 2005-2006 school year, the Foundation Level of support is
20 \$5,164. For the 2006-2007 school year, the Foundation Level of
21 support is \$5,334. For the 2007-2008 school year, the
22 Foundation Level of support is \$5,734.

23 (3) For the 2008-2009 school year and each school year
24 thereafter, the Foundation Level of support is \$5,959 or such
25 greater amount as may be established by law by the General
26 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

1 Resources per pupil, as that term is defined and determined in
2 this subsection, shall be utilized. Available Local Resources
3 per pupil shall include a calculated dollar amount representing
4 local school district revenues from local property taxes and
5 from Corporate Personal Property Replacement Taxes, expressed
6 on the basis of pupils in Average Daily Attendance. Calculation
7 of Available Local Resources shall exclude any tax amnesty
8 funds received as a result of Public Act 93-26.

9 (2) In determining a school district's revenue from local
10 property taxes, the State Board of Education shall utilize the
11 equalized assessed valuation of all taxable property of each
12 school district as of September 30 of the previous year. The
13 equalized assessed valuation utilized shall be obtained and
14 determined as provided in subsection (G).

15 (3) For school districts maintaining grades kindergarten
16 through 12, local property tax revenues per pupil shall be
17 calculated as the product of the applicable equalized assessed
18 valuation for the district multiplied by 3.00%, and divided by
19 the district's Average Daily Attendance figure. For school
20 districts maintaining grades kindergarten through 8, local
21 property tax revenues per pupil shall be calculated as the
22 product of the applicable equalized assessed valuation for the
23 district multiplied by 2.30%, and divided by the district's
24 Average Daily Attendance figure. For school districts
25 maintaining grades 9 through 12, local property tax revenues
26 per pupil shall be the applicable equalized assessed valuation

1 of the district multiplied by 1.05%, and divided by the
2 district's Average Daily Attendance figure.

3 For partial elementary unit districts created pursuant to
4 Article 11E of this Code, local property tax revenues per pupil
5 shall be calculated as the product of the equalized assessed
6 valuation for property within the partial elementary unit
7 district for elementary purposes, as defined in Article 11E of
8 this Code, multiplied by 2.06% and divided by the district's
9 Average Daily Attendance figure, plus the product of the
10 equalized assessed valuation for property within the partial
11 elementary unit district for high school purposes, as defined
12 in Article 11E of this Code, multiplied by 0.94% and divided by
13 the district's Average Daily Attendance figure.

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

24 (E) Computation of General State Aid.

25 (1) For each school year, the amount of general State aid

1 allotted to a school district shall be computed by the State
2 Board of Education as provided in this subsection.

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

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

25 (4) For any school district for which Available Local
26 Resources per pupil equals or exceeds the product of 1.75 times

1 the Foundation Level, the general State aid for the school
2 district shall be calculated as the product of \$218 multiplied
3 by the Average Daily Attendance of the school district.

4 (5) The amount of general State aid allocated to a school
5 district for the 1999-2000 school year meeting the requirements
6 set forth in paragraph (4) of subsection (G) shall be increased
7 by an amount equal to the general State aid that would have
8 been received by the district for the 1998-1999 school year by
9 utilizing the Extension Limitation Equalized Assessed
10 Valuation as calculated in paragraph (4) of subsection (G) less
11 the general State aid allotted for the 1998-1999 school year.
12 This amount shall be deemed a one time increase, and shall not
13 affect any future general State aid allocations.

14 (F) Compilation of Average Daily Attendance.

15 (1) Each school district shall, by July 1 of each year,
16 submit to the State Board of Education, on forms prescribed by
17 the State Board of Education, attendance figures for the school
18 year that began in the preceding calendar year. The attendance
19 information so transmitted shall identify the average daily
20 attendance figures for each month of the school year. Beginning
21 with the general State aid claim form for the 2002-2003 school
22 year, districts shall calculate Average Daily Attendance as
23 provided in subdivisions (a), (b), and (c) of this paragraph
24 (1).

25 (a) In districts that do not hold year-round classes,

1 days of attendance in August shall be added to the month of
2 September and any days of attendance in June shall be added
3 to the month of May.

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

8 (c) In districts in which some buildings, but not all,
9 hold year-round classes, for the non-year-round buildings,
10 days of attendance in August shall be added to the month of
11 September and any days of attendance in June shall be added
12 to the month of May. The average daily attendance for the
13 year-round buildings shall be computed as provided in
14 subdivision (b) of this paragraph (1). To calculate the
15 Average Daily Attendance for the district, the average
16 daily attendance for the year-round buildings shall be
17 multiplied by the days in session for the non-year-round
18 buildings for each month and added to the monthly
19 attendance of the non-year-round buildings.

