

SB0001 Enrolled

LRB100 06371 NHT 16410 b

1 AN ACT concerning education.

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

4 Section 1. This Act may be referred to as the  
5 Evidence-Based Funding for Student Success Act.

6 Section 5. The Economic Development Area Tax Increment  
7 Allocation Act is amended by changing Section 7 as follows:

8 (20 ILCS 620/7) (from Ch. 67 1/2, par. 1007)

9 Sec. 7. Creation of special tax allocation fund. If a  
10 municipality has adopted tax increment allocation financing  
11 for an economic development project area by ordinance, the  
12 county clerk has thereafter certified the "total initial  
13 equalized assessed value" of the taxable real property within  
14 such economic development project area in the manner provided  
15 in Section 6 of this Act, and the Department has approved and  
16 certified the economic development project area, each year  
17 after the date of the certification by the county clerk of the  
18 "total initial equalized assessed value" until economic  
19 development project costs and all municipal obligations  
20 financing economic development project costs have been paid,  
21 the ad valorem taxes, if any, arising from the levies upon the  
22 taxable real property in the economic development project area

SB0001 Enrolled

- 2 -

LRB100 06371 NHT 16410 b

1 by taxing districts and tax rates determined in the manner  
2 provided in subsection (b) of Section 6 of this Act shall be  
3 divided as follows:

4 (1) That portion of the taxes levied upon each taxable lot,  
5 block, tract or parcel of real property which is attributable  
6 to the lower of the current equalized assessed value or the  
7 initial equalized assessed value of each such taxable lot,  
8 block, tract, or parcel of real property existing at the time

9 tax increment allocation financing was adopted, shall be  
10 allocated to and when collected shall be paid by the county  
11 collector to the respective affected taxing districts in the  
12 manner required by law in the absence of the adoption of tax  
13 increment allocation financing.

14 (2) That portion, if any, of those taxes which is  
15 attributable to the increase in the current equalized assessed  
16 valuation of each taxable lot, block, tract, or parcel of real  
17 property in the economic development project area, over and  
18 above the initial equalized assessed value of each property  
19 existing at the time tax increment allocation financing was  
20 adopted, shall be allocated to and when collected shall be paid  
21 to the municipal treasurer, who shall deposit those taxes into  
22 a special fund called the special tax allocation fund of the  
23 municipality for the purpose of paying economic development  
24 project costs and obligations incurred in the payment thereof.

25 The municipality, by an ordinance adopting tax increment  
26 allocation financing, may pledge the funds in and to be

SB0001 Enrolled

- 3 -

LRB100 06371 NHT 16410 b

1 deposited in the special tax allocation fund for the payment of  
2 obligations issued under this Act and for the payment of  
3 economic development project costs. No part of the current  
4 equalized assessed valuation of each property in the economic  
5 development project area attributable to any increase above the  
6 total initial equalized assessed value, of such properties  
7 shall be used in calculating the general State school aid  
8 formula, provided for in Section 18-8 of the School Code, or  
9 the evidence-based funding formula, provided for in Section  
10 18-8.15 of the School Code, until such time as all economic  
11 development projects costs have been paid as provided for in  
12 this Section.

13 When the economic development project costs, including  
14 without limitation all municipal obligations financing  
15 economic development project costs incurred under this Act,  
16 have been paid, all surplus funds then remaining in the special  
17 tax allocation fund shall be distributed by being paid by the  
18 municipal treasurer to the county collector, who shall  
19 immediately thereafter pay those funds to the taxing districts  
20 having taxable property in the economic development project

21 area in the same manner and proportion as the most recent  
22 distribution by the county collector to those taxing districts  
23 of real property taxes from real property in the economic  
24 development project area.

25 Upon the payment of all economic development project costs,  
26 retirement of obligations and the distribution of any excess

SB0001 Enrolled

- 4 -

LRB100 06371 NHT 16410 b

1 monies pursuant to this Section the municipality shall adopt an  
2 ordinance dissolving the special tax allocation fund for the  
3 economic development project area, terminating the economic  
4 development project area, and terminating the use of tax  
5 increment allocation financing for the economic development  
6 project area. Thereafter the rates of the taxing districts  
7 shall be extended and taxes levied, collected and distributed  
8 in the manner applicable in the absence of the adoption of tax  
9 increment allocation financing.

