



SENATE JOURNAL

STATE OF ILLINOIS

NINETY-THIRD GENERAL ASSEMBLY

83RD LEGISLATIVE DAY

TUESDAY, FEBRUARY 24, 2004

12:00 O'CLOCK NOON

SENATE
Daily Journal Index
83rd Legislative Day

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The Senate met pursuant to adjournment.
 Senator Rickey Hendon, Chicago, Illinois, presiding.
 Prayer by Pastor Blake Carter, Hope Evangelical Free Church, Springfield, Illinois.
 Senator Link led the Senate in the Pledge of Allegiance.

The Journal of Friday, February 20, 2004, was being read when on motion of Senator Haine, further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

LEGISLATIVE MEASURES FILED

The following Committee amendments to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Senate Committee Amendment No. 1 to Senate Bill 2122
 Senate Committee Amendment No. 1 to Senate Bill 2133
 Senate Committee Amendment No. 1 to Senate Bill 2135
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Senate Committee Amendment No. 1 to Senate Bill 2895
 Senate Committee Amendment No. 1 to Senate Bill 2902
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 Senate Committee Amendment No. 1 to Senate Bill 3064
 Senate Committee Amendment No. 1 to Senate Bill 3109
 Senate Committee Amendment No. 1 to Senate Bill 3140
 Senate Committee Amendment No. 2 to Senate Bill 3207
 Senate Committee Amendment No. 1 to Senate Bill 3208
 Senate Committee Amendment No. 1 to Senate Bill 3211

The following Floor amendments to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Senate Floor Amendment No. 2 to Senate Bill 2140
 Senate Floor Amendment No. 1 to Senate Bill 2375
 Senate Floor Amendment No. 1 to Senate Bill 2381
 Senate Floor Amendment No. 1 to Senate Bill 2503
 Senate Floor Amendment No. 3 to Senate Bill 2578

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION 434

Offered by Senator Soden and all Senators:
 Mourns the death of Genevieve E. "Genny" Bennett of Montgomery.

SENATE RESOLUTION 435

Offered by Senator Hunter and all Senators:
 Mourns the death of Dorothy Ree Hunter of Chicago.

SENATE RESOLUTION 436

Offered by Senator Link and all Senators:
 Mourns the death of Harriet Faye Harding of Highwood.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

Senator Martinez offered the following Senate Resolution, which was referred to the Committee on Rules:

SENATE RESOLUTION NO. 437

WHEREAS, The Convention on the Elimination of All Forms of Discrimination against Women was adopted by the United Nations General Assembly on December 18, 1979, became an international treaty on September 3, 1981, and by 2003, well over three-fourths of the world, 174 nations, have agreed to be bound by the Convention's provisions; and

WHEREAS, The United States supports and has a position of leadership in the United Nations, and was an active participant in the drafting and is a signatory to the Convention; and

WHEREAS, The spirit of the Convention is rooted in the goals of the United Nations and the United States to affirm faith in fundamental human rights, in the dignity and worth of the human person, and in the equal rights of men and women; and

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WHEREAS, The Convention provides a comprehensive framework for challenging the various forces that have created and sustained discrimination based on sex against half the world's population; the nations in support of the present Convention have agreed to follow Convention prescriptions; and

WHEREAS, Although women have made major gains in the struggle for equality in social, business, political, legal, educational, and other fields in this century, there is much yet to be accomplished and, through its support, leadership, and prestige, the United States can help create a world where women are no longer discriminated against and have achieved one of the most fundamental of human rights, equality; and

WHEREAS, President George W. Bush and the Secretary of State have put this treaty, the United Nations Convention on the Elimination of All Forms of Discrimination against Women, in Category III of priority in order to accelerate the Treaty's passage through the U.S. Senate Foreign Relations Committee and the full U.S. Senate with the goal of United States ratification; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-THIRD GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we exhort the Senate Foreign Relations Committee to again pass this Treaty favorably out of Committee; and send it to the Senate floor; and be it further

RESOLVED, That we strongly urge the Senate of the United States to vote favorably to ratify the United Nations Convention on the Elimination of All Forms of Discrimination against Women and to support the Convention's continuing goals; and be it further

RESOLVED, That suitable copies of this resolution be delivered to the President of the United States, the Secretary of State of the United States, the President of the United States Senate, the Chair and the members of the Senate Foreign Relations Committee, and to each member of the Illinois congressional delegation.

INTRODUCTION OF BILLS

SENATE BILL NO. 3370. Introduced by Senator Righter, a bill for AN ACT making appropriations and reappropriations.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Rules.

MESSAGES FROM THE HOUSE

A message from the House by

Mr. Bolin, Assistant Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1498

A bill for AN ACT concerning taxes.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 2 to SENATE BILL NO. 1498

House Amendment No. 5 to SENATE BILL NO. 1498

House Amendment No. 11 to SENATE BILL NO. 1498

House Amendment No. 12 to SENATE BILL NO. 1498

Passed the House, as amended, February 20, 2004.

BRADLEY S. BOLIN, Assistant Clerk of the House

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 1498 by replacing everything after the enacting clause with the following:

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

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

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

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

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within that taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within that taxing district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of allocating taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the economic development project area, terminating the economic development project area, and terminating the use of tax increment allocation financing for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

Section 10. The Property Tax Code is amended by changing Sections 14-15, 15-10, 15-170, 15-172, 15-175, 15-180, and 20-178 and by adding Section 15-176 as follows:

(35 ILCS 200/14-15)

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

(a) In counties with 3,000,000 or more inhabitants, if, after the assessment is certified pursuant to Section 16-150, but subject to the limitations of subsection (c) of this Section, the county assessor discovers an error or mistake in the assessment, the assessor shall execute a certificate setting forth the nature and cause of the error. The certificate when endorsed by the county assessor, or when endorsed by the county assessor and board of appeals (until the first Monday in December 1998 and the board of review beginning the first Monday in December 1998 and thereafter) where the certificate is executed for any assessment which was the subject of a complaint filed in the board of appeals (until the first Monday in December 1998 and the board of review beginning the first Monday in December 1998 and thereafter) for the tax year for which the certificate is issued, may, either be certified according to the procedure authorized by this Section or be presented and received in evidence in any court of competent jurisdiction. Certification is authorized, at the discretion of the county assessor, for: (1) certificates of error allowing homestead exemptions pursuant to Sections 15-170, 15-172, ~~and 15-175~~ and 15-176; (2) certificates of error on residential property of 6 units or less; (3) certificates of error allowing exemption of the property pursuant to Section 14-25; and (4) other certificates of error reducing assessed value by less than \$100,000. Any certificate of error not certified shall be presented to the court. The county assessor shall develop reasonable procedures for the filing and processing of certificates of error. Prior to the certification or presentation to the court, the county assessor or his or her designee shall execute and include in the certificate of error a statement attesting that all procedural requirements pertaining to the issuance of the certificate of error have been met and that in fact an error exists. When so introduced in evidence such certificate shall become a part of the court records, and shall not be removed from the files except upon the order of the court.

Certificates of error that will be presented to the court shall be filed as an objection in the application for judgment and order of sale for the year in relation to which the certificate is made or as an

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amendment to the objection under subsection (b). Certificates of error that are to be certified according to the procedure authorized by this Section need not be presented to the court as an objection or an amendment under subsection (b). The State's Attorney of the county in which the property is situated shall mail a copy of any final judgment entered by the court regarding any certificate of error to the taxpayer of record for the year in question.

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

A certificate of error certified under this Section shall be given effect by the county treasurer, who shall mark the tax books and, upon receipt of one of the following certificates from the county assessor or the county assessor and the board of review where the board of review is required to endorse the certificate of error, shall issue refunds to the taxpayer accordingly:

"CERTIFICATION

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

"CERTIFICATION

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

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

To the extent that the certificate of error obviates the liability for nonpayment of taxes, certification of a certificate of error according to the procedure authorized in this Section shall operate to vacate any judgment or forfeiture as to that year's taxes, and the warrant books and judgment books shall be marked to reflect that the judgment or forfeiture has been vacated.

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

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

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

(e) The changes made by this amendatory Act of the 91st General Assembly apply to certificates of error issued before, on, and after the effective date of this amendatory Act of the 91st General Assembly. (Source: P.A. 90-4, eff. 3-7-97; 90-288, eff. 8-1-97; 90-655, eff. 7-30-98; 91-393, eff. 7-30-99; 91-686,

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eff. 1-26-00.)

(35 ILCS 200/15-10)

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

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

- (1) Section 15-45 (burial grounds) in counties of less than 3,000,000 inhabitants and owned by a not-for-profit organization.
- (2) Section 15-40.
- (3) Section 15-50 (United States property).

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

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

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

(35 ILCS 200/15-170)

Sec. 15-170. Senior Citizens Homestead Exemption. An annual homestead exemption limited, except as described here with relation to cooperatives or life care facilities, to a maximum reduction set forth below from the property's value, as equalized or assessed by the Department, is granted for property that is occupied as a residence by a person 65 years of age or older who is liable for paying real estate taxes on the property and is an owner of record of the property or has a legal or equitable interest therein as evidenced by a written instrument, except for a leasehold interest, other than a leasehold interest of land on which a single family residence is located, which is occupied as a residence by a person 65 years or older who has an ownership interest therein, legal, equitable or as a lessee, and on which he or she is liable for the payment of property taxes. The maximum reduction shall be \$2,500 in counties with 3,000,000 or more inhabitants and \$2,000 in all other counties. For land improved with an apartment building owned and operated as a cooperative, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by a person 65 years of age or older who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. For land improved with a life care facility, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by persons 65 years of age or older, irrespective of any legal, equitable, or leasehold interest in the facility, who are liable, under a contract with the owner or owners of record of the facility, for paying property taxes on the property. In a cooperative or a life care facility where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor. Under this Section and Section 15-175, "life care facility" means a facility as defined in Section 2 of the Life Care Facilities Act, with which the applicant for the homestead exemption has a life care contract as defined in that Act.

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

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qualified for the homestead exemption.

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

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

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

The chief county assessment officer of each county with less than 3,000,000 inhabitants shall provide to each person allowed a homestead exemption under this Section a form to designate any other person to receive a duplicate of any notice of delinquency in the payment of taxes assessed and levied under this Code on the property of the person receiving the exemption. The duplicate notice shall be in addition to the notice required to be provided to the person receiving the exemption, and shall be given in the manner required by this Code. The person filing the request for the duplicate notice shall pay a fee of \$5 to cover administrative costs to the supervisor of assessments, who shall then file the executed designation with the county collector. Notwithstanding any other provision of this Code to the contrary, the filing of such an executed designation requires the county collector to provide duplicate notices as indicated by the designation. A designation may be rescinded by the person who executed such designation at any time, in the manner and form required by the chief county assessment officer.

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

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

In counties with 3,000,000 or more inhabitants, if a property has been granted a homestead exemption under this Section, the person qualifying need not reapply for the exemption.

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

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

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

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

(35 ILCS 200/15-172)

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

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

(b) As used in this Section:

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

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

"Base year" means the taxable year prior to the taxable year for which the applicant first qualifies and applies for the exemption provided that in the prior taxable year the property was improved with a permanent structure that was occupied as a residence by the applicant who was liable for paying real property taxes on the property and who was either (i) an owner of record of the property or had legal or

equitable interest in the property as evidenced by a written instrument or (ii) had a legal or equitable interest as a lessee in the parcel of property that was single family residence. If in any subsequent taxable year for which the applicant applies and qualifies for the exemption the equalized assessed value of the residence is less than the equalized assessed value in the existing base year (provided that such equalized assessed value is not based on an assessed value that results from a temporary irregularity in the property that reduces the assessed value for one or more taxable years), then that subsequent taxable year shall become the base year until a new base year is established under the terms of this paragraph. For taxable year 1999 only, the Chief County Assessment Officer shall review (i) all taxable years for which the applicant applied and qualified for the exemption and (ii) the existing base year. The assessment officer shall select as the new base year the year with the lowest equalized assessed value. An equalized assessed value that is based on an assessed value that results from a temporary irregularity in the property that reduces the assessed value for one or more taxable years shall not be considered the lowest equalized assessed value. The selected year shall be the base year for taxable year 1999 and thereafter until a new base year is established under the terms of this paragraph.

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

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

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

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

"Income" has the same meaning as provided in Section 3.07 of the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, except that, beginning in assessment year 2001, "income" does not include veteran's benefits.

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

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

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

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

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

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

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

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

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In the case of land improved with an apartment building owned and operated as a cooperative or a building that is a life care facility that qualifies as a cooperative, the maximum reduction from the equalized assessed value of the property is limited to the sum of the reductions calculated for each unit occupied as a residence by a person ~~or persons~~ (i) 65 years of age or older, (ii) with a household income of \$35,000 or less prior to taxable year 1999, ~~or \$40,000 or less in taxable years year 1999 through 2002~~ or \$45,000 or less in taxable year 2003 and thereafter, (iii) who is liable, by contract with the owner or owners of record, for paying real property taxes on the property, and (iv) who is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. In the instance of a cooperative where a homestead exemption has been granted under this Section, the cooperative association or its management firm shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner who qualified for the exemption. Any person who willfully refuses to credit that savings to an owner who qualifies for the exemption is guilty of a Class B misdemeanor.

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

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

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

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

Notwithstanding any other provision to the contrary, in counties having fewer than 3,000,000 inhabitants, if an applicant fails to file the application required by this Section in a timely manner and this failure to file is due to a mental or physical condition sufficiently severe so as to render the applicant incapable of filing the application in a timely manner, the Chief County Assessment Officer may extend the filing deadline for a period of 30 days after the applicant regains the capability to file the application, but in no case may the filing deadline be extended beyond 3 months of the original filing deadline. In order to receive the extension provided in this paragraph, the applicant shall provide the Chief County Assessment Officer with a signed statement from the applicant's physician stating the nature and extent of the condition, that, in the physician's opinion, the condition was so severe that it rendered the applicant incapable of filing the application in a timely manner, and the date on which the applicant regained the capability to file the application.

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

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the physician's opinion, the condition was so severe that it rendered the applicant incapable of filing the application in a timely manner.

In counties having less than 3,000,000 inhabitants, if an applicant was denied an exemption in taxable year 1994 and the denial occurred due to an error on the part of an assessment official, or his or her agent or employee, then beginning in taxable year 1997 the applicant's base year, for purposes of determining the amount of the exemption, shall be 1993 rather than 1994. In addition, in taxable year 1997, the applicant's exemption shall also include an amount equal to (i) the amount of any exemption denied to the applicant in taxable year 1995 as a result of using 1994, rather than 1993, as the base year, (ii) the amount of any exemption denied to the applicant in taxable year 1996 as a result of using 1994, rather than 1993, as the base year, and (iii) the amount of the exemption erroneously denied for taxable year 1994.

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

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

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

Nothing contained in this Section shall prevent the Director or chief county assessment officer from publishing or making available reasonable statistics concerning the operation of the exemption contained in this Section in which the contents of claims are grouped into aggregates in such a way that information contained in any individual claim shall not be disclosed.

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

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

(Source: P.A. 90-14, eff. 7-1-97; 90-204, eff. 7-25-97; 90-523, eff. 11-13-97; 90-524, eff. 1-1-98; 90-531, eff. 1-1-98; 90-655, eff. 7-30-98; 91-45, eff. 6-30-99; 91-56, eff. 6-30-99; 91-819, eff. 6-13-00.)
(35 ILCS 200/15-175)

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

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

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

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

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

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

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

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

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

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

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

(35 ILCS 200/15-176 new)

Sec. 15-176. General homestead exemption in counties with 3,000,000 or more inhabitants.

(a) In counties with 3,000,000 or more inhabitants, beginning with assessments made for the tax year 2003 and for subsequent tax years, homestead property is entitled to an annual homestead exemption equal to a reduction in the property's equalized assessed value calculated as provided in this Section.

(b) As used in this Section:

(1) "Assessor" means the elected county assessor.

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

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

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

(3) "Base homestead value" means:

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

(B) If the property did not have a residential equalized assessed value for tax year 2002 as provided in subdivision (b)(3)(A) of this Section, then the "base homestead value" means the base homestead value established by the assessor under subsection (c).

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

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

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

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

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

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

(c) If the property did not have a residential equalized assessed value for tax year 2002 as provided in subdivision (b)(3)(A) of this Section, then the assessor shall first determine an initial value for the property by comparison with assessed values for tax year 2002 of other properties having physical and economic characteristics similar to those of the subject property, so that the initial value is uniform in relation to assessed values of those other properties for tax year 2002. The product of the initial value multiplied by 2.4689, less \$4,500, is the base homestead value.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(35 ILCS 200/15-180)

Sec. 15-180. Homestead improvements. Homestead properties that have been improved and residential structures on homestead property that have been rebuilt following a catastrophic event are entitled to a homestead improvement exemption, limited to \$30,000 per year through December 31, 1997, and \$45,000 beginning January 1, 1998 and through December 31, 2003, and \$75,000 per year for that homestead property beginning January 1, 2004 and thereafter, in fair cash value, when that property is owned and used exclusively for a residential purpose and upon demonstration that a proposed increase in assessed value is attributable solely to a new improvement of an existing structure or the rebuilding of a residential structure following a catastrophic event. To be eligible for an exemption under this Section after a catastrophic event, the residential structure must be rebuilt within 2 years after the catastrophic event. The exemption for rebuilt structures under this Section applies to the increase in value of the rebuilt structure over the value of the structure before the catastrophic event. The amount of the exemption shall be limited to the fair cash value added by the new improvement or rebuilding and shall continue for 4 years from the date the improvement or rebuilding is completed and occupied, or until the next following general assessment of that property, whichever is later.

A proclamation of disaster by the President of the United States or Governor of the State of Illinois is not a prerequisite to the classification of an occurrence as a catastrophic event under this Section. A "catastrophic event" may include an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, including arson (provided the fire was not caused by the willful action of an owner or resident of the property), flood, earthquake, wind, storm, explosion, or extended periods of severe inclement weather. In the case of a residential structure affected by flooding, the structure shall not be eligible for this homestead improvement exemption unless it is located within a local jurisdiction which is participating in the National Flood Insurance Program.

In counties of less than 3,000,000 inhabitants, in addition to the notice requirement under Section 12-30, a supervisor of assessments, county assessor, or township or multi-township assessor responsible for adding an assessable improvement to a residential property's assessment shall either notify a taxpayer whose assessment has been changed since the last preceding assessment that he or she may be eligible for the exemption provided under this Section or shall grant the exemption automatically.

Beginning January 1, 1999, in counties of 3,000,000 or more inhabitants, an application for a homestead improvement exemption for a residential structure that has been rebuilt following a catastrophic event must be submitted to the Chief County Assessment Officer with a valuation complaint and a copy of the building permit to rebuild the structure. The Chief County Assessment Officer may require additional documentation which must be provided by the applicant.

(Source: P.A. 89-595, eff. 1-1-97; 89-690, eff. 6-1-97; 90-14, eff. 7-1-97; 90-186, eff. 7-24-97; 90-655, eff. 7-30-98; 90-704, eff. 8-7-98.)

(35 ILCS 200/20-178)

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

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

This Section shall not apply to any certificate of error granting a homestead exemption under Section 15-170, 15-172, ~~or 15-175~~ or 15-176.
(Source: P.A. 91-393, eff. 7-30-99.)

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

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

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

(a) The county shall file a certified copy of any ordinance authorizing property tax allocation financing for an economic development project area with the county clerk, and the county clerk shall immediately thereafter determine (1) the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code, which value shall be the "initial equalized assessed value" of each such piece of property, and (2) the total equalized assessed value of all taxable real property within the economic development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such economic development project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code. Upon receiving written notice from the Department of its approval and certification of such economic development project area, the county clerk shall immediately certify such amount as the "total initial equalized assessed value" of the taxable property within the economic development project area.

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within that taxing district for the purpose of computing the rate percent of tax to be extended upon taxable property within the taxing district, shall in every year that property tax allocation financing is in effect ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area. The rate percent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate percent of tax is extended to all other taxable property in the taxing district. The method of allocating taxes established under this Section shall terminate when the county adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

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

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

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

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

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an

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economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within the taxing district shall, in every year that tax increment allocation financing is in effect, ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in the area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the county adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

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

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

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

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the redevelopment project area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

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

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

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

number.

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

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

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

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

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

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

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

The municipality may pledge in the ordinance the funds in and to be deposited in the special tax allocation fund for the payment of such costs and obligations. No part of the current equalized assessed valuation of each property in the redevelopment project area attributable to any increase above the total

initial equalized assessed value, or the total initial equalized assessed value as adjusted, of such properties shall be used in calculating the general State school aid formula, provided for in Section 18-8 of the School Code, until such time as all redevelopment project costs have been paid as provided for in this Section.

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

When such redevelopment projects costs, including without limitation all municipal obligations financing redevelopment project costs incurred under this Division, have been paid, all surplus funds then remaining in the special tax allocation fund shall be distributed by being paid by the municipal treasurer to the Department of Revenue, the municipality and the county collector; first to the Department of Revenue and the municipality in direct proportion to the tax incremental revenue received from the State and the municipality, but not to exceed the total incremental revenue received from the State or the municipality less any annual surplus distribution of incremental revenue previously made; with any remaining funds to be paid to the County Collector who shall immediately thereafter pay said funds to the taxing districts in the redevelopment project area in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property in the redevelopment project area.

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

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

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

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

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

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

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

property in the redevelopment area, the municipality may thereafter request the clerk in writing to adjust the initial equalized value of all taxable real property within the redevelopment project area by deducting therefrom the exemptions provided for by Sections 15-170, ~~and 15-175~~, and 15-176 of the Property Tax Code applicable to each lot, block, tract or parcel of real property within such redevelopment project area. The county clerk shall immediately after the written request to adjust the total initial equalized value is received determine the total homestead exemptions in the redevelopment project area provided by Sections 15-170, ~~and 15-175~~, and 15-176 of the Property Tax Code by adding together the homestead exemptions provided by said Sections on each lot, block, tract or parcel of real property within such redevelopment project area and then shall deduct the total of said exemptions from the total initial equalized assessed value. The county clerk shall then promptly certify such amount as the "total initial equalized assessed value as adjusted" of the taxable real property within such redevelopment project area.

(c) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in such area, then in respect to every taxing district containing a redevelopment project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such district for the purpose of computing the rate per cent of tax to be extended upon taxable property within such district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project area by including in such amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area, except that after he has certified the "total initial equalized assessed value as adjusted" he shall in the year of said certification if tax rates have not been extended and in every year thereafter that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project area by including in such amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value as adjusted" of all taxable real property in such area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the redevelopment project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the redevelopment project area. This Division shall not be construed as relieving property owners within a redevelopment project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

(65 ILCS 5/11-74.6-40)

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

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

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

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

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

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

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

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

(c) After the county clerk has certified the total initial equalized assessed value or the total updated initial equalized assessed value of the taxable real property in the area, for each taxing district in which a redevelopment project area is situated, the county clerk or any other official required by law to determine the amount of the equalized assessed value of all taxable property within the district for the

purpose of computing the percentage rate of tax to be extended upon taxable property within the district, shall in every year that tax increment allocation financing is in effect determine the total equalized assessed value of taxable property in a redevelopment project area by including in that amount the lower of the current equalized assessed value or the certified total initial equalized assessed value or, if the total of updated equalized assessed value has been certified, the total updated initial equalized assessed value of all taxable real property in the redevelopment project area. After he has certified the total initial equalized assessed value he shall in the year of that certification, if tax rates have not been extended, and in every subsequent year that tax increment allocation financing is in effect, determine the amount of equalized assessed value of taxable property in a redevelopment project area by including in that amount the lower of the current total equalized assessed value or the certified total initial equalized assessed value or, if the total of updated initial equalized assessed values have been certified, the total updated initial equalized assessed value of all taxable real property in the redevelopment project area.

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

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

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

(65 ILCS 110/45)

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

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

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within the taxing district shall, in every year that tax increment allocation financing is in effect, ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in the area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving owners or lessees of property within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

Section 35. The School Code is amended by changing Section 18-8.05 as follows:
(105 ILCS 5/18-8.05)

[February 24, 2004]

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

(A) General Provisions.

(1) The provisions of this Section apply to the 1998-1999 and subsequent school years. The system of general State financial aid provided for in this Section is designed to assure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of general State financial aid that, when added to Available Local Resources, equals or exceeds the Foundation Level. The amount of per pupil general State financial aid for school districts, in general, varies in inverse relation to Available Local Resources. Per pupil amounts are based upon each school district's Average Daily Attendance as that term is defined in this Section.

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

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

(a) Any school district which fails for any given school year to maintain school as required by law, or to maintain a recognized school is not eligible to file for such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion which the Average Daily Attendance in the attendance center or centers bear to the Average Daily Attendance in the school district. A "recognized school" means any public school which meets the standards as established for recognition by the State Board of Education. A school district or attendance center not having recognition status at the end of a school term is entitled to receive State aid payments due upon a legal claim which was filed while it was recognized.

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

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

(d) (Blank).

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

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

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

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

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

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

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

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

(B) Foundation Level.

(1) The Foundation Level is a figure established by the State representing the minimum level of per

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pupil financial support that should be available to provide for the basic education of each pupil in Average Daily Attendance. As set forth in this Section, each school district is assumed to exert a sufficient local taxing effort such that, in combination with the aggregate of general State financial aid provided the district, an aggregate of State and local resources are available to meet the basic education needs of pupils in the district.

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

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

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

(C) Average Daily Attendance.

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

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

(D) Available Local Resources.

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

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

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

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

(E) Computation of General State Aid.

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

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

of the school district.

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

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

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

(F) Compilation of Average Daily Attendance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the value as equalized or assessed by the Department of Revenue of all taxable property of every school district, together with (i) the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the previous year and (ii) the limiting rate for all school districts subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law. The Department of Revenue shall add to the equalized assessed value of all taxable property of each school district situated entirely or partially within a county with 3,000,000 or more inhabitants an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 of the Property Tax Code for real property situated in that school district exceeds the total amount that would have been allowed in that school district if the maximum reduction under Section 15-176 was \$4,500. The county clerk of any county with 3,000,000 or more inhabitants shall annually calculate and certify to the Department of Revenue for each school district all homestead exemption amounts under Section 15-176.

This equalized assessed valuation, as adjusted further by the requirements of this subsection, shall be

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utilized in the calculation of Available Local Resources.

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

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

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

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

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

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

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

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

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

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

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

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

If a school district is subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that district. For the 1999-2000 school year, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed Valuation and the district's Extension Limitation Ratio. For the 2000-2001 school year and each school year thereafter, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of a school district as calculated under this subsection (G)(3) is less than the district's equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating the district's general State aid for the Budget Year pursuant to subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources under subsection (D).

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(4) For the purposes of calculating general State aid for the 1999-2000 school year only, if a school district experienced a triennial reassessment on the equalized assessed valuation used in calculating its general State financial aid apportionment for the 1998-1999 school year, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. This amount shall equal the product of the equalized assessed valuation used to calculate general State aid for the 1997-1998 school year and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of the school district as calculated under this paragraph (4) is less than the district's equalized assessed valuation utilized in calculating the district's 1998-1999 general State aid allocation, then for purposes of calculating the district's general State aid pursuant to paragraph (5) of subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources.

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

(H) Supplemental General State Aid.

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

(1.5) This paragraph (1.5) applies only to those school years preceding the 2003-2004 school year. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall be the low-income eligible pupil count from the most recently available federal census divided by the Average Daily Attendance of the school district. If, however, (i) the percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count of a high school district with fewer than 400 students exceeds by 75% or more the percentage change in the total low-income eligible pupil count of contiguous elementary school districts, whose boundaries are coterminous with the high school district, or (ii) a high school district within 2 counties and serving 5 elementary school districts, whose boundaries are coterminous with the high school district, has a percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count and there is a percentage increase in the total low-income eligible pupil count of a majority of the elementary school districts in excess of 50% from the 2 most recent federal censuses, then the high school district's low-income eligible pupil count from the earlier federal census shall be the number used as the low-income eligible pupil count for the high school district, for purposes of this subsection (H). The changes made to this paragraph (1) by Public Act 92-28 shall apply to supplemental general State aid grants for school years preceding the 2003-2004 school year that are paid in fiscal year 1999 or thereafter and to any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 of this Code (which was repealed on July 1, 1998), and any high school district that is affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in any of those fiscal years. This recomputation shall not be affected by any other funding.

