



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

HB4405

Introduced 02/03/04, by 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 5/17-9.02 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.

LRB093 16559 MKM 42205 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning schools.

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

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

6 (35 ILCS 200/18-80)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 III. The property taxes extended for debt service and

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

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

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

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

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

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

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

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

31 (35 ILCS 200/18-185)

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

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

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

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

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

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

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

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

1 handicapped under Section 5-8 of the Park District Code or
2 Section 11-95-14 of the Illinois Municipal Code; and (m) made
3 for mandate shortfall relief under Section 17-9.02 of the
4 School Code.

5 "Aggregate extension" for the taxing districts to which
6 this Law did not apply before the 1995 levy year (except taxing
7 districts subject to this Law in accordance with Section
8 18-213) means the annual corporate extension for the taxing
9 district and those special purpose extensions that are made
10 annually for the taxing district, excluding special purpose
11 extensions: (a) made for the taxing district to pay interest or
12 principal on general obligation bonds that were approved by
13 referendum; (b) made for any taxing district to pay interest or
14 principal on general obligation bonds issued before March 1,
15 1995; (c) made for any taxing district to pay interest or
16 principal on bonds issued to refund or continue to refund those
17 bonds issued before March 1, 1995; (d) made for any taxing
18 district to pay interest or principal on bonds issued to refund
19 or continue to refund bonds issued after March 1, 1995 that
20 were approved by referendum; (e) made for any taxing district
21 to pay interest or principal on revenue bonds issued before
22 March 1, 1995 for payment of which a property tax levy or the
23 full faith and credit of the unit of local government is
24 pledged; however, a tax for the payment of interest or
25 principal on those bonds shall be made only after the governing
26 body of the unit of local government finds that all other
27 sources for payment are insufficient to make those payments;
28 (f) made for payments under a building commission lease when
29 the lease payments are for the retirement of bonds issued by
30 the commission before March 1, 1995 to pay for the building
31 project; (g) made for payments due under installment contracts
32 entered into before March 1, 1995; (h) made for payments of
33 principal and interest on bonds issued under the Metropolitan
34 Water Reclamation District Act to finance construction
35 projects initiated before October 1, 1991; (i) made for
36 payments of principal and interest on limited bonds, as defined

1 in Section 3 of the Local Government Debt Reform Act, in an
2 amount not to exceed the debt service extension base less the
3 amount in items (b), (c), and (e) of this definition for
4 non-referendum obligations, except obligations initially
5 issued pursuant to referendum and bonds described in subsection
6 (h) of this definition; (j) made for payments of principal and
7 interest on bonds issued under Section 15 of the Local
8 Government Debt Reform Act; (k) made for payments of principal
9 and interest on bonds authorized by Public Act 88-503 and
10 issued under Section 20a of the Chicago Park District Act for
11 aquarium or museum projects; (l) made for payments of principal
12 and interest on bonds authorized by Public Act 87-1191 or
13 93-601 ~~this amendatory Act of the 93rd General Assembly~~ and (i)
14 issued pursuant to Section 21.2 of the Cook County Forest
15 Preserve District Act, (ii) issued under Section 42 of the Cook
16 County Forest Preserve District Act for zoological park
17 projects, or (iii) issued under Section 44.1 of the Cook County
18 Forest Preserve District Act for botanical gardens projects;
19 (m) made pursuant to Section 34-53.5 of the School Code,
20 whether levied annually or not; (n) made to fund expenses of
21 providing joint recreational programs for the handicapped
22 under Section 5-8 of the Park District Code or Section 11-95-14
23 of the Illinois Municipal Code; ~~and~~ (o) made by the Chicago
24 Park District for recreational programs for the handicapped
25 under subsection (c) of Section 7.06 of the Chicago Park
26 District Act; and (p) made for mandate shortfall relief under
27 Section 17-9.02 of the School Code.

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

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

1 for a qualified airport authority to pay interest or principal
2 on general obligation bonds issued for the purpose of paying
3 obligations due under, or financing airport facilities
4 required to be acquired, constructed, installed or equipped
5 pursuant to, contracts entered into before March 1, 1996 (but
6 not including any amendments to such a contract taking effect
7 on or after that date); ~~and~~ (k) made to fund expenses of
8 providing joint recreational programs for the handicapped
9 under Section 5-8 of the Park District Code or Section 11-95-14
10 of the Illinois Municipal Code; and (l) made for mandate
11 shortfall relief under Section 17-9.02 of the School Code.