20 Except as otherwise provided in this Section, days of
21 attendance by pupils shall be counted only for sessions of not
22 less than 5 clock hours of school work per day under direct
23 supervision of: (i) teachers, or (ii) non-teaching personnel or
24 volunteer personnel when engaging in non-teaching duties and
25 supervising in those instances specified in subsection (a) of
26 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils

1 of legal school age and in kindergarten and grades 1 through
2 12.

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

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

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

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

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

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

1 be considered for computing average daily attendance. Days
2 scheduled for in-service training programs, staff
3 development activities, or parent-teacher conferences may
4 be scheduled separately for different grade levels and
5 different attendance centers of the district.

6 (e) A session of not less than one clock hour of
7 teaching hospitalized or homebound pupils on-site or by
8 telephone to the classroom may be counted as 1/2 day of
9 attendance, however these pupils must receive 4 or more
10 clock hours of instruction to be counted for a full day of
11 attendance.

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

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

24 (h) A recognized kindergarten which provides for only
25 1/2 day of attendance by each pupil shall not have more
26 than 1/2 day of attendance counted in any one day. However,

1 kindergartens may count 2 1/2 days of attendance in any 5
2 consecutive school days. When a pupil attends such a
3 kindergarten for 2 half days on any one school day, the
4 pupil shall have the following day as a day absent from
5 school, unless the school district obtains permission in
6 writing from the State Superintendent of Education.
7 Attendance at kindergartens which provide for a full day of
8 attendance by each pupil shall be counted the same as
9 attendance by first grade pupils. Only the first year of
10 attendance in one kindergarten shall be counted, except in
11 case of children who entered the kindergarten in their
12 fifth year whose educational development requires a second
13 year of kindergarten as determined under the rules and
14 regulations of the State Board of Education.

15 (i) On the days when the Prairie State Achievement
16 Examination is administered under subsection (c) of
17 Section 2-3.64 of this Code, the day of attendance for a
18 pupil whose school day must be shortened to accommodate
19 required testing procedures may be less than 5 clock hours
20 and shall be counted towards the 176 days of actual pupil
21 attendance required under Section 10-19 of this Code,
22 provided that a sufficient number of minutes of school work
23 in excess of 5 clock hours are first completed on other
24 school days to compensate for the loss of school work on
25 the examination days.

1 (G) Equalized Assessed Valuation Data.

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

12 The Department of Revenue shall add to the equalized
13 assessed value of all taxable property of each school district
14 situated entirely or partially within a county that is or was
15 subject to the provisions of Section 15-176, ~~or~~ 15-177, or
16 15-178 of the Property Tax Code (a) an amount equal to the
17 total amount by which the homestead exemption allowed under
18 Section 15-176, ~~or~~ 15-177, or 15-178 of the Property Tax Code
19 for real property situated in that school district exceeds the
20 total amount that would have been allowed in that school
21 district if the maximum reduction under Section 15-176 was (i)
22 \$4,500 in Cook County or \$3,500 in all other counties in tax
23 year 2003 or (ii) \$5,000 in all counties in tax year 2004 and
24 thereafter and (b) an amount equal to the aggregate amount for
25 the taxable year of all additional exemptions under Section
26 15-175 of the Property Tax Code for owners with a household

1 income of \$30,000 or less. The county clerk of any county that
2 is or was subject to the provisions of Section 15-176, ~~or~~
3 15-177, or 15-178 of the Property Tax Code shall annually
4 calculate and certify to the Department of Revenue for each
5 school district all homestead exemption amounts under Section
6 15-176, ~~or~~ 15-177, or 15-178 of the Property Tax Code and all
7 amounts of additional exemptions under Section 15-175 of the
8 Property Tax Code for owners with a household income of \$30,000
9 or less. It is the intent of this paragraph that if the general
10 homestead exemption for a parcel of property is determined
11 under Section 15-176, ~~or~~ 15-177, or 15-178 of the Property Tax
12 Code rather than Section 15-175, then the calculation of
13 Available Local Resources shall not be affected by the
14 difference, if any, between the amount of the general homestead
15 exemption allowed for that parcel of property under Section
16 15-176, ~~or~~ 15-177, or 15-178 of the Property Tax Code and the
17 amount that would have been allowed had the general homestead
18 exemption for that parcel of property been determined under
19 Section 15-175 of the Property Tax Code. It is further the
20 intent of this paragraph that if additional exemptions are
21 allowed under Section 15-175 of the Property Tax Code for
22 owners with a household income of less than \$30,000, then the
23 calculation of Available Local Resources shall not be affected
24 by the difference, if any, because of those additional
25 exemptions.