10 Nothing in this Section shall be construed as relieving  
11 property in economic development project areas from being  
12 assessed as provided in the Property Tax Code, or as relieving  
13 owners of that property from paying a uniform rate of taxes, as  
14 required by Section 4 of Article IX of the Illinois  
15 Constitution.

16 (Source: P.A. 98-463, eff. 8-16-13.)

17 Section 10. The State Finance Act is amended by changing  
18 Section 13.2 as follows:

19 (30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

20 Sec. 13.2. Transfers among line item appropriations.

21 (a) Transfers among line item appropriations from the same  
22 treasury fund for the objects specified in this Section may be  
23 made in the manner provided in this Section when the balance  
24 remaining in one or more such line item appropriations is

SB0001 Enrolled

- 5 -

LRB100 06371 NHT 16410 b

1 insufficient for the purpose for which the appropriation was  
2 made.

3

(a-1) No transfers may be made from one agency to another agency, nor may transfers be made from one institution of higher education to another institution of higher education except as provided by subsection (a-4).

(a-2) Except as otherwise provided in this Section, transfers may be made only among the objects of expenditure enumerated in this Section, except that no funds may be transferred from any appropriation for personal services, from any appropriation for State contributions to the State Employees' Retirement System, from any separate appropriation for employee retirement contributions paid by the employer, nor from any appropriation for State contribution for employee group insurance. During State fiscal year 2005, an agency may transfer amounts among its appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State Contributions to retirement systems; notwithstanding and in addition to the transfers authorized in subsection (c) of this Section, the fiscal year 2005 transfers authorized in this sentence may be made in an amount not to exceed 2% of the aggregate amount appropriated to an agency within the same treasury fund. During State fiscal year 2007, the Departments of Children and Family Services, Corrections, Human Services, and Juvenile Justice may transfer amounts among their respective appropriations

SB0001 Enrolled

- 6 -

LRB100 06371 NHT 16410 b

within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. During State fiscal year 2010, the Department of Transportation may transfer amounts among their respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. During State fiscal years 2010 and 2014 only, an agency may transfer amounts among its respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. Notwithstanding, and in addition to, the transfers authorized in subsection (c) of this Section, these transfers may be made

15 in an amount not to exceed 2% of the aggregate amount  
16 appropriated to an agency within the same treasury fund.

17 (a-2.5) During State fiscal year 2015 only, the State's  
18 Attorneys Appellate Prosecutor may transfer amounts among its  
19 respective appropriations contained in operational line items  
20 within the same treasury fund. Notwithstanding, and in addition  
21 to, the transfers authorized in subsection (c) of this Section,  
22 these transfers may be made in an amount not to exceed 4% of  
23 the aggregate amount appropriated to the State's Attorneys  
24 Appellate Prosecutor within the same treasury fund.

25 (a-3) Further, if an agency receives a separate  
26 appropriation for employee retirement contributions paid by

SB0001 Enrolled

- 7 -

LRB100 06371 NHT 16410 b

1 the employer, any transfer by that agency into an appropriation  
2 for personal services must be accompanied by a corresponding  
3 transfer into the appropriation for employee retirement  
4 contributions paid by the employer, in an amount sufficient to  
5 meet the employer share of the employee contributions required  
6 to be remitted to the retirement system.

7 (a-4) Long-Term Care Rebalancing. The Governor may  
8 designate amounts set aside for institutional services  
9 appropriated from the General Revenue Fund or any other State  
10 fund that receives monies for long-term care services to be  
11 transferred to all State agencies responsible for the  
12 administration of community-based long-term care programs,  
13 including, but not limited to, community-based long-term care  
14 programs administered by the Department of Healthcare and  
15 Family Services, the Department of Human Services, and the  
16 Department on Aging, provided that the Director of Healthcare  
17 and Family Services first certifies that the amounts being  
18 transferred are necessary for the purpose of assisting persons  
19 in or at risk of being in institutional care to transition to  
20 community-based settings, including the financial data needed  
21 to prove the need for the transfer of funds. The total amounts  
22 transferred shall not exceed 4% in total of the amounts  
23 appropriated from the General Revenue Fund or any other State  
24 fund that receives monies for long-term care services for each  
25 fiscal year. A notice of the fund transfer must be made to the  
26 General Assembly and posted at a minimum on the Department of

SB0001 Enrolled

- 8 -

LRB100 06371 NHT 16410 b

1 Healthcare and Family Services website, the Governor's Office  
2 of Management and Budget website, and any other website the  
3 Governor sees fit. These postings shall serve as notice to the  
4 General Assembly of the amounts to be transferred. Notice shall  
5 be given at least 30 days prior to transfer.