(1.10) This paragraph (1.10) applies to the 2003-2004 school year and each school year thereafter. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall, for each fiscal year, be the low-income eligible pupil count as of July 1 of the immediately preceding fiscal year (as determined by the Department of Human Services based on the number of pupils who are eligible for at least one of the following low income programs: Medicaid, KidCare, TANF, or Food Stamps, excluding pupils who are eligible for services provided by the Department of Children and Family Services,

averaged over the 2 immediately preceding fiscal years for fiscal year 2004 and over the 3 immediately preceding fiscal years for each fiscal year thereafter) divided by the Average Daily Attendance of the school district.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For the 2003-2004 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.25 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.50 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.75 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the

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grant received during the 2002-2003 school year.

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

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

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

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

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

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

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

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

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

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

For purposes of determining compliance with this subsection in relation to the requirements of attendance center funding, each district subject to the provisions of this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for the prior year in addition to any modification of its current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days of receipt of the report, notify the district and any affected local school council. The district shall within 45 days of receipt of that

notification inform the State Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a timely manner shall result in a withholding of the affected funds.

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

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

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

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

(3) For 2 or more school districts which annex all of the territory of one or more entire other school districts, and for 2 or more community unit districts which result upon the division (pursuant to petition under Section 11A-2) of one or more other unit school districts into 2 or more parts and which together include all of the parts into which such other unit school district or districts are so divided, for the first year during which the change of boundaries attributable to such annexation or division becomes effective for all purposes as determined under Section 7-9 or 11A-10, as the case may be, the general State aid and supplemental general State aid calculated under this Section shall be computed for each annexing or resulting district as constituted after the annexation or division and for each annexing and annexed district, or for each resulting and divided district, as constituted prior to the annexation or division; and if the aggregate of the general State aid and supplemental general State aid as so computed for the annexing or resulting districts as constituted after the annexation or division is less than the aggregate of the general State aid and supplemental general State aid as so computed for the annexing and annexed districts, or for the resulting and divided districts, as constituted prior to the annexation or division, then a supplementary payment equal to the difference shall be made and allocated between or among the annexing or resulting districts, as constituted upon such annexation or division, for the first 4 years of their existence. The total difference payment shall be allocated between or among the annexing or resulting districts in the same ratio as the pupil enrollment from that portion of the annexed or divided district or districts which is annexed to or included in each such annexing or resulting district bears to the total pupil enrollment from the entire annexed or divided district or districts, as such pupil enrollment is determined for the school year last ending prior to the date when the change of boundaries attributable to the annexation or division becomes effective for all purposes. The amount of the total difference payment and the amount thereof to be allocated to the annexing or resulting districts shall be computed by the State Board of Education on the basis of pupil enrollment and other data which shall be certified to the State Board of Education, on forms which it shall provide for that purpose, by the regional superintendent of schools for each educational service region in which the annexing and annexed districts, or resulting and divided districts are located.

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

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

(J) Supplementary Grants in Aid.

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

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

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

(3) (Blank).

(K) Grants to Laboratory and Alternative Schools.

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

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

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

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

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

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

(2) (Blank).

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

(M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this subsection (M) referred to as the "Board", is hereby created. The Board shall consist of 5 members who are appointed by the Governor, by and with

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the advice and consent of the Senate. The members appointed shall include representatives of education, business, and the general public. One of the members so appointed shall be designated by the Governor at the time the appointment is made as the chairperson of the Board. The initial members of the Board may be appointed any time after the effective date of this amendatory Act of 1997. The regular term of each member of the Board shall be for 4 years from the third Monday of January of the year in which the term of the member's appointment is to commence, except that of the 5 initial members appointed to serve on the Board, the member who is appointed as the chairperson shall serve for a term that commences on the date of his or her appointment and expires on the third Monday of January, 2002, and the remaining 4 members, by lots drawn at the first meeting of the Board that is held after all 5 members are appointed, shall determine 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2000. All members appointed to serve on the Board shall serve until their respective successors are appointed and confirmed. Vacancies shall be filled in the same manner as original appointments. If a vacancy in membership occurs at a time when the Senate is not in session, the Governor shall make a temporary appointment until the next meeting of the Senate, when he or she shall appoint, by and with the advice and consent of the Senate, a person to fill that membership for the unexpired term. If the Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of vacancies.

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

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

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

(N) (Blank).

(O) References.

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

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

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

Section 40. The Criminal Code of 1961 is amended by changing Section 17A-1 as follows:
(720 ILCS 5/17A-1) (from Ch. 38, par. 17A-1)

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

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

(b) Grants under the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical

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Assistance Act.

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

(d) Grants provided by the Department on Aging.

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

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

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

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

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

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

(30 ILCS 805/8.28 new)

Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by (i) the General Homestead Exemption under Section 15-176 of the Property Tax Code or (ii) the Senior Citizens Assessment Freeze Homestead Exemption under Section 15-172 of the Property Tax Code."

AMENDMENT NO. 5

AMENDMENT NO. 5. Amend Senate Bill 1498, AS AMENDED, by replacing everything after the enacting clause with the following:

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

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

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

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

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within that taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within that taxing district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of allocating taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the economic development project area, terminating the economic development project area, and terminating the use of tax increment allocation financing for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

Section 10. The Property Tax Code is amended by changing Sections 14-15, 15-10, 15-170, 15-175,

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and 20-178 and by adding Section 15-176 as follows:

(35 ILCS 200/14-15)

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

(a) In counties with 3,000,000 or more inhabitants, if, after the assessment is certified pursuant to Section 16-150, but subject to the limitations of subsection (c) of this Section, the county assessor discovers an error or mistake in the assessment, the assessor shall execute a certificate setting forth the nature and cause of the error. The certificate when endorsed by the county assessor, or when endorsed by the county assessor and board of appeals (until the first Monday in December 1998 and the board of review beginning the first Monday in December 1998 and thereafter) where the certificate is executed for any assessment which was the subject of a complaint filed in the board of appeals (until the first Monday in December 1998 and the board of review beginning the first Monday in December 1998 and thereafter) for the tax year for which the certificate is issued, may, either be certified according to the procedure authorized by this Section or be presented and received in evidence in any court of competent jurisdiction. Certification is authorized, at the discretion of the county assessor, for: (1) certificates of error allowing homestead exemptions pursuant to Sections 15-170, 15-172, ~~and 15-175~~ and 15-176; (2) certificates of error on residential property of 6 units or less; (3) certificates of error allowing exemption of the property pursuant to Section 14-25; and (4) other certificates of error reducing assessed value by less than \$100,000. Any certificate of error not certified shall be presented to the court. The county assessor shall develop reasonable procedures for the filing and processing of certificates of error. Prior to the certification or presentation to the court, the county assessor or his or her designee shall execute and include in the certificate of error a statement attesting that all procedural requirements pertaining to the issuance of the certificate of error have been met and that in fact an error exists. When so introduced in evidence such certificate shall become a part of the court records, and shall not be removed from the files except upon the order of the court.

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

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

A certificate of error certified under this Section shall be given effect by the county treasurer, who shall mark the tax books and, upon receipt of one of the following certificates from the county assessor or the county assessor and the board of review where the board of review is required to endorse the certificate of error, shall issue refunds to the taxpayer accordingly:

"CERTIFICATION

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

"CERTIFICATION

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

The county treasurer has the power to mark the tax books to reflect the issuance of certificates of error certified according to the procedure authorized in this Section for certificates of error issued under Section 14-25 or certificates of error issued to and including 3 years after the date on which the annual judgment and order of sale for that tax year was first entered. The county treasurer has the power to issue

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refunds to the taxpayer as set forth above until all refunds authorized by this Section have been completed.

To the extent that the certificate of error obviates the liability for nonpayment of taxes, certification of a certificate of error according to the procedure authorized in this Section shall operate to vacate any judgment or forfeiture as to that year's taxes, and the warrant books and judgment books shall be marked to reflect that the judgment or forfeiture has been vacated.

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

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

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

(e) The changes made by this amendatory Act of the 91st General Assembly apply to certificates of error issued before, on, and after the effective date of this amendatory Act of the 91st General Assembly. (Source: P.A. 90-4, eff. 3-7-97; 90-288, eff. 8-1-97; 90-655, eff. 7-30-98; 91-393, eff. 7-30-99; 91-686, eff. 1-26-00.)

(35 ILCS 200/15-10)

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

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

- (1) Section 15-45 (burial grounds) in counties of less than 3,000,000 inhabitants and owned by a not-for-profit organization.
- (2) Section 15-40.
- (3) Section 15-50 (United States property).

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

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

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

(35 ILCS 200/15-170)

Sec. 15-170. Senior Citizens Homestead Exemption. An annual homestead exemption limited, except as described here with relation to cooperatives or life care facilities, to a maximum reduction set forth below from the property's value, as equalized or assessed by the Department, is granted for property that

is occupied as a residence by a person 65 years of age or older who is liable for paying real estate taxes on the property and is an owner of record of the property or has a legal or equitable interest therein as evidenced by a written instrument, except for a leasehold interest, other than a leasehold interest of land on which a single family residence is located, which is occupied as a residence by a person 65 years or older who has an ownership interest therein, legal, equitable or as a lessee, and on which he or she is liable for the payment of property taxes. The maximum reduction shall be \$2,500 in counties with 3,000,000 or more inhabitants and \$2,000 in all other counties. For land improved with an apartment building owned and operated as a cooperative, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by a person 65 years of age or older who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. For land improved with a life care facility, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by persons 65 years of age or older, irrespective of any legal, equitable, or leasehold interest in the facility, who are liable, under a contract with the owner or owners of record of the facility, for paying property taxes on the property. In a cooperative or a life care facility where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor. Under this Section and Sections ~~Section~~ 15-175 and 15-176, "life care facility" means a facility as defined in Section 2 of the Life Care Facilities Act, with which the applicant for the homestead exemption has a life care contract as defined in that Act.

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

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

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

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

The chief county assessment officer of each county with less than 3,000,000 inhabitants shall provide to each person allowed a homestead exemption under this Section a form to designate any other person to receive a duplicate of any notice of delinquency in the payment of taxes assessed and levied under this Code on the property of the person receiving the exemption. The duplicate notice shall be in addition to the notice required to be provided to the person receiving the exemption, and shall be given in the manner required by this Code. The person filing the request for the duplicate notice shall pay a fee of \$5 to cover administrative costs to the supervisor of assessments, who shall then file the executed designation with the county collector. Notwithstanding any other provision of this Code to the contrary, the filing of such an executed designation requires the county collector to provide duplicate notices as indicated by the designation. A designation may be rescinded by the person who executed such designation at any time, in the manner and form required by the chief county assessment officer.

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

In counties with less than 3,000,000 inhabitants, the county board may by resolution provide that if a

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person has been granted a homestead exemption under this Section, the person qualifying need not reapply for the exemption.

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

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

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

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

(35 ILCS 200/15-175)

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

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

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

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

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

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

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

In counties with more than 3,000,000 inhabitants, the assessor or chief county assessment officer may

determine the eligibility of residential property to receive the homestead exemption by application, visual inspection, questionnaire or other reasonable methods. The determination shall be made in accordance with guidelines established by the Department.

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

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

(35 ILCS 200/15-176 new)

Sec. 15-176. General homestead exemption in counties with 3,000,000 or more inhabitants.

(a) In counties with 3,000,000 or more inhabitants, for the assessment years as determined under subsection (j), homestead property is entitled to an annual homestead exemption equal to a reduction in the property's equalized assessed value calculated as provided in this Section.

(b) As used in this Section:

(1) "Assessor" means the elected county assessor.

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

(A) The property's base homestead value increased by 7% for each tax year after 2002 through and including the current tax year, or, if the property is sold or ownership is otherwise transferred, the property's base homestead value increased by 7% for each tax year after the year of the sale or transfer through and including the current tax year. The increase by 7% each year is an increase by 7% over the prior year.

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

(3) "Base homestead value".

(A) Except as provided in subdivision ((b)(3)(B), "base homestead value" means the equalized assessed value of the property for tax year 2002 prior to exemptions, minus \$4,500, provided that it was assessed for that year as residential property qualified for any of the homestead exemptions under Sections 15-170 through 15-175 of this Code, then in force, and further provided that the property's assessment was not based on a reduced assessed value resulting from a temporary irregularity in the property for that year. Except as provided in subdivision (b)(3)(B), if the property did not have a residential equalized assessed value for tax year 2002, then "base homestead value" means the base homestead value established by the assessor under subsection (c).

(B) If the property is sold or ownership is otherwise transferred, "base homestead value" means the equalized assessed value of the property at the time of the sale or transfer prior to exemptions, minus \$4,500, provided that it was assessed as residential property qualified for any of the homestead exemptions under Sections 15-170 through 15-175 of this Code, then in force, and further provided that the property's assessment was not based on a reduced assessed value resulting from a temporary irregularity in the property.

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

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

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

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

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

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

(c) If the property did not have a residential equalized assessed value for tax year 2002 as provided in subdivision (b)(3)(A) of this Section, then the assessor shall first determine an initial value for the

property by comparison with assessed values for tax year 2002 of other properties having physical and economic characteristics similar to those of the subject property, so that the initial value is uniform in relation to assessed values of those other properties for tax year 2002. The product of the initial value multiplied by 2.4689, less \$4,500, is the base homestead value.

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

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

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

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

(3) If the property is sold or ownership is otherwise transferred, the base homestead value of the property shall be adjusted as provided in subdivision (b)(3)(B).

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

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

(2) In the case of homestead property that also qualifies for the exemption under Section 15-172, the property is entitled to the exemption under this Section, limited to the amount of \$4,500.

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

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

(h) In the event of a sale or other transfer in ownership of the homestead property, the exemption under this Section shall remain in effect for the remainder of the tax year in which the sale or transfer occurs, but shall be calculated using the new base homestead value as provided in subdivision (b)(3)(B). The assessor may require the new owner of the property to apply for the exemption in the following year.

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

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

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

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

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

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

(35 ILCS 200/20-178)

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

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

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

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

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

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

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

(a) The county shall file a certified copy of any ordinance authorizing property tax allocation financing for an economic development project area with the county clerk, and the county clerk shall immediately thereafter determine (1) the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code, which value shall be the "initial equalized assessed value" of each such piece of property, and (2) the total equalized assessed value of all taxable real property within the economic development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such economic development project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code. Upon receiving written notice from the Department of its approval and certification of such economic development project area, the county clerk shall immediately certify such amount as the "total initial equalized assessed value" of the taxable property within the economic development project area.

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within that taxing district for the purpose of computing the rate percent of tax to be extended upon taxable property within the taxing district, shall in every year that property tax allocation financing is in effect ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area. The rate percent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate percent of tax is extended to all other taxable property in the taxing district. The method of allocating taxes established under this Section shall terminate when the county adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

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

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

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

(a) A county that has by ordinance approved an economic development plan, established an economic development project area, and adopted tax increment allocation financing for that area shall file certified copies of the ordinance or ordinances with the county clerk. Upon receiving the ordinance or ordinances, the county clerk shall immediately determine (i) the most recently ascertained equalized assessed value of each lot, block, tract, or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~ and

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

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within the taxing district shall, in every year that tax increment allocation financing is in effect, ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in the area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the county adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

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

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

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

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the redevelopment project area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(b) Except from a tax levied by a township to retire bonds issued to satisfy court-ordered damages, that portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the redevelopment project area over and above the initial equalized assessed value of each property in the project area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof. In any county with a population of 3,000,000 or more that has adopted a procedure for collecting taxes that provides for one or more of the installments of the taxes to be billed and collected on an estimated basis, the municipal treasurer shall be paid for deposit in the special tax allocation fund of the municipality, from the taxes collected from estimated bills issued for property in the redevelopment project area, the difference between the amount actually collected from each taxable lot, block, tract, or parcel of real property within the redevelopment project area and an amount determined by multiplying the rate at which taxes were last extended against

the taxable lot, block, track, or parcel of real property in the manner provided in subsection (c) of Section 11-74.4-9 by the initial equalized assessed value of the property divided by the number of installments in which real estate taxes are billed and collected within the county; provided that the payments on or before December 31, 1999 to a municipal treasurer shall be made only if each of the following conditions are met:

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

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

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

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

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

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

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

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

(2) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the redevelopment project area, over and above the initial equalized assessed value of each property

existing at the time tax increment financing was adopted, minus the total current homestead exemptions pertaining to each piece of property provided by Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax Code in the redevelopment project area, shall be allocated to and when collected shall be paid to the municipal Treasurer, who shall deposit said taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof.

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

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

When such redevelopment projects costs, including without limitation all municipal obligations financing redevelopment project costs incurred under this Division, have been paid, all surplus funds then remaining in the special tax allocation fund shall be distributed by being paid by the municipal treasurer to the Department of Revenue, the municipality and the county collector; first to the Department of Revenue and the municipality in direct proportion to the tax incremental revenue received from the State and the municipality, but not to exceed the total incremental revenue received from the State or the municipality less any annual surplus distribution of incremental revenue previously made; with any remaining funds to be paid to the County Collector who shall immediately thereafter pay said funds to the taxing districts in the redevelopment project area in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property in the redevelopment project area.

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

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

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

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

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

(a) If a municipality by ordinance provides for tax increment allocation financing pursuant to Section 11-74.4-8, the county clerk immediately thereafter shall determine (1) the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within such redevelopment project area from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and~~

15-175, and 15-176 of the Property Tax Code, which value shall be the "initial equalized assessed value" of each such piece of property, and (2) the total equalized assessed value of all taxable real property within such redevelopment project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, and 15-175, and 15-176 of the Property Tax Code, and shall certify such amount as the "total initial equalized assessed value" of the taxable real property within such project area.

(b) In reference to any municipality which has adopted tax increment financing after January 1, 1978, and in respect to which the county clerk has certified the "total initial equalized assessed value" of the property in the redevelopment area, the municipality may thereafter request the clerk in writing to adjust the initial equalized value of all taxable real property within the redevelopment project area by deducting therefrom the exemptions provided for by Sections 15-170, and 15-175, and 15-176 of the Property Tax Code applicable to each lot, block, tract or parcel of real property within such redevelopment project area. The county clerk shall immediately after the written request to adjust the total initial equalized value is received determine the total homestead exemptions in the redevelopment project area provided by Sections 15-170, and 15-175, and 15-176 of the Property Tax Code by adding together the homestead exemptions provided by said Sections on each lot, block, tract or parcel of real property within such redevelopment project area and then shall deduct the total of said exemptions from the total initial equalized assessed value. The county clerk shall then promptly certify such amount as the "total initial equalized assessed value as adjusted" of the taxable real property within such redevelopment project area.

(c) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in such area, then in respect to every taxing district containing a redevelopment project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such district for the purpose of computing the rate per cent of tax to be extended upon taxable property within such district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project area by including in such amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area, except that after he has certified the "total initial equalized assessed value as adjusted" he shall in the year of said certification if tax rates have not been extended and in every year thereafter that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project area by including in such amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value as adjusted" of all taxable real property in such area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the redevelopment project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the redevelopment project area. This Division shall not be construed as relieving property owners within a redevelopment project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

(65 ILCS 5/11-74.6-40)

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

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

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

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

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

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

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(2) the total updated initial equalized assessed value of all taxable real property within the redevelopment project area, which is the total of the updated initial equalized assessed value of all taxable real property within the vacant industrial buildings conservation area. The county clerk shall certify to the municipality the total updated initial equalized assessed value of all taxable real property within the industrial buildings conservation area.

(c) After the county clerk has certified the total initial equalized assessed value or the total updated initial equalized assessed value of the taxable real property in the area, for each taxing district in which a redevelopment project area is situated, the county clerk or any other official required by law to determine the amount of the equalized assessed value of all taxable property within the district for the purpose of computing the percentage rate of tax to be extended upon taxable property within the district, shall in every year that tax increment allocation financing is in effect determine the total equalized assessed value of taxable property in a redevelopment project area by including in that amount the lower of the current equalized assessed value or the certified total initial equalized assessed value or, if the total of updated equalized assessed value has been certified, the total updated initial equalized assessed value of all taxable real property in the redevelopment project area. After he has certified the total initial equalized assessed value he shall in the year of that certification, if tax rates have not been extended, and in every subsequent year that tax increment allocation financing is in effect, determine the amount of equalized assessed value of taxable property in a redevelopment project area by including in that amount the lower of the current total equalized assessed value or the certified total initial equalized assessed value or, if the total of updated initial equalized assessed values have been certified, the total updated initial equalized assessed value of all taxable real property in the redevelopment project area.

(d) The percentage rate of tax determined shall be extended on the current equalized assessed value of all property in the redevelopment project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the redevelopment project area. This Law shall not be construed as relieving property owners within a redevelopment project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code. (Source: P.A. 88-537; 88-670, eff. 12-2-94.)

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

(65 ILCS 110/45)

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

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

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within the taxing district shall, in every year that tax increment allocation financing is in effect, ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in the area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of

extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving owners or lessees of property within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.
(Source: P.A. 89-176, eff. 1-1-96.)

Section 35. The School Code is amended by changing Section 18-8.05 as follows:
(105 ILCS 5/18-8.05)

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

(A) General Provisions.

(1) The provisions of this Section apply to the 1998-1999 and subsequent school years. The system of general State financial aid provided for in this Section is designed to assure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of general State financial aid that, when added to Available Local Resources, equals or exceeds the Foundation Level. The amount of per pupil general State financial aid for school districts, in general, varies in inverse relation to Available Local Resources. Per pupil amounts are based upon each school district's Average Daily Attendance as that term is defined in this Section.

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

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

(a) Any school district which fails for any given school year to maintain school as required by law, or to maintain a recognized school is not eligible to file for such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion which the Average Daily Attendance in the attendance center or centers bear to the Average Daily Attendance in the school district. A "recognized school" means any public school which meets the standards as established for recognition by the State Board of Education. A school district or attendance center not having recognition status at the end of a school term is entitled to receive State aid payments due upon a legal claim which was filed while it was recognized.

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

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

(d) (Blank).

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

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

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

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

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

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

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

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

(B) Foundation Level.

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

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

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

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

(C) Average Daily Attendance.

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

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

(D) Available Local Resources.

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

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

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

(4) The Corporate Personal Property Replacement Taxes paid to each school district during the calendar year 2 years before the calendar year in which a school year begins, divided by the Average Daily Attendance figure for that district, shall be added to the local property tax revenues per pupil as derived by the application of the immediately preceding paragraph (3). The sum of these per pupil

figures for each school district shall constitute Available Local Resources as that term is utilized in subsection (E) in the calculation of general State aid.

(E) Computation of General State Aid.

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

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

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

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

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

(F) Compilation of Average Daily Attendance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the value as equalized or assessed by the Department of Revenue of all taxable property of every school district, together with (i) the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the previous year and (ii) the limiting rate for all school districts subject to property tax extension limitations

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as imposed under the Property Tax Extension Limitation Law.

The Department of Revenue shall add to the equalized assessed value of all taxable property of each school district situated entirely or partially within a county with 3,000,000 or more inhabitants an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 of the Property Tax Code for real property located in Cook County and situated in that school district exceeds the total amount that would have been allowed in that school district if the maximum reduction under Section 15-176 was \$4,500. The county clerk of any county with 3,000,000 or more inhabitants shall annually calculate and certify to the Department of Revenue for each school district all homestead exemption amounts under Section 15-176. It is the intent of this paragraph that if the general homestead exemption for a parcel of property is determined under Section 15-176 of the Property Tax Code rather than Section 15-175, then the calculation of Available Local Resources shall not be affected by the difference, if any, between the amount of the general homestead exemption allowed for that parcel of property under Section 15-176 of the Property Tax Code and the amount that would have been allowed had the general homestead exemption for that parcel of property been determined under Section 15-175 of the Property Tax Code.

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

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

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

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

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

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

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

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

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

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

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

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

Year's Tax Extension.

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

If a school district is subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that district. For the 1999-2000 school year, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed Valuation and the district's Extension Limitation Ratio. For the 2000-2001 school year and each school year thereafter, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of a school district as calculated under this subsection (G)(3) is less than the district's equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating the district's general State aid for the Budget Year pursuant to subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources under subsection (D).

(4) For the purposes of calculating general State aid for the 1999-2000 school year only, if a school district experienced a triennial reassessment on the equalized assessed valuation used in calculating its general State financial aid apportionment for the 1998-1999 school year, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. This amount shall equal the product of the equalized assessed valuation used to calculate general State aid for the 1997-1998 school year and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of the school district as calculated under this paragraph (4) is less than the district's equalized assessed valuation utilized in calculating the district's 1998-1999 general State aid allocation, then for purposes of calculating the district's general State aid pursuant to paragraph (5) of subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources.

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

(H) Supplemental General State Aid.

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

(1.5) This paragraph (1.5) applies only to those school years preceding the 2003-2004 school year. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall be the low-income eligible pupil count from the most recently available federal census divided by the Average Daily Attendance of the school district. If, however, (i) the percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count of a high school district with fewer than 400 students exceeds by 75% or more the percentage change in the total low-income eligible pupil count of contiguous elementary school districts, whose boundaries are coterminous with the high school district, or (ii) a high school district within 2 counties and serving 5 elementary school districts, whose boundaries are coterminous with the high school district, has a percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count and there is a percentage increase in the

total low-income eligible pupil count of a majority of the elementary school districts in excess of 50% from the 2 most recent federal censuses, then the high school district's low-income eligible pupil count from the earlier federal census shall be the number used as the low-income eligible pupil count for the high school district, for purposes of this subsection (H). The changes made to this paragraph (1) by Public Act 92-28 shall apply to supplemental general State aid grants for school years preceding the 2003-2004 school year that are paid in fiscal year 1999 or thereafter and to any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 of this Code (which was repealed on July 1, 1998), and any high school district that is affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in any of those fiscal years. This recomputation shall not be affected by any other funding.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) For any school district with a Low Income Concentration Level greater than 15%, the

grant for each school year shall be \$294.25 added to the product of \$2,700 and the square of the Low Income Concentration Level, all multiplied by the low income eligible pupil count.

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

For the 2003-2004 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.25 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.50 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.75 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year.

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

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

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

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

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

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

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

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

approved plans pursuant to rules promulgated by the State Board of Education.

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

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

For purposes of determining compliance with this subsection in relation to the requirements of attendance center funding, each district subject to the provisions of this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for the prior year in addition to any modification of its current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days of receipt of the report, notify the district and any affected local school council. The district shall within 45 days of receipt of that notification inform the State Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a timely manner shall result in a withholding of the affected funds.

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

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

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

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

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

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

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

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

(J) Supplementary Grants in Aid.

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

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

(3) (Blank).

(K) Grants to Laboratory and Alternative Schools.

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

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

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

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

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

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

(2) (Blank).

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

(M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this subsection (M) referred to as the "Board", is hereby created. The Board shall consist of 5 members who are appointed by the Governor, by and with the advice and consent of the Senate. The members appointed shall include representatives of education, business, and the general public. One of the members so appointed shall be designated by the Governor at the time the appointment is made as the chairperson of the Board. The initial members of the Board may be appointed any time after the effective date of this amendatory Act of 1997. The regular term of each member of the Board shall be for 4 years from the third Monday of January of the year in which the term of the member's appointment is to commence, except that of the 5 initial members appointed to serve on the Board, the member who is appointed as the chairperson shall serve for a term that commences on the date of his or her appointment and expires on the third Monday of January, 2002, and the remaining 4 members, by lots drawn at the first meeting of the Board that is held after all 5 members are appointed, shall determine 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2000. All members appointed to serve on the Board shall serve until their respective successors are appointed and confirmed. Vacancies shall be filled in the same manner as original appointments. If a vacancy in membership occurs at a time when the Senate is not in session, the Governor shall make a temporary appointment until the next meeting of the Senate, when he or she shall appoint, by and with the advice and consent of the Senate, a person to fill that membership for the unexpired term. If the Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of vacancies.

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

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

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

(N) (Blank).

(O) References.

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

(2) References in other laws to State Chapter 1 funds shall be deemed to refer to the supplemental

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general State aid provided under subsection (H) of this Section.

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

Section 40. The Criminal Code of 1961 is amended by changing Section 17A-1 as follows:
(720 ILCS 5/17A-1) (from Ch. 38, par. 17A-1)

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

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

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

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

(d) Grants provided by the Department on Aging.

