



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0424

Introduced 1/26/2007, by Rep. Roger L. Eddy

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-80

35 ILCS 200/18-185

105 ILCS 5/2-3.29 new

105 ILCS 5/3-15.1

105 ILCS 5/17-9.03 new

from Ch. 122, par. 3-15.1

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

LRB095 04583 BDD 24638 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning schools.

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

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

6 (35 ILCS 200/18-80)

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

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

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

23 Any person desiring to appear at the public hearing and

1 present testimony to the taxing district may contact ... (name,
2 title, address and telephone number of an appropriate
3 official).

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

8 The proposed corporate and special purpose property taxes
9 to be levied for ... (current year) ... are ... (dollar amount
10 of the proposed aggregate levy). This represents a ...
11 (percentage) ... increase over the previous year.

12 III. The property taxes extended for debt service and
13 public building commission leases for ... (preceding year) ...
14 were ... (dollar amount).

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

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

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

25 The notice for all school districts having a population of
26 less than 500,000 inhabitants shall be published in

1 substantially the following form:

2 Notice of Proposed Tax Increase for (commonly known name of
3 school district).

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

7 Any person desiring to appear at the public hearing and
8 present testimony to the taxing district may contact (name,
9 title, address, and telephone number of an appropriate
10 official).

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

15 The proposed corporate and special purpose property taxes
16 to be levied for (current year) are (dollar amount of the
17 proposed aggregate levy). This represents a (percentage)
18 increase over the previous year.

19 III. The property taxes extended for debt service and
20 public building commission leases for (preceding year) were
21 (dollar amount).

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

26 IV. The audit completed for fiscal year (previous fiscal

1 year) for special education mandates listed a shortfall of
2 (dollar amount of shortfall; \$0 if a surplus). The audit
3 completed for that fiscal year for transportation mandates
4 listed a shortfall of (dollar amount of shortfall; \$0 if a
5 surplus). The proposed mandate shortfall relief levy for
6 special education mandates for (current year) is (dollar amount
7 not to exceed the amount of the audited shortfall). The
8 proposed mandate shortfall relief levy for transportation
9 mandates for (current year) is (dollar amount not exceed the
10 amount of the audited shortfall).

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

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

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

18 All hearings shall be open to the public. The corporate
19 authority of the taxing district shall explain the reasons for
20 the proposed increase and shall permit persons desiring to be
21 heard an opportunity to present testimony within reasonable
22 time limits as it determines.

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

24 (35 ILCS 200/18-185)

25 Sec. 18-185. Short title; definitions. This Division 5 may

1 be cited as the Property Tax Extension Limitation Law. As used
2 in this Division 5:

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

6 "Extension limitation" means (a) the lesser of 5% or the
7 percentage increase in the Consumer Price Index during the
8 12-month calendar year preceding the levy year or (b) the rate
9 of increase approved by voters under Section 18-205.

10 "Affected county" means a county of 3,000,000 or more
11 inhabitants or a county contiguous to a county of 3,000,000 or
12 more inhabitants.

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

1 those taxing districts made subject to this Law as provided in
2 Section 18-213.

3 "Aggregate extension" for taxing districts to which this
4 Law applied before the 1995 levy year means the annual
5 corporate extension for the taxing district and those special
6 purpose extensions that are made annually for the taxing
7 district, excluding special purpose extensions: (a) made for
8 the taxing district to pay interest or principal on general
9 obligation bonds that were approved by referendum; (b) made for
10 any taxing district to pay interest or principal on general
11 obligation bonds issued before October 1, 1991; (c) made for
12 any taxing district to pay interest or principal on bonds
13 issued to refund or continue to refund those bonds issued
14 before October 1, 1991; (d) made for any taxing district to pay
15 interest or principal on bonds issued to refund or continue to
16 refund bonds issued after October 1, 1991 that were approved by
17 referendum; (e) made for any taxing district to pay interest or
18 principal on revenue bonds issued before October 1, 1991 for
19 payment of which a property tax levy or the full faith and
20 credit of the unit of local government is pledged; however, a
21 tax for the payment of interest or principal on those bonds
22 shall be made only after the governing body of the unit of
23 local government finds that all other sources for payment are
24 insufficient to make those payments; (f) made for payments
25 under a building commission lease when the lease payments are
26 for the retirement of bonds issued by the commission before

