

AN ACT in relation to taxes.

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

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, 15-172, 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 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, 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. Before taxable year 2004, the ~~The~~ maximum reduction shall be \$2,500 in counties with 3,000,000 or more inhabitants and \$2,000 in all other counties. For taxable years 2004 and thereafter, the maximum reduction shall be \$3,000 in all 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 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 200/15-172)

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 2003, and \$45,000 or less in taxable year 2004 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 2003, and \$45,000 or less in taxable year 2004 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.

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 2003, and \$45,000 or less in taxable year 2004 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 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.

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 before taxable year 2004 shall be \$4,500 in counties with 3,000,000 or more inhabitants and \$3,500 in all other counties. Except as provided in Section 15-176, for taxable years 2004 and thereafter, the maximum reduction shall be \$5,000 in all counties. If a county has elected to subject itself to the provisions of Section 15-176 as provided in subsection (k) of that Section, then, for the first taxable year only after the provisions of Section 15-176 no longer apply, for owners (i) who have not been granted a senior citizens assessment freeze homestead exemption under Section 15-172 for the taxable year and (ii) whose qualified property has an assessed valuation that has increased by more than 20% over the previous assessed valuation of the property, there shall be an additional exemption of \$5,000 for owners with a household income of \$30,000 or less. For purposes of this paragraph, "household

income" has the meaning set forth in this Section 15-175.

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.

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

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

"Income", as used in this Section, 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 "income" does not include veteran's benefits.

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 all 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 and the amount of the exemption by application, visual inspection, questionnaire or other reasonable methods. The determination shall be made in accordance with guidelines established by the Department, provided that the taxpayer applying for an additional general exemption under this Section shall submit to the chief county assessment officer an

application with 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 issue guidelines establishing a method for verifying the accuracy of the affidavits filed by applicants under this paragraph. The applications shall be clearly marked as applications for the Additional General Homestead Exemption.

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.

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. 90-368, 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 (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter.
(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 (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter, 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 (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter, 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).

(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.

(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 (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter, 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.

(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 \$20,000 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 (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter.

(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 200/15-180)

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.

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. 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 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 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 \$20,000 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 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.

(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 that is or was subject to the alternative general homestead exemption provisions of Section 15-176 of the Property Tax Code (i) 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 (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter and (ii) an amount equal to the aggregate amount for the taxable year of all additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. The county clerk of any county that is or was 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 and all amounts of additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. 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. It is further the intent of this paragraph that if additional exemptions are allowed under Section 15-175 of the Property Tax Code for owners with a household income of less than \$30,000, then the calculation of Available Local Resources shall not be affected by the difference, if any, because of those additional exemptions.

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.

(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.

(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 Senior Citizens Assessment Freeze Homestead Exemption under Section 15-172 of the Property Tax Code, the General Homestead Exemption under Section 15-175 of the Property Tax Code, the alternative General Homestead Exemption under Section 15-176 of the Property Tax Code, the Homestead Improvements Exemption under Section 15-180 of the Property Tax Code, and by this amendatory Act of the 93rd General Assembly.

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