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

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

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

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

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

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

(30 ILCS 805/8.28 new)

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

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

AMENDMENT NO. 11

AMENDMENT NO. 11. Amend Senate Bill 1498, AS AMENDED, by replacing everything after the enacting clause with the following:

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

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

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

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

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

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purpose of computing the rate per cent of tax to be extended upon taxable property within that taxing district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of allocating taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the economic development project area, terminating the economic development project area, and terminating the use of tax increment allocation financing for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.
(Source: P.A. 88-670, eff. 12-2-94.)

Section 10. The Property Tax Code is amended by changing Sections 14-15, 15-10, 15-170, 15-175, and 20-178 and by adding Section 15-176 as follows:
(35 ILCS 200/14-15)

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

(a) In counties with 3,000,000 or more inhabitants, if, after the assessment is certified pursuant to Section 16-150, but subject to the limitations of subsection (c) of this Section, the county assessor discovers an error or mistake in the assessment, the assessor shall execute a certificate setting forth the nature and cause of the error. The certificate when endorsed by the county assessor, or when endorsed by the county assessor and board of appeals (until the first Monday in December 1998 and the board of review beginning the first Monday in December 1998 and thereafter) where the certificate is executed for any assessment which was the subject of a complaint filed in the board of appeals (until the first Monday in December 1998 and the board of review beginning the first Monday in December 1998 and thereafter) for the tax year for which the certificate is issued, may, either be certified according to the procedure authorized by this Section or be presented and received in evidence in any court of competent jurisdiction. Certification is authorized, at the discretion of the county assessor, for: (1) certificates of error allowing homestead exemptions pursuant to Sections 15-170, 15-172, ~~and 15-175~~, and 15-176; (2) certificates of error on residential property of 6 units or less; (3) certificates of error allowing exemption of the property pursuant to Section 14-25; and (4) other certificates of error reducing assessed value by less than \$100,000. Any certificate of error not certified shall be presented to the court. The county assessor shall develop reasonable procedures for the filing and processing of certificates of error. Prior to the certification or presentation to the court, the county assessor or his or her designee shall execute and include in the certificate of error a statement attesting that all procedural requirements pertaining to the issuance of the certificate of error have been met and that in fact an error exists. When so introduced in evidence such certificate shall become a part of the court records, and shall not be removed from the files except upon the order of the court.

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

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

A certificate of error certified under this Section shall be given effect by the county treasurer, who shall mark the tax books and, upon receipt of one of the following certificates from the county assessor or the county assessor and the board of review where the board of review is required to endorse the certificate of error, shall issue refunds to the taxpayer accordingly:

"CERTIFICATION

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

"CERTIFICATION

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

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

To the extent that the certificate of error obviates the liability for nonpayment of taxes, certification of a certificate of error according to the procedure authorized in this Section shall operate to vacate any judgment or forfeiture as to that year's taxes, and the warrant books and judgment books shall be marked to reflect that the judgment or forfeiture has been vacated.

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

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

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

(e) The changes made by this amendatory Act of the 91st General Assembly apply to certificates of error issued before, on, and after the effective date of this amendatory Act of the 91st General Assembly. (Source: P.A. 90-4, eff. 3-7-97; 90-288, eff. 8-1-97; 90-655, eff. 7-30-98; 91-393, eff. 7-30-99; 91-686, eff. 1-26-00.)

(35 ILCS 200/15-10)

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

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parcel as required of owners who file individual affidavits.

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

- (1) Section 15-45 (burial grounds) in counties of less than 3,000,000 inhabitants and owned by a not-for-profit organization.
- (2) Section 15-40.
- (3) Section 15-50 (United States property).

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

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

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

(35 ILCS 200/15-170)

Sec. 15-170. Senior Citizens Homestead Exemption. An annual homestead exemption limited, except as described here with relation to cooperatives or life care facilities, to a maximum reduction set forth below from the property's value, as equalized or assessed by the Department, is granted for property that is occupied as a residence by a person 65 years of age or older who is liable for paying real estate taxes on the property and is an owner of record of the property or has a legal or equitable interest therein as evidenced by a written instrument, except for a leasehold interest, other than a leasehold interest of land on which a single family residence is located, which is occupied as a residence by a person 65 years or older who has an ownership interest therein, legal, equitable or as a lessee, and on which he or she is liable for the payment of property taxes. The maximum reduction shall be \$2,500 in counties with 3,000,000 or more inhabitants and \$2,000 in all other counties. For land improved with an apartment building owned and operated as a cooperative, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by a person 65 years of age or older who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. For land improved with a life care facility, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by persons 65 years of age or older, irrespective of any legal, equitable, or leasehold interest in the facility, who are liable, under a contract with the owner or owners of record of the facility, for paying property taxes on the property. In a cooperative or a life care facility where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor. Under this Section and Sections ~~Section~~ 15-175 and 15-176, "life care facility" means a facility as defined in Section 2 of the Life Care Facilities Act, with which the applicant for the homestead exemption has a life care contract as defined in that Act.

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

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

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

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

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The chief county assessment officer of each county with less than 3,000,000 inhabitants shall provide to each person allowed a homestead exemption under this Section a form to designate any other person to receive a duplicate of any notice of delinquency in the payment of taxes assessed and levied under this Code on the property of the person receiving the exemption. The duplicate notice shall be in addition to the notice required to be provided to the person receiving the exemption, and shall be given in the manner required by this Code. The person filing the request for the duplicate notice shall pay a fee of \$5 to cover administrative costs to the supervisor of assessments, who shall then file the executed designation with the county collector. Notwithstanding any other provision of this Code to the contrary, the filing of such an executed designation requires the county collector to provide duplicate notices as indicated by the designation. A designation may be rescinded by the person who executed such designation at any time, in the manner and form required by the chief county assessment officer.

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

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

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

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

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

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

(35 ILCS 200/15-175)

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

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

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

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

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

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

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

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

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

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

(Source: P.A. 90-368, eff. 1-1-98; 90-552, eff. 12-12-97; 90-655, eff. 7-30-98; 91-346, eff. 7-29-99.)
(35 ILCS 200/15-176 new)

Sec. 15-176. Alternative general homestead exemption.

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

(b) As used in this Section:

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

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

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

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

(3) "Base homestead value":

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

(B) If the property is sold or ownership is otherwise transferred, other than sales or transfers between spouses or between a parent and a child, "base homestead value" means the equalized assessed value of the property at the time of the sale or transfer prior to exemptions, minus \$4,500 in Cook County or \$3,500 in all other counties, provided that it was assessed as residential property qualified for any of the homestead exemptions under Sections 15-170 through 15-175 of this Code, then in force, and further provided that the property's assessment was not based on a reduced assessed value resulting from a temporary irregularity in the property.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) In the case of homestead property that also qualifies for the exemption under Section 15-172, the property is entitled to the exemption under this Section, limited to the amount of \$4,500 in Cook County or \$3,500 in all other counties.

(f) In the case of an apartment building owned and operated as a cooperative, or as a life care facility, that contains residential units that qualify as homestead property under this Section, the maximum cumulative exemption amount attributed to the entire building or facility shall not exceed the sum of the exemptions calculated for each qualified residential unit. The cooperative association, management firm, or other person or entity that manages or controls the cooperative apartment building or life care facility shall credit the exemption attributable to each residential unit only to the apportioned tax liability of the owner or other person responsible for payment of taxes as to that unit. Any person who willfully refuses

to so credit the exemption is guilty of a Class B misdemeanor.

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

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

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

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

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

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

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

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

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

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

(35 ILCS 200/20-178)

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

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

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

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

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

(35 ILCS 250/20)

Sec. 20. Conditions of deferral or exemption.

(a) Any deferral or exemption of payment of an increase in real property taxes granted under this Act shall be limited to real property that meets both of the following conditions:

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

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

The corporate authorities of a county, by ordinance or resolution, may impose additional criteria for qualifying for a deferral or exemption under this Act including, but not limited to, (i) requiring the owner-occupant to have owned and occupied the same dwelling place as principal residence and

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domicile for a period of more than 10 years, (ii) establishing age criteria for eligibility of an owner-occupant, and (iii) establishing income criteria for eligibility of an owner-occupant. A deferral or exemption, or combination thereof, under an ordinance or resolution adopted pursuant to this Act, may not exceed \$25,000 in equalized assessed value per tax year.

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

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

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

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

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

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

(a) The county shall file a certified copy of any ordinance authorizing property tax allocation financing for an economic development project area with the county clerk, and the county clerk shall immediately thereafter determine (1) the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code, which value shall be the "initial equalized assessed value" of each such piece of property, and (2) the total equalized assessed value of all taxable real property within the economic development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such economic development project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code. Upon receiving written notice from the Department of its approval and certification of such economic development project area, the county clerk shall immediately certify such amount as the "total initial equalized assessed value" of the taxable property within the economic development project area.

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within that taxing district for the purpose of computing the rate percent of tax to be extended upon taxable property within the taxing district, shall in every year that property tax allocation financing is in effect ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area. The rate percent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate percent of tax is extended to all other taxable property in the taxing district. The method of allocating taxes established under this Section shall terminate when the county adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

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

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

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

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

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

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within the taxing district shall, in every year that tax increment allocation financing is in effect, ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in the area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the county adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

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

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

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

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the redevelopment project area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(b) Except from a tax levied by a township to retire bonds issued to satisfy court-ordered damages, that portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the redevelopment project area over and above the initial equalized assessed value of each property in the project area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof. In any county with a population of 3,000,000 or more that has adopted a procedure for collecting taxes that provides for one or more of the installments of the taxes to be billed and collected on an estimated basis, the municipal treasurer shall be paid for deposit in the special tax allocation fund of the municipality, from the taxes collected from estimated bills issued for property in the redevelopment project area, the difference between the amount actually collected from each taxable lot, block, tract, or parcel of real property within the redevelopment project area and an amount determined by multiplying the rate at which taxes were last extended against the taxable lot, block, track, or parcel of real property in the manner provided in subsection (c) of Section 11-74.4-9 by the initial equalized assessed value of the property divided by the number of installments in which real estate taxes are billed and collected within the county; provided that the

payments on or before December 31, 1999 to a municipal treasurer shall be made only if each of the following conditions are met:

- (1) The total equalized assessed value of the redevelopment project area as last determined was not less than 175% of the total initial equalized assessed value.
- (2) Not more than 50% of the total equalized assessed value of the redevelopment project area as last determined is attributable to a piece of property assigned a single real estate index number.
- (3) The municipal clerk has certified to the county clerk that the municipality has issued its obligations to which there has been pledged the incremental property taxes of the redevelopment project area or taxes levied and collected on any or all property in the municipality or the full faith and credit of the municipality to pay or secure payment for all or a portion of the redevelopment project costs. The certification shall be filed annually no later than September 1 for the estimated taxes to be distributed in the following year; however, for the year 1992 the certification shall be made at any time on or before March 31, 1992.

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

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

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

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

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

(2) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the redevelopment project area, over and above the initial equalized assessed value of each property existing at the time tax increment financing was adopted, minus the total current homestead exemptions pertaining to each piece of property provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code in the redevelopment project area, shall be allocated to and when

collected shall be paid to the municipal Treasurer, who shall deposit said taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof.

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

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

When such redevelopment projects costs, including without limitation all municipal obligations financing redevelopment project costs incurred under this Division, have been paid, all surplus funds then remaining in the special tax allocation fund shall be distributed by being paid by the municipal treasurer to the Department of Revenue, the municipality and the county collector; first to the Department of Revenue and the municipality in direct proportion to the tax incremental revenue received from the State and the municipality, but not to exceed the total incremental revenue received from the State or the municipality less any annual surplus distribution of incremental revenue previously made; with any remaining funds to be paid to the County Collector who shall immediately thereafter pay said funds to the taxing districts in the redevelopment project area in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property in the redevelopment project area.

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

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

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

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

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

(a) If a municipality by ordinance provides for tax increment allocation financing pursuant to Section 11-74.4-8, the county clerk immediately thereafter shall determine (1) the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within such redevelopment project area from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax Code, which value shall be the "initial equalized assessed value" of each such piece of property, and (2) the total equalized assessed value of all taxable real property within such redevelopment project area by adding together the most recently ascertained

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

(b) In reference to any municipality which has adopted tax increment financing after January 1, 1978, and in respect to which the county clerk has certified the "total initial equalized assessed value" of the property in the redevelopment area, the municipality may thereafter request the clerk in writing to adjust the initial equalized value of all taxable real property within the redevelopment project area by deducting therefrom the exemptions provided for by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code applicable to each lot, block, tract or parcel of real property within such redevelopment project area. The county clerk shall immediately after the written request to adjust the total initial equalized value is received determine the total homestead exemptions in the redevelopment project area provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code by adding together the homestead exemptions provided by said Sections on each lot, block, tract or parcel of real property within such redevelopment project area and then shall deduct the total of said exemptions from the total initial equalized assessed value. The county clerk shall then promptly certify such amount as the "total initial equalized assessed value as adjusted" of the taxable real property within such redevelopment project area.

(c) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in such area, then in respect to every taxing district containing a redevelopment project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such district for the purpose of computing the rate per cent of tax to be extended upon taxable property within such district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project area by including in such amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area, except that after he has certified the "total initial equalized assessed value as adjusted" he shall in the year of said certification if tax rates have not been extended and in every year thereafter that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project area by including in such amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value as adjusted" of all taxable real property in such area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the redevelopment project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the redevelopment project area. This Division shall not be construed as relieving property owners within a redevelopment project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

(65 ILCS 5/11-74.6-40)

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

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

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

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

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

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

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

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

(c) After the county clerk has certified the total initial equalized assessed value or the total updated initial equalized assessed value of the taxable real property in the area, for each taxing district in which a redevelopment project area is situated, the county clerk or any other official required by law to determine the amount of the equalized assessed value of all taxable property within the district for the purpose of computing the percentage rate of tax to be extended upon taxable property within the district, shall in every year that tax increment allocation financing is in effect determine the total equalized assessed value of taxable property in a redevelopment project area by including in that amount the lower of the current equalized assessed value or the certified total initial equalized assessed value or, if the total of updated equalized assessed value has been certified, the total updated initial equalized assessed value of all taxable real property in the redevelopment project area. After he has certified the total initial equalized assessed value he shall in the year of that certification, if tax rates have not been extended, and in every subsequent year that tax increment allocation financing is in effect, determine the amount of equalized assessed value of taxable property in a redevelopment project area by including in that amount the lower of the current total equalized assessed value or the certified total initial equalized assessed value or, if the total of updated initial equalized assessed values have been certified, the total updated initial equalized assessed value of all taxable real property in the redevelopment project area.

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

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

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

(65 ILCS 110/45)

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

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

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within the taxing district shall, in every year that tax increment allocation financing is in effect, ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in the area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving owners or lessees of property within an economic development project area

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from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

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

Section 35. The School Code is amended by changing Section 18-8.05 as follows:
(105 ILCS 5/18-8.05)

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

(A) General Provisions.

(1) The provisions of this Section apply to the 1998-1999 and subsequent school years. The system of general State financial aid provided for in this Section is designed to assure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of general State financial aid that, when added to Available Local Resources, equals or exceeds the Foundation Level. The amount of per pupil general State financial aid for school districts, in general, varies in inverse relation to Available Local Resources. Per pupil amounts are based upon each school district's Average Daily Attendance as that term is defined in this Section.

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

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

(a) Any school district which fails for any given school year to maintain school as required by law, or to maintain a recognized school is not eligible to file for such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion which the Average Daily Attendance in the attendance center or centers bear to the Average Daily Attendance in the school district. A "recognized school" means any public school which meets the standards as established for recognition by the State Board of Education. A school district or attendance center not having recognition status at the end of a school term is entitled to receive State aid payments due upon a legal claim which was filed while it was recognized.

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

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

(d) (Blank).

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

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

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

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

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

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

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

(e) "Operating Tax Rate": All school district property taxes extended for all

purposes, except Bond and Interest, Summer School, Rent, Capital Improvement, and Vocational Education Building purposes.

(B) Foundation Level.

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

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

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

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

(C) Average Daily Attendance.

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

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

(D) Available Local Resources.

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

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

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

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

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(E) Computation of General State Aid.

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

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

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

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

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

(F) Compilation of Average Daily Attendance.

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

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

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

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

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

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

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

(a) Pupils regularly enrolled in a public school for only a part of the school day may be counted on the basis of 1/6 day for every class hour of instruction of 40 minutes or more attended pursuant to such enrollment, unless a pupil is enrolled in a block-schedule format of 80 minutes or

more of instruction, in which case the pupil may be counted on the basis of the proportion of minutes of school work completed each day to the minimum number of minutes that school work is required to be held that day.

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

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

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

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

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

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

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

(G) Equalized Assessed Valuation Data.

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

The Department of Revenue shall add to the equalized assessed value of all taxable property of each school district situated entirely or partially within a county subject to the alternative general homestead

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exemption provisions of Section 15-176 of the Property Tax Code an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 of the Property Tax Code for real property situated in that school district exceeds the total amount that would have been allowed in that school district if the maximum reduction under Section 15-176 was \$4,500 in Cook County or \$3,500 in all other counties. The county clerk of any county subject to the alternative general homestead exemption provisions of Section 15-176 of the Property Tax Code shall annually calculate and certify to the Department of Revenue for each school district all homestead exemption amounts under Section 15-176 of the Property Tax Code. It is the intent of this paragraph that if the general homestead exemption for a parcel of property is determined under Section 15-176 of the Property Tax Code rather than Section 15-175, then the calculation of Available Local Resources shall not be affected by the difference, if any, between the amount of the general homestead exemption allowed for that parcel of property under Section 15-176 of the Property Tax Code and the amount that would have been allowed had the general homestead exemption for that parcel of property been determined under Section 15-175 of the Property Tax Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

If a school district is subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that district. For the 1999-2000 school year, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed Valuation and the district's Extension Limitation Ratio. For the 2000-2001 school year and each school year thereafter, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of a school district as calculated under this subsection (G)(3) is less than the district's equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating the district's general State aid for the Budget Year pursuant to subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources under subsection (D).

(4) For the purposes of calculating general State aid for the 1999-2000 school year only, if a school district experienced a triennial reassessment on the equalized assessed valuation used in calculating its general State financial aid apportionment for the 1998-1999 school year, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. This amount shall equal the product of the equalized assessed valuation used to calculate general State aid for the 1997-1998 school year and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of the school district as calculated under this paragraph (4) is less than the district's equalized assessed valuation utilized in calculating the district's 1998-1999 general State aid allocation, then for purposes of calculating the district's general State aid pursuant to paragraph (5) of subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources.

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

(H) Supplemental General State Aid.

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

(1.5) This paragraph (1.5) applies only to those school years preceding the 2003-2004 school year. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall be the low-income eligible pupil count from the most recently available federal census divided by the Average Daily Attendance of the school district. If, however, (i) the percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count of a high school district with fewer than 400 students exceeds by 75% or more the percentage change in the total low-income eligible pupil count of contiguous elementary school districts, whose boundaries are coterminous with the high school district, or (ii) a high school district within 2 counties and serving 5 elementary school districts, whose boundaries are coterminous with the high school district, has a percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count and there is a percentage increase in the total low-income eligible pupil count of a majority of the elementary school districts in excess of 50%

from the 2 most recent federal censuses, then the high school district's low-income eligible pupil count from the earlier federal census shall be the number used as the low-income eligible pupil count for the high school district, for purposes of this subsection (H). The changes made to this paragraph (1) by Public Act 92-28 shall apply to supplemental general State aid grants for school years preceding the 2003-2004 school year that are paid in fiscal year 1999 or thereafter and to any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 of this Code (which was repealed on July 1, 1998), and any high school district that is affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in any of those fiscal years. This recomputation shall not be affected by any other funding.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) For any school district with a Low Income Concentration Level greater than 15%, the grant for each school year shall be \$294.25 added to the product of \$2,700 and the square of the Low

Income Concentration Level, all multiplied by the low income eligible pupil count.

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

For the 2003-2004 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.25 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.50 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.75 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year.

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

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

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

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

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

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

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

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

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

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

For purposes of determining compliance with this subsection in relation to the requirements of attendance center funding, each district subject to the provisions of this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for the prior year in addition to any modification of its current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days of receipt of the report, notify the district and any affected local school council. The district shall within 45 days of receipt of that notification inform the State Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a timely manner shall result in a withholding of the affected funds.

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

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

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

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

(3) For 2 or more school districts which annex all of the territory of one or more entire other school districts, and for 2 or more community unit districts which result upon the division (pursuant to petition under Section 11A-2) of one or more other unit school districts into 2 or more parts and which together include all of the parts into which such other unit school district or districts are so divided, for the first year during which the change of boundaries attributable to such annexation or division becomes effective for all purposes as determined under Section 7-9 or 11A-10, as the case may be, the general State aid and supplemental general State aid calculated under this Section shall be computed for each annexing or resulting district as constituted after the annexation or division and for each annexing and annexed district, or for each resulting and divided district, as constituted prior to the annexation or division; and if the aggregate of the general State aid and supplemental general State aid as so computed for the annexing or resulting districts as constituted after the annexation or division is less than the aggregate of the general State aid and supplemental general State aid as so computed for the annexing and annexed districts, or for the resulting and divided districts, as constituted prior to the annexation or division, then a supplementary payment equal to the difference shall be made and allocated between or among the annexing or resulting districts, as constituted upon such annexation or division, for the first 4 years of their existence. The total difference payment shall be allocated between or among the annexing or resulting districts in the same ratio as the pupil enrollment from that portion of the annexed or divided district or districts which is annexed to or included in each such annexing or resulting district bears to the total pupil enrollment from the entire annexed or divided district or districts, as such pupil enrollment is determined for the school year last ending prior to the date when the change of boundaries attributable to

the annexation or division becomes effective for all purposes. The amount of the total difference payment and the amount thereof to be allocated to the annexing or resulting districts shall be computed by the State Board of Education on the basis of pupil enrollment and other data which shall be certified to the State Board of Education, on forms which it shall provide for that purpose, by the regional superintendent of schools for each educational service region in which the annexing and annexed districts, or resulting and divided districts are located.

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

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

(J) Supplementary Grants in Aid.

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

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

(3) (Blank).

(K) Grants to Laboratory and Alternative Schools.

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

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

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

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

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

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

(2) (Blank).

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

(M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this subsection (M) referred to as the "Board", is hereby created. The Board shall consist of 5 members who are appointed by the Governor, by and with the advice and consent of the Senate. The members appointed shall include representatives of education, business, and the general public. One of the members so appointed shall be designated by the Governor at the time the appointment is made as the chairperson of the Board. The initial members of the Board may be appointed any time after the effective date of this amendatory Act of 1997. The regular term of each member of the Board shall be for 4 years from the third Monday of January of the year in which the term of the member's appointment is to commence, except that of the 5 initial members appointed to serve on the Board, the member who is appointed as the chairperson shall serve for a term that commences on the date of his or her appointment and expires on the third Monday of January, 2002, and the remaining 4 members, by lots drawn at the first meeting of the Board that is held after all 5 members are appointed, shall determine 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2000. All members appointed to serve on the Board shall serve until their respective successors are appointed and confirmed. Vacancies shall be filled in the same manner as original appointments. If a vacancy in membership occurs at a time when the Senate is not in session, the Governor shall make a temporary appointment until the next meeting of the Senate, when he or she shall appoint, by and with the advice and consent of the Senate, a person to fill that membership for the unexpired term. If the Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of vacancies.

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

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

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

(N) (Blank).

(O) References.

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

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

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

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

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

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

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

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

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

(d) Grants provided by the Department on Aging.

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

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

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

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

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

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

(30 ILCS 805/8.28 new)

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

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

AMENDMENT NO. 12

AMENDMENT NO. 12. Amend Senate Bill 1498, AS AMENDED, with reference to page and line numbers of House Amendment No. 11, as follows:
on page 17, by deleting lines 2 through 6; and
on page 18, by deleting lines 21 through 26.

Under the rules, the foregoing **Senate Bill No. 1498**, with House Amendments numbered 2, 5, 11 and 12, was referred to the Secretary's Desk.

A message from the House by

Mr. Bolin, Assistant Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 412

A bill for AN ACT in relation to vehicles.

Passed the House, February 20, 2004.

BRADLEY S. BOLIN, Assistant Clerk of the House

The foregoing **House Bill No. 412** was taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Bolin, Assistant Clerk:

[February 24, 2004]

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 3865

A bill for AN ACT in relation to gaming.
Passed the House, February 20, 2004.

BRADLEY S. BOLIN, Assistant Clerk of the House

The foregoing **House Bill No. 3865** was taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Bolin, Assistant Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 4106

A bill for AN ACT concerning fees.
Passed the House, February 20, 2004.

BRADLEY S. BOLIN, Assistant Clerk of the House

The foregoing **House Bill No. 4106** was taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Bolin, Assistant Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 4157

A bill for AN ACT concerning professional regulation.
Passed the House, February 20, 2004.

BRADLEY S. BOLIN, Assistant Clerk of the House

The foregoing **House Bill No. 4157** was taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Bolin, Assistant Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 61

Concurred in by the House, February 20, 2004.

BRADLEY S. BOLIN, Assistant Clerk of the House

READING BILL FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME

House Bill No. 412, sponsored by Senator Shadid, was taken up, read by title a first time and referred to the Committee on Rules.

READING BILLS OF THE SENATE A SECOND TIME

On motion of Senator del Valle, **Senate Bill No. 2115** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Garrett, **Senate Bill No. 2140** having been printed, was taken up, read by title a second time.

Committee Amendment No. 1 was held in the Committee on Rules.

Floor Amendment No. 2 was held in the Committee on Rules.

There being no further amendments the bill was ordered to a third reading.

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On motion of Senator Welch, **Senate Bill No. 2167** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Judiciary, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1 . Amend Senate Bill 2167 on page 1, line 1, by replacing "criminal law" with "the Office of the Secretary of State"; and

on page 1, by inserting between lines 3 and 4 the following:

"Section 2. The Illinois Vehicle Code is amended by changing Section 6-103 as follows:

(625 ILCS 5/6-103) (from Ch. 95 1/2, par. 6-103)

Sec. 6-103. What persons shall not be licensed as drivers or granted permits. The Secretary of State shall not issue, renew, or allow the retention of any driver's license nor issue any permit under this Code:

1. To any person, as a driver, who is under the age of 18 years except as provided in

Section 6-107, and except that an instruction permit may be issued under paragraphs (a) and (b) of Section 6-105 to a child who is not less than 15 years of age if the child is enrolled in an approved driver education course as defined in Section 1-103 of this Code and requires an instruction permit to participate therein, except that an instruction permit may be issued under the provisions of Section 6-107.1 to a child who is 17 years and 9 months of age without the child having enrolled in an approved driver education course and except that an instruction permit may be issued to a child who is at least 15 years and 6 months of age, is enrolled in school, meets the educational requirements of the Driver Education Act, and has passed examinations the Secretary of State in his or her discretion may prescribe;

2. To any person who is under the age of 18 as an operator of a motorcycle other than a motor driven cycle unless the person has, in addition to meeting the provisions of Section 6-107 of this Code, successfully completed a motorcycle training course approved by the Illinois Department of Transportation and successfully completes the required Secretary of State's motorcycle driver's examination;

3. To any person, as a driver, whose driver's license or permit has been suspended, during the suspension, nor to any person whose driver's license or permit has been revoked, except as provided in Sections 6-205, 6-206, and 6-208;

4. To any person, as a driver, who is a user of alcohol or any other drug to a degree that renders the person incapable of safely driving a motor vehicle;

5. To any person, as a driver, who has previously been adjudged to be afflicted with or suffering from any mental or physical disability or disease and who has not at the time of application been restored to competency by the methods provided by law;

6. To any person, as a driver, who is required by the Secretary of State to submit an alcohol and drug evaluation or take an examination provided for in this Code unless the person has successfully passed the examination and submitted any required evaluation;

7. To any person who is required under the provisions of the laws of this State to deposit security or proof of financial responsibility and who has not deposited the security or proof;

8. To any person when the Secretary of State has good cause to believe that the person by reason of physical or mental disability would not be able to safely operate a motor vehicle upon the highways, unless the person shall furnish to the Secretary of State a verified written statement, acceptable to the Secretary of State, from a competent medical specialist to the effect that the operation of a motor vehicle by the person would not be inimical to the public safety;

9. To any person, as a driver, who is 69 years of age or older, unless the person has successfully complied with the provisions of Section 6-109;

10. To any person convicted, within 12 months of application for a license, of any of the sexual offenses enumerated in paragraph 2 of subsection (b) of Section 6-205;

11. To any person who is under the age of 21 years with a classification prohibited in paragraph (b) of Section 6-104 and to any person who is under the age of 18 years with a classification prohibited in paragraph (c) of Section 6-104;

12. To any person who has been either convicted of or adjudicated under the Juvenile Court Act of 1987 based upon a violation of the Cannabis Control Act or the Illinois Controlled Substances Act while that person was in actual physical control of a motor vehicle. For purposes of this Section, any person placed on probation under Section 10 of the Cannabis Control Act or Section 410 of the Illinois Controlled Substances Act shall not be considered convicted. Any person found

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guilty of this offense, while in actual physical control of a motor vehicle, shall have an entry made in the court record by the judge that this offense did occur while the person was in actual physical control of a motor vehicle and order the clerk of the court to report the violation to the Secretary of State as such. The Secretary of State shall not issue a new license or permit for a period of one year;

13. To any person who is under the age of 18 years and who has committed the offense of operating a motor vehicle without a valid license or permit in violation of Section 6-101;

14. To any person who is 90 days or more delinquent in court ordered child support payments or has been adjudicated in arrears in an amount equal to 90 days' obligation or more and who has been found in contempt of court for failure to pay the support, subject to the requirements and procedures of Article VII of Chapter 7 of the Illinois Vehicle Code; ~~or~~

15. To any person released from a term of imprisonment for violating Section 9-3 of the Criminal Code of 1961 relating to reckless homicide within 24 months of release from a term of imprisonment; ~~or~~

16. To any person who, with intent to influence any act related to the issuance of any driver's license or permit, by an employee of the Secretary of State's Office, or the owner or employee of any commercial driver training school licensed by the Secretary of State, or any other individual authorized by the laws of this State to give driving instructions or administer all or part of a driver's license examination, promises or tenders to that person any property or personal advantage which that person is not authorized by law to accept. Any persons promising or tendering such property or personal advantage shall be disqualified from holding any class of driver's license or permit for 120 consecutive days. The Secretary of State shall establish by rule the procedures for implementing this period of disqualification and the procedures by which persons so disqualified may obtain administrative review of the decision to disqualify.