6 (b) In addition to the general transfer authority provided  
7 under subsection (c), the following agencies have the specific  
8 transfer authority granted in this subsection:

9 The Department of Healthcare and Family Services is  
10 authorized to make transfers representing savings attributable  
11 to not increasing grants due to the births of additional  
12 children from line items for payments of cash grants to line  
13 items for payments for employment and social services for the  
14 purposes outlined in subsection (f) of Section 4-2 of the  
15 Illinois Public Aid Code.

16 The Department of Children and Family Services is  
17 authorized to make transfers not exceeding 2% of the aggregate  
18 amount appropriated to it within the same treasury fund for the  
19 following line items among these same line items: Foster Home  
20 and Specialized Foster Care and Prevention, Institutions and  
21 Group Homes and Prevention, and Purchase of Adoption and  
22 Guardianship Services.

23 The Department on Aging is authorized to make transfers not  
24 exceeding 2% of the aggregate amount appropriated to it within  
25 the same treasury fund for the following Community Care Program  
26 line items among these same line items: purchase of services

SB0001 Enrolled

- 9 -

LRB100 06371 NHT 16410 b

1 covered by the Community Care Program and Comprehensive Case  
2 Coordination.

3 The State Treasurer is authorized to make transfers among  
4 line item appropriations from the Capital Litigation Trust  
5 Fund, with respect to costs incurred in fiscal years 2002 and  
6 2003 only, when the balance remaining in one or more such line  
7 item appropriations is insufficient for the purpose for which  
8 the appropriation was made, provided that no such transfer may

9 be made unless the amount transferred is no longer required for  
10 the purpose for which that appropriation was made.

11 The State Board of Education is authorized to make  
12 transfers from line item appropriations within the same  
13 treasury fund for General State Aid, ~~and~~ General State Aid -  
14 Hold Harmless, Evidence-Based Funding, provided that no such  
15 transfer may be made unless the amount transferred is no longer  
16 required for the purpose for which that appropriation was made,  
17 to the line item appropriation for Transitional Assistance when  
18 the balance remaining in such line item appropriation is  
19 insufficient for the purpose for which the appropriation was  
20 made.

21 The State Board of Education is authorized to make  
22 transfers between the following line item appropriations  
23 within the same treasury fund: Disabled Student  
24 Services/Materials (Section 14-13.01 of the School Code),  
25 Disabled Student Transportation Reimbursement (Section  
26 14-13.01 of the School Code), Disabled Student Tuition -

SB0001 Enrolled

- 10 -

LRB100 06371 NHT 16410 b

1 Private Tuition (Section 14-7.02 of the School Code),  
2 Extraordinary Special Education (Section 14-7.02b of the  
3 School Code), Reimbursement for Free Lunch/Breakfast Program,  
4 Summer School Payments (Section 18-4.3 of the School Code), and  
5 Transportation - Regular/Vocational Reimbursement (Section  
6 29-5 of the School Code). Such transfers shall be made only  
7 when the balance remaining in one or more such line item  
8 appropriations is insufficient for the purpose for which the  
9 appropriation was made and provided that no such transfer may  
10 be made unless the amount transferred is no longer required for  
11 the purpose for which that appropriation was made.

12 The Department of Healthcare and Family Services is  
13 authorized to make transfers not exceeding 4% of the aggregate  
14 amount appropriated to it, within the same treasury fund, among  
15 the various line items appropriated for Medical Assistance.

16 (c) The sum of such transfers for an agency in a fiscal  
17 year shall not exceed 2% of the aggregate amount appropriated  
18 to it within the same treasury fund for the following objects:  
19 Personal Services; Extra Help; Student and Inmate  
20 Compensation; State Contributions to Retirement Systems; State

21 Contributions to Social Security; State Contribution for  
22 Employee Group Insurance; Contractual Services; Travel;  
23 Commodities; Printing; Equipment; Electronic Data Processing;  
24 Operation of Automotive Equipment; Telecommunications  
25 Services; Travel and Allowance for Committed, Paroled and  
26 Discharged Prisoners; Library Books; Federal Matching Grants

SB0001 Enrolled

- 11 -

LRB100 06371 NHT 16410 b

1 for Student Loans; Refunds; Workers' Compensation,  
2 Occupational Disease, and Tort Claims; and, in appropriations  
3 to institutions of higher education, Awards and Grants.  
4 Notwithstanding the above, any amounts appropriated for  
5 payment of workers' compensation claims to an agency to which  
6 the authority to evaluate, administer and pay such claims has  
7 been delegated by the Department of Central Management Services  
8 may be transferred to any other expenditure object where such  
9 amounts exceed the amount necessary for the payment of such  
10 claims.