26 This equalized assessed valuation, as adjusted further by

1 the requirements of this subsection, shall be utilized in the
2 calculation of Available Local Resources.

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

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

1 have been paid.

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

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

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

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

26 "Base Tax Year": The property tax levy year used to

1 calculate the Budget Year allocation of general State aid.

2 "Preceding Tax Year": The property tax levy year
3 immediately preceding the Base Tax Year.

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

9 "Preceding Tax Year's Tax Extension": The product of
10 the equalized assessed valuation utilized by the County
11 Clerk in the Preceding Tax Year multiplied by the Operating
12 Tax Rate as defined in subsection (A).

13 "Extension Limitation Ratio": A numerical ratio,
14 certified by the County Clerk, in which the numerator is
15 the Base Tax Year's Tax Extension and the denominator is
16 the Preceding Tax Year's Tax Extension.

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

19 If a school district is subject to property tax extension
20 limitations as imposed under the Property Tax Extension
21 Limitation Law, the State Board of Education shall calculate
22 the Extension Limitation Equalized Assessed Valuation of that
23 district. For the 1999-2000 school year, the Extension
24 Limitation Equalized Assessed Valuation of a school district as
25 calculated by the State Board of Education shall be equal to
26 the product of the district's 1996 Equalized Assessed Valuation

1 and the district's Extension Limitation Ratio. For the
2 2000-2001 school year and each school year thereafter, the
3 Extension Limitation Equalized Assessed Valuation of a school
4 district as calculated by the State Board of Education shall be
5 equal to the product of the Equalized Assessed Valuation last
6 used in the calculation of general State aid and the district's
7 Extension Limitation Ratio. If the Extension Limitation
8 Equalized Assessed Valuation of a school district as calculated
9 under this subsection (G)(3) is less than the district's
10 equalized assessed valuation as calculated pursuant to
11 subsections (G)(1) and (G)(2), then for purposes of calculating
12 the district's general State aid for the Budget Year pursuant
13 to subsection (E), that Extension Limitation Equalized
14 Assessed Valuation shall be utilized to calculate the
15 district's Available Local Resources under subsection (D).

16 Partial elementary unit districts created in accordance
17 with Article 11E of this Code shall not be eligible for the
18 adjustment in this subsection (G)(3) until the fifth year
19 following the effective date of the reorganization.

20 (4) For the purposes of calculating general State aid for
21 the 1999-2000 school year only, if a school district
22 experienced a triennial reassessment on the equalized assessed
23 valuation used in calculating its general State financial aid
24 apportionment for the 1998-1999 school year, the State Board of
25 Education shall calculate the Extension Limitation Equalized
26 Assessed Valuation that would have been used to calculate the

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

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

1 (H) Supplemental General State Aid.

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

22 (1.5) This paragraph (1.5) applies only to those school
23 years preceding the 2003-2004 school year. For purposes of this
24 subsection (H), the term "Low-Income Concentration Level"
25 shall be the low-income eligible pupil count from the most
26 recently available federal census divided by the Average Daily

1 Attendance of the school district. If, however, (i) the
2 percentage decrease from the 2 most recent federal censuses in
3 the low-income eligible pupil count of a high school district
4 with fewer than 400 students exceeds by 75% or more the
5 percentage change in the total low-income eligible pupil count
6 of contiguous elementary school districts, whose boundaries
7 are coterminous with the high school district, or (ii) a high
8 school district within 2 counties and serving 5 elementary
9 school districts, whose boundaries are coterminous with the
10 high school district, has a percentage decrease from the 2 most
11 recent federal censuses in the low-income eligible pupil count
12 and there is a percentage increase in the total low-income
13 eligible pupil count of a majority of the elementary school
14 districts in excess of 50% from the 2 most recent federal
15 censuses, then the high school district's low-income eligible
16 pupil count from the earlier federal census shall be the number
17 used as the low-income eligible pupil count for the high school
18 district, for purposes of this subsection (H). The changes made
19 to this paragraph (1) by Public Act 92-28 shall apply to
20 supplemental general State aid grants for school years
21 preceding the 2003-2004 school year that are paid in fiscal
22 year 1999 or thereafter and to any State aid payments made in
23 fiscal year 1994 through fiscal year 1998 pursuant to
24 subsection 1(n) of Section 18-8 of this Code (which was
25 repealed on July 1, 1998), and any high school district that is
26 affected by Public Act 92-28 is entitled to a recomputation of

1 its supplemental general State aid grant or State aid paid in
2 any of those fiscal years. This recomputation shall not be
3 affected by any other funding.