1 October 1, 1991, to pay for the building project; (g) made for
2 payments due under installment contracts entered into before
3 October 1, 1991; (h) made for payments of principal and
4 interest on bonds issued under the Metropolitan Water
5 Reclamation District Act to finance construction projects
6 initiated before October 1, 1991; (i) made for payments of
7 principal and interest on limited bonds, as defined in Section
8 3 of the Local Government Debt Reform Act, in an amount not to
9 exceed the debt service extension base less the amount in items
10 (b), (c), (e), and (h) of this definition for non-referendum
11 obligations, except obligations initially issued pursuant to
12 referendum; (j) made for payments of principal and interest on
13 bonds issued under Section 15 of the Local Government Debt
14 Reform Act; (k) made by a school district that participates in
15 the Special Education District of Lake County, created by
16 special education joint agreement under Section 10-22.31 of the
17 School Code, for payment of the school district's share of the
18 amounts required to be contributed by the Special Education
19 District of Lake County to the Illinois Municipal Retirement
20 Fund under Article 7 of the Illinois Pension Code; the amount
21 of any extension under this item (k) shall be certified by the
22 school district to the county clerk; (l) made to fund expenses
23 of providing joint recreational programs for the handicapped
24 under Section 5-8 of the Park District Code or Section 11-95-14
25 of the Illinois Municipal Code; (m) made for temporary
26 relocation loan repayment purposes pursuant to Sections 2-3.77

1 and 17-2.2d of the School Code; (n) made for payment of
2 principal and interest on any bonds issued under the authority
3 of Section 17-2.2d of the School Code; ~~and~~ (o) made for
4 contributions to a firefighter's pension fund created under
5 Article 4 of the Illinois Pension Code, to the extent of the
6 amount certified under item (5) of Section 4-134 of the
7 Illinois Pension Code; and (p) made for mandate shortfall
8 relief under the Section 17-9.03 of the School Code.

9 "Aggregate extension" for the taxing districts to which
10 this Law did not apply before the 1995 levy year (except taxing
11 districts subject to this Law in accordance with Section
12 18-213) means the annual corporate extension for the taxing
13 district and those special purpose extensions that are made
14 annually for the taxing district, excluding special purpose
15 extensions: (a) made for the taxing district to pay interest or
16 principal on general obligation bonds that were approved by
17 referendum; (b) made for any taxing district to pay interest or
18 principal on general obligation bonds issued before March 1,
19 1995; (c) made for any taxing district to pay interest or
20 principal on bonds issued to refund or continue to refund those
21 bonds issued before March 1, 1995; (d) made for any taxing
22 district to pay interest or principal on bonds issued to refund
23 or continue to refund bonds issued after March 1, 1995 that
24 were approved by referendum; (e) made for any taxing district
25 to pay interest or principal on revenue bonds issued before
26 March 1, 1995 for payment of which a property tax levy or the

1 full faith and credit of the unit of local government is
2 pledged; however, a tax for the payment of interest or
3 principal on those bonds shall be made only after the governing
4 body of the unit of local government finds that all other
5 sources for payment are insufficient to make those payments;
6 (f) made for payments under a building commission lease when
7 the lease payments are for the retirement of bonds issued by
8 the commission before March 1, 1995 to pay for the building
9 project; (g) made for payments due under installment contracts
10 entered into before March 1, 1995; (h) made for payments of
11 principal and interest on bonds issued under the Metropolitan
12 Water Reclamation District Act to finance construction
13 projects initiated before October 1, 1991; (h-4) made for
14 stormwater management purposes by the Metropolitan Water
15 Reclamation District of Greater Chicago under Section 12 of the
16 Metropolitan Water Reclamation District Act; (i) made for
17 payments of principal and interest on limited bonds, as defined
18 in Section 3 of the Local Government Debt Reform Act, in an
19 amount not to exceed the debt service extension base less the
20 amount in items (b), (c), and (e) of this definition for
21 non-referendum obligations, except obligations initially
22 issued pursuant to referendum and bonds described in subsection
23 (h) of this definition; (j) made for payments of principal and
24 interest on bonds issued under Section 15 of the Local
25 Government Debt Reform Act; (k) made for payments of principal
26 and interest on bonds authorized by Public Act 88-503 and