11 (c-1) Special provisions for State fiscal year 2003.  
12 Notwithstanding any other provision of this Section to the  
13 contrary, for State fiscal year 2003 only, transfers among line  
14 item appropriations to an agency from the same treasury fund  
15 may be made provided that the sum of such transfers for an  
16 agency in State fiscal year 2003 shall not exceed 3% of the  
17 aggregate amount appropriated to that State agency for State  
18 fiscal year 2003 for the following objects: personal services,  
19 except that no transfer may be approved which reduces the  
20 aggregate appropriations for personal services within an  
21 agency; extra help; student and inmate compensation; State  
22 contributions to retirement systems; State contributions to  
23 social security; State contributions for employee group  
24 insurance; contractual services; travel; commodities;  
25 printing; equipment; electronic data processing; operation of  
26 automotive equipment; telecommunications services; travel and

SB0001 Enrolled

- 12 -

LRB100 06371 NHT 16410 b

1 allowance for committed, paroled, and discharged prisoners;  
2 library books; federal matching grants for student loans;



3 refunds; workers' compensation, occupational disease, and tort  
4 claims; and, in appropriations to institutions of higher  
5 education, awards and grants.

6 (c-2) Special provisions for State fiscal year 2005.  
7 Notwithstanding subsections (a), (a-2), and (c), for State  
8 fiscal year 2005 only, transfers may be made among any line  
9 item appropriations from the same or any other treasury fund  
10 for any objects or purposes, without limitation, when the  
11 balance remaining in one or more such line item appropriations  
12 is insufficient for the purpose for which the appropriation was  
13 made, provided that the sum of those transfers by a State  
14 agency shall not exceed 4% of the aggregate amount appropriated  
15 to that State agency for fiscal year 2005.

16 (c-3) Special provisions for State fiscal year 2015.  
17 Notwithstanding any other provision of this Section, for State  
18 fiscal year 2015, transfers among line item appropriations to a  
19 State agency from the same State treasury fund may be made for  
20 operational or lump sum expenses only, provided that the sum of  
21 such transfers for a State agency in State fiscal year 2015  
22 shall not exceed 4% of the aggregate amount appropriated to  
23 that State agency for operational or lump sum expenses for  
24 State fiscal year 2015. For the purpose of this subsection,  
25 "operational or lump sum expenses" includes the following  
26 objects: personal services; extra help; student and inmate

SB0001 Enrolled

- 13 -

LRB100 06371 NHT 16410 b

1 compensation; State contributions to retirement systems; State  
2 contributions to social security; State contributions for  
3 employee group insurance; contractual services; travel;  
4 commodities; printing; equipment; electronic data processing;  
5 operation of automotive equipment; telecommunications  
6 services; travel and allowance for committed, paroled, and  
7 discharged prisoners; library books; federal matching grants  
8 for student loans; refunds; workers' compensation,  
9 occupational disease, and tort claims; lump sum and other  
10 purposes; and lump sum operations. For the purpose of this  
11 subsection (c-3), "State agency" does not include the Attorney  
12 General, the Secretary of State, the Comptroller, the  
13 Treasurer, or the legislative or judicial branches.

14 (d) Transfers among appropriations made to agencies of the

15 Legislative and Judicial departments and to the  
16 constitutionally elected officers in the Executive branch  
17 require the approval of the officer authorized in Section 10 of  
18 this Act to approve and certify vouchers. Transfers among  
19 appropriations made to the University of Illinois, Southern  
20 Illinois University, Chicago State University, Eastern  
21 Illinois University, Governors State University, Illinois  
22 State University, Northeastern Illinois University, Northern  
23 Illinois University, Western Illinois University, the Illinois  
24 Mathematics and Science Academy and the Board of Higher  
25 Education require the approval of the Board of Higher Education  
26 and the Governor. Transfers among appropriations to all other

SB0001 Enrolled

- 14 -

LRB100 06371 NHT 16410 b

1 agencies require the approval of the Governor.

