

HB5577



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5577

by Rep. William Davis

SYNOPSIS AS INTRODUCED:

105 ILCS 5/2-3.170

Amends the School Code. Provides that in the immediate 2 consecutive tax years (rather than in the tax year) following receipt of a Property Tax Pool Relief Grant, the aggregate extension base (rather than the aggregate levy) of any school district receiving a grant, for purposes of the Property Tax Extension Limitation Law, shall include the tax relief the school district provided in the previous taxable year. Effective July 1, 2020.

LRB101 17799 NHT 70461 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

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

4 Section 5. The School Code is amended by changing Section
5 2-3.170 as follows:

6 (105 ILCS 5/2-3.170)

7 Sec. 2-3.170. Property tax relief pool grants.

8 (a) As used in this Section,

9 "EAV" means equalized assessed valuation as defined under
10 Section 18-8.15 of this Code.

11 "Property tax multiplier" equals one minus the square of
12 the school district's Local Capacity Percentage, as defined in
13 Section 18-8.15 of this Code.

14 "Local capacity percentage multiplier" means one minus the
15 school district's Local Capacity Percentage, as defined in
16 Section 18-8.15.

17 "State Board" means the State Board of Education.

18 (b) Subject to appropriation, the State Board shall provide
19 grants to eligible school districts that provide tax relief to
20 the school district's residents, which may be no greater than
21 1% of EAV for a unit district, 0.69% of EAV for an elementary
22 school district, or 0.31% of EAV for a high school district, as
23 provided in this Section.

1 (b-5) School districts may apply for property tax relief
2 under this Section concurrently to setting their levy for the
3 fiscal year. The intended relief may not be greater than 1% of
4 the EAV for a unit district, 0.69% of the EAV for an elementary
5 school district, or 0.31% of the EAV for a high school
6 district, multiplied by the school district's local capacity
7 percentage multiplier. The State Board shall process
8 applications for relief, providing a grant to those districts
9 with the highest operating tax rate, as determined by those
10 districts with the highest percentage of the simple average
11 operating tax rate of districts of the same type, either
12 elementary, high school, or unit, first, in an amount equal to
13 the intended relief multiplied by the property tax multiplier.
14 The State Board shall provide grants to school districts in
15 order of priority until the property tax relief pool is
16 exhausted. If more school districts apply for relief under this
17 subsection than there are funds available, the State Board must
18 distribute the grants and prorate any remaining funds to the
19 final school district that qualifies for grant relief. The
20 abatement amount for that district must be equal to the grant
21 amount divided by the property tax multiplier.

22 If a school district receives the State Board's approval of
23 a grant under this Section by March 1 of the fiscal year, the
24 school district shall present a duly authorized and approved
25 abatement resolution by March 30 of the fiscal year to the
26 county clerk of each county in which the school files its levy,

1 authorizing the county clerk to lower the school district's
2 levy by the amount designated in its application to the State
3 Board. When the preceding requisites are satisfied, the county
4 clerk shall reduce the amount collected for the school district
5 by the amount indicated in the school district's abatement
6 resolution for that fiscal year.

7 (c) (Blank).

8 (d) School districts seeking grants under this Section
9 shall apply to the State Board each year. All applications to
10 the State Board for grants shall include the amount of the tax
11 relief intended by the school district.

12 (e) Each year, based on the most recent available data
13 provided by school districts pursuant to Section 18-8.15 of
14 this Code, the State Board shall calculate the order of
15 priority for grant eligibility under subsection (b-5) and
16 publish a list of the school districts eligible for relief. The
17 State Board shall provide grants in the manner provided under
18 subsection (b-5).

19 (f) The State Board shall publish a final list of eligible
20 grant recipients and provide payment of the grants by March 1
21 of each year.

22 (g) If notice of eligibility from the State Board is
23 received by a school district by March 1, then by March 30, the
24 school district shall file an abatement of its property tax
25 levy in an amount equal to the grant received under this
26 Section divided by the property tax multiplier. Payment of all

1 grant amounts shall be made by June 1 each fiscal year. The
2 State Superintendent of Education shall establish the timeline
3 in such cases in which notice cannot be made by March 1.

4 (h) The total property tax relief allowable to a school
5 district under this Section shall be calculated based on the
6 total amount of reduction in the school district's aggregate
7 extension. The total grant shall be equal to the reduction,
8 multiplied by the property tax multiplier. The reduction shall
9 be equal to 1% of a district's EAV for a unit school district,
10 0.69% for an elementary school district, or 0.31% for a high
11 school district, multiplied by the school district's local
12 capacity percentage multiplier.

13 (i) If the State Board does not expend all appropriations
14 allocated pursuant to this Section, then any remaining funds
15 shall be allocated pursuant to Section 18-8.15 of this Code.

16 (j) The State Board shall prioritize payments under Section
17 18-8.15 of this Code over payments under this Section, if
18 necessary.

19 (k) Any grants received by a school district shall be
20 included in future calculations of that school district's Base
21 Funding Minimum under Section 18-8.15 of this Code. Beginning
22 with Fiscal Year 2020, if a school district receives a grant
23 under this Section, the school district must present to the
24 county clerk a duly authorized and approved abatement
25 resolution by March 30 for the year in which the school
26 district receives the grant and the successive fiscal year

1 following the receipt of the grant, authorizing the county
2 clerk to lower the school district's levy by the amount
3 designated in its original application to the State Board.
4 After receiving a resolution, the county clerk must reduce the
5 amount collected for the school district by the amount
6 indicated in the school district's abatement resolution for
7 that fiscal year. If a school district does not abate in this
8 amount for the successive fiscal year, the grant amount may not
9 be included in the school district's Base Funding Minimum under
10 Section 18-8.15 in the fiscal year following the tax year in
11 which the abatement is not authorized and in any future fiscal
12 year thereafter, and the county clerk must notify the State
13 Board of the increase no later 30 days after it occurs.

14 (1) In the immediate 2 consecutive tax years ~~year~~ following
15 receipt of a Property Tax Pool Relief Grant, the aggregate
16 extension base ~~levy~~ of any school district receiving a grant
17 under this Section, for purposes of the Property Tax Extension
18 Limitation Law, shall include the tax relief the school
19 district provided in the previous taxable year under this
20 Section.

21 (Source: P.A. 100-465, eff. 8-31-17; 100-582, eff. 3-23-18;
22 100-863, eff. 8-14-18; 101-17, eff. 6-14-19.)

23 Section 99. Effective date. This Act takes effect July 1,
24 2020.