The Secretary of State shall retain all conviction information, if the information is required to be held confidential under the Juvenile Court Act of 1987.

(Source: P.A. 92-343, eff. 1-1-02; 93-174, eff. 1-1-04)."

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Haine, **Senate Bill No. 2172** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Judiciary, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 2172, by replacing the title with the following:
"AN ACT concerning business regulation."; and

by replacing everything after the enacting clause with the following:

"Section 5. The Business Corporation Act of 1983 is amended by changing Sections 1.80, 4.05, 4.10, 4.20, 7.85, 9.05, 9.20, 11.37, 11.75, 12.40, 12.45, 12.50, 13.55, 13.60, 13.75, 14.01, 15.10, 15.45, 15.80, and 15.90 as follows:

(805 ILCS 5/1.80) (from Ch. 32, par. 1.80)

Sec. 1.80. Definitions. As used in this Act, unless the context otherwise requires, the words and phrases defined in this Section shall have the meanings set forth herein.

(a) "Corporation" or "domestic corporation" means a corporation subject to the provisions of this Act, except a foreign corporation.

(b) "Foreign corporation" means a corporation for profit organized under laws other than the laws of this State, but shall not include a banking corporation organized under the laws of another state or of the United States, a foreign banking corporation organized under the laws of a country other than the United States and holding a certificate of authority from the Commissioner of Banks and Real Estate issued pursuant to the Foreign Banking Office Act, or a banking corporation holding a license from the Commissioner of Banks and Real Estate issued pursuant to the Foreign Bank Representative Office Act.

(c) "Articles of incorporation" means the original articles of incorporation, including the articles of incorporation of a new corporation set forth in the articles of consolidation, and all amendments thereto, whether evidenced by articles of amendment, articles of merger, articles of exchange, statement of correction affecting articles, resolution establishing series of shares or a statement of cancellation under

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Section 9.05. Restated articles of incorporation shall supersede the original articles of incorporation and all amendments thereto prior to the effective date of filing the articles of amendment incorporating the restated articles of incorporation.

(d) "Subscriber" means one who subscribes for shares in a corporation, whether before or after incorporation.

(e) "Incorporator" means one of the signers of the original articles of incorporation.

(f) "Shares" means the units into which the proprietary interests in a corporation are divided.

(g) "Shareholder" means one who is a holder of record of shares in a corporation.

(h) "Certificate" representing shares means a written instrument executed by the proper corporate officers, as required by Section 6.35 of this Act, evidencing the fact that the person therein named is the holder of record of the share or shares therein described. If the corporation is authorized to issue uncertificated shares in accordance with Section 6.35 of this Act, any reference in this Act to shares represented by a certificate shall also refer to uncertificated shares and any reference to a certificate representing shares shall also refer to the written notice in lieu of a certificate provided for in Section 6.35.

(i) "Authorized shares" means the aggregate number of shares of all classes which the corporation is authorized to issue.

(j) "Paid-in capital" means the sum of the cash and other consideration received, less expenses, including commissions, paid or incurred by the corporation, in connection with the issuance of shares, plus any cash and other consideration contributed to the corporation by or on behalf of its shareholders, plus amounts added or transferred to paid-in capital by action of the board of directors or shareholders pursuant to a share dividend, share split, or otherwise, minus reductions as provided elsewhere in this Act. Irrespective of the manner of designation thereof by the laws under which a foreign corporation is or may be organized, paid-in capital of a foreign corporation shall be determined on the same basis and in the same manner as paid-in capital of a domestic corporation, for the purpose of computing license fees, franchise taxes and other charges imposed by this Act.

(k) "Net assets", for the purpose of determining the right of a corporation to purchase its own shares and of determining the right of a corporation to declare and pay dividends and make other distributions to shareholders is equal to the difference between the assets of the corporation and the liabilities of the corporation.

(l) "Registered office" means that office maintained by the corporation in this State, the address of which is on file in the office of the Secretary of State, at which any process, notice or demand required or permitted by law may be served upon the registered agent of the corporation.

(m) "Insolvent" means that a corporation is unable to pay its debts as they become due in the usual course of its business.

(n) "Anniversary" means that day each year exactly one or more years after:

(1) the date of filing the articles of incorporation prescribed by Section 2.10 of this Act, in the case of a domestic corporation;

(2) the date of filing the application for authority prescribed by Section 13.15 of this Act, in the case of a foreign corporation; or

(3) the date of filing the articles of consolidation prescribed by Section 11.25 of this Act in the case of a consolidation, unless the plan of consolidation provides for a delayed effective date, pursuant to Section 11.40.

(o) "Anniversary month" means the month in which the anniversary of the corporation occurs.

(p) "Extended filing month" means the month (if any) which shall have been established in lieu of the corporation's anniversary month in accordance with Section 14.01.

(q) "Taxable year" means that 12 month period commencing with the first day of the anniversary month of a corporation through the last day of the month immediately preceding the next occurrence of the anniversary month of the corporation, except that in the case of a corporation that has established an extended filing month "taxable year" means that 12 month period commencing with the first day of the extended filing month through the last day of the month immediately preceding the next occurrence of the extended filing month.

(r) "Fiscal year" means the 12 month period with respect to which a corporation ordinarily files its federal income tax return.

(s) "Close corporation" means a corporation organized under or electing to be subject to Article 2A of this Act, the articles of incorporation of which contain the provisions required by Section 2.10, and either the corporation's articles of incorporation or an agreement entered into by all of its shareholders provide that all of the issued shares of each class shall be subject to one or more of the restrictions on transfer set forth in Section 6.55 of this Act.

(t) "Common shares" means shares which have no preference over any other shares with respect to distribution of assets on liquidation or with respect to payment of dividends.

(u) "Delivered", for the purpose of determining if any notice required by this Act is effective, means:

(1) transferred or presented to someone in person; or

(2) deposited in the United States Mail addressed to the person at his, her or its address as it appears on the records of the corporation, with sufficient first-class postage prepaid thereon.

(v) "Property" means gross assets including, without limitation, all real, personal, tangible, and intangible property.

(w) "Taxable period" means that 12-month period commencing with the first day of the second month preceding the corporation's anniversary month in the preceding year and prior to the first day of the second month immediately preceding its anniversary month in the current year, except that, in the case of a corporation that has established an extended filing month, "taxable period" means that 12-month period ending with the last day of its fiscal year immediately preceding the extended filing month. In the case of a newly formed domestic corporation or a newly registered foreign corporation that had not commenced transacting business in this State prior to obtaining authority, "taxable period" means that period commencing with the filing of the articles of incorporation or, in the case of a foreign corporation, of filing of the application for authority, and prior to the first day of the second month immediately preceding its anniversary month in the next succeeding year.

(x) "Treasury shares" mean (1) shares of a corporation that have been issued, have been subsequently acquired by and belong to the corporation, and have not been cancelled or restored to the status of authorized but unissued shares and (2) shares (i) declared and paid as a share dividend on the shares referred to in clause (1) or this clause (2), or (ii) issued in a share split of the shares referred to in clause (1) or this clause (2). Treasury shares shall be deemed to be "issued" shares but not "outstanding" shares. Treasury shares may not be voted, directly or indirectly, at any meeting or otherwise. Shares converted into or exchanged for other shares of the corporation shall not be deemed to be treasury shares.

(y) "Gross amount of business" means gross receipts, from whatever source derived.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 5/4.05) (from Ch. 32, par. 4.05)

Sec. 4.05. Corporate name of domestic or foreign corporation.

(a) The corporate name of a domestic corporation or of a foreign corporation organized, existing or subject to the provisions of this Act:

(1) Shall contain, separate and apart from any other word or abbreviation in such name, the word "corporation", "company", "incorporated", or "limited", or an abbreviation of one of such words, and if the name of a foreign corporation does not contain, separate and apart from any other word or abbreviation, one of such words or abbreviations, the corporation shall add at the end of its name, as a separate word or abbreviation, one of such words or an abbreviation of one of such words.

(2) Shall not contain any word or phrase which indicates or implies that the corporation (i) is authorized or empowered to conduct the business of insurance, assurance, indemnity, or the acceptance of savings deposits; (ii) is authorized or empowered to conduct the business of banking unless otherwise permitted by the Commissioner of Banks and Real Estate pursuant to Section 46 of the Illinois Banking Act; or (iii) is authorized or empowered to be in the business of a corporate fiduciary unless otherwise permitted by the Commissioner of Banks and Real Estate under Section 1-9 of the Corporate Fiduciary Act. The word "trust", "trustee", or "fiduciary" may be used by a corporation only if it has first complied with Section 1-9 of the Corporate Fiduciary Act. The word "bank", "banker" or "banking" may only be used by a corporation if it has first complied with Section 46 of the Illinois Banking Act.

(3) Shall be distinguishable upon the records in the office of the Secretary of State from the name or assumed name of any domestic corporation or limited liability company organized under the Limited Liability Company Act, whether profit or not for profit, existing under any Act of this State or of the name or assumed name of any foreign corporation or foreign limited liability company registered under the Limited Liability Company Act, whether profit or not for profit, authorized to transact business in this State, or a name the exclusive right to which is, at the time, reserved or registered in the manner provided in this Act or Section 1-15 of the Limited Liability Company Act, except that, subject to the discretion of the Secretary of State, a foreign corporation that has a name prohibited by this paragraph may be issued a certificate of authority to transact business in this State, if the foreign corporation:

(i) Elects to adopt an assumed corporate name or names in accordance with Section 4.15 of this Act; and

(ii) Agrees in its application for ~~a certificate of~~ authority to transact business in this State only under such assumed corporate name or names.

(4) Shall contain the word "trust", if it be a domestic corporation organized for the purpose of accepting and executing trusts, shall contain the word "pawners", if it be a domestic corporation organized as a pawners' society, and shall contain the word "cooperative", if it be a domestic corporation organized as a cooperative association for pecuniary profit.

(5) Shall not contain a word or phrase, or an abbreviation or derivation thereof, the use of which is prohibited or restricted by any other statute of this State unless such restriction has been complied with.

(6) Shall consist of letters of the English alphabet, Arabic or Roman numerals, or symbols capable of being readily reproduced by the office of the Secretary of State.

(7) Shall be the name under which the corporation shall transact business in this State unless the corporation shall also elect to adopt an assumed corporate name or names as provided in this Act; provided, however, that the corporation may use any divisional designation or trade name without complying with the requirements of this Act, provided the corporation also clearly discloses its corporate name.

(8) (Blank).

(b) The Secretary of State shall determine whether a name is "distinguishable" from another name for purposes of this Act. Without excluding other names which may not constitute distinguishable names in this State, a name is not considered distinguishable, for purposes of this Act, solely because it contains one or more of the following:

(1) the word "corporation", "company", "incorporated", or "limited", "limited liability" or an abbreviation of one of such words;

(2) articles, conjunctions, contractions, abbreviations, different tenses or number of the same word;

(c) Nothing in this Section or Sections 4.15 or 4.20 shall:

(1) Require any domestic corporation existing or any foreign corporation having ~~a certificate of~~ authority to transact business on the effective date of this Act, to modify or otherwise change its corporate name or assumed corporate name, if any.

(2) Abrogate or limit the common law or statutory law of unfair competition or unfair trade practices, nor derogate from the common law or principles of equity or the statutes of this State or of the United States with respect to the right to acquire and protect copyrights, trade names, trade marks, service names, service marks, or any other right to the exclusive use of names or symbols.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 5/4.10) (from Ch. 32, par. 4.10)

Sec. 4.10. Reserved name. The exclusive right to the use of a corporate name or an assumed corporate name, as the case may be, may be reserved by:

(a) Any person intending to organize a corporation under this Act.

(b) Any domestic corporation intending to change its name.

(c) Any foreign corporation intending to make application for ~~a certificate of~~ authority to transact business in this State.

(d) Any foreign corporation authorized to transact business in this State and intending to change its name.

(e) Any person intending to organize a foreign corporation and intending to have such corporation make application for ~~a certificate of~~ authority to transact business in this State.

(f) Any domestic corporation intending to adopt an assumed corporate name.

(g) Any foreign corporation authorized to transact business in this State and intending to adopt an assumed corporate name.

Such reservation shall be made by filing in the office of the Secretary of State an application to reserve a specified corporate name or a specified assumed corporate name, executed by the applicant. If the Secretary of State finds that such name is available for corporate use, he or she shall reserve the same for the exclusive use of such applicant for a period of ninety days or until surrendered by a written cancellation document signed by the applicant, whichever is sooner.

The right to the exclusive use of a specified corporate name or assumed corporate name so reserved may be transferred to any other person by filing in the office of the Secretary of State a notice of such transfer, executed by the person for whom such name was reserved, and specifying the name and address of the transferee.

The Secretary of State may revoke any reservation if, after a hearing, he or she finds that the application therefor or any transfer thereof was made contrary to this Act.

[February 24, 2004]

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 5/4.20) (from Ch. 32, par. 4.20)

Sec. 4.20. Change and cancellation of assumed corporate name.

(a) Any domestic or foreign corporation may, pursuant to resolution by its board of directors, change or cancel any or all of its assumed corporate names by executing and filing, in accordance with Section 1.10 of this Act, an application setting forth:

- (1) The true corporate name.
- (2) The state or country under the laws of which it is organized.
- (3) That it intends to cease transacting business under an assumed corporate name by changing or cancelling it.
- (4) The assumed corporate name to be changed from or cancelled.
- (5) If the assumed corporate name is to be changed, the assumed corporate name that the corporation proposes to use.

(b) Upon the filing of an application to change an assumed corporate name, the corporation shall have the right to use the assumed corporate name for the balance of the period authorized by subsection (d) of Section 4.15.

(c) The right to use an assumed corporate name shall be cancelled by the Secretary of State:

- (1) If the corporation fails to renew an assumed corporate name.
- (2) If the corporation has filed an application to change or cancel an assumed corporate name.
- (3) If a domestic corporation has been dissolved.
- (4) If a foreign corporation has had its ~~certificate of authority~~ certificate of authority to do business in this State revoked.

(Source: P.A. 87-516.)

(805 ILCS 5/7.85) (from Ch. 32, par. 7.85)

Sec. 7.85. Vote required for certain business combinations.

A. This Section shall apply to any domestic corporation that (i) has any equity securities registered under Section 12 of the Securities Exchange Act of 1934 or is subject to Section 15(d) of that Act (a "reporting company") and (ii) any domestic corporation other than one described in (i) that either specifically adopts this Section 7.85 in its original articles of incorporation or amends its articles of incorporation to specifically adopt this Section 7.85, however, the restrictions contained in this Section shall not apply in the event of any of the following:

(1) In case of a reporting company, the corporation's articles of incorporation immediately prior to the time it becomes a reporting company contains a provision expressly electing not to be governed by this Section.

(2) The corporation, by action of its board of directors, adopts an amendment to its by-laws within 90 days after the effective date of this amendatory Act of 1997 expressly electing not to be governed by this Section, which amendment shall not be further amended by the board of directors.

(3) In the case of a reporting company, the corporation, by action of its shareholders, adopts an amendment to its articles of incorporation or by-laws expressly electing not to be governed by this Section, provided that, in addition to any other vote required by law, such amendment to the articles of incorporation or by-laws must be approved by the affirmative vote of a majority of the voting shares (as defined in paragraph B of this Section 7.85). An amendment adopted under this paragraph shall not be effective until 12 months after the adoption of the amendment and shall not apply to a business combination between the corporation and a person who became an interested shareholder of the corporation at the same time as or before the adoption of the amendment. A by-law amendment adopted under this paragraph shall not be further amended by the board of directors.

(4) A shareholder becomes an interested shareholder inadvertently and (i) as soon as practical divests sufficient shares so that the shareholder ceases to be an interested shareholder and (ii) would not, at any time within the 3 year period immediately before a business combination between the corporation and the shareholder, have been an interested shareholder but for the inadvertent acquisition.

In the case of circumstances described in subparagraphs (1), (2), and (3) of this paragraph A, the election not to be governed may be in whole or in part, generally, or generally by types, or as to specifically identified or unidentified interested shareholders.

B. Higher vote for certain business combinations. In addition to any affirmative vote required by law or the articles of incorporation, except as otherwise expressly provided in paragraph C of this Section 7.85, any business combination shall require (i) the affirmative vote of the holders of at least 80% of the

combined voting power of the then outstanding shares of all classes and series of the corporation entitled to vote generally in the election of directors, voting together as a single class (the "voting shares") (it being understood that, for the purposes of this Section 7.85, each voting share shall have the number of votes granted to it pursuant to the corporation's articles of incorporation) and (ii) the affirmative vote of a majority of the voting shares held by disinterested shareholders.

C. When higher vote is not required. The provisions of paragraph B of this Section 7.85 shall not be applicable to any particular business combination, and such business combination shall require only such affirmative vote as is required by law and any other provision of the corporation's article of incorporation and any resolutions of the board of directors adopted pursuant to Section 6.10 if all of the conditions specified in either of the following subparagraphs (1) and (2) of this paragraph C are met:

(1) Approval by disinterested directors. The business combination shall have been approved by two-thirds of the disinterested directors (as hereinafter defined).

(2) Price and procedure requirements. All of the following conditions shall have been met:

(a) The business combination shall provide for consideration to be received by all holders of common shares in exchange for all their shares, and the aggregate amount of the cash and the fair market value as of the date of consummation of the business combination of consideration other than cash to be received per share by holders of common shares in such business combination shall be at least equal to the higher of the following:

(i) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the interested shareholder or any affiliate or associate of the interested shareholder to acquire any common shares beneficially owned by the interested shareholder which were acquired (a) within the two year period immediately prior to the first public announcement of the proposal of the business combination (the "announcement date") or (b) in the transaction in which it became an interested shareholder, whichever is higher; and

(ii) the fair market value per common share on the first trading date after the announcement date or on the first trading date after the date of the first public announcement that the interested shareholder became an interested shareholder (the "Determination Date"), whichever is higher.

(b) The business combination shall provide for consideration to be received by all holders of outstanding shares other than common shares in exchange for all such shares, and the aggregate amount of the cash and the fair market value as of the date of the consummation of the business combination of consideration other than cash to be received per share by holders of outstanding shares other than common shares shall be at least equal to the highest of the following (it being intended that the requirements of this subparagraph (2)(b) shall be required to be met with respect to every class and series of outstanding shares other than common shares whether or not the interested shareholder or any affiliate or associate of the interested shareholder has previously acquired any shares of a particular class or series):

(i) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the interested shareholder or any affiliate or associate of the interested shareholder to acquire any shares of such class or series beneficially owned by the interested shareholder which were acquired (a) within the 2-year period immediately prior to the announcement date or (b) in the transaction in which it became an interested shareholder, whichever is higher;

(ii) (if applicable) the highest preferential amount per share to which the holders of shares of such class or series are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the corporation;

(iii) the fair market value per share of such class or series on the first trading date after the announcement date or on the determination date, whichever is higher; and

(iv) an amount equal to the fair market value per share of such class or series determined pursuant to clause (iii) times the highest value obtained in calculating the following quotient for each class or series of which the interested shareholder has acquired shares within the 2-year period ending on the announcement date: (x) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the interested shareholder or any affiliate or associate of the interested Shareholder for any shares of such class or series acquired within such 2-year period divided by (y) the market value per share of such class or series on the first day in such 2-year period on which the interested shareholder or any affiliate or associate of the interested shareholder acquired any shares of such class or series.

(c) The consideration to be received by holders of a particular class or series of outstanding shares shall be in cash or in the same form as the interested shareholder or any affiliate or associate of the interested shareholder has previously paid to acquire shares of such class or series beneficially owned by the interested shareholder. If the interested shareholder and any affiliates or associates of the interested shareholder have paid for shares of any class or series with varying forms of consideration, the form of consideration for such class or series shall be either cash or the form used to acquire the largest number of shares of such class or series beneficially owned by the interested shareholder.

(d) After such interested shareholder has become an interested shareholder and prior to the consummation of such business combination: (1) except as approved by two-thirds of the disinterested directors, there shall have been no failure to declare and pay at the regular date therefor any full periodic dividends (whether or not cumulative) on any outstanding shares of the corporation other than the common shares; (2) there shall have been (a) no reduction in the annual rate of dividends paid on the common shares (except as necessary to reflect any subdivision of the common shares), except as approved by two-thirds of the disinterested directors, and (b) an increase in such annual rate of dividends (as necessary to prevent any such reduction) in the event of any reclassification (including any reverse share split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding common shares; and (3) such interested shareholder shall not have become the beneficial owner of any additional Voting Shares except as part of the transaction which results in such interested shareholder becoming an interested shareholder or as a result of action taken by the corporation not caused, directly or indirectly, by such interested shareholder.

(e) After such interested shareholder has become an interested shareholder, such interested shareholder shall not have received the benefit, directly or indirectly (except proportionately as a shareholder), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the corporation or any Subsidiary, whether in anticipation of or in connection with such business combination or otherwise.

(f) A proxy or information statement describing the proposed business combination and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to public shareholders of the corporation at least 30 days prior to the consummation of such business combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions).

D. Certain definitions. For the purposes of this Section 7.85:

(1) "Person" means an individual, firm, corporation, partnership, trust or other entity.

(2) "Interested shareholder" means (i) a person (other than the corporation and a direct or indirect majority-owned subsidiary of the corporation) that (a) is the owner of 15% or more of the outstanding voting shares of the corporation or (b) is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting shares of the corporation at any time within the 3 year period immediately before the date on which it is sought to be determined whether the person is an interested shareholder and (ii) the affiliates and associates of that person, provided, however, that the term "interested shareholder" shall not include (x) a person who (A) owned shares in excess of the 15% limitation as of January 1, 1997 and either (I) continued to own shares in excess of the 15% limitation or would have but for action by the corporation or (II) is an affiliate or associate of the corporation and so continued (or so would have continued but for action by the corporation) to be the owner of 15% or more of the outstanding voting shares of the corporation at any time within the 3-year period immediately prior to the date on which it is sought to be determined whether such a person is an interested shareholder or (B) acquired the shares from a person described in clause (A) by gift, inheritance, or in a transaction in which no consideration was exchanged; or (y) a person whose ownership of shares in excess of the 15% limitation is the result of action taken solely by the corporation, provided that the person shall be an interested shareholder if thereafter the person acquires additional shares of the corporation, except as a result of further corporate action not caused, directly or indirectly, by the person or if the person acquires additional shares in transactions approved by the board of directors, which approval shall include a majority of the disinterested directors. For the purpose of determining whether a person is an interested shareholder, the voting shares of the corporation deemed to be outstanding shall include shares deemed to be owned by the person through application of subparagraph (3) of this paragraph, but shall not include any other unissued shares of the corporation that may be issuable pursuant to any agreement, arrangement, or understanding, upon exercise of conversion rights, warrants, or options, or otherwise.

[February 24, 2004]

(3) "Owner", including the terms "own" and "owned", when used with respect to shares means a person that individually or with or through any of its affiliates or associates:

(a) beneficially owns the shares, directly or indirectly; or

(b) has (i) the right to acquire the shares (whether the right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement, or understanding, upon exercise of conversion rights, exchange rights, warrants, or options, or otherwise; provided, however, that a person shall not be deemed the owner of shares tendered pursuant to a tender or exchange offer made by the person or any of the person's affiliates or associates until the tendered shares are accepted for purchase or exchange or (ii) the right to vote the shares pursuant to an agreement, arrangement, or understanding; provided, however, that a person shall not be deemed the owner of any shares because of the person's right to vote the shares if the agreement, arrangement, or understanding to vote the shares arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or

(c) has an agreement, arrangement, or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in clause (ii) of item (b) of this subparagraph), or disposing of the shares with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, the shares.

(4) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, another person.

(5) "Associate", when used to indicate a relationship with a person, means (i) a corporation, partnership, unincorporated association, or other entity of which the person is a director, officer, or partner or is, directly or indirectly, the owner of 20% or more of a class of voting shares, (ii) a trust or other estate in which the person has at least a 20% beneficial interest or as to which the person serves as trustee or in a similar fiduciary capacity, and (iii) a relative or spouse of the person, or a relative of that spouse who has the same residence as the person.

(6) "Subsidiary" means any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the corporation; provided, however, that for the purposes of the definition of interested shareholder set forth in subparagraph (2) of this paragraph D, the term "subsidiary" shall mean only a corporation of which a majority of each class or equity security is owned, directly or indirectly, by the corporation.

(7) "Disinterested director" means any member of the board of directors of the corporation who: (a) is neither the interested shareholder nor an affiliate or associate of the interested shareholder; (b) was a member of the board of directors prior to the time that the interested shareholder became an interested shareholder or was a director of the corporation before January 1, 1997, or was recommended to succeed a disinterested director by a majority of the disinterested directors then in office; and (c) was not nominated for election as a director by the interested shareholder or any affiliate or associate of the interested shareholder.

(8) "Fair market value" means: (a) in the case of shares, the highest closing sale price during the 30-day period immediately preceding the date in question of a share on the New York Stock Exchange Composite Tape, or, if such shares are not quoted on the Composite Tape, on the New York Stock Exchange, or, if such shares are not listed on such Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such shares are listed, or, if such shares are not listed on any such exchange, the highest closing sale price or bid quotation with respect to a share during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use, or if no such quotations are available, the fair market value on the date in question of a share as determined by a majority of the disinterested directors in good faith; and (b) in the case of property other than cash or shares, the fair market value of such property on the date in question as determined by a majority of the disinterested directors in good faith.

(9) "Disinterested shareholder" shall mean a shareholder of the corporation who is not an interested shareholder or an affiliate or an associate of an interested shareholder.

(10) "Business combination" has the meaning set forth in Section 11.75 of this Act (regardless of the case of the word "only" in that Section).

(11) In the event of any business combination in which the corporation survives, the phrase "consideration other than cash" as used in subparagraphs (2)(a) and (2)(b) of paragraph C of this Section 7.85 shall include the common shares and the shares of any other class or series retained by the holders of such shares.

(12) "Shares" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(13) "Voting shares" means, with respect to any corporation, shares of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in its election of the governing body of the entity.

E. Determinations by disinterested directors. A majority of the disinterested directors shall have the power to determine, for the purposes of this Section 7.85, (a) whether a person is an interested shareholder, (b) the number of voting shares beneficially owned by any person, (c) whether a person is an affiliate or associate of another, and (d) whether the transaction is the subject of any business combination.