2 The officer responsible for approval shall certify that the  
3 transfer is necessary to carry out the programs and purposes  
4 for which the appropriations were made by the General Assembly  
5 and shall transmit to the State Comptroller a certified copy of  
6 the approval which shall set forth the specific amounts  
7 transferred so that the Comptroller may change his records  
8 accordingly. The Comptroller shall furnish the Governor with  
9 information copies of all transfers approved for agencies of  
10 the Legislative and Judicial departments and transfers  
11 approved by the constitutionally elected officials of the  
12 Executive branch other than the Governor, showing the amounts  
13 transferred and indicating the dates such changes were entered  
14 on the Comptroller's records.

15 (e) The State Board of Education, in consultation with the  
16 State Comptroller, may transfer line item appropriations for  
17 General State Aid or Evidence-Based Funding between the Common  
18 School Fund and the Education Assistance Fund. With the advice  
19 and consent of the Governor's Office of Management and Budget,  
20 the State Board of Education, in consultation with the State  
21 Comptroller, may transfer line item appropriations between the  
22 General Revenue Fund and the Education Assistance Fund for the  
23 following programs:

24 (1) Disabled Student Personnel Reimbursement (Section  
25 14-13.01 of the School Code);

26 (2) Disabled Student Transportation Reimbursement

SB0001 Enrolled

- 15 -

LRB100 06371 NHT 16410 b

1 (subsection (b) of Section 14-13.01 of the School Code);

2 (3) Disabled Student Tuition - Private Tuition  
3 (Section 14-7.02 of the School Code);

4 (4) Extraordinary Special Education (Section 14-7.02b  
5 of the School Code);

6 (5) Reimbursement for Free Lunch/Breakfast Programs;

7 (6) Summer School Payments (Section 18-4.3 of the  
8 School Code);

9 (7) Transportation - Regular/Vocational Reimbursement  
10 (Section 29-5 of the School Code);

11 (8) Regular Education Reimbursement (Section 18-3 of  
12 the School Code); and

13 (9) Special Education Reimbursement (Section 14-7.03  
14 of the School Code).

15 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14; 99-2,  
16 eff. 3-26-15.)

17 Section 15. The Property Tax Code is amended by changing  
18 Sections 18-200 and 18-249 as follows:

19 (35 ILCS 200/18-200)

20 Sec. 18-200. School Code. A school district's State aid  
21 shall not be reduced under the computation under subsections  
22 5(a) through 5(h) of Part A of Section 18-8 of the School Code  
23 or under Section 18-8.15 of the School Code due to the  
24 operating tax rate falling from above the minimum requirement

SB0001 Enrolled

- 16 -

LRB100 06371 NHT 16410 b

1 of that Section of the School Code to below the minimum  
2 requirement of that Section of the School Code due to the  
3 operation of this Law.

4 (Source: P.A. 87-17; 88-455.)

5 (35 ILCS 200/18-249)

6 Sec. 18-249. Miscellaneous provisions.

7 (a) Certification of new property. For the 1994 levy year,  
8

the chief county assessment officer shall certify to the county clerk, after all changes by the board of review or board of appeals, as the case may be, the assessed value of new property by taxing district for the 1994 levy year under rules promulgated by the Department.

(b) School Code. A school district's State aid shall not be reduced under the computation under subsections 5(a) through 5(h) of Part A of Section 18-8 of the School Code or under Section 18-8.15 of the School Code due to the operating tax rate falling from above the minimum requirement of that Section of the School Code to below the minimum requirement of that Section of the School Code due to the operation of this Law.

(c) Rules. The Department shall make and promulgate reasonable rules relating to the administration of the purposes and provisions of Sections 18-246 through 18-249 as may be necessary or appropriate.

(Source: P.A. 89-1, eff. 2-12-95.)

SB0001 Enrolled

- 17 -

LRB100 06371 NHT 16410 b

Section 17. The Illinois Pension Code is amended by changing Section 16-158 as follows:

(40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 16-158. Contributions by State and other employing units.

(a) The State shall make contributions to the System by means of appropriations from the Common School Fund and other State funds of amounts which, together with other employer contributions, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (b-3).

(a-1) Annually, on or before November 15 until November 15,

21 2011, the Board shall certify to the Governor the amount of the  
22 required State contribution for the coming fiscal year. The  
23 certification under this subsection (a-1) shall include a copy  
24 of the actuarial recommendations upon which it is based and  
25 shall specifically identify the System's projected State

SB0001 Enrolled

- 18 -

LRB100 06371 NHT 16410 b

1 normal cost for that fiscal year.