1 issued under Section 20a of the Chicago Park District Act for
2 aquarium or museum projects; (l) made for payments of principal
3 and interest on bonds authorized by Public Act 87-1191 or
4 93-601 and (i) issued pursuant to Section 21.2 of the Cook
5 County Forest Preserve District Act, (ii) issued under Section
6 42 of the Cook County Forest Preserve District Act for
7 zoological park projects, or (iii) issued under Section 44.1 of
8 the Cook County Forest Preserve District Act for botanical
9 gardens projects; (m) made pursuant to Section 34-53.5 of the
10 School Code, whether levied annually or not; (n) made to fund
11 expenses of providing joint recreational programs for the
12 handicapped under Section 5-8 of the Park District Code or
13 Section 11-95-14 of the Illinois Municipal Code; (o) made by
14 the Chicago Park District for recreational programs for the
15 handicapped under subsection (c) of Section 7.06 of the Chicago
16 Park District Act; (p) made for contributions to a
17 firefighter's pension fund created under Article 4 of the
18 Illinois Pension Code, to the extent of the amount certified
19 under item (5) of Section 4-134 of the Illinois Pension Code;
20 (q) made by Ford Heights School District 169 under Section
21 17-9.02 of the School Code; and (r) made for mandate shortfall
22 relief under Section 17-9.03 of the School Code.

23 "Aggregate extension" for all taxing districts to which
24 this Law applies in accordance with Section 18-213, except for
25 those taxing districts subject to paragraph (2) of subsection
26 (e) of Section 18-213, means the annual corporate extension for

1 the taxing district and those special purpose extensions that
2 are made annually for the taxing district, excluding special
3 purpose extensions: (a) made for the taxing district to pay
4 interest or principal on general obligation bonds that were
5 approved by referendum; (b) made for any taxing district to pay
6 interest or principal on general obligation bonds issued before
7 the date on which the referendum making this Law applicable to
8 the taxing district is held; (c) made for any taxing district
9 to pay interest or principal on bonds issued to refund or
10 continue to refund those bonds issued before the date on which
11 the referendum making this Law applicable to the taxing
12 district is held; (d) made for any taxing district to pay
13 interest or principal on bonds issued to refund or continue to
14 refund bonds issued after the date on which the referendum
15 making this Law applicable to the taxing district is held if
16 the bonds were approved by referendum after the date on which
17 the referendum making this Law applicable to the taxing
18 district is held; (e) made for any taxing district to pay
19 interest or principal on revenue bonds issued before the date
20 on which the referendum making this Law applicable to the
21 taxing district is held for payment of which a property tax
22 levy or the full faith and credit of the unit of local
23 government is pledged; however, a tax for the payment of
24 interest or principal on those bonds shall be made only after
25 the governing body of the unit of local government finds that
26 all other sources for payment are insufficient to make those

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

1 Illinois Pension Code, to the extent of the amount certified
2 under item (5) of Section 4-134 of the Illinois Pension Code;
3 and (m) made for mandate shortfall relief under Section 17-9.03
4 of the School Code.

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

1 payment of interest or principal on those bonds shall be made
2 only after the governing body of the unit of local government
3 finds that all other sources for payment are insufficient to
4 make those payments; (f) made for payments under a building
5 commission lease when the lease payments are for the retirement
6 of bonds issued by the commission before the effective date of
7 this amendatory Act of 1997 to pay for the building project;
8 (g) made for payments due under installment contracts entered
9 into before the effective date of this amendatory Act of 1997;
10 (h) made for payments of principal and interest on limited
11 bonds, as defined in Section 3 of the Local Government Debt
12 Reform Act, in an amount not to exceed the debt service
13 extension base less the amount in items (b), (c), and (e) of
14 this definition for non-referendum obligations, except
15 obligations initially issued pursuant to referendum; (i) made
16 for payments of principal and interest on bonds issued under
17 Section 15 of the Local Government Debt Reform Act; (j) made
18 for a qualified airport authority to pay interest or principal
19 on general obligation bonds issued for the purpose of paying
20 obligations due under, or financing airport facilities
21 required to be acquired, constructed, installed or equipped
22 pursuant to, contracts entered into before March 1, 1996 (but
23 not including any amendments to such a contract taking effect
24 on or after that date); (k) made to fund expenses of providing
25 joint recreational programs for the handicapped under Section
26 5-8 of the Park District Code or Section 11-95-14 of the

1 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
2 firefighter's pension fund created under Article 4 of the
3 Illinois Pension Code, to the extent of the amount certified
4 under item (5) of Section 4-134 of the Illinois Pension Code;
5 and (m) made for mandate shortfall relief under Section 17-9.03
6 of the School Code.