(Source: P.A. 90-461, eff. 1-1-98.)

(805 ILCS 5/9.05) (from Ch. 32, par. 9.05)

Sec. 9.05. Power of corporation to acquire its own shares.

(a) A corporation may acquire its own shares, subject to limitations set forth in Section 9.10 of this Act.

(b) If a corporation acquires its own shares after the effective date of this amendatory Act of 1993, the shares constitute treasury shares until cancelled as provided by subsection (d) of this Section.

(c) A corporation shall file a report under Section 14.25 of this Act in the case of its acquisition of its own shares that occurs either prior to January 1, 1991 or on or prior to the last day of the third month immediately preceding the corporation's anniversary month in 1991. A corporation shall file a report under Section 14.30 of this Act in the case of its acquisition and cancellation of its own shares that occurs after both December 31, 1990 and the last day of such third month. However, if the articles of incorporation provide that the number of authorized shares is reduced by an acquisition and cancellation of shares, then the corporation shall, within 60 days after the date of acquisition, execute and file in duplicate in accordance with Section 1.10 of this Act, a statement of cancellation which sets forth:

(1) The name of the corporation.

(2) The aggregate number of shares which the corporation has authority to issue, itemized by classes and series, if any, within a class before giving effect to the cancellation.

(3) The aggregate number of issued shares, itemized by classes and series, if any, within a class before giving effect to the cancellation.

(4) The number of shares cancelled, itemized by classes and series, if any, within a class.

(5) The aggregate number of shares which the corporation has the authority to issue, itemized by classes and series, if any, within a class after giving effect to the cancellation.

(6) The aggregate number of issued shares, itemized by classes and series, if any, within a class, after giving effect to the cancellation.

(7) A statement, expressed in dollars, of the amount of the paid-in capital of the corporation before giving effect to the cancellation.

(8) A statement, expressed in dollars, of the amount of the paid-in capital of the corporation after giving effect to the cancellation.

Upon the filing of the statement of cancellation by the Secretary of State, the paid-in capital of the corporation shall be deemed to be reduced by that part of the paid-in capital which was, at the time of the cancellation, represented by the shares so cancelled, to the extent of the cost from the paid-in capital of the reacquired and cancelled shares or a lesser amount as may be elected by the corporation, and the statement of cancellation shall operate as an amendment to the articles of incorporation so as to reduce the number of authorized shares by the number of shares so cancelled.

(d) A corporation, by resolution of the board of directors, may cancel any of its treasury shares. When cancelled, the shares shall constitute authorized but unissued shares unless the articles of incorporation provide that the shares shall not be reissued, in which case the number of authorized shares shall be reduced by the number of shares cancelled.

(e) Until the report required by subsection (c) of this Section, or the report required by Section 14.25 or Section 14.30 of this Act reporting a reduction in paid-in capital, shall have been filed in the office of the Secretary of State, the basis of the annual franchise tax payable by the corporation shall not be reduced, provided, however, in no event shall the annual franchise tax for any taxable year be reduced if such report is not filed prior to the first day of the anniversary month or, in the case of a corporation which has established an extended filing month, the extended filing month of that taxable year and before payment of its annual franchise tax.

(Source: P.A. 88-151.)

(805 ILCS 5/9.20)

Sec. 9.20. Reduction of paid-in capital.

(a) A corporation may reduce its paid-in capital:

(1) by resolution of its board of directors by charging against its paid-in capital (i) the paid-in capital represented by shares acquired and cancelled by the corporation as permitted by law, to the extent of the cost from the paid-in capital of the reacquired and cancelled shares or a lesser amount as may be elected by the corporation, (ii) dividends paid on preferred shares, or (iii) distributions as liquidating dividends; or

(2) pursuant to an approved reorganization in bankruptcy that specifically directs the reduction to be effected.

(b) Notwithstanding anything to the contrary contained in this Act, at no time shall the paid-in capital be reduced to an amount less than the aggregate par value of all issued shares having a par value.

(c) Until the report under Section 14.30 has been filed in the Office of the Secretary of State showing a reduction in paid-in capital, the basis of the annual franchise tax payable by the corporation shall not be reduced; provided, however, that in no event shall the annual franchise tax for any taxable year be reduced if the report is not filed prior to the first day of the anniversary month or, in the case of a corporation that has established an extended filing month, the extended filing month of the corporation that that taxable year and before payment of its annual franchise tax.

(d) A corporation that reduced its paid-in capital after December 31, 1986 by one or more of the methods described in subsection (a) may report the reduction pursuant to Section 14.30, subject to the restrictions of subsections (b) and (c) of this Section. ~~A reduction in paid-in capital reported pursuant to this subsection shall have no effect for any purpose under this Act with respect to a taxable year ending before the report is filed.~~

(e) Nothing in this Section shall be construed to forbid any reduction in paid-in capital to be effected under Section 9.05 of this Act.

(f) In the case of a vertical merger, the paid-in capital of a subsidiary may be eliminated if either (1) it was created, totally funded, and ~~or~~ wholly owned by the parent or (2) the amount of the parent's investment in the subsidiary was equal to or exceeded the subsidiary's paid-in capital.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 5/11.37) (from Ch. 32, par. 11.37)

Sec. 11.37. Merger of domestic or foreign corporations and domestic not for profit corporations.

(a) One or more domestic corporations or one or more foreign corporations may merge into a domestic not for profit corporation subject to the provisions of the General Not For Profit Corporation Act of 1986, as amended, provided that in the case of a foreign corporation for profit, such merger is permitted by the laws of the State or country under which such foreign corporation for profit is organized.

(b) Each domestic corporation shall comply with the provisions of this Act with respect to the merger of domestic corporations, each domestic not for profit corporation shall comply with the provisions of the General Not For Profit Corporation Act of 1986, as amended. With respect to merger of domestic not for profit corporations, each foreign corporation for profit shall comply with the laws of the state or country under which it is organized, and each foreign corporation for profit having ~~a certificate of~~ authority to transact business in this State under the provisions of this Act shall comply with the provisions of this Act with respect to merger of foreign corporations for profit.

(c) The plan of merger shall set forth, in addition to all matters required by Section 11.05 of this Act, the manner and basis of converting shares of each merging domestic or foreign corporation for profit into membership or other interests of the surviving domestic not for profit corporation, or into cash, or into property, or into any combination of the foregoing.

(d) The effect of a merger under this Section shall be the same as in the case of a merger of domestic corporations as set forth in subsection (a) of Section 11.50 of this Act.

(e) When such merger has been effected, the shares of the corporation or corporations to be converted under the terms of the plan cease to exist. The holders of those shares are entitled only to the membership or other interests, cash, or other property or combination thereof, into which those shares have been converted in accordance with the plan, subject to any dissenters' rights under Section 11.70 of this Act.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 5/11.75) (from Ch. 32, par. 11.75)

Sec. 11.75. Business combinations with interested shareholders.

(a) Notwithstanding any other provisions of this Act, a corporation (as defined in this Section 11.75) shall not engage in any business combination with any interested shareholder for a period of 3 years following the time that such shareholder became an interested shareholder, unless (1) prior to such time the board of directors of the corporation approved either the business combination or the transaction

which resulted in the shareholder becoming an interested shareholder, or (2) upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting shares of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer, or (3) at or subsequent to such time the business combination is approved by the board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting shares which are not owned by the interested shareholder.

(b) The restrictions contained in this Section shall not apply if:

(1) the corporation's original articles of incorporation contains a provision expressly electing not to be governed by this Section;

(2) the corporation, by action of its board of directors, adopts an amendment to its by-laws within 90 days of the effective date of this amendatory Act of 1989, expressly electing not to be governed by this Section, which amendment shall not be further amended by the board of directors;

(3) the corporation, by action of its shareholders, adopts an amendment to its articles of incorporation or by-laws expressly electing not to be governed by this Section, provided that, in addition to any other vote required by law, such amendment to the articles of incorporation or by-laws must be approved by the affirmative vote of a majority of the shares entitled to vote. An amendment adopted pursuant to this paragraph shall be effective immediately in the case of a corporation that both (i) has never had a class of voting shares that falls within any of the categories set out in paragraph (4) of this subsection (b) and (ii) has not elected by a provision in its original articles of incorporation or any amendment thereto to be governed by this Section. In all other cases, an amendment adopted pursuant to this paragraph shall not be effective until 12 months after the adoption of such amendment and shall not apply to any business combination between such corporation and any person who became an interested shareholder of such corporation on or prior to such adoption. A by-law amendment adopted pursuant to this paragraph shall not be further amended by the board of directors;

(4) the corporation does not have a class of voting shares that is (i) listed on a national securities exchange, (ii) authorized for quotation on the NASDAQ Stock Market or (iii) held of record by more than 2,000 shareholders, unless any of the foregoing results from action taken, directly or indirectly, by an interested shareholder or from a transaction in which a person becomes an interested shareholder;

(5) a shareholder becomes an interested shareholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the shareholder ceases to be an interested shareholder and (ii) would not, at any time within the 3 year period immediately prior to a business combination between the corporation and such shareholder, have been an interested shareholder but for the inadvertent acquisition of ownership;

(6) the business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (i) constitutes one of the transactions described in the second sentence of this paragraph; (ii) is with or by a person who either was not an interested shareholder during the previous 3 years or who became an interested shareholder with the approval of the corporation's board of directors or during the period described in paragraph (7) of this subsection (b); and (iii) is approved or not opposed by a majority of the members of the board of directors then in office (but not less than 1) who were directors prior to any person becoming an interested shareholder during the previous 3 years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (x) a merger or consolidation of the corporation (except for a merger in respect of which, pursuant to subsection (c) of Section 11.20 of this Act, no vote of the shareholders of the corporation is required); (y) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation (other than to any direct or indirect wholly-owned subsidiary or to the corporation) having an aggregate market value equal to 50% or more of either the aggregate market value of all of the assets of the corporation determined on a consolidated basis or the aggregate market value of all the outstanding shares of the corporation; or (z) a proposed tender or exchange offer for 50% or more of the outstanding voting shares of the corporation. The corporation shall give not less than 20 days notice to all interested shareholders prior to the consummation of any of the transactions described in clauses (x) or (y) of the second sentence

of this paragraph; or

(7) The business combination is with an interested shareholder who became an interested shareholder at a time when the restrictions contained in this Section did not apply by reason of any of the paragraphs (1) through (4) of this subsection (b), provided, however, that this paragraph (7) shall not apply if, at the time the interested shareholder became an interested shareholder, the corporation's articles of incorporation contained a provision authorized by the last sentence of this subsection (b). Notwithstanding paragraphs (1), (2), (3) and (4) of this subsection and subparagraph (A) of paragraph (5) of subsection (c), any domestic corporation may elect by a provision of its original articles of incorporation or any amendment thereto to be governed by this Section, provided that any such amendment to the articles of incorporation shall not apply to restrict a business combination between the corporation and an interested shareholder of the corporation if the interested shareholder became such prior to the effective date of the amendment.

(c) As used in this Section 11.75 only, the term:

(1) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(2) "Associate" when used to indicate a relationship with any person, means (i) any corporation, partnership, unincorporated association, or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting shares, (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(3) "Business combination" when used in reference to any corporation and any interested shareholder of such corporation, means:

(A) any merger or consolidation of the corporation or any direct or indirect majority-owned subsidiary of the corporation with (i) the interested shareholder, or (ii) with any other corporation if the merger or consolidation is caused by the interested shareholder and as a result of such merger or consolidation subsection (a) of this Section is not applicable to the surviving corporation;

(B) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a shareholder of such corporation, to or with the interested shareholder, whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the corporation determined on a consolidated basis or the aggregate market value of all the outstanding shares of the corporation;

(C) any transaction which results in the issuance or transfer by the corporation or by any direct or indirect majority-owned subsidiary of the corporation of any shares of the corporation or of such subsidiary to the interested shareholder, except (i) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into shares of such corporation or any such subsidiary which securities were outstanding prior to the time that the interested shareholder became such, (ii) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into shares of such corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of shares of such corporation subsequent to the time the interested shareholder became such, (iii) pursuant to an exchange offer by the corporation to purchase shares made on the same terms to all holders of said shares, or (iv) any issuance or transfer of shares by the corporation, provided however, that in no case under clauses (ii), (iii) and (iv) above shall there be an increase in the interested shareholder's proportionate share of the shares of any class or series of the corporation or of the voting shares of the corporation;

(D) any transaction involving the corporation or any direct or indirect majority-owned subsidiary of the corporation which has the effect, directly or indirectly, of increasing the proportionate share of the shares of any class or series, or securities convertible into the shares of any class or series, of the corporation or of any such subsidiary which is owned by the interested shareholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of any class or series not caused, directly or indirectly, by the interested shareholder; or

(E) any receipt by the interested shareholder of the benefit, directly or indirectly (except proportionately as a shareholder of such corporation) of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in

subparagraphs (A) through (D) of this paragraph (3)) provided by or through the corporation or any direct or indirect majority owned subsidiary; or

(F) any receipt by the interested shareholder of the benefit, directly or indirectly, (except proportionately as a shareholder of such corporation) of any assets, loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in subparagraphs (A) through (D) of this paragraph (3)) provided by or through any "defined benefit pension plan" (as defined in Section 3 of the Employee Retirement Income Security Act) of the corporation or any direct or indirect majority owned subsidiary.

(4) "Control", including the term "controlling", "controlled by" and "under common control with", means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract or otherwise. A person who is the owner of 20% or more of the outstanding voting shares of any corporation, partnership, unincorporated association, or other entity shall be presumed to have control of such entity, in the absence of proof by preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting shares, in good faith and not for the purpose of circumventing this Section, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(5) "Corporation" means a domestic corporation that:

(A) has any equity securities registered under Section 12 of the Securities Exchange Act of 1934 or is subject to Section 15(d) of that Act; and

(B) either

(i) has its principal place of business or its principal executive office located in Illinois; or

(ii) owns or controls assets located within Illinois that have a fair market value of at least \$1,000,000, and

(C) either

(i) has more than 10% of its shareholders resident in Illinois;

(ii) has more than 10% of its shares owned by Illinois residents; or

(iii) has 2,000 shareholders resident in Illinois.

The residence of a shareholder is presumed to be the address appearing in the records of the corporation. Shares held by banks (except as trustee, executor or guardian), securities dealers or nominees are disregarded for purposes of calculating the percentages and numbers in this paragraph (5).

(6) "Interested shareholder" means any person (other than the corporation and any direct or indirect majority-owned subsidiary of the corporation) that (i) is the owner of 15% or more of the outstanding voting shares of the corporation, or (ii) is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting shares of the corporation at any time within the 3 year period immediately prior to the date on which it is sought to be determined whether such person is an interested shareholder; and the affiliates and associates of such person, provided, however, that the term "interested shareholder" shall not include (x) any person who (A) owned shares in excess of the 15% limitation set forth herein as of, or acquired such shares pursuant to a tender offer commenced prior to the effective date of this amendatory Act of 1989 or pursuant to an exchange offer announced prior to the aforesaid date and commenced within 90 days thereafter and either (I) continued to own shares in excess of such 15% limitation or would have but for action by the corporation or (II) is an affiliate or associate of the corporation and so continued (or so would have continued but for action by the corporation) to be the owner of 15% or more of the outstanding voting shares of the corporation at any time within the 3-year period immediately prior to the date on which it is sought to be determined whether such a person is an interested shareholder or (B) acquired said shares from a person described in (A) above by gift, inheritance or in a transaction in which no consideration was exchanged; or (y) any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of action taken solely by the corporation; provided that such person shall be an interested shareholder if thereafter such person acquires additional shares of voting shares of the corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested shareholder, the voting shares of the corporation deemed to be outstanding shall include shares deemed to be owned by the person through application of paragraph (9) of this subsection, but shall not include any other unissued shares of such corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options,

or otherwise.

(7) "Person" means any individual, corporation, partnership, unincorporated association or other entity.

(7.5) "Shares" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(8) "Voting shares" means, with respect to any corporation, shares of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in its election of the governing body of the entity.

(9) "Owner" including the terms "own" and "owned" when used with respect to any shares means a person that individually or with or through any of its affiliates or associates:

(A) beneficially owns such shares, directly or indirectly; or

(B) has (i) the right to acquire such shares (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of shares tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered shares is accepted for purchase or exchange; or (ii) the right to vote such shares pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any shares because of such person's right to vote such shares if the agreement, arrangement or understanding to vote such shares arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or

(C) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in clause (ii) of subparagraph (B) of this paragraph), or disposing of such shares with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such shares.

(d) No provision of ~~the articles a certificate~~ of incorporation or ~~the by-laws by-law~~ shall require, for any vote of shareholders required by this Section a greater vote of shareholders than that specified in this Section.

(e) The provisions of this Section 11.75 are severable and any provision held invalid shall not affect or impair any of the remaining provisions of this Section.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 5/12.40) (from Ch. 32, par. 12.40)

Sec. 12.40. Procedure for administrative dissolution.

(a) After the Secretary of State determines that one or more grounds exist under Section 12.35 for the administrative dissolution of a corporation, he or she shall send by regular mail to each delinquent corporation a Notice of Delinquency to its registered office, or, if the corporation has failed to maintain a registered office, then to the president or other principal officer at the last known office of said officer.

(b) If the corporation does not correct the default described in paragraphs (a) through (e) of Section 12.35 within 90 days following such notice, the Secretary of State shall thereupon dissolve the corporation by issuing a certificate of dissolution that recites the ground or grounds for dissolution and its effective date. If the corporation does not correct the default described in paragraphs (f) through (h) of Section 12.35; within 30 days following such notice, the Secretary of State shall thereupon dissolve the corporation by issuing a certificate of dissolution as herein prescribed. The Secretary of State shall file the original of the certificate in his or her office, mail one copy to the corporation at its registered office or, if the corporation has failed to maintain a registered office, then to the president or other principal officer at the last known office of said officer, and file one copy for record in the office of the recorder of the county in which the registered office of the corporation in this State is situated, to be recorded by such recorder. The recorder shall submit for payment to the Secretary of State, on a quarterly basis, the amount of filing fees incurred.

(c) The administrative dissolution of a corporation terminates its corporate existence and such a dissolved corporation shall not thereafter carry on any business, provided however, that such a dissolved corporation may take all action authorized under Section 12.75 or necessary to wind up and liquidate its business and affairs under Section 12.30.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 5/12.45) (from Ch. 32, par. 12.45)

Sec. 12.45. Reinstatement following administrative dissolution.

[February 24, 2004]

(a) A domestic corporation administratively dissolved under Section 12.40 may be reinstated by the Secretary of State ~~within five years~~ following the date of issuance of the certificate of dissolution upon:

- (1) The filing of an application for reinstatement.
- (2) The filing with the Secretary of State by the corporation of all reports then due and theretofore becoming due.
- (3) The payment to the Secretary of State by the corporation of all fees, franchise taxes, and penalties then due and theretofore becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 1.10 of this Act and shall set forth:

- (1) The name of the corporation at the time of the issuance of the certificate of dissolution.

(2) If such name is not available for use as determined by the Secretary of State at the time of filing the application for reinstatement, the name of the corporation as changed, provided however, and any change of name is properly effected pursuant to Section 10.05 and Section 10.30 of this Act.

- (3) The date of the issuance of the certificate of dissolution.

(4) The address, including street and number, or rural route number of the registered office of the corporation upon reinstatement thereof, and the name of its registered agent at such address upon the reinstatement of the corporation, provided however, that any change from either the registered office or the registered agent at the time of dissolution is properly reported pursuant to Section 5.10 of this Act.

(c) When a dissolved corporation has complied with the provisions of this Sec the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement, the corporate existence shall be deemed to have continued without interruption from the date of the issuance of the certificate of dissolution, and the corporation shall stand revived with such powers, duties and obligations as if it had not been dissolved; and all acts and proceedings of its officers, directors and shareholders, acting or purporting to act as such, which would have been legal and valid but for such dissolution, shall stand ratified and confirmed.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 5/12.50) (from Ch. 32, par. 12.50)

Sec. 12.50. Grounds for judicial dissolution in actions by nonshareholders.

(a) A Circuit Court may dissolve a corporation:

- (1) In an action by the Attorney General, if it is established that:

(i) The corporation filed its articles ~~obtained its certificate~~ of incorporation through fraud; or

(ii) The corporation has continued to exceed or abuse the authority conferred upon it by law, or has continued to violate the law, after notice of the same has been given to such corporation, either personally or by registered mail; or

(iii) Any interrogatory propounded by the Secretary of State to the corporation, its officers or directors, as provided in this Act, has been answered falsely or has not been answered fully within 30 days after the mailing of such interrogatories by the Secretary of State or within such extension of time as shall have been authorized by the Secretary of State.

- (2) In an action by a creditor, if it is established that:

(i) The creditor's claim has been reduced to judgment, a copy of the judgment has been returned unsatisfied, and the corporation is insolvent; or

(ii) The corporation has admitted in writing that the creditor's claim is due and owing, and the corporation is insolvent.

(3) In an action by the corporation to dissolve under court supervision, if it is established that dissolution is reasonably necessary because the business of the corporation can no longer be conducted to the general advantage of its shareholders.

(b) As an alternative to dissolution, the court may order any of the other remedies contained in subsection (b) of Section 12.55.

(Source: P.A. 89-169, eff. 7-19-95; 89-364, eff. 8-18-95.)

(805 ILCS 5/13.55) (from Ch. 32, par. 13.55)

Sec. 13.55. Procedure for revocation of authority.

(a) After the Secretary of State determines that one or more grounds exist under Section 13.50 for the revocation of authority of a foreign corporation, he or she shall send by regular mail to each delinquent corporation a Notice of Delinquency to its registered office, or, if the corporation has failed to maintain a registered office, then to the president or other principal officer at the last known office of said officer.

(b) If the corporation does not correct the default described in paragraphs (c) through (k) of Section

13.50 within 90 days following such notice, the Secretary of State shall thereupon revoke the authority of the corporation by issuing a certificate of revocation that recites the grounds for revocation and its effective date. If the corporation does not correct the default described in paragraph (a), (b), or (l) of Section 13.50; within 30 days following such notice, the Secretary of State shall thereupon revoke the authority of the corporation by issuing a certificate of revocation as herein prescribed. The Secretary of State shall file the original of the certificate in his or her office, mail one copy to the corporation at its registered office or, if the corporation has failed to maintain a registered office, then to the president or other principal officer at the last known office of said officer, and file one copy for record in the office of the recorder of the county in which the registered office of the corporation in this State is situated, to be recorded by such recorder. The recorder shall submit for payment to the Secretary of State, on a quarterly basis, the amount of filing fees incurred.

(c) Upon the issuance of the certificate of revocation, the authority of the corporation to transact business in this State shall cease and such revoked corporation shall not thereafter carry on any business in this State.

(Source: P.A. 92-33, eff. 7-1-01; 93-59, eff. 7-1-03.)

(805 ILCS 5/13.60) (from Ch. 32, par. 13.60)

Sec. 13.60. Reinstatement following revocation.

(a) A foreign corporation revoked under Section 13.55 may be reinstated by the Secretary of State ~~within five years~~ following the date of issuance of the certificate of revocation upon:

- (1) The filing of an application for reinstatement.
- (2) The filing with the Secretary of State by the corporation of all reports then due and theretofore becoming due.
- (3) The payment to the Secretary of State by the corporation of all fees, franchise taxes, and penalties then due and theretofore becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 1.10 of this Act and shall set forth:

- (1) The name of the corporation at the time of the issuance of the certificate of revocation.

(2) If such name is not available for use as determined by the Secretary of State at the time of filing the application for reinstatement, the name of the corporation as changed; provided, however, that any change of name is properly effected pursuant to Section 13.30 and Section 13.40 of this Act.

- (3) The date of the issuance of the certificate of revocation.

(4) The address, including street and number, or rural route number, of the registered office of the corporation upon reinstatement thereof, and the name of its registered agent at such address upon the reinstatement of the corporation; provided, however, that any change from either the registered office or the registered agent at the time of revocation is properly reported pursuant to Section 5.10 of this act.

(c) When a revoked corporation has complied with the provisions of this Section, the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement, the authority of the corporation to transact business in this State shall be deemed to have continued without interruption from the date of the issuance of the certificate of revocation, and the corporation shall stand revived as if its ~~certificate of~~ authority had not been revoked; and all acts and proceedings of its officers, directors and shareholders, acting or purporting to act as such, which would have been legal and valid but for such revocation, shall stand ratified and confirmed.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 5/13.75)

Sec. 13.75. Activities that do not constitute transacting business. Without excluding other activities that may not constitute ~~transacting doing~~ business in this State, a foreign corporation shall not be considered to be transacting business in this State, for purposes of this Article 13, by reason of carrying on in this State any one or more of the following activities:

- (1) maintaining, defending, or settling any proceeding;
- (2) holding meetings of the board of directors or shareholders or carrying on other activities concerning internal corporate affairs;
- (3) maintaining bank accounts;
- (4) maintaining offices or agencies for the transfer, exchange, and registration of the corporation's own securities or maintaining trustees or depositories with respect to those securities;
- (5) selling through independent contractors;

- (6) soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if orders require acceptance outside this State before they become contracts;
- (7) (blank);
- (8) (blank);
- (9) owning, without more, real or personal property;
- (10) conducting an isolated transaction that is completed within 120 days and that is not one in the course of repeated transactions of a like nature; or
- (11) having a corporate officer or director who is a resident of this State.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 5/14.01) (from Ch. 32, par. 14.01)

Sec. 14.01. Statement of election to establish an extended filing month.

(a) Each domestic corporation and each foreign corporation authorized to transact business in this State, having reported on its last annual report, or articles of incorporation in the case of a domestic corporation, or application for ~~certificate of authority~~ in the case of a foreign corporation, an amount less than 100% of its paid-in capital represented in Illinois, may make an irrevocable, one time election to establish an extended filing month for the purpose of filing annual reports for all subsequent taxable years by filing pursuant to Section 1.10 within the time prescribed by subsection (c) of this Section, a statement setting forth:

- (1) The name of the corporation.
- (2) The file number of the corporation as assigned by the Secretary of State.
- (3) The state or country under whose laws it was organized, the date of incorporation or the date of the filing of its application for issuance of its certificate of authority, if a foreign corporation.
- (4) The date of the fiscal year end immediately preceding this election.
- (5) The extended filing month, which month may be any month in 1991 or a subsequent year which is one of the 9 months consecutively following the end of the corporation's fiscal year, except that such month may not be one of the 2 months immediately preceding the corporation's anniversary month.

Notwithstanding the foregoing, a corporation whose fiscal year ends within the 2 months immediately preceding its anniversary month may not elect an extended filing month.

(b) The statement of election shall be accompanied by an interim annual report which shall set forth, as of the date of filing of the statement, all of the information required pursuant to Section 14.05 of this Act to be included in the annual report except that the information required by subparagraph (h) of Section 14.05 shall be the amounts represented in this State as disclosed by the preceding annual report or if no annual report is on file, from information contained in the articles of incorporation of a domestic corporation or the application for ~~certificate of authority~~ in the case of a foreign corporation.

(c) The statement of election and interim annual report referred to in this Section, together with all fees, taxes and charges as prescribed by this Act and prorated in accordance with Section 15.45 or 15.75, shall be delivered to the Secretary of State within 60 days immediately preceding the first day of the anniversary month of the corporation in 1991 or any subsequent year. Proof to the satisfaction of the Secretary of State that prior to the first day of the anniversary month of the corporation such statement of election and interim annual report together with all fees, taxes and charges as prescribed by this Act, were deposited in the United States mail in a sealed envelope, properly addressed, with postage prepaid, shall be deemed a compliance with this requirement. If the Secretary of State finds that such statement and reports conform to the requirements of this Act, he or she shall file the same. If he or she finds that they do not so conform, he or she shall promptly return the same to the corporation for any necessary corrections, in which event the penalties hereinafter prescribed for failure to file such report within the time hereinabove provided shall not apply if such statement, if applicable, and report are corrected to conform to the requirements of this Act and returned to the Secretary of State within 30 days of the date the report was returned for corrections.

(d) Subsequent to the filing of the statement of election and the interim annual report, the corporation shall file within 60 days prior to the extended filing month a final transition annual report reflecting the factual information required by Section 14.05, and must pay the appropriate fees and franchise taxes due, if any, or set forth the amount of any overpayment to be credited against any other taxes applicable under this Act which may thereafter be payable, in each case based on any difference which may exist between its interim annual report and its final transition annual report. Compliance with this Section establishes a new reporting period for documents required under Article 14 of this Act.