2 On or before May 1, 2004, the Board shall recalculate and  
3 recertify to the Governor the amount of the required State  
4 contribution to the System for State fiscal year 2005, taking  
5 into account the amounts appropriated to and received by the  
6 System under subsection (d) of Section 7.2 of the General  
7 Obligation Bond Act.

8 On or before July 1, 2005, the Board shall recalculate and  
9 recertify to the Governor the amount of the required State  
10 contribution to the System for State fiscal year 2006, taking  
11 into account the changes in required State contributions made  
12 by this amendatory Act of the 94th General Assembly.

13 On or before April 1, 2011, the Board shall recalculate and  
14 recertify to the Governor the amount of the required State  
15 contribution to the System for State fiscal year 2011, applying  
16 the changes made by Public Act 96-889 to the System's assets  
17 and liabilities as of June 30, 2009 as though Public Act 96-889  
18 was approved on that date.

19 (a-5) On or before November 1 of each year, beginning  
20 November 1, 2012, the Board shall submit to the State Actuary,  
21 the Governor, and the General Assembly a proposed certification  
22 of the amount of the required State contribution to the System  
23 for the next fiscal year, along with all of the actuarial  
24 assumptions, calculations, and data upon which that proposed  
25 certification is based. On or before January 1 of each year,  
26 beginning January 1, 2013, the State Actuary shall issue a

SB0001 Enrolled

- 19 -

LRB100 06371 NHT 16410 b

1 preliminary report concerning the proposed certification and  
2 identifying, if necessary, recommended changes in actuarial  
3 assumptions that the Board must consider before finalizing its

4 certification of the required State contributions. On or before  
5 January 15, 2013 and each January 15 thereafter, the Board  
6 shall certify to the Governor and the General Assembly the  
7 amount of the required State contribution for the next fiscal  
8 year. The Board's certification must note any deviations from  
9 the State Actuary's recommended changes, the reason or reasons  
10 for not following the State Actuary's recommended changes, and  
11 the fiscal impact of not following the State Actuary's  
12 recommended changes on the required State contribution.

13 (b) Through State fiscal year 1995, the State contributions  
14 shall be paid to the System in accordance with Section 18-7 of  
15 the School Code.

16 (b-1) Beginning in State fiscal year 1996, on the 15th day  
17 of each month, or as soon thereafter as may be practicable, the  
18 Board shall submit vouchers for payment of State contributions  
19 to the System, in a total monthly amount of one-twelfth of the  
20 required annual State contribution certified under subsection  
21 (a-1). From the effective date of this amendatory Act of the  
22 93rd General Assembly through June 30, 2004, the Board shall  
23 not submit vouchers for the remainder of fiscal year 2004 in  
24 excess of the fiscal year 2004 certified contribution amount  
25 determined under this Section after taking into consideration  
26 the transfer to the System under subsection (a) of Section

SB0001 Enrolled

- 20 -

LRB100 06371 NHT 16410 b

1 6z-6l of the State Finance Act. These vouchers shall be paid by  
2 the State Comptroller and Treasurer by warrants drawn on the  
3 funds appropriated to the System for that fiscal year.

4 If in any month the amount remaining unexpended from all  
5 other appropriations to the System for the applicable fiscal  
6 year (including the appropriations to the System under Section  
7 8.12 of the State Finance Act and Section 1 of the State  
8 Pension Funds Continuing Appropriation Act) is less than the  
9 amount lawfully vouchered under this subsection, the  
10 difference shall be paid from the Common School Fund under the  
11 continuing appropriation authority provided in Section 1.1 of  
12 the State Pension Funds Continuing Appropriation Act.

13 (b-2) Allocations from the Common School Fund apportioned  
14 to school districts not coming under this System shall not be  
15 diminished or affected by the provisions of this Article.

(b-3) For State fiscal years 2012 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State

SB0001 Enrolled

- 21 -

LRB100 06371 NHT 16410 b

contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a), and notwithstanding any contrary certification made under subsection (a-1) before the effective date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$534,627,700.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$738,014,500.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

SB0001 Enrolled

- 22 -

LRB100 06371 NHT 16410 b

1 Notwithstanding any other provision of this Article, the  
2 total required State contribution for State fiscal year 2010 is  
3 \$2,089,268,000 and shall be made from the proceeds of bonds  
4 sold in fiscal year 2010