12 "Aggregate extension" for all taxing districts to which
13 this Law applies in accordance with paragraph (2) of subsection
14 (e) of Section 18-213 means the annual corporate extension for
15 the taxing district and those special purpose extensions that
16 are made annually for the taxing district, excluding special
17 purpose extensions: (a) made for the taxing district to pay
18 interest or principal on general obligation bonds that were
19 approved by referendum; (b) made for any taxing district to pay
20 interest or principal on general obligation bonds issued before
21 the effective date of this amendatory Act of 1997; (c) made for
22 any taxing district to pay interest or principal on bonds
23 issued to refund or continue to refund those bonds issued
24 before the effective date of this amendatory Act of 1997; (d)
25 made for any taxing district to pay interest or principal on
26 bonds issued to refund or continue to refund bonds issued after
27 the effective date of this amendatory Act of 1997 if the bonds
28 were approved by referendum after the effective date of this
29 amendatory Act of 1997; (e) made for any taxing district to pay
30 interest or principal on revenue bonds issued before the
31 effective date of this amendatory Act of 1997 for payment of
32 which a property tax levy or the full faith and credit of the
33 unit of local government is pledged; however, a tax for the
34 payment of interest or principal on those bonds shall be made
35 only after the governing body of the unit of local government
36 finds that all other sources for payment are insufficient to

1 make those payments; (f) made for payments under a building
2 commission lease when the lease payments are for the retirement
3 of bonds issued by the commission before the effective date of
4 this amendatory Act of 1997 to pay for the building project;
5 (g) made for payments due under installment contracts entered
6 into before the effective date of this amendatory Act of 1997;
7 (h) made for payments of principal and interest on limited
8 bonds, as defined in Section 3 of the Local Government Debt
9 Reform Act, in an amount not to exceed the debt service
10 extension base less the amount in items (b), (c), and (e) of
11 this definition for non-referendum obligations, except
12 obligations initially issued pursuant to referendum; (i) made
13 for payments of principal and interest on bonds issued under
14 Section 15 of the Local Government Debt Reform Act; (j) made
15 for a qualified airport authority to pay interest or principal
16 on general obligation bonds issued for the purpose of paying
17 obligations due under, or financing airport facilities
18 required to be acquired, constructed, installed or equipped
19 pursuant to, contracts entered into before March 1, 1996 (but
20 not including any amendments to such a contract taking effect
21 on or after that date); ~~and~~ (k) made to fund expenses of
22 providing joint recreational programs for the handicapped
23 under Section 5-8 of the Park District Code or Section 11-95-14
24 of the Illinois Municipal Code; and (l) made for mandate
25 shortfall relief under Section 17-9.02 of the School Code.

26 "Debt service extension base" means, for taxing districts
27 except school districts having a population of less than
28 500,000 inhabitants, an amount equal to that portion of the
29 extension for a taxing district for the 1994 levy year, or for
30 those taxing districts subject to this Law in accordance with
31 Section 18-213, except for those subject to paragraph (2) of
32 subsection (e) of Section 18-213, for the levy year in which
33 the referendum making this Law applicable to the taxing
34 district is held, or for those taxing districts subject to this
35 Law in accordance with paragraph (2) of subsection (e) of
36 Section 18-213 for the 1996 levy year, constituting an

1 extension for payment of principal and interest on bonds issued
2 by the taxing district without referendum, but not including
3 excluded non-referendum bonds. For park districts (i) that were
4 first subject to this Law in 1991 or 1995 and (ii) whose
5 extension for the 1994 levy year for the payment of principal
6 and interest on bonds issued by the park district without
7 referendum (but not including excluded non-referendum bonds)
8 was less than 51% of the amount for the 1991 levy year
9 constituting an extension for payment of principal and interest
10 on bonds issued by the park district without referendum (but
11 not including excluded non-referendum bonds), "debt service
12 extension base" means an amount equal to that portion of the
13 extension for the 1991 levy year constituting an extension for
14 payment of principal and interest on bonds issued by the park
15 district without referendum (but not including excluded
16 non-referendum bonds). The debt service extension base may be
17 established or increased as provided under Section 18-212.
18 "Excluded non-referendum bonds" means (i) bonds authorized by
19 Public Act 88-503 and issued under Section 20a of the Chicago
20 Park District Act for aquarium and museum projects; (ii) bonds
21 issued under Section 15 of the Local Government Debt Reform
22 Act; or (iii) refunding obligations issued to refund or to
23 continue to refund obligations initially issued pursuant to
24 referendum.