4 (1.10) This paragraph (1.10) applies to the 2003-2004
5 school year and each school year thereafter. For purposes of
6 this subsection (H), the term "Low-Income Concentration Level"
7 shall, for each fiscal year, be the low-income eligible pupil
8 count as of July 1 of the immediately preceding fiscal year (as
9 determined by the Department of Human Services based on the
10 number of pupils who are eligible for at least one of the
11 following low income programs: Medicaid, KidCare, TANF, or Food
12 Stamps, excluding pupils who are eligible for services provided
13 by the Department of Children and Family Services, averaged
14 over the 2 immediately preceding fiscal years for fiscal year
15 2004 and over the 3 immediately preceding fiscal years for each
16 fiscal year thereafter) divided by the Average Daily Attendance
17 of the school district.

18 (2) Supplemental general State aid pursuant to this
19 subsection (H) shall be provided as follows for the 1998-1999,
20 1999-2000, and 2000-2001 school years only:

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

25 (b) For any school district with a Low Income
26 Concentration Level of at least 35% and less than 50%, the

1 grant for the 1998-1999 school year shall be \$1,100
2 multiplied by the low income eligible pupil count.

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

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

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

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

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

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

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

1 Concentration Level of at least 10% and less than 20%, the
2 grant for each school year shall be \$675 multiplied by the
3 low income eligible pupil count.

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

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

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

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

20 (2.10) Except as otherwise provided, supplemental general
21 State aid pursuant to this subsection (H) shall be provided as
22 follows for the 2003-2004 school year and each school year
23 thereafter:

24 (a) For any school district with a Low Income
25 Concentration Level of 15% or less, the grant for each
26 school year shall be \$355 multiplied by the low income

1 eligible pupil count.

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

7 For the 2003-2004 school year and each school year
8 thereafter through the 2008-2009 school year only, the grant
9 shall be no less than the grant for the 2002-2003 school year.
10 For the 2009-2010 school year only, the grant shall be no less
11 than the grant for the 2002-2003 school year multiplied by
12 0.66. For the 2010-2011 school year only, the grant shall be no
13 less than the grant for the 2002-2003 school year multiplied by
14 0.33. Notwithstanding the provisions of this paragraph to the
15 contrary, if for any school year supplemental general State aid
16 grants are prorated as provided in paragraph (1) of this
17 subsection (H), then the grants under this paragraph shall be
18 prorated.

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

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

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

21 (4) School districts with an Average Daily Attendance of
22 50,000 or more that qualify for supplemental general State aid
23 pursuant to this subsection shall be required to distribute
24 from funds available pursuant to this Section, no less than
25 \$261,000,000 in accordance with the following requirements:

26 (a) The required amounts shall be distributed to the

1 attendance centers within the district in proportion to the
2 number of pupils enrolled at each attendance center who are
3 eligible to receive free or reduced-price lunches or
4 breakfasts under the federal Child Nutrition Act of 1966
5 and under the National School Lunch Act during the
6 immediately preceding school year.

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

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

23 (d) Any funds made available under this subsection that
24 by reason of the provisions of this subsection are not
25 required to be allocated and provided to attendance centers
26 may be used and appropriated by the board of the district

1 for any lawful school purpose.

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

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

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

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

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

18 For purposes of determining compliance with this
19 subsection in relation to the requirements of attendance
20 center funding, each district subject to the provisions of
21 this subsection shall submit as a separate document by
22 December 1 of each year a report of expenditure data for
23 the prior year in addition to any modification of its
24 current plan. If it is determined that there has been a
25 failure to comply with the expenditure provisions of this
26 subsection regarding contravention or supplanting, the

1 State Superintendent of Education shall, within 60 days of
2 receipt of the report, notify the district and any affected
3 local school council. The district shall within 45 days of
4 receipt of that notification inform the State
5 Superintendent of Education of the remedial or corrective
6 action to be taken, whether by amendment of the current
7 plan, if feasible, or by adjustment in the plan for the
8 following year. Failure to provide the expenditure report
9 or the notification of remedial or corrective action in a
10 timely manner shall result in a withholding of the affected
11 funds.