7 "Debt service extension base" means, for taxing districts
8 except school districts having a population of less than
9 500,000 inhabitants, an amount equal to that portion of the
10 extension for a taxing district for the 1994 levy year, or for
11 those taxing districts subject to this Law in accordance with
12 Section 18-213, except for those subject to paragraph (2) of
13 subsection (e) of Section 18-213, for the levy year in which
14 the referendum making this Law applicable to the taxing
15 district is held, or for those taxing districts subject to this
16 Law in accordance with paragraph (2) of subsection (e) of
17 Section 18-213 for the 1996 levy year, constituting an
18 extension for payment of principal and interest on bonds issued
19 by the taxing district without referendum, but not including
20 excluded non-referendum bonds. For park districts (i) that were
21 first subject to this Law in 1991 or 1995 and (ii) whose
22 extension for the 1994 levy year for the payment of principal
23 and interest on bonds issued by the park district without
24 referendum (but not including excluded non-referendum bonds)
25 was less than 51% of the amount for the 1991 levy year
26 constituting an extension for payment of principal and interest

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

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

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

1 aggregate extension.

2 "Aggregate extension base" means the taxing district's
3 last preceding aggregate extension as adjusted under Sections
4 18-215 through 18-230.

5 "Levy year" has the same meaning as "year" under Section
6 1-155.

7 "New property" means (i) the assessed value, after final
8 board of review or board of appeals action, of new improvements
9 or additions to existing improvements on any parcel of real
10 property that increase the assessed value of that real property
11 during the levy year multiplied by the equalization factor
12 issued by the Department under Section 17-30, (ii) the assessed
13 value, after final board of review or board of appeals action,
14 of real property not exempt from real estate taxation, which
15 real property was exempt from real estate taxation for any
16 portion of the immediately preceding levy year, multiplied by
17 the equalization factor issued by the Department under Section
18 17-30, including the assessed value, upon final stabilization
19 of occupancy after new construction is complete, of any real
20 property located within the boundaries of an otherwise or
21 previously exempt military reservation that is intended for
22 residential use and owned by or leased to a private corporation
23 or other entity, and (iii) in counties that classify in
24 accordance with Section 4 of Article IX of the Illinois
25 Constitution, an incentive property's additional assessed
26 value resulting from a scheduled increase in the level of

1 assessment as applied to the first year final board of review
2 market value. In addition, the county clerk in a county
3 containing a population of 3,000,000 or more shall include in
4 the 1997 recovered tax increment value for any school district,
5 any recovered tax increment value that was applicable to the
6 1995 tax year calculations.

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

11 "Recovered tax increment value" means, except as otherwise
12 provided in this paragraph, the amount of the current year's
13 equalized assessed value, in the first year after a
14 municipality terminates the designation of an area as a
15 redevelopment project area previously established under the
16 Tax Increment Allocation Development Act in the Illinois
17 Municipal Code, previously established under the Industrial
18 Jobs Recovery Law in the Illinois Municipal Code, or previously
19 established under the Economic Development Area Tax Increment
20 Allocation Act, of each taxable lot, block, tract, or parcel of
21 real property in the redevelopment project area over and above
22 the initial equalized assessed value of each property in the
23 redevelopment project area. For the taxes which are extended
24 for the 1997 levy year, the recovered tax increment value for a
25 non-home rule taxing district that first became subject to this
26 Law for the 1995 levy year because a majority of its 1994

1 equalized assessed value was in an affected county or counties
2 shall be increased if a municipality terminated the designation
3 of an area in 1993 as a redevelopment project area previously
4 established under the Tax Increment Allocation Development Act
5 in the Illinois Municipal Code, previously established under
6 the Industrial Jobs Recovery Law in the Illinois Municipal
7 Code, or previously established under the Economic Development
8 Area Tax Increment Allocation Act, by an amount equal to the
9 1994 equalized assessed value of each taxable lot, block,
10 tract, or parcel of real property in the redevelopment project
11 area over and above the initial equalized assessed value of
12 each property in the redevelopment project area. In the first
13 year after a municipality removes a taxable lot, block, tract,
14 or parcel of real property from a redevelopment project area
15 established under the Tax Increment Allocation Development Act
16 in the Illinois Municipal Code, the Industrial Jobs Recovery
17 Law in the Illinois Municipal Code, or the Economic Development
18 Area Tax Increment Allocation Act, "recovered tax increment
19 value" means the amount of the current year's equalized
20 assessed value of each taxable lot, block, tract, or parcel of
21 real property removed from the redevelopment project area over
22 and above the initial equalized assessed value of that real
23 property before removal from the redevelopment project area.