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

29 "Special purpose extensions" include, but are not limited
30 to, extensions for levies made on an annual basis for
31 unemployment and workers' compensation, self-insurance,
32 contributions to pension plans, and extensions made pursuant to
33 Section 6-601 of the Illinois Highway Code for a road
34 district's permanent road fund whether levied annually or not.
35 The extension for a special service area is not included in the
36 aggregate extension.

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

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

6 "New property" means (i) the assessed value, after final
7 board of review or board of appeals action, of new improvements
8 or additions to existing improvements on any parcel of real
9 property that increase the assessed value of that real property
10 during the levy year multiplied by the equalization factor
11 issued by the Department under Section 17-30, (ii) the assessed
12 value, after final board of review or board of appeals action,
13 of real property not exempt from real estate taxation, which
14 real property was exempt from real estate taxation for any
15 portion of the immediately preceding levy year, multiplied by
16 the equalization factor issued by the Department under Section
17 17-30, and (iii) in counties that classify in accordance with
18 Section 4 of Article IX of the Illinois Constitution, an
19 incentive property's additional assessed value resulting from
20 a scheduled increase in the level of assessment as applied to
21 the first year final board of review market value. In addition,
22 the county clerk in a county containing a population of
23 3,000,000 or more shall include in the 1997 recovered tax
24 increment value for any school district, any recovered tax
25 increment value that was applicable to the 1995 tax year
26 calculations.

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

31 "Recovered tax increment value" means, except as otherwise
32 provided in this paragraph, the amount of the current year's
33 equalized assessed value, in the first year after a
34 municipality terminates the designation of an area as a
35 redevelopment project area previously established under the
36 Tax Increment Allocation Development Act in the Illinois

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

34 Except as otherwise provided in this Section, "limiting
35 rate" means a fraction the numerator of which is the last
36 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. The denominator
10 shall not include the recovered tax increment value.

11 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
12 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised
13 12-10-03.)

14 Section 10. The School Code is amended by adding Sections
15 2-3.29 and 17-9.02 and changing Section 3-15.1 as follows:

16 (105 ILCS 5/2-3.29 new)

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

1 (105 ILCS 5/3-15.1) (from Ch. 122, par. 3-15.1)

2 Sec. 3-15.1. Reports. To require the appointed school
3 treasurer in Class II counties, in each school district which
4 forms a part of a Class II county school unit but which is not
5 subject to the jurisdiction of the trustees of schools of any
6 township in which such district is located, and in each school
7 district of the Class I counties to prepare and forward to his
8 office on or before October 15, annually, and at such other
9 times as may be required by him or by the State Board of
10 Education a statement exhibiting the financial condition of the
11 school for the preceding year commencing on July 1 and ending
12 June 30.

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

32 The regional superintendent shall send all required
33 reports to the State Board of Education on or before November
34 15, annually.

35 For all districts the statements shall show bonded debt,

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

9 If a district is divided by a county line or lines the
10 foregoing required statement shall be forwarded to the regional
11 superintendent of schools having supervision and control of the
12 district.

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

14 (105 ILCS 5/17-9.02 new)

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

16 (a) The school board of any district having a population of
17 less than 500,000 inhabitants may, by proper resolution, levy
18 an annual tax, to be known as the mandate shortfall relief levy
19 for special education mandates, upon the value of the taxable
20 property within the district's territory, as equalized or
21 assessed by the Department of Revenue, at a rate that will
22 produce a sum sufficient to offset the mandate shortfall for
23 the most recently audited year for special education mandates,
24 as determined pursuant to Section 2-3.29 of this Code and
25 reported in the district's annual financial report. The revenue
26 raised by this tax shall be used only for the same special
27 education purposes for which revenues raised by the tax
28 authorized under Section 17-2.2a of this Code may be used.

29 (b) The school board of any district having a population of
30 less than 500,000 inhabitants may, by proper resolution, levy
31 an annual tax to be known as the mandate shortfall relief levy
32 for transportation mandates, upon the value of the taxable
33 property within the district's territory, as equalized or
34 assessed by the Department of Revenue, at a rate that will
35 produce a sum sufficient to offset the mandate shortfall for

1 the most recently audited year for transportation mandates, as
2 determined pursuant to Section 2-3.29 of this Code and reported
3 in the district's annual financial report. The revenue raised
4 by the tax shall be used only for the same transportation
5 purposes for which revenues raised by the transportation tax
6 authorized under subdivision (5) of Section 17-2 of this Code
7 may be used.

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