(Source: P.A. 86-985.)

(805 ILCS 5/15.10) (from Ch. 32, par. 15.10)

Sec. 15.10. Fees for filing documents. The Secretary of State shall charge and collect for:

- (a) Filing articles of incorporation, \$150.
- (b) Filing articles of amendment, \$50, unless the amendment is a restatement of the articles of incorporation, in which case the fee shall be \$150.
- (c) Filing articles of merger or consolidation, \$100, but if the merger or consolidation involves more than 2 corporations, \$50 for each additional corporation.
- (d) Filing articles of share exchange, \$100.
- (e) Filing articles of dissolution, \$5.
- (f) Filing application to reserve a corporate name, \$25.
- (g) Filing a notice of transfer or cancellation of a reserved corporate name, \$25.
- (h) Filing statement of change of address of registered office or change of registered agent, or both, \$25.
- (i) Filing statement of the establishment of a series of shares, \$25.
- (j) Filing an application of a foreign corporation for authority to transact business in this State, \$150.
- (k) Filing an application of a foreign corporation for amended authority to transact business in this State, \$25.
- (l) Filing a copy of amendment to the articles of incorporation of a foreign corporation holding authority to transact business in this State, \$50, unless the amendment is a restatement of the articles of incorporation, in which case the fee shall be \$150.
- (m) Filing a copy of articles of merger of a foreign corporation holding ~~a certificate of~~ authority to transact business in this State, \$100, but if the merger involves more than 2 corporations, \$50 for each additional corporation.
- (n) Filing an application for withdrawal and final report or a copy of articles of dissolution of a foreign corporation, \$25.
- (o) Filing an annual report, interim annual report, or final transition annual report of a domestic or foreign corporation, \$75.
- (p) Filing an application for reinstatement of a domestic or a foreign corporation, \$200.
- (q) Filing an application for use of an assumed corporate name, \$150 for each year or part thereof ending in 0 or 5, \$120 for each year or part thereof ending in 1 or 6, \$90 for each year or part thereof ending in 2 or 7, \$60 for each year or part thereof ending in 3 or 8, \$30 for each year or part thereof ending in 4 or 9, between the date of filing the application and the date of the renewal of the assumed corporate name; and a renewal fee for each assumed corporate name, \$150.
- (r) To change an assumed corporate name for the period remaining until the renewal date of the original assumed name, \$25.
- (s) Filing an application for cancellation of an assumed corporate name, \$5.
- (t) Filing an application to register the corporate name of a foreign corporation, \$50; and an annual renewal fee for the registered name, \$50.
- (u) Filing an application for cancellation of a registered name of a foreign corporation, \$25.
- (v) Filing a statement of correction, \$50.
- (w) Filing a petition for refund or adjustment, \$5.
- (x) Filing a statement of election of an extended filing month, \$25.
- (y) Filing any other statement or report, \$5.

(Source: P.A. 92-33, eff. 7-1-01; 93-32, eff. 12-1-03; 93-59, eff. 7-1-03; revised 9-5-03.)

(805 ILCS 5/15.45) (from Ch. 32, par. 15.45)

Sec. 15.45. Rate of franchise taxes payable by domestic corporations.

(a) The annual franchise tax payable by each domestic corporation shall be computed at the rate of 1/12 of 1/10 of 1% for each calendar month or fraction thereof for the period commencing on the first day of July 1983 to the first day of the anniversary month in 1984, but in no event shall the amount of the annual franchise tax be less than \$2.08333 per month assessed on a minimum of \$25 per annum or more than \$83,333.333333 per month; commencing on January 1, 1984 to the first day of the anniversary month in 2004, the annual franchise tax payable by each domestic corporation shall be computed at the rate of 1/10 of 1% for the 12-months' period commencing on the first day of the anniversary month or, in cases where a corporation has established an extended filing month, the extended filing month of the corporation, but in no event shall the amount of the annual franchise tax be less than \$25 nor more than \$1,000,000 per annum; commencing with the first anniversary month that occurs after December, 2003, the annual franchise tax payable by each domestic corporation shall be computed at the rate of 1/10 of 1% for the 12-months' period commencing on the first day of the anniversary month or, in cases where a corporation has established an extended filing month, the extended filing month of the corporation, but in no event shall the amount of the annual franchise tax be

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less than \$25 nor more than \$2,000,000 per annum.

(b) The annual franchise tax payable by each domestic corporation at the time of filing a statement of election and interim annual report in connection with an anniversary month prior to January, 2004 shall be computed at the rate of 1/10 of 1% for the 12 month period commencing on the first day of the anniversary month of the corporation next following such filing, but in no event shall the amount of the annual franchise tax be less than \$25 nor more than \$1,000,000 per annum; commencing with the first anniversary month that occurs after December, 2003, the annual franchise tax payable by each domestic corporation at the time of filing a statement of election and interim annual report shall be computed at the rate of 1/10 of 1% for the 12-month period commencing on the first day of the anniversary month of the corporation next following such filing, but in no event shall the amount of the annual franchise tax be less than \$25 nor more than \$2,000,000 per annum.

(c) The annual franchise tax payable at the time of filing the final transition annual report in connection with an anniversary month prior to January, 2004 shall be an amount equal to (i) 1/12 of 1/10 of 1% per month of the proportion of paid-in capital represented in this State as shown in the final transition annual report multiplied by (ii) the number of months commencing with the anniversary month next following the filing of the statement of election until, but excluding, the second extended filing month, less the annual franchise tax theretofore paid at the time of filing the statement of election, but in no event shall the amount of the annual franchise tax be less than \$2.08333 per month assessed on a minimum of \$25 per annum or more than \$83,333.333333 per month; commencing with the first anniversary month that occurs after December, 2003, the annual franchise tax payable at the time of filing the final transition annual report shall be an amount equal to (i) 1/12 of 1/10 of 1% per month of the proportion of paid-in capital represented in this State as shown in the final transition annual report multiplied by (ii) the number of months commencing with the anniversary month next following the filing of the statement of election until, but excluding, the second extended filing month, less the annual franchise tax theretofore paid at the time of filing the statement of election, but in no event shall the amount of the annual franchise tax be less than \$2.08333 per month assessed on a minimum of \$25 per annum or more than \$166,666.666666 per month.

(d) The initial franchise tax payable after January 1, 1983, but prior to January 1, 1991, by each domestic corporation shall be computed at the rate of 1/10 of 1% for the 12 months' period commencing on the first day of the anniversary month in which the ~~articles of incorporation are filed by certificate of incorporation is issued to~~ the corporation under Section 2.10 of this Act, but in no event shall the franchise tax be less than \$25 nor more than \$1,000,000 per annum. The initial franchise tax payable on or after January 1, 1991, but prior to January 1, 2004, by each domestic corporation shall be computed at the rate of 15/100 of 1% for the 12 month period commencing on the first day of the anniversary month in which the articles of incorporation are filed in accordance with Section 2.10 of this Act, but in no event shall the initial franchise tax be less than \$25 nor more than \$1,000,000 per annum plus 1/20th of 1% of the basis therefor. The initial franchise tax payable on or after January 1, 2004, by each domestic corporation shall be computed at the rate of 15/100 of 1% for the 12-month period commencing on the first day of the anniversary month in which the articles of incorporation are filed in accordance with Section 2.10 of this Act, but in no event shall the initial franchise tax be less than \$25 nor more than \$2,000,000 per annum plus 1/10th of 1% of the basis therefor.

(e) Each additional franchise tax payable by each domestic corporation for the period beginning January 1, 1983 through December 31, 1983 shall be computed at the rate of 1/12 of 1/10 of 1% for each calendar month or fraction thereof, between the date of each respective increase in its paid-in capital and its anniversary month in 1984; thereafter until the last day of the month that is both after December 31, 1990 and the third month immediately preceding the anniversary month in 1991, each additional franchise tax payable by each domestic corporation shall be computed at the rate of 1/12 of 1/10 of 1% for each calendar month, or fraction thereof, between the date of each respective increase in its paid-in capital and its next anniversary month; however, if the increase occurs within the 2 month period immediately preceding the anniversary month, the tax shall be computed to the anniversary month of the next succeeding calendar year. Commencing with increases in paid-in capital that occur subsequent to both December 31, 1990 and the last day of the third month immediately preceding the anniversary month in 1991, the additional franchise tax payable by a domestic corporation shall be computed at the rate of 15/100 of 1%.

(Source: P.A. 93-32, eff. 12-1-03.)

(805 ILCS 5/15.80) (from Ch. 32, par. 15.80)

Sec. 15.80. Computation and collection of ~~annual~~ franchise taxes - proceeding for dissolution or revocation if not paid.

(a) It shall be the duty of the Secretary of State to collect all ~~annual~~ franchise taxes, penalties, and

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interest imposed by or payable in accordance with this Act.

(b) During the calendar year 1983, each corporation must pay its annual franchise tax within 60 days preceding July 1, 1983, for the taxable year beginning July 1, 1983 to each corporation's anniversary month in 1984; thereafter, within 60 days prior to the first day of the anniversary month or, in cases where a corporation has established an extended filing month, the extended filing month each year the Secretary of State shall collect from each corporation, domestic or foreign, required to file an annual report in such year, the franchise tax payable by it for the 12 months' period commencing on the first day of the anniversary month or, in cases where a corporation has established an extended filing month, the extended filing month of such year or, in the case of a corporation which has filed a statement of election of an extended filing date, the interim period resulting therefrom in accordance with the foregoing provisions; and, if it has failed to file its annual report and pay its franchise tax within the time prescribed by this Act, the penalties and interest will be imposed pursuant to this Act upon such corporation for its failure so to do; and the Secretary of State shall mail a written notice to each corporation against which such tax is payable, addressed to such corporation at its registered office in this State, notifying the corporation: (1) of the amount of franchise tax payable for the taxable year and the amount of penalties and interest due for failure to file its annual report and pay its franchise tax; and (2) that such tax and penalties and interest shall be payable to the Secretary of State. Failure to receive such notice shall not relieve the corporation of its obligation to pay the tax and any penalties and any interest due or invalidate the validity thereof.

(c) All annual franchise taxes for the taxable year commencing on July 1, 1983 to the anniversary month of each corporation in 1984 shall be due and payable by July 1, 1983. Beginning with January 1984, all annual reports, fees, and franchise taxes shall be due and payable prior to the first day of the anniversary month or, in the case of a corporation which has established an extended filing month subsequent to January 1, 1991, the extended filing month of each corporation each year. If the annual franchise tax due from any corporation subject to the provisions of this Act together with all penalties and interest imposed thereon, shall not be paid to the Secretary of State before the date of the year in which such tax is due and payable, the Secretary of State shall proceed under Section 12.40 of this Act for the dissolution of a domestic corporation or under Section 13.55 for revocation of a foreign corporation.

(d) For the purpose of enforcing collection, all ~~annual~~ franchise taxes payable in accordance with this Act, and all penalties due thereon and all interest and costs that shall accrue in connection with the collection thereof, shall be a prior and first lien on the real and personal property of the corporation from and including the date of the year when such franchise taxes become due and payable until such taxes, penalties, interest, and costs shall have been paid.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 5/15.90) (from Ch. 32, par. 15.90)

Sec. 15.90. Statute of limitations.

(a) Except as otherwise provided in this Section and notwithstanding anything to the contrary contained in any other Section of this Act, no domestic corporation or foreign corporation shall be obligated to pay any annual franchise tax, fee, or penalty or interest thereon imposed under this Act, nor shall any administrative or judicial sanction (including dissolution) be imposed or enforced nor access to the courts of this State be denied based upon nonpayment thereof more than 7 years after the date of filing the annual report with respect to the period during which the obligation for the tax, fee, penalty or interest arose, unless (1) within that 7 year period the Secretary of State sends a written notice to the corporation to the effect that (A) administrative or judicial action to dissolve the corporation or revoke its ~~certificate of~~ authority for nonpayment of a tax, fee, penalty or interest has been commenced; or (B) the corporation has submitted a report but has failed to pay a tax, fee, penalty or interest required to be paid therewith; or (C) a report with respect to an event or action giving rise to an obligation to pay a tax, fee, penalty or interest is required but has not been filed, or has been filed and is in error or incomplete; or (2) the annual report by the corporation was filed with fraudulent intent to evade taxes payable under this Act. A corporation nonetheless shall be required to pay all taxes that would have been payable during the most recent 7 year period due to a previously unreported increase in paid-in capital that occurred prior to that 7 year period and interest and penalties thereon for that period.

(b) If within 2 years following a change in control of a corporation the corporation voluntarily pays in good faith all known obligations of the corporation imposed by this Article 15 with respect to reports that were required to have been filed since the beginning of the 7 year period ending on the effective date of the change in control, no action shall be taken to enforce or collect obligations of that corporation imposed by this Article 15 with respect to reports that were required to have been filed prior to that 7 year period regardless of whether the limitation period set forth in subsection (a) is otherwise applicable.

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For purposes of this subsection (b), a change in control means a transaction, or a series of transactions consummated within a period of 180 consecutive days, as a result of which a person which owned less than 10% of the shares having the power to elect directors of the corporation acquires shares such that the person becomes the holder of 80% or more of the shares having such power. For purposes of this subsection (b) a person means any natural person, corporation, partnership, trust or other entity together with all other persons controlled by, controlling or under common control with such person.

(c) Except as otherwise provided in this Section and notwithstanding anything to the contrary contained in any other Section of this Act, no foreign corporation that has not previously obtained a certificate of authority under this Act shall, upon voluntary application for a certificate of authority filed with the Secretary of State prior to January 1, 2001, be obligated to pay any tax, fee, penalty, or interest imposed under this Act, nor shall any administrative or judicial sanction be imposed or enforced based upon nonpayment thereof with respect to a period during which the obligation arose that is prior to January 1, 1993 unless (1) prior to receipt of the application for a certificate of authority the Secretary of State had sent written notice to the corporation regarding its failure to obtain a certificate of authority, (2) the corporation had submitted an application for a certificate of authority previously but had failed to pay any tax, fee, penalty or interest to be paid therewith, or (3) the application for a certificate of authority was submitted by the corporation with fraudulent intent to evade taxes payable under this Act. A corporation nonetheless shall be required to pay all taxes and fees due under this Act that would have been payable since January 1, 1993 as a result of commencing the transaction of its business in this State and interest thereon for that period.

(Source: P.A. 90-421, eff. 1-1-98.)

Section 10. The General Not For Profit Corporation Act of 1986 is amended by changing Sections 101.45, 101.70, 104.05, 104.10, 104.20, 105.05, 105.10, 111.37, 112.45, 112.50, 113.20, 113.55, 113.60, and 113.70 as follows:

(805 ILCS 105/101.45) (from Ch. 32, par. 101.45)

Sec. 101.45. Judicial review under the Administrative Review Law. If the Secretary of State shall fail to approve any articles of incorporation, amendment, merger, consolidation, or dissolution, or any other document required by this Act to be approved by the Secretary of State before the same shall be filed in his or her office, the Secretary shall, within 10 days after the delivery thereof to him or her, give written notice of his or her disapproval to the person or corporation, domestic or foreign, delivering the same, specifying the reasons therefor. The decision of the Secretary of State is subject to judicial review under the Administrative Review Law, as now or hereafter amended.

If the Secretary of State shall revoke the ~~certificate of authority~~ to conduct affairs in this State of any foreign corporation, pursuant to this Act, such decision shall be subject to judicial review under the Administrative Review Law, as now or hereafter amended.

Appeals from all final orders and judgment entered by the circuit court under this section in review of any ruling or decision of the Secretary of State may be taken as in other civil actions by either party to the proceeding.

(Source: P.A. 84-1423.)

(805 ILCS 105/101.70) (from Ch. 32, par. 101.70)

Sec. 101.70. Application of Act. (a) Except as otherwise provided in this Act, the provisions of this Act relating to domestic corporations shall apply to:

- (1) All corporations organized hereunder;
- (2) All corporations heretofore organized under the "General Not for Profit Corporation Act", approved July 17, 1943, as amended;
- (3) All not-for-profit corporations heretofore organized under Sections 29 to 34, inclusive, of an Act entitled "An Act Concerning Corporations" approved April 18, 1872, in force July 1, 1872, as amended;
- (4) Each not-for-profit corporation, without shares or capital stock, heretofore organized under any general law or created by Special Act of the Legislature of this State for a purpose or purposes for which a corporation may be organized under this Act, but not otherwise entitled to the rights, privileges, immunities and franchises provided by this Act, which shall elect to accept this Act as hereinafter provided; and
- (5) Each corporation having shares or capital stock, heretofore organized under any general law or created by Special Act of the Legislature of this State prior to the adoption of the Constitution of 1870, for a purpose or purposes for which a corporation may be organized under this Act, which shall elect to accept this Act as hereinafter provided.

(b) Except as otherwise provided by this Act, the provisions of this Act relating to foreign corporations shall apply to:

(1) All foreign corporations which procure a ~~certificate of~~ authority hereunder to conduct affairs in this State;

(2) All foreign corporations heretofore having a certificate of authority to conduct affairs in this State under the "General Not for Profit Corporation Act", approved July 17, 1943, as amended; and

(3) All foreign not-for-profit corporations conducting affairs in this State for a purpose or purposes for which a corporation might be organized under this Act.

(c) The provisions of subsection (b) of Section 110.05 of this Act relating to revival of the articles of incorporation and extension of the period of corporate duration of a domestic corporation shall apply to all corporations organized under the "General Not for Profit Corporation Act", approved July 17, 1943, as amended, and whose period of duration has expired.

(d) The provisions of Section 112.45 of this Act relating to reinstatement following administrative dissolution of a domestic corporation shall apply to all corporations involuntarily dissolved after June 30, 1974, by the Secretary of State, pursuant to Section 50a of the "General Not for Profit Corporation Act", approved July 17, 1943, as amended.

(e) The provisions of Section 113.60 of this Act relating to reinstatement following revocation of the ~~certificate of~~ authority of a foreign corporation to conduct affairs shall apply to all foreign corporations which had their certificates of authority revoked by the Secretary of State pursuant to Section 84 or Section 84a of the "General Not for Profit Corporation Act", approved July 17, 1943, as amended.

(Source: P.A. 84-1423.)

(805 ILCS 105/104.05) (from Ch. 32, par. 104.05)

Sec. 104.05. Corporate name of domestic or foreign corporation.

(a) The corporate name of a domestic corporation or of a foreign corporation organized, existing or subject to the provisions of this Act:

(1) May contain, separate and apart from any other word or abbreviation in such name, the word "corporation," "company," "incorporated," or "limited," or an abbreviation of one of such words;

(2) Must end with the letters "NFP" if the corporate name contains any word or phrase which indicates or implies that the corporation is organized for any purpose other than a purpose for which corporations may be organized under this Act or a purpose other than a purpose set forth in the corporation's articles of incorporation;

(3) Shall be distinguishable upon the records in the the office of the Secretary of State from the name or assumed name of any domestic corporation or limited liability company organized under the Limited Liability Company Act, whether for profit or not for profit, existing under any Act of this State or the name or assumed name of any foreign corporation or foreign limited liability company registered under the Limited Liability Company Act, whether for profit or not for profit, authorized to transact business or conduct affairs in this State, or a name the exclusive right to which is, at the time, reserved or registered in the manner provided in this Act or Section 1-15 of the Limited Liability Company Act, except that, subject to the discretion of the Secretary of State, a foreign corporation that has a name prohibited by this paragraph may be issued a ~~certificate of~~ authority to conduct its affairs in this State, if the foreign corporation:

(i) Elects to adopt an assumed corporation name or names in accordance with Section 104.15 of this Act; and

(ii) Agrees in its application for a ~~certificate of~~ authority to conduct affairs in this State only under such assumed corporate name or names;

(4) Shall not contain a word or phrase, or an abbreviation or derivation thereof, the use of which is prohibited or restricted by any other statute of this State unless such restriction has been complied with;

(5) Shall consist of letters of the English alphabet, Arabic or Roman numerals, or symbols capable of being readily reproduced by the office of the Secretary of State;

(6) Shall not contain the words "regular democrat," "regular democratic," "regular republican," "democrat," "democratic," or "republican," nor the name of any other established political party, unless consent to usage of such words or name is given to the corporation by the State central committee of such established political party; notwithstanding any other provisions of this Act, any corporation, whose name at the time this amendatory Act takes effect contains any of the words listed in this paragraph shall certify to the Secretary of State no later than January 1, 1989, that consent has been given by the State central committee; consent given to a corporation by the State central committee to use the above listed words may be revoked upon notification to the corporation and the Secretary of State; and

(7) Shall be the name under which the corporation shall conduct affairs in this State

unless the corporation shall also elect to adopt an assumed corporate name or names as provided in this Act; provided, however, that the corporation may use any divisional designation or trade name without complying with the requirements of this Act, provided the corporation also clearly discloses its corporate name.

(b) The Secretary of State shall determine whether a name is "distinguishable" from another name for purposes of this Act. Without excluding other names which may not constitute distinguishable names in this State, a name is not considered distinguishable, for purposes of this Act, solely because it contains one or more of the following:

- (1) The word "corporation," "company," "incorporated," or "limited" or an abbreviation of one of such words;
- (2) Articles, conjunctions, contractions, abbreviations, different tenses or number of the same word.

(c) Nothing in this Section or Sections 104.15 or 104.20 of this Act shall:

(1) Require any domestic corporation existing or any foreign corporation having ~~a certificate of authority to conduct affairs~~ on the effective date of this Act, to modify or otherwise change its corporate name or assumed corporate name, if any; or

(2) Abrogate or limit the common law or statutory law of unfair competition or unfair trade practices, nor derogate from the common law or principles of equity or the statutes of this State or of the United States with respect to the right to acquire and protect copyrights, trade names, trade marks, service names, service marks, or any other right to the exclusive use of name or symbols.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 105/104.10) (from Ch. 32, par. 104.10)

Sec. 104.10. Reserved name. The exclusive right to the use of a corporate name or an assumed corporate name, as the case may be, may be reserved by:

- (a) Any person intending to organize a corporation under this Act;
- (b) Any domestic corporation intending to change its name;
- (c) Any foreign corporation intending to make application for ~~a certificate of authority to conduct affairs in this State;~~
- (d) Any foreign corporation authorized to conduct affairs in this State and intending to change its name;
- (e) Any person intending to organize a foreign corporation and intending to have such corporation make application for ~~a certificate of authority to conduct affairs in this State;~~
- (f) Any domestic corporation intending to adopt an assumed corporate name; or
- (g) Any foreign corporation authorized to conduct affairs in this State and intending to adopt an assumed corporate name.

Such reservation shall be made by filing in the office of the Secretary of State an application to reserve a specified corporate name or a specified assumed corporate name, executed by the applicant. If the Secretary of State finds that such name is available for corporate use, he or she shall reserve the same for the exclusive use of such applicant for a period of ninety days or until surrendered by a written cancellation document signed by the applicant, whichever is sooner.

The right to the exclusive use of a specified corporate name or assumed corporate name so reserved may be transferred to any other person by filing in the office of the Secretary of State a notice of such transfer, executed by the person for whom such name was reserved, and specifying the name and address of the transferee.

The Secretary of State may revoke any reservation if, after a hearing, he or she finds that the application therefor or any transfer thereof was made contrary to this Act.

(Source: P.A. 84-1423.)

(805 ILCS 105/104.20) (from Ch. 32, par. 104.20)

Sec. 104.20. Change and cancellation of assumed corporate name. (a) Any domestic or foreign corporation may, pursuant to resolution by its board of directors, change or cancel any or all of its assumed corporate names by executing and filing, in accordance with Section 101.10 of this Act, an application setting forth:

- (1) The true corporate name;
- (2) The state or country under the laws of which it is organized;
- (3) That it intends to cease conducting affairs under an assumed corporate name by changing or canceling it;
- (4) The assumed corporate name to be changed from or cancelled;
- (5) If the assumed corporate name is to be changed, the assumed corporate name which the corporation proposes to use.

(b) Upon the filing of an application to change an assumed corporate name, the corporation shall have the right to use such assumed corporate name for the period authorized by subsection (d) of Section 104.15 of this Act.

(c) The right to use an assumed corporate name shall be cancelled by the Secretary of State:

- (1) If the corporation fails to renew an assumed corporate name;
- (2) If the corporation has filed an application to change or cancel an assumed corporate name;
- (3) If a domestic corporation has been dissolved;
- (4) If a foreign corporation has had ~~its certificate of~~ authority to conduct affairs in this State revoked.

(Source: P.A. 85-1269.)

(805 ILCS 105/105.05) (from Ch. 32, par. 105.05)

Sec. 105.05. Registered office and registered agent.

(a) Each domestic corporation and each foreign corporation having authority to conduct affairs in this State shall have and continuously maintain in this State:

- (1) A registered office which may be, but need not be, the same as its place of business in this State.

(2) A registered agent, which agent may be either an individual, resident in this State, whose business office is identical with such registered office, or a domestic corporation for profit or a foreign corporation for profit authorized to conduct affairs in this State that is authorized by its articles of incorporation to act as such agent, having a business office identical with such registered office.

(b) The address, including street and number, if any, of the initial registered office, and the name of the initial registered agent of each corporation organized under this Act shall be stated in its articles of incorporation; and of each foreign corporation shall be stated in its application for authority to conduct affairs in this State.

(c) In the event of dissolution of a corporation, either voluntary, administrative, or judicial, the registered agent and the registered office of the corporation on record with the Secretary of State on the date of the issuance of the certificate or judgment of dissolution shall be an agent of the corporation upon whom claims can be served or service of process can be had during the two year post-dissolution period provided in Section 112.80 of this Act, unless such agent resigns or the corporation properly reports a change of registered office or registered agent.

(d) In the event of revocation of ~~a certificate of~~ authority of a foreign corporation to conduct affairs, the registered agent and the registered office of the corporation on record with the Secretary of State on the date of the issuance of the certificate of revocation shall be an agent of the corporation upon whom claims can be served or service of process can be had, unless such agent resigns.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 105/105.10) (from Ch. 32, par. 105.10)

Sec. 105.10. Change of registered office or registered agent.

(a) A domestic corporation or a foreign corporation may from time to time change the address of its registered office. A domestic corporation or a foreign corporation shall change its registered agent if the office of registered agent shall become vacant for any reason, or if its registered agent becomes disqualified or incapacitated to act, or if the corporation revokes the appointment of its registered agent.

(b) A domestic corporation or a foreign corporation may change the address of its registered office or change its registered agent, or both, by so indicating on the statement of change on the annual report of that corporation filed pursuant to Section 114.10 of this Act or by executing and filing in duplicate, in accordance with Section 101.10 of this Act, a statement setting forth:

- (1) the name of the corporation;
- (2) the address, including street and number, or rural route number, of its then registered office;
- (3) if the address of its registered office be changed, the address, including street and number, or rural route number, to which the registered office is to be changed;
- (4) the name of its then registered agent;
- (5) if its registered agent be changed, the name of its successor registered agent;
- (6) that the address of its registered office and the address of the business office of its registered agent, as changed, will be identical;
- (7) that such change was authorized by resolution duly adopted by the board of directors.

(c) A legible copy of the statement of change as on the annual report returned by the Secretary of State shall be filed for record within the time prescribed by this Act in the office of the Recorder of the county in which the registered office of the corporation in this State was situated before the filing of the

statement in the Office of the Secretary of State.

(d) If the registered office is changed from one county to another county, then the corporation shall also file for record within the time prescribed by this Act in the office of the Recorder of the county to which such registered office is changed:

(1) In the case of a domestic corporation:

- (i) A copy of its articles of incorporation certified by the Secretary of State.
- (ii) A copy of the statement of change of address of its registered office, certified by the Secretary of State.

(2) In the case of a foreign corporation:

- (i) A copy of its application for authority to transact business in this State, certified by the Secretary of State.
- (ii) A copy of all amendments to such ~~certificate of~~ authority, if any, likewise certified by the Secretary of State.
- (iii) A copy of the statement of change of address of its registered office certified by the Secretary of State.

(e) The change of address of the registered office, or the change of registered agent, or both, as the case may be, shall become effective upon the filing of such statement by the Secretary of State.

(Source: P.A. 91-357, eff. 7-29-99; 92-33, eff. 7-1-01.)

(805 ILCS 105/111.37) (from Ch. 32, par. 111.37)

Sec. 111.37. Merger of domestic corporations and domestic or foreign corporations for profit.