12 The State Board of Education shall promulgate rules and
13 regulations to implement the provisions of this
14 subsection. No funds shall be released under this
15 subdivision (H) (4) to any district that has not submitted a
16 plan that has been approved by the State Board of
17 Education.

18 (I) (Blank).

19 (J) Supplementary Grants in Aid.

20 (1) Notwithstanding any other provisions of this Section,
21 the amount of the aggregate general State aid in combination
22 with supplemental general State aid under this Section for
23 which each school district is eligible shall be no less than
24 the amount of the aggregate general State aid entitlement that

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

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

26 (3) (Blank).

1 (K) Grants to Laboratory and Alternative Schools.

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

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

20 As used in this Section, "alternative school" means a
21 public school which is created and operated by a Regional
22 Superintendent of Schools and approved by the State Board of
23 Education. Such alternative schools may offer courses of
24 instruction for which credit is given in regular school
25 programs, courses to prepare students for the high school

1 equivalency testing program or vocational and occupational
2 training. A regional superintendent of schools may contract
3 with a school district or a public community college district
4 to operate an alternative school. An alternative school serving
5 more than one educational service region may be established by
6 the regional superintendents of schools of the affected
7 educational service regions. An alternative school serving
8 more than one educational service region may be operated under
9 such terms as the regional superintendents of schools of those
10 educational service regions may agree.

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

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

20 (1) For a school district operating under the financial
21 supervision of an Authority created under Article 34A, the
22 general State aid otherwise payable to that district under this
23 Section, but not the supplemental general State aid, shall be
24 reduced by an amount equal to the budget for the operations of
25 the Authority as certified by the Authority to the State Board

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

8 (2) (Blank).

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

11 (M) Education Funding Advisory Board.

12 The Education Funding Advisory Board, hereinafter in this
13 subsection (M) referred to as the "Board", is hereby created.
14 The Board shall consist of 5 members who are appointed by the
15 Governor, by and with the advice and consent of the Senate. The
16 members appointed shall include representatives of education,
17 business, and the general public. One of the members so
18 appointed shall be designated by the Governor at the time the
19 appointment is made as the chairperson of the Board. The
20 initial members of the Board may be appointed any time after
21 the effective date of this amendatory Act of 1997. The regular
22 term of each member of the Board shall be for 4 years from the
23 third Monday of January of the year in which the term of the
24 member's appointment is to commence, except that of the 5
25 initial members appointed to serve on the Board, the member who

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

22 The Education Funding Advisory Board shall be deemed
23 established, and the initial members appointed by the Governor
24 to serve as members of the Board shall take office, on the date
25 that the Governor makes his or her appointment of the fifth
26 initial member of the Board, whether those initial members are

1 then serving pursuant to appointment and confirmation or
2 pursuant to temporary appointments that are made by the
3 Governor as in the case of vacancies.

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

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

22 (N) (Blank).

23 (O) References.

24 (1) References in other laws to the various subdivisions of

1 Section 18-8 as that Section existed before its repeal and
2 replacement by this Section 18-8.05 shall be deemed to refer to
3 the corresponding provisions of this Section 18-8.05, to the
4 extent that those references remain applicable.

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

8 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
9 changes to this Section. Under Section 6 of the Statute on
10 Statutes there is an irreconcilable conflict between Public Act
11 93-808 and Public Act 93-838. Public Act 93-838, being the last
12 acted upon, is controlling. The text of Public Act 93-838 is
13 the law regardless of the text of Public Act 93-808.

14 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,
15 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
16 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff.
17 1-11-08; 95-744, eff. 7-18-08; 95-903, eff. 8-25-08; revised
18 9-5-08.)

19 Section 90. The State Mandates Act is amended by adding
20 Section 8.33 as follows:

21 (30 ILCS 805/8.33 new)

22 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
23 of this Act, no reimbursement by the State is required for the

1 implementation of any mandate created by this amendatory Act of
2 the 96th General Assembly.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 35 ILCS 200/9-147 new

4 35 ILCS 200/15-10

5 35 ILCS 200/15-170

6 35 ILCS 200/15-175

7 35 ILCS 200/15-178 new

8 35 ILCS 200/18-179 new

9 35 ILCS 200/18-185

10 35 ILCS 200/20-178

11 105 ILCS 5/18-8.05

12 30 ILCS 805/8.33 new