24 Except as otherwise provided in this Section, "limiting
25 rate" means a fraction the numerator of which is the last
26 preceding aggregate extension base times an amount equal to one

1 plus the extension limitation defined in this Section and the
2 denominator of which is the current year's equalized assessed
3 value of all real property in the territory under the
4 jurisdiction of the taxing district during the prior levy year.
5 For those taxing districts that reduced their aggregate
6 extension for the last preceding levy year, the highest
7 aggregate extension in any of the last 3 preceding levy years
8 shall be used for the purpose of computing the limiting rate.
9 The denominator shall not include new property or the recovered
10 tax increment value. If a new rate, a rate decrease, or a
11 limiting rate increase has been approved at an election held
12 after March 21, 2006, then (i) the otherwise applicable
13 limiting rate shall be increased by the amount of the new rate
14 or shall be reduced by the amount of the rate decrease, as the
15 case may be, or (ii) in the case of a limiting rate increase,
16 the limiting rate shall be equal to the rate set forth in the
17 proposition approved by the voters for each of the years
18 specified in the proposition, after which the limiting rate of
19 the taxing district shall be calculated as otherwise provided.

20 (Source: P.A. 93-601, eff. 1-1-04; 93-606, eff. 11-18-03;
21 93-612, eff. 11-18-03; 93-689, eff. 7-1-04; 93-690, eff.
22 7-1-04; 93-1049, eff. 11-17-04; 94-974, eff. 6-30-06; 94-976,
23 eff. 6-30-06; 94-1078, eff. 1-9-07; revised 1-11-07.)

24 Section 10. The School Code is amended by adding Sections
25 2-3.29 and 17-9.03 and changing Section 3-15.1 as follows:

1 (105 ILCS 5/2-3.29 new)

2 Sec. 2-3.29. Mandate shortfall audit. To require to be
3 included in the annual financial statement of each school
4 district having a population of less than 500,000 inhabitants,
5 under Section 3-15.1 of this Code, a report showing the
6 receipts and disbursements for special educational purposes
7 and for transportation purposes, including the balance of those
8 funds. Each statement must show an amount for each fund
9 reflecting the extent to which disbursements for that purpose
10 exceeded receipts for that purpose, those receipts excluding
11 any transfers from other school district funds and revenues
12 raised from any taxes levied pursuant to Section 17-9.03 of
13 this Code. Such amount in either fund shall be considered a
14 mandate shortfall for the audited year and shall be the basis
15 for a mandate shortfall relief levy in the next occurring
16 school district levy, subject to Section 17-9.03 of this Code.
17 The State Board of Education may adopt any rules necessary and
18 consistent with this Section to implement the provisions of
19 this Section.

20 (105 ILCS 5/3-15.1) (from Ch. 122, par. 3-15.1)

21 Sec. 3-15.1. Reports. To require the appointed school
22 treasurer in Class II counties, in each school district which
23 forms a part of a Class II county school unit but which is not
24 subject to the jurisdiction of the trustees of schools of any

1 township in which such district is located, and in each school
2 district of the Class I counties to prepare and forward to his
3 office on or before October 15, annually, and at such other
4 times as may be required by him or by the State Board of
5 Education a statement exhibiting the financial condition of the
6 school for the preceding year commencing on July 1 and ending
7 June 30.

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

1 The regional superintendent shall send all required
2 reports to the State Board of Education on or before November
3 15, annually.

4 For all districts the statements shall show bonded debt,
5 tax warrants, taxes received and receivable by funds and such
6 other information as may be required by the State Board of
7 Education. The statements shall also show special education
8 mandate and transportation mandate shortfalls and other
9 information required under Section 2-3.29 of this Code. Any
10 district from which such report is not so received when
11 required shall have its portion of the distributive fund
12 withheld for the next ensuing year until such report is filed.

13 If a district is divided by a county line or lines the
14 foregoing required statement shall be forwarded to the regional
15 superintendent of schools having supervision and control of the
16 district.

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

18 (105 ILCS 5/17-9.03 new)

19 Sec. 17-9.03. Mandate shortfall relief levy.

20 (a) The school board of any district having a population of
21 less than 500,000 inhabitants may, by proper resolution, levy
22 an annual tax, to be known as the mandate shortfall relief levy
23 for special education mandates, upon the value of the taxable
24 property within the district's territory, as equalized or
25 assessed by the Department of Revenue, at a rate that will

1 produce a sum sufficient to offset the mandate shortfall for
2 the most recently audited year for special education mandates,
3 as determined pursuant to Section 2-3.29 of this Code and
4 reported in the district's annual financial report. The revenue
5 raised by this tax shall be used only for the same special
6 education purposes for which revenues raised by the tax
7 authorized under Section 17-2.2a of this Code may be used.

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

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