(a) One or more domestic corporations and one or more domestic or foreign corporations for profit may merge into one of such domestic corporations ~~or consolidate into a new domestic corporation~~, provided that such merger ~~or consolidation~~ is permitted by the laws of the state or country under which each such foreign corporation for profit is organized.

(b) Each domestic corporation shall comply with the provisions of this Act with respect to the merger ~~or consolidation~~ of domestic corporations, each domestic corporation for profit shall comply with the provisions of the Business Corporation Act of 1983, as amended, with respect to merger ~~or consolidation~~ of domestic corporations for profit, each foreign corporation for profit shall comply with the laws of the State or country under which it is organized, and each foreign corporation for profit having a certificate of authority to transact business in this State under the provisions of the Business Corporation Act of 1983, as amended, shall comply with the provisions of such Act with respect to merger ~~or consolidation~~ of foreign corporations for profit.

(c) The plan of merger ~~or consolidation~~ shall set forth, in addition to all matters required by Section 111.05 of this Act, the manner and basis of converting shares of each merging ~~or consolidating~~ domestic or foreign corporation for profit into membership or other interests of the surviving domestic corporation, or into cash, or into property, or into any combination of the foregoing.

(d) The effect of a merger ~~or consolidation~~ under this Section shall be the same as in the case of a merger ~~or consolidation~~ of domestic corporations.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 105/112.45) (from Ch. 32, par. 112.45)

Sec. 112.45. Reinstatement following administrative dissolution.

(a) A domestic corporation administratively dissolved under Section 112.40 of this Act may be reinstated by the Secretary of State ~~within five years~~ following the date of issuance of the certificate of dissolution upon:

- (1) The filing of an application for reinstatement;
- (2) The filing with the Secretary of State by the corporation of all reports then due and theretofore becoming due;
- (3) The payment to the Secretary of State by the corporation of all fees and penalties then due and theretofore becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 101.10 of this Act and shall set forth:

(1) The name of the corporation at the time of the issuance of the certificate of dissolution;

(2) If such name is not available for use as determined by the Secretary of State at the time of filing the application for reinstatement, the name of the corporation as changed; provided, however, that any change of name is properly effected pursuant to Section 110.05 and Section 110.30 of this Act;

(3) The date of the issuance of the certificate of dissolution;

(4) The address, including street and number, or rural route number, of the registered

office of the corporation upon reinstatement thereof, and the name of its registered agent at such address upon the reinstatement of the corporation, provided however, that any change from either the registered office or the registered agent at the time of dissolution is properly reported pursuant to Section 105.10 of this Act.

(c) When a dissolved corporation has complied with the provisions of this Section, the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement, the corporate existence shall be deemed to have continued without interruption from the date of the issuance of the certificate of dissolution, and the corporation shall stand revived with such powers, duties and obligations as if it had not been dissolved; and all acts and proceedings of its officers, directors and members, acting or purporting to act as such, which would have been legal and valid but for such dissolution, shall stand ratified and confirmed.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 105/112.50) (from Ch. 32, par. 112.50)

Sec. 112.50. Grounds for judicial dissolution. A Circuit Court may dissolve a corporation:

(a) In an action by the Attorney General, if it is established that:

(1) The corporation ~~filed its articles~~ ~~obtained its certificate~~ of incorporation through fraud; or
 (2) The corporation has continued to exceed or abuse the authority conferred upon it by law, or has continued to violate the law, after notice of the same has been given to such corporation, either personally or by registered mail; or

(3) Any interrogatory propounded by the Secretary of State to the corporation, its officers or directors, as provided in this Act, has been answered falsely or has not been answered fully within 30 days after the mailing of such interrogatories by the Secretary of State or within such extension of time as shall have been authorized by the Secretary of State;

(4) The corporation has solicited money and failed to use the money for the purpose which it was solicited, or has fraudulently solicited money or fraudulently used the money solicited; or

(5) The corporation has substantially and willfully violated the provisions of the Consumer Fraud and Deceptive Business Practices Act.

(b) In an action by a member entitled to vote, or a director, if it is established that:

(1) The directors are deadlocked, whether because of even division in the number thereof or because of greater than majority voting requirements in the articles of incorporation or the bylaws, in the management of the corporate affairs; the members are unable to break the deadlock; and irreparable injury to the corporation is thereby caused or threatened;

(2) The directors or those in control of the corporation have acted, are acting, or will act in a manner that is illegal, oppressive or fraudulent;

(3) The corporate assets are being misapplied or wasted; or

(4) The corporation is unable to carry out its purposes.

(c) In an action by a creditor, if it is established that:

(1) The creditor's claim has been reduced to judgment, the judgment has been returned unsatisfied, and the corporation is insolvent; or

(2) The corporation has admitted in writing that the creditor's claim is due and owing, and the corporation is insolvent.

(d) In an action by the corporation to dissolve under court supervision, if it is established that the corporation is unable to carry out its purposes.

(Source: P.A. 84-1423.)

(805 ILCS 105/113.20) (from Ch. 32, par. 113.20)

Sec. 113.20. Effect of ~~certificate of~~ authority. Upon the filing of the application for authority by the Secretary of State, the corporation shall have the right to conduct affairs in this State for those purposes set forth in its application, subject, however, to the right of this State to revoke such right to conduct affairs in this State as provided in this Act.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 105/113.55) (from Ch. 32, par. 113.55)

Sec. 113.55. Procedure for revocation of ~~certificate of~~ authority.

(a) After the Secretary of State determines that one or more grounds exist under Section 113.50 of this Act for the revocation of authority of a foreign corporation, he or she shall send by regular mail to each delinquent corporation a Notice of Delinquency to its registered office, or, if the corporation has failed to maintain a registered office, then to the president or other principal officer at the last known office of said officer.

(b) If the corporation does not correct the default within 90 days following such notice, the Secretary of State shall thereupon revoke the authority of the corporation by issuing a certificate of revocation that

recites the grounds for revocation and its effective date. The Secretary of State shall file the original of the certificate in his or her office, mail one copy to the corporation at its registered office or, if the corporation has failed to maintain a registered office, then to the president or other principal officer at the last known office of said officer, and file one copy for record in the office of the Recorder of the county in which the registered office of the corporation in this State is situated, to be recorded by such Recorder. The Recorder shall submit for payment, on a quarterly basis, to the Secretary of State the amount of filing fees incurred.

(c) Upon the issuance of the certificate of revocation, the authority of the corporation to conduct affairs in this State shall cease and such revoked corporation shall not thereafter conduct any affairs in this State.

(Source: P.A. 92-33, eff. 7-1-01; 93-59, eff. 7-1-03.)

(805 ILCS 105/113.60) (from Ch. 32, par. 113.60)

Sec. 113.60. Reinstatement following revocation.

(a) A foreign corporation revoked under Section 113.55 of this Act may be reinstated by the Secretary of State ~~within five years~~ following the date of issuance of the certificate of revocation upon:

- (1) The filing of an application for reinstatement;
- (2) The filing with the Secretary of State by the corporation of all reports then due and theretofore becoming due; and
- (3) The payment to the Secretary of State by the corporation of all fees and penalties then due and theretofore becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 101.10 of this Act and shall set forth:

- (1) The name of the corporation at the time of the issuance of the certificate of revocation;

(2) If such name is not available for use as determined by the Secretary of State at the time of filing the application for reinstatement, the name of the corporation as changed, or the assumed corporate name which the corporation elects to adopt for use in this State in accordance with Section 104.05; provided, however, that any change of name is properly effected pursuant to Sections 113.30 and Section 113.40 of this Act, and any adoption of assumed corporate name is properly effected pursuant to Section 104.15 of this Act;

- (3) The date of the issuance of the certificate of revocation; and

(4) The address, including street and number, or rural route number, of the registered office of the corporation upon reinstatement thereof, and the name of its registered agent at such address upon the reinstatement of the corporation; provided, however, that any change from either the registered office or the registered agent at the time of revocation is properly reported pursuant to Section 105.10 of this Act.

(c) When a revoked corporation has complied with the provisions of this Section, the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement, the authority of the corporation to conduct affairs in this State shall be deemed to have continued without interruption from the date of the issuance of the certificate of revocation, and the corporation shall stand revived as if its authority had not been revoked; and all acts and proceedings of its officers, directors and members, acting or purporting to act as such, which would have been legal and valid but for such revocation, shall stand ratified and confirmed.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 105/113.70) (from Ch. 32, par. 113.70)

Sec. 113.70. Conducting affairs without authority. No foreign corporation conducting affairs in this state without authority to do so is permitted to maintain a civil action in any court of this State, until such corporation obtains such authority. Nor shall a civil action be maintained in any court of this State by any successor or assignee of such corporation on any right, claim or demand arising out of conducting affairs by such corporation in this State, until authority to conduct affairs in this State is obtained by such corporation or by a corporation which has acquired all or substantially all of its assets. The failure of a foreign corporation to obtain ~~a certificate of~~ authority to conduct affairs in this State does not impair the validity of any contract or act of such corporation, and does not prevent such corporation from defending any action in any court of this State.

(Source: P.A. 92-33, eff. 7-1-01.)

Section 15. The Limited Liability Company Act is amended by changing Sections 5-47, 5-48, 35-40, 45-65, and 50-15 and by adding Sections 35-2 and 35-6 as follows:

[February 24, 2004]

(805 ILCS 180/5-47)

Sec. 5-47. Statement of correction.

(a) Whenever any instrument authorized to be filed with the Secretary of State under any provision of this Act has been so filed and, as of the date of the action therein referred to, contains any misstatement of fact, typographical error, error of transcription, or any other error or defect or was defectively or erroneously executed, such instrument may be corrected by filing, in accordance with Section 5-45 of this Act, a statement of correction.

(b) A statement of correction shall set forth ~~the following~~:

- (1) The name of the limited liability company and the state or country under the laws of which it is organized.
- (2) The title of the instrument being corrected and the date it was filed by ~~with~~ the Secretary of State.
- (3) The inaccuracy, error, or defect to be corrected and the portion of the instrument in corrected form.

(c) A statement of correction shall be executed in the same manner in which the instrument being corrected was required to be executed.

(d) The corrected instrument shall be effective as of the date the original instrument was filed.

(e) A statement of correction shall not ~~do any of the following~~:

(1) Effect any change or amendment of articles which would not in all respects have complied with the requirements of this Act at the time of filing the instrument being corrected.

(2) Take the place of any document, statement, or report otherwise required to be filed by this Act.

(3) Affect any right or liability accrued or incurred before such filing, except that any right or liability accrued or incurred by reason of the error or defect being corrected shall be extinguished by such filing if the person having such right has not detrimentally relied on the original instrument.

(4) Alter the provisions of the articles of organization with respect to the limited liability company name or purpose and the names and addresses of the organizers, initial manager or managers, and initial member or members.

(5) Alter the provisions of the application for admission to transact business as a foreign limited liability company with respect to the limited liability name.

(6) Alter the provisions of the application to adopt or change an assumed limited liability company name with respect to the assumed limited liability company name.

(7) Alter the wording of any resolution as filed in any document with the Secretary of State and which was in fact adopted by the members or managers.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 180/5-48)

Sec. 5-48. Petition for refund.

(a) Any domestic or foreign limited liability company having authority to transact business in this State may petition the Secretary of State for a refund of fees claimed to have been erroneously paid, subject to the following limitations:

(1) No refund shall be made unless a petition for such shall have ~~refund has~~ been filed in accordance with

Section 5-45 of this Act within 3 years after the amount to be refunded was paid.

(2) If the refund claimed is based upon an instrument filed with the Secretary of State which contained a misstatement of fact, typographical error, error of transcription, or other error or defect, no refund of any fee shall be made unless a statement of correction has been filed in accordance with Section 5-47 of this Act.

(b) The petition for refund shall be executed in accordance with Section 5-45 of this Act and shall set forth the following:

- (1) The name of the limited liability company and the state or country under the laws of which it is organized.
- (2) The amount of the claim.
- (3) The details of the transaction and all facts upon which the petitioner relies.
- (4) Any other information required by rule.

(c) If the Secretary of State determines that the amount paid is incorrect, he or she shall refund to the limited liability company any amount paid in excess of the proper amount; provided, however, that no refund shall be made for an amount less than \$200, and any refund in excess of that amount shall be reduced by \$200; and provided further, that such refund shall be made without payment of interest.

[February 24, 2004]

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 180/35-2 new)

Sec. 35-2. Articles of dissolution.

(a) When a voluntary dissolution has been authorized as provided by this Act, articles of dissolution shall be executed and filed in duplicate in accordance with Section 5.45 of this Act and shall set forth:

(1) The name of the limited liability company.

(2) The date the dissolution was authorized.

(3) A post-office address to which may be mailed a copy of any process against the limited liability company that may be served on the Secretary of State.

(4) A statement that the number or percentage of members specified in the Operating Agreement, as the case may be, have consented to the dissolution.

(b) When the provisions of this Section have been complied with, the Secretary of State shall file the articles of dissolution.

(c) The dissolution is effective on the date of the filing of the articles thereof by the Secretary of State.

(805 ILCS 180/35-6 new)

Sec. 35-6. Revocation of dissolution.

(a) A limited liability company may revoke its dissolution within 60 days of the effective date of the dissolution if the company has not begun to distribute its assets or has not commenced a proceeding for court-supervision of its winding up under Section 35-4.

(b) Within 60 days after the dissolution has been revoked by the company, articles of revocation of dissolution shall be executed and filed in duplicate in accordance with Section 5-45 of this Act and shall set forth:

(1) The name of the limited liability company.

(2) The effective date of the dissolution that was revoked.

(3) A statement that the limited liability company has not begun to distribute its assets nor has it commenced a proceeding for court-supervision of its winding up.

(4) The date the revocation of dissolution was authorized.

(5) A statement that the members of the limited liability company revoked the dissolution.

(c) When the provisions of this Section have been complied with, the Secretary of State shall file the articles of revocation of dissolution.

(d) The revocation of dissolution is effective on the date of filing thereof by the Secretary of State and shall relate back and take effect as of the date of dissolution and the limited liability company may resume carrying on business as if dissolution had never occurred.

(805 ILCS 180/35-40)

Sec. 35-40. Reinstatement following administrative dissolution.

(a) A limited liability company administratively dissolved under Section 35-25 may be reinstated by the Secretary of State ~~within 5 years~~ following the date of issuance of the notice of dissolution upon the occurrence of all of the following:

(1) The filing of an application for reinstatement.

(2) The filing with the Secretary of State by the limited liability company of all reports then due and theretofore becoming due.

(3) The payment to the Secretary of State by the limited liability company of all fees and penalties then due and theretofore becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 5-45 of this Act and shall set forth all of the following:

(1) The name of the limited liability company at the time of the issuance of the notice of dissolution.

(2) If the name is not available for use as determined by the Secretary of State at the time of filing the application for reinstatement, the name of the limited liability company as changed, provided that any change of name is properly effected under Section 1-10 and Section 1-15 of this Act.

(3) The date of issuance of the notice of dissolution.

(4) The address, including street and number or rural route number of the registered office of the limited liability company upon reinstatement thereof and the name of its registered agent at that address upon the reinstatement of the limited liability company, provided that any change from either the registered office or the registered agent at the time of dissolution is properly reported under Section 1-35 of this Act.

(c) When a dissolved limited liability company has complied with the provisions of the Section, the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement, the limited liability company existence shall be deemed to have continued without interruption from the date of the issuance of the notice of dissolution, and the limited liability company shall stand revived with the powers, duties, and obligations as if it had not been dissolved; and all acts and proceedings of its members or managers, acting or purporting to act in that capacity, that would have been legal and valid but for the dissolution, shall stand ratified and confirmed.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 180/45-65)

Sec. 45-65. Reinstatement following revocation.

(a) A limited liability company whose admission has been revoked under Section 45-35 may be reinstated by the Secretary of State ~~within 5 years~~ following the date of issuance of the certificate of revocation upon the occurrence of all of the following:

- (1) The filing of the application for reinstatement.
- (2) The filing with the Secretary of State by the limited liability company of all reports then due and becoming due.
- (3) The payment to the Secretary of State by the limited liability company of all fees and penalties then due and becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 5-45 and shall set forth all of the following:

- (1) The name of the limited liability company at the time of the issuance of the notice of revocation.
- (2) If the name is not available for use as determined by the Secretary of State at the time of filing the application for reinstatement, the name of the limited liability company as changed, provided that any change is properly effected under Sections 1-10 and 45-25.
- (3) The date of the issuance of the notice of revocation.
- (4) The address, including street and number or rural route number of the registered office of the limited liability company upon reinstatement and the name of its registered agent at that address upon the reinstatement of the limited liability company, provided that any change from either the registered office or the registered agent at the time of revocation is properly reported under Section 1-35.

(c) When a limited liability company whose admission has been revoked has complied with the provisions of this Section, the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement: (i) the admission of the limited liability company to transact business in this State shall be deemed to have continued without interruption from the date of the issuance of the notice of revocation, (ii) the limited liability company shall stand revived with the powers, duties, and obligations as if its admission had not been revoked, and (iii) all acts and proceedings of its members or managers, acting or purporting to act in that capacity, that would have been legal and valid but for the revocation, shall stand ratified and confirmed.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 180/50-15)

Sec. 50-15. Penalty.

(a) The Secretary of State shall declare any limited liability company or foreign limited liability company to be delinquent and not in good standing if any of the following occur:

- (1) It has failed to file its annual report and pay the requisite fee as required by this Act before the first day of the anniversary month in the year in which it is due.
- (2) It has failed to appoint and maintain a registered agent in Illinois within 60 days of notification of the Secretary of State by the resigning registered agent.
- (3) (Blank).

(b) If the limited liability company or foreign limited liability company has not corrected the default within the time periods prescribed by this Act, the Secretary of State shall be empowered to invoke any of the following penalties:

(1) For failure or refusal to comply with subsection (a) of this Section within 60 days after the due date, a penalty of \$300 plus \$100 for each year or fraction thereof beginning with the second year of delinquency until returned to good standing or until reinstatement is effected.

(2) The Secretary of State shall not file any additional documents, amendments, reports, or other papers relating to any limited liability company or foreign limited liability company organized under or subject to the provisions of this Act until any delinquency under subsection (a) is satisfied.

(3) In response to inquiries received in the Office of the Secretary of State from any

party regarding a limited liability company that is delinquent, the Secretary of State may show the limited liability company as not in good standing.

(Source: P.A. 93-32, eff. 12-1-03.)

(805 ILCS 180/35-15 rep.)

Section 20. The Limited Liability Company Act is amended by repealing Section 35-15.

Section 25. The Uniform Partnership Act is amended by adding Sections 3.1 and 8.3.5 as follows:
(805 ILCS 205/3.1 new)

Sec. 3.1. Statement of correction.

(a) Whenever any instrument authorized to be filed with the Secretary of State under any provision of this Act has been so filed and, as of the date of the action therein referred to, contains any misstatement of fact, typographical error, error of transcription or any other error of defect or was defectively or erroneously executed, such instrument may be corrected by filing a statement of correction.

(b) A statement of correction shall set forth:

(1) The name of the registered limited liability partnership and the State or country under the laws of which it is organized;

(2) The title of the instrument being corrected and the date it was filed by the Secretary of State;

(3) The inaccuracy, error or defect to be corrected and the portion of the instrument in corrected form.

(c) A statement of correction shall be executed in the same manner in which the instrument being corrected was required to be executed.

(d) The corrected instrument shall be effective as of the date the original instrument was filed.

(e) A statement of correction shall not:

(1) Effect any change or amendment which would not in all respects have complied with the requirements of this Act at the time of filing the instrument being corrected;

(2) Take the place of any document, statement or report otherwise required to be filed by this Act;

(3) Affect any right or liability accrued or incurred before such filing, except that any right or liability accrued or incurred by reason of the error or defect being corrected shall be extinguished by such filing if the person having such right has not detrimentally relied on the original instrument;

(4) Alter the provisions of the registered limited liability partnership with respect to the name or purpose;

(5) Alter the provisions of the application for registration of a foreign limited liability partnership with respect to the partnership's name;

(6) Alter the wording of any resolution as filed in any document with the Secretary of State and which was in fact adopted by the partners.

(f) The filing fee for a statement of correction shall be \$25.

(805 ILCS 205/8.3.5 new)

Sec. 8.3.5. Activities that do not constitute transacting business.

(a) Without excluding other activities that may not constitute transacting business in this State, a foreign partnership shall not be considered to be transacting business in this State, for purposes of this Act, by reason of carrying on in this State any one or more of the following activities:

(1) maintaining, defending, or settling any proceeding;

(2) holding meetings of the partners or carrying on other activities concerning internal partnership affairs;

(3) maintaining bank accounts;

(4) maintaining offices or agencies for the transfer, exchange, and registration of the partnership's own securities or maintaining trustees or depositories with respect to those securities;

(5) selling through independent contractors;

(6) soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if orders require acceptance outside this State before they become contracts;

(7) owning, without more, real or personal property;

(8) conducting an isolated transaction that is completed within 120 days and that is not one in the course of repeated transactions of a like nature; or

(9) having a partner who is a resident of this State.

(b) This Section has no application to the question of whether any partnership is subject to service of process and suit in this State under any law of this State.

Section 30. The Uniform Partnership Act (1997) is amended by changing Sections 108 and 1104 and by adding Section 110 as follows:

[February 24, 2004]

(805 ILCS 206/108)

Sec. 108. Fees.

(a) The Secretary of State shall charge and collect in accordance with the provisions of this Act and rules promulgated under its authority:

- (1) fees for filing documents;
- (2) miscellaneous charges; and
- (3) fees for the sale of lists of filings, copies of any documents, and the sale or release of any information.

(b) The Secretary of State shall charge and collect:

(1) for furnishing a copy or certified copy of any document, instrument, or paper relating to a registered limited liability partnership, \$1 per page, but not less than \$25, and \$25 for the certificate and for affixing the seal to the certificate;

(2) for the transfer of information by computer process media to any purchaser, fees established by rule;

(3) for filing a statement of partnership authority, \$25;

(4) for filing a statement of denial, \$25;

(5) for filing a statement of dissociation, \$25;

(6) for filing a statement of dissolution, \$100;

(7) for filing a statement of merger, \$100;

(8) for filing a statement of qualification for a limited liability partnership organized under the laws of this State, \$100 for each partner, but in no event shall the fee be less than \$200 or exceed \$5,000;

(9) for filing a statement of foreign qualification, \$500;

(10) for filing a renewal statement for a limited liability partnership organized under the laws of this State, \$100 for each partner, but in no event shall the fee be less than \$200 or exceed \$5,000;

(11) for filing a renewal statement for a foreign limited liability partnership, \$300.

(12) for filing an amendment or cancellation of a statement, \$25;

(13) for filing a statement of withdrawal, \$100;

(14) for the purposes of changing the registered agent name or registered office, or both, \$25; -

(15) for filing a statement of correction, \$25.

(c) All fees collected pursuant to this Act shall be deposited into the Division of Corporations Limited Liability Partnership Fund.

(d) There is hereby continued in the State treasury a special fund to be known as the Division of Corporations Limited Liability Partnership Fund. Moneys deposited into the Fund shall, subject to appropriation, be used by the Business Services Division of the Office of the Secretary of State to administer the responsibilities of the Secretary of State under this Act. The balance of the Fund at the end of any fiscal year shall not exceed \$200,000, and any amount in excess thereof shall be transferred to the General Revenue Fund.

(Source: P.A. 92-740, eff. 1-1-03.)

(805 ILCS 206/110 new)

Sec. 110. Statement of correction.

(a) Whenever any instrument authorized to be filed with the Secretary of State under any provision of this Act has been so filed and, as of the date of the action therein referred to, contains any misstatement of fact, typographical error, error of transcription or any other error or defect or was defectively or erroneously executed, such instrument may be corrected by filing a statement of correction.

(b) A statement of correction shall set forth:

(1) The name of the partnership or registered limited liability partnership and the State or country under the laws of which it is organized;

(2) The title of the instrument being corrected and the date it was filed by the Secretary of State;

(3) The inaccuracy, error or defect to be corrected and the portion of the instrument in corrected form.

(c) A statement of correction shall be executed in the same manner in which the instrument being corrected was required to be executed.

(d) The corrected instrument shall be effective as of the date the original instrument was filed.

(e) A statement of correction shall not:

(1) Effect any change or amendment which would not in all respects have complied with the requirements of this Act at the time of filing the instrument being corrected;

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(2) Take the place of any document, statement or report otherwise required to be filed by this Act;

(3) Affect any right or liability accrued or incurred before such filing, except that any right or liability accrued or incurred by reason of the error or defect being corrected shall be extinguished by such filing if the person having such right has not detrimentally relied on the original instrument;

(4) Alter the provisions of the partnership or registered limited liability partnership with respect to the name or purpose;

(5) Alter the provisions of the application for registration of a foreign limited liability partnership with respect to the partnership's name;

(6) Alter the wording of any resolution as filed in any document with the Secretary of State and which was in fact adopted by the partners.

(805 ILCS 206/1104)

Sec. 1104. Activities that do not constitute transacting business.

(a) Without excluding other activities that may not constitute transacting business in this State, a foreign partnership or registered limited liability partnership shall not be considered to be transacting business in this State, for purposes of this Article 9, by reason of carrying on in this State any on or more of the following activities:

(1) maintaining, defending, or settling any proceeding;

(2) holding meetings of the partners or carrying on other activities concerning internal partnership affairs;

(3) maintaining bank accounts;

(4) maintaining offices or agencies for the transfer, exchange, and registration of the limited liability partnership's own securities or maintaining trustees or depositories with respect to those securities;

(5) selling through independent contractors;

(6) soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if orders require acceptance outside this State before they become contracts;

(7) owning, without more, real or personal property;

(8) conducting an isolated transaction that is completed within 120 days and that is not one in the course of repeated transactions of a like nature; or

(9) having a partner who is a resident of this State.

(b) This Section has no application to the question of whether any partnership or registered limited liability partnership is subject to service of process and suit in this State under any law of this State.

Activities not constituting transacting business.

(a) Activities of a foreign limited liability partnership which do not constitute transacting business for the purpose of this Article include:

(1) maintaining, defending, or settling an action or proceeding;

(2) holding meetings of its partners or carrying on any other activity concerning its internal affairs;

(3) maintaining bank accounts;

(4) maintaining offices or agencies for the transfer, exchange, and registration of the partnership's own securities or maintaining trustees or depositories with respect to those securities;

(5) selling through independent contractors;

(6) soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if the orders require acceptance outside this State before they become contracts;

(7) creating or acquiring indebtedness, with or without a mortgage, or other security interest in property;

(8) collecting debts or foreclosing mortgages or other security interests in property securing the debts, and holding, protecting, and maintaining property so acquired;

(9) conducting an isolated transaction that is completed within 30 days and is not one in the course of similar transactions; and

(10) transacting business in interstate commerce.

(b) For purposes of this Article, the ownership in this State of income producing real property or tangible personal property, other than property excluded under subsection (a) of this Section, constitutes transacting business in this State.

(c) This Section does not apply in determining the contacts or activities that may subject a foreign limited liability partnership to service of process, taxation, or regulation under any other law of this State.

(Source: P.A. 92-740, eff. 1-1-03.)

Section 35. The Revised Uniform Limited Partnership Act is amended by changing Sections 801,

[February 24, 2004]

1102, and 1110 and by adding Sections 109, 806, 807, 912, 913, and 914 as follows:

(805 ILCS 210/109 new)

Sec. 109. Statement of correction.

(a) Whenever any instrument authorized to be filed with the Secretary of State under any provision of this Act has been so filed and, as of the date of the action therein referred to, contains any misstatement of fact, typographical error, error of transcription or any other error or defect or was defectively or erroneously executed, such instrument may be corrected by filing a statement of correction.

(b) A statement of correction shall set forth:

(1) The name of the limited partnership and the State or country under the laws of which it is organized;

(2) The title of the instrument being corrected and the date it was filed by the Secretary of State;

(3) The inaccuracy, error or defect to be corrected and the portion of the instrument in corrected form.

(c) A statement of correction shall be executed in the same manner in which the instrument being corrected was required to be executed.

(d) The corrected instrument shall be effective as of the date the original instrument was filed.

(e) A statement of correction shall not:

(1) Effect any change or amendment which would not in all respects have complied with the requirements of this Act at the time of filing the instrument being corrected;

(2) Take the place of any document, statement or report otherwise required to be filed by this Act;

(3) Affect any right or liability accrued or incurred before such filing, except that any right or liability accrued or incurred by reason of the error or defect being corrected shall be extinguished by such filing if the person having such right has not detrimentally relied on the original instrument;

(4) Alter the provision of the limited partnership with respect to the name or purpose and the names and addresses of the partners;

(5) Alter the provisions of the application for registration of a foreign limited partnership with respect to the partnership's name;

(6) Alter the wording of any resolution as filed in any document with the Secretary of State which was in fact adopted by the partners.

(805 ILCS 210/801) (from Ch. 106 1/2, par. 158-1)

Sec. 801. Dissolution. A limited partnership is dissolved and its affairs shall be wound up upon the happening of the first to occur of the following:

(a) at the time or upon the happening of events specified in the partnership agreement;

(b) written consent of all partners;

(c) an event of withdrawal of a general partner unless at the time there is at least one other general partner and the partnership agreement permits the business of the limited partnership to be carried on by the remaining general partner and that partner does so, but the limited partnership is not dissolved and is not required to be wound up by reason of any event of withdrawal, if, within 90 days after the withdrawal, all partners (or such lesser number of partners as is provided for in the written provisions of the partnership agreement) agree in writing to continue the business of the limited partnership and to the appointment of one or more additional general partners if necessary or desired; or

(d) entry of a decree of judicial dissolution under Section 802; or -

(e) administrative dissolution under Section 806.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 210/806 new)

Sec. 806. Procedure for administrative dissolution.

(a) If the Secretary of State determines under Section 1109 of this Act that a limited partnership is delinquent and has not corrected the default within the time periods prescribed by this Act, the Secretary of State shall send a notice of delinquency by regular mail to the limited partnership at its registered office, or, if the partnership has failed to maintain a registered office, to the last known address shown on the records of the Secretary of State for the address of the office at which records of the limited partnership are maintained in accordance with Section 104 of this Act.

(b) If the limited partnership does not correct the delinquency within 90 days following the date of the notice of delinquency, the Secretary of State shall thereupon dissolve the limited partnership by issuing a certificate of dissolution that recites the grounds for dissolution and its effective date. The Secretary of State shall file the original certificate in his or her office and mail one copy to the limited partnership at its registered office, or, if the partnership has failed to maintain a registered office, to the last known address shown on the records of the Secretary of State for the address of the office at which records of the limited partnership are maintained under Section 104 of this Act.

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(c) Upon the administrative dissolution of a limited partnership:

(1) the Secretary of State shall file a certificate of cancellation of the certificate of limited partnership under Section 203 of this Act which sets forth the information required in paragraphs (1) through (4) thereof; and

(2) a dissolved limited partnership shall continue for only the purpose of winding up its business. A dissolved partnership may only take actions necessary to wind up its business and affairs.

(805 ILCS 210/807 new)

Sec. 807. Reinstatement following administrative dissolution.

(a) A limited partnership administratively dissolved pursuant to Section 806 of this Act may be reinstated by the Secretary of State years following the date of issuance of the certificate of dissolution upon the occurrence of all of the following:

(1) the filing of an application for reinstatement;

(2) the filing with the Secretary of State by the limited partnership of all reports then due and theretofore becoming due; and

(3) the payment to the Secretary of State by the limited partnership of all fees and penalties then due and theretofore becoming due.

(b) The application for reinstatement shall be executed and filed in accordance with Section 206 of this Act and shall set forth all of the following:

(1) the name of the limited partnership at the time of the issuance of the certificate of dissolution;

(2) the date of the issuance of the certificate of dissolution; and

(3) the address, including street and number or rural route number of the registered office of the limited partnership upon reinstatement thereof and the name of its registered agent at that address, provided that any change from either the registered office or the registered agent at the time of dissolution is properly reported in accordance with Section 202 of this Act.

(c) When a limited partnership that has been dissolved under Section 806 has complied with the provisions of this Section, the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement, the limited partnership's existence shall be deemed to have continued without interruption from the date of the issuance of the certificate of dissolution, and the limited partnership shall stand revived with the powers, duties and obligations as if it had not been dissolved; and all acts and proceedings of its general partners and agents, acting or purporting to act in that capacity, that would have been legal and valid but for the dissolution, shall stand ratified and confirmed.

(805 ILCS 210/912 new)

Sec. 912. Administrative cancellation of application for admission.

(a) If the Secretary of State determines under Section 1109 of this Act that a foreign limited partnership is delinquent and has not corrected the default within the time periods prescribed by this Act, the Secretary of State shall send a notice of delinquency by regular mail to the foreign limited partnership at its registered office, or, if the partnership has failed to maintain a registered office, to the last known address shown on the records of the Secretary of State for the address of the office required to be maintained under Section 902(a)(6) of this Act.

(b) If the foreign limited partnership does not correct the delinquency within 90 days following the date of the notice of delinquency, the Secretary of State shall thereupon cancel the application for admission of the foreign limited partnership by issuing a certificate of cancellation that recites the grounds for cancellation its effective date. The Secretary of State shall file the original of the certificate in his or her office and mail one copy to the limited partnership at its registered office, or, if the partnership has failed to maintain a registered office, to the last known address shown on the records of the Secretary of State for the address of the office required to be maintained under Section 902(a)(6) of this Act.

(c) Upon the administrative cancellation of the application for admission of a foreign limited partnership:

(1) the Secretary of State shall file a certificate of cancellation of the application for admission of the foreign limited partnership pursuant to Section 906 of this Act which sets forth the information required by paragraphs (a) and (b) thereof; and

(2) a foreign limited partnership whose application for admission has been cancelled shall thereby (i) surrender its authority to transact business in this State, (ii) revoke the authority of its agent for service of process in this State to accept service of process, and (iii) consent that service of process in any suit, action or proceeding arising out of the transaction of business in this State may be made on such foreign limited partnership by service thereof on the Secretary of State as provided in Section 909 of this Act.

(805 ILCS 210/913 new)

Sec. 913. Reinstatement following administrative cancellation.

(a) A foreign limited partnership whose application for admission has been cancelled pursuant to Section 912 of this Act may be reinstated by the Secretary of State following the date of issuance of the certificate of cancellation upon the occurrence of all of the following:

(1) the filing of the application for reinstatement;

(2) the filing with the Secretary of state by the foreign limited partnership of all reports then due and becoming due; and

(3) the payment to the Secretary of State by the foreign limited partnership of all fees and penalties then due and becoming due.

(b) The application for reinstatement shall be executed and filed in accordance with Section 903 of this Act and shall set forth all of the following:

(1) the name of the foreign limited partnership at the time of the issuance of the notice of cancellation;

(2) the date of the issuance of the notice; and

(3) the address, including street and number or rural route number, or the registered office of the foreign limited partnership upon reinstatement and the name of its registered agent at that address, provided that any change from either the registered office of the registered agent at the time of revocation is properly reported in accordance with Section 905 of this Act.

(c) When a foreign limited partnership whose admission has been cancelled under Section 912 of this Act has complied with the provisions of this Section, the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement: (i) the admission of the foreign limited partnership to transact business in this State shall be deemed to have continued without interruption from the date of the issuance of the certificate of cancellation, (ii) the foreign limited partnership shall stand revived with the powers, duties and obligations as if its admission had not been revoked, and (iii) all facts and proceedings of its general partners and agents, acting or purporting to act in that capacity, that would have been legal and valid but for the revocation, shall stand ratified and confirmed.

(805 ILCS 210/914 new)

Sec. 914. Activities that do not constitute transacting business.

(a) Without excluding other activities that may not constitute doing business in this State, a foreign limited partnership shall not be considered to be transacting business in this State, for purposes of this Article 9, by reason of carrying on in this State any one or more of the following activities:

(1) maintaining, defending, or settling any proceeding;

(2) holding meetings of the partners or carrying on other activities concerning internal partnership affairs;

(3) maintaining bank accounts;

(4) maintaining offices or agencies for the transfer, exchange, and registration of the limited partnership's own securities or maintaining trustees or depositories with respect to those securities;

(5) selling through independent contractors;

(6) soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if orders require acceptance outside this State before they become contracts;

(7) owning, without more, real or personal property;

(8) conducting an isolated transaction that is completed within 120 days and that is not one in the course of repeated transactions of a like nature; or

(9) having a limited or general partner who is a resident of this State.

(b) This Section has no application to the question of whether any limited partnership is subject to service of process and suit in this State under any law of this State.

(805 ILCS 210/1102) (from Ch. 106 1/2, par. 161-2)

Sec. 1102. Fees.

(a) The Secretary of State shall charge and collect in accordance with the provisions of this Act and rules promulgated pursuant to its authority:

(1) fees for filing documents;

(2) miscellaneous charges;

(3) fees for the sale of lists of filings, copies of any documents, and for the sale or release of any information.

(b) The Secretary of State shall charge and collect for:

(1) filing certificates of limited partnership (domestic), certificates of admission

(foreign), restated certificates of limited partnership (domestic), and restated certificates of admission

(foreign), \$150;

- (2) filing certificates to be governed by this Act, \$50;
- (3) filing amendments and certificates of amendment, \$50;
- (4) filing certificates of cancellation, \$25;
- (5) filing an application for use of an assumed name pursuant to Section 108 of this Act, \$150 for each year or part thereof ending in 0 or 5, \$120 for each year or part thereof ending in 1 or 6, \$90 for each year or part thereof ending in 2 or 7, \$60 for each year or part thereof ending in 3 or 8, \$30 for each year or part thereof ending in 4 or 9, and a renewal fee for each assumed name, \$150;
- (6) filing a renewal report of a domestic or foreign limited partnership, \$150 if filed as required by this Act, plus \$100 penalty if delinquent;
- (7) filing an application for reinstatement of a domestic or foreign limited partnership, and for issuing a certificate of reinstatement, \$200;
- (7.1) filing a statement of correction, \$25;
- (8) filing any other document, \$50.

(c) The Secretary of State shall charge and collect:

- (1) for furnishing a copy or certified copy of any document, instrument or paper relating to a domestic limited partnership or foreign limited partnership, \$25; and
- (2) for the transfer of information by computer process media to any purchaser, fees established by rule.

(Source: P.A. 92-33, eff. 7-1-01; 93-32, eff. 7-1-03.)

(805 ILCS 210/1110) (from Ch. 106 1/2, par. 161-10)

Sec. 1110. Return to good standing Reinstatement. Except in the case of a limited partnership that has been administratively dissolved pursuant to Section 806 or a foreign limited partnership whose application for admission has been cancelled pursuant to Section 912, a ~~(a)~~ A limited partnership or foreign limited partnership which has been delinquent may return to good standing upon:

(1) the filing with the Secretary of State by the limited partnership or foreign limited partnership of all applications, reports, information requirements, registrations and renewals when due and theretofore becoming due; and

(2) the payment to the Secretary of State by the limited partnership or foreign limited partnership of all fees and penalties then due and theretofore becoming due.

(Source: P.A. 85-403.)

Section 40. The Co-operative Act is amended by changing Section 22 as follows:

(805 ILCS 310/22) (from Ch. 32, par. 326)

Sec. 22. No corporation or association hereafter organized or doing business for profit in this State shall be entitled to use the term "Co-operative" as a part of its corporate or other business name or title unless it has complied with the provisions of this Act, except (1) a corporation ~~or association~~ organized under the Business Corporation Act of 1983 ~~the General Not For Profit Corporation Act of 1986~~ for the purpose of ownership or administration of residential property on a cooperative basis, ~~or a corporation or association organized under the Business Corporation Act of 1983 for the same purpose~~ or (2) a cooperative corporation organized under the General Not for Profit Corporation Act of 1986 or its predecessor or successor Act. Any corporation or association violating the provision of this Section may be enjoined from doing business under such name at the instance of any shareholder of any association or corporation organized under this Act.

(Source: P.A. 90-233, eff. 7-25-97.)

Section 45. The Uniform Commercial Code is amended by changing Section 9-525 as follows:

(810 ILCS 5/9-525)

Sec. 9-525. Fees.

(a) Initial financing statement or other record: general rule. Except as otherwise provided in subsection (e), the fee for filing and indexing a record under this Part, other than an initial financing statement of the kind described in subsection (b), is:

- (1) \$20 if the record is communicated in writing and consists of one or two pages;
- (2) \$20 if the record is communicated in writing and consists of more than two pages;
- and
- (3) \$20 if the record is communicated by another medium authorized by filing-office rule.

(b) Initial financing statement: public-finance and manufactured-housing transactions. Except as otherwise provided in subsection (e), the fee for filing and indexing an initial financing statement of the

following kind is:

- (1) \$20 if the financing statement indicates that it is filed in connection with a public-finance transaction;
- (2) \$20 if the financing statement indicates that it is filed in connection with a manufactured-home transaction.

(c) Number of names. The number of names required to be indexed does not affect the amount of the fee in subsections (a) and (b).

(d) Response to information request. The fee for responding to a request for information from the filing office, including for issuing a certificate showing communicating whether there is on file any financing statement naming a particular debtor, is:

- (1) \$10 if the request is communicated in writing; and
- (2) \$10 if the request is communicated by another medium authorized by filing-office rule.

(e) Record of mortgage. This Section does not require a fee with respect to a record of a mortgage which is effective as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut under Section 9-502(c). However, the recording and satisfaction fees that otherwise would be applicable to the record of the mortgage apply.

(f) Of the total money collected for each filing with the Secretary of State of an original financing statement, amended statement, continuation, or assignment, or for a release of collateral, \$12 of the filing fee shall be paid into the Secretary of State Special Services Fund. The remaining \$8 shall be deposited into the General Revenue Fund in the State Treasury.

(Source: P.A. 91-893, eff. 7-1-01.)

Section 99. Effective date. This Act takes effect August 1, 2004."

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Meeks, **Senate Bill No. 2193** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2205** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2206** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2207** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2208** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2209** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2210** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2211** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2212** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2213** having been printed, was taken up, read by title a second time and ordered to a third reading.

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On motion of Senator E. Jones, **Senate Bill No. 2214** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2215** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2234** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2235** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2260** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2261** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones, **Senate Bill No. 2264** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Viverito, **Senate Bill No. 2166** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Righter, **Senate Bill No. 2274** having been printed, was taken up, read by title a second time.

Senator Righter offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1 . Amend Senate Bill 2274 on page 4, by replacing lines 11 and 12 with the following:

"(765 ILCS 535/Act rep.)

Section 15. The Oil and Gas Lease Release Act is repealed."

The motion prevailed.

And the amendment was adopted, and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Jacobs, **Senate Bill No. 2293** having been printed, was taken up, read by title a second time.

Floor Amendment No. 1 was held in the Committee on Rules.

There being no further amendments the bill was ordered to a third reading.

On motion of Senator Jacobs, **Senate Bill No. 2296** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Jacobs, **Senate Bill No. 2299** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Welch, **Senate Bill No. 2320** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Cullerton, **Senate Bill No. 2337** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Local Government, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1 . Amend Senate Bill 2337 by replacing everything after the enacting

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clause with the following:

"Section 5. The Criminal Code of 1961 is amended by changing Section 16-20 as follows:
(720 ILCS 5/16-20)

Sec. 16-20. Criminal penalties.

(a) Except for violations of Section 16-19 as provided for in subsection (b) or (c) of this Section, a person who violates Section 16-19 is guilty of a Class A misdemeanor.

(b) An offense under Section 16-19 is a Class 4 felony if:

(1) the defendant has been convicted previously under Section 16-19 or convicted of any similar crime in this or any federal or other state jurisdiction; or

(2) the violation of Section 16-19 involves at least 10, but not more than 50, unlawful communication or access devices; or -

(3) a person engages in conduct identified in subdivision (3) of Section 16-19 for the purpose of, and with the intention of, substantially disrupting and impairing the ability of a communication service provider to deliver communication services to its lawful customers or subscribers.

(c) An offense under Section 16-19 is a Class 3 felony if:

(1) the defendant has been convicted previously on 2 or more occasions for offenses under Section 16-19 or for any similar crime in this or any federal or other state jurisdiction; or

(2) the violation of Section 16-19 involves more than 50 unlawful communication or access devices.

(d) For purposes of grading an offense based upon a prior conviction under Section 16-19 or for any similar crime under subdivisions (b)(1) and (c)(1) of this Section, a prior conviction shall consist of convictions upon separate indictments or criminal complaints for offenses under Section 16-19 or any similar crime in this or any federal or other state jurisdiction.

(e) As provided for in subdivisions (b)(1) and (c)(1) of this Section, in grading an offense under Section 16-19 based upon a prior conviction, the term "any similar crime" shall include, but not be limited to, offenses involving theft of service or fraud, including violations of the Cable Communications Policy Act of 1984 (Public Law 98-549, 98 Stat. 2779).

(f) Separate offenses. For purposes of all criminal penalties or fines established for violations of Section 16-19, the prohibited activity established in Section 16-19 as it applies to each unlawful communication or access device shall be deemed a separate offense.

(g) Fines. For purposes of imposing fines upon conviction of a defendant for an offense under Section 16-19, all fines shall be imposed in accordance with Article 9 of Chapter V of the Unified Code of Corrections.

(h) Restitution. The court shall, in addition to any other sentence authorized by law, sentence a person convicted of violating Section 16-19 to make restitution in the manner provided in Article 5 of Chapter V of the Unified Code of Corrections.

(i) Forfeiture of unlawful communication or access devices. Upon conviction of a defendant under Section 16-19, the court may, in addition to any other sentence authorized by law, direct that the defendant forfeit any unlawful communication or access devices in the defendant's possession or control which were involved in the violation for which the defendant was convicted.

(j) Venue. An offense under Section 16-19 may be deemed to have been committed at either the place where the defendant manufactured or assembled an unlawful communication or access device, or assisted others in doing so, or the place where the unlawful communication or access device was sold or delivered to a purchaser or recipient. It is not a defense to a violation of Section 16-19 that some of the acts constituting the offense occurred outside of the State of Illinois.

(Source: P.A. 92-728, eff. 1-1-03.)

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

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Welch, **Senate Bill No. 2350** having been printed, was taken up, read by title a second time.

Committee Amendment No. 1 was held in the Committee on Environment and Energy.

There being no further amendments the bill was ordered to a third reading.

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On motion of Senator Silverstein, **Senate Bill No. 2380** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Cullerton, **Senate Bill No. 2578** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Judiciary, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1 . Amend Senate Bill 2578 on page 1, line 12, by inserting after "firearm," the following:

"aggravated battery with a machine gun or a firearm equipped with a device designed or used for silencing the report of a firearm; aggravated battery of a child; aggravated intimidation;"; and

on page 1, line 14, by inserting after "hijacking;" the following:
"aggravated vehicular hijacking;".

Floor Amendment No. 2 was held in the Committee on Rules.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Welch, **Senate Bill No. 2689** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bomke, **Senate Bill No. 2810** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Welch, **Senate Bill No. 2861** having been printed, was taken up, read by title a second time and ordered to a third reading.

EXCUSED FROM ATTENDANCE

On motion of Senator Burzynski, Senator Wojcik was excused from attendance due to personal business.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Walsh, **House Bill No. 754**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

Yeas 53; Nays None.

The following voted in the affirmative:

Althoff	Haine	Meeks	Sieben
Bomke	Halvorson	Obama	Silverstein
Brady	Harmon	Peterson	Soden
Burzynski	Hendon	Petka	Sullivan, D.
Clayborne	Hunter	Radogno	Sullivan, J.
Collins	Jacobs	Rauschenberger	Trotter
Cronin	Jones, J.	Righter	Viverito
Crotty	Jones, W.	Risinger	Walsh
Cullerton	Laufen	Ronen	Watson
del Valle	Lightford	Roskam	Welch
DeLeo	Link	Rutherford	Mr. President
Demuzio	Luechtefeld	Sandoval	
Forby	Maloney	Schoenberg	

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Garrett

Martinez

Shadid

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

MESSAGE FROM THE PRESIDENT

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

EMIL JONE, JR.
Senate President

327 State Capitol
Springfield, Illinois 62706

February 24, 2004

Ms. Linda Hawker
Secretary of the Senate
Room 403, State House
Springfield, IL 62706

Dear Madam Secretary:

Pursuant to Senate Rule 2-10, the following deadlines indicated on the 2004 Senate Regular Session Schedule are not applicable to appropriation bills and Senate Bills 2431, 3000, 3001 and 3002:

March 26 2004, Senate Bills Out of Committee
April 26, 2004, Senate Bills Third Reading
April 29, 2004, House Bills Out of Committee; and
May 13, 2004, House Bills Third Reading

Very truly yours,
Emil Jones, Jr.
Senate President

cc: Senate Minority Leader Frank Watson

REPORT FROM RULES COMMITTEE

Senator Demuzio, Chairperson of the Committee on Rules, during its February 24, 2004 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Agriculture and Conservation: **Senate Committee Amendment No. 1 to Senate Bill 2370; Senate Committee Amendment No. 1 to Senate Bill 2457; Senate Committee Amendment No. 1 to Senate Bill 2612; Senate Committee Amendment No. 1 to Senate Bill 2696.**

Appropriations I: **SENATE BILLS 2463, 2621, 2673, 2796, 3220, 3228, 3229, 3230, 3231, 3232, 3233, 3235, 3236, 3237, 3238, 3239, 3240, 3241, 3243, 3244, 3247, 3249, 3250, 3251, 3253, 3255, 3257, 3258, 3262, 3270, 3271, 3276, 3278, 3279, 3284, 3286, 3287, 3291, 3292, 3294, 3297, 3298, 3301, 3302, 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3316, 3317, 3318, 3319, 3320, 3321, 3322, 3323, 3324, 3335, 3336, 3337, 3338, 3339, 3345, 3346, 3347, 3348, 3349, 3350, 3351, 3352, 3353, 3354, 3355, 3356, 3357, 3358 and 3359.**

Appropriations II: **SENATE BILLS 2656, 2802, 3221, 3222, 3223, 3224, 3225, 3226, 3227, 3234, 3242, 3246, 3248, 3252, 3254, 3256, 3259, 3260, 3261, 3263, 3264, 3265, 3266, 3267, 3268, 3269, 3272, 3273, 3274, 3275, 3277, 3280, 3281, 3282, 3283, 3285, 3288, 3289, 3290, 3293, 3295,**

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3296, 3299, 3300, 3325, 3326, 3327, 3328, 3329, 3330, 3331, 3332, 3333, 3334, 3340, 3341, 3342, 3343, 3344, 3360, 3361, 3362, 3363, 3364, 3365, 3366, 3367, 3368 and 3369.

Education: **Senate Committee Amendment No. 1 to Senate Bill 2135; Senate Committee Amendment No. 1 to Senate Bill 2349; Senate Committee Amendment No. 1 to Senate Bill 2360; Senate Committee Amendment No. 2 to Senate Bill 2528; Senate Committee Amendment No. 1 to Senate Bill 2676; Senate Committee Amendment No. 1 to Senate Bill 2732; Senate Committee Amendment No. 1 to Senate Bill 3090; Senate Committee Amendment No. 1 to Senate Bill 3109.**

Environment and Energy: **Senate Committee Amendment No. 2 to Senate Bill 2142.**

Executive: **Senate Committee Amendment No. 1 to Senate Bill 2200; Senate Committee Amendment No. 1 to Senate Bill 3208.**

Health and Human Services: **Senate Committee Amendment No. 2 to Senate Bill 2270; Senate Committee Amendment No. 1 to Senate Bill 2726; Senate Committee Amendments numbered 3 and 4 to Senate Bill 2768; Senate Committee Amendment No. 1 to Senate Bill 2794; Senate Committee Amendment No. 1 to Senate Bill 2880; Senate Committee Amendment No. 1 to Senate Bill 2944.**

Insurance and Pensions: **Senate Committee Amendment No. 1 to Senate Bill 2301; Senate Committee Amendment No. 1 to Senate Bill 2545; Senate Committee Amendment No. 1 to Senate Bill 2620.**

Judiciary: **Senate Committee Amendment No. 1 to Senate Bill 2188; Senate Committee Amendment No. 1 to Senate Bill 2278; Senate Committee Amendment No. 1 to Senate Bill 2456; Senate Committee Amendment No. 2 to Senate Bill 2607; Senate Committee Amendment No. 1 to Senate Bill 2765; Senate Committee Amendment No. 1 to Senate Bill 2777; Senate Committee Amendment No. 1 to Senate Bill 2778; Senate Committee Amendment No. 1 to Senate Bill 2784; Senate Committee Amendment No. 1 to Senate Bill 2785; Senate Committee Amendment No. 1 to Senate Bill 2786; Senate Committee Amendment No. 1 to Senate Bill 2800; Senate Committee Amendment No. 1 to Senate Bill 2902; Senate Committee Amendment No. 1 to Senate Bill 3041; Senate Committee Amendment No. 1 to Senate Bill 3042; Senate Committee Amendment No. 1 to Senate Bill 3043; Senate Committee Amendment No. 1 to Senate Bill 3140.**

Local Government: **Senate Committee Amendment No. 1 to Senate Bill 2133; Senate Committee Amendment No. 1 to Senate Bill 2151; Senate Committee Amendment No. 1 to Senate Bill 2196; Senate Committee Amendment No. 1 to Senate Bill 2455; Senate Committee Amendment No. 1 to Senate Bill 3064.**

Revenue: **Senate Committee Amendment No. 1 to Senate Bill 2411.**

State Government: **Senate Committee Amendment No. 2 to Senate Bill 3207.**

Transportation: **Senate Committee Amendment No. 1 to Senate Bill 2122; Senate Committee Amendment No. 1 to Senate Bill 2272; Senate Committee Amendment No. 1 to Senate Bill 2327.**

Senator Demuzio, Chairperson of the Committee on Rules, reported that the Committee recommends that **Senate Bill No. 2543** be re-referred from the Committee on Appropriations I to the Committee on Appropriations II.

MESSAGES FROM THE HOUSE

A message from the House by

Mr. Bolin, Assistant Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

[February 24, 2004]

HOUSE BILL NO. 4025

A bill for AN ACT in relation to criminal law.

Passed the House, February 24, 2004.

BRADLEY S. BOLIN, Assistant Clerk of the House

The foregoing **House Bill No. 4025** was taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Bolin, Assistant Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 4769

A bill for AN ACT concerning food animals.

Passed the House, February 24, 2004.

BRADLEY S. BOLIN, Assistant Clerk of the House

The foregoing **House Bill No. 4769** was taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Bolin, Assistant Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 4831

A bill for AN ACT concerning community development.

Passed the House, February 24, 2004.

BRADLEY S. BOLIN, Assistant Clerk of the House

The foregoing **House Bill No. 4831** was taken up, ordered printed and placed on first reading.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME

House Bill No. 4157, sponsored by Senator DeLeo was taken up, read by title a first time and referred to the Committee on Rules.

At the hour of 1:28 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 6:02 o'clock p.m., the Senate resumed consideration of business.

Senator Hendon, presiding.

REPORTS FROM STANDING COMMITTEES

Senator Haine, Chairperson of the Committee on Local Government, to which was referred **Senate Bills numbered 2091, 2659, 2924, 2932 and 2933**, reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Haine, Chairperson of the Committee on Local Government, to which was referred **Senate Bills numbered 2133, 2151, 2196, 2277 and 3064**, reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

[February 24, 2004]

Senator Jacobs, Chairperson of the Committee on Insurance and Pensions, to which was referred **Senate Bills numbered 2173, 2203, 2269, 2306, 2339, 2353, 2404, 2491, 2560, 2581, 2701, 2744, 2830, 2978 and 3077**, reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Jacobs, Chairperson of the Committee on Insurance and Pensions, to which was referred **Senate Bills numbered 2301, 2545 and 2620**, reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator del Valle, Chairperson of the Committee on Education, to which was referred **Senate Bills numbered 2360, 2769, 2863, 2867, 2918, 2995, 3090, 3091 and 3107**, reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator del Valle, Chairperson of the Committee on Education, to which was referred **Senate Bills numbered 2135, 2317, 2349, 2528, 2676, 2732 and 3109**, reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator Shadid, Chairperson of the Committee on Transportation, to which was referred **Senate Bills numbered 2180, 2323, 2401, 2429, 2480, 2682, 2894 and 2980**, reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Shadid, Chairperson of the Committee on Transportation, to which was referred **Senate Bills numbered 2122, 2272 and 2327**,s reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

At the hour of 6:05 o'clock p.m., the Chair announced that the Senate stand adjourned until Wednesday, February 25, 2004, at 12:00 o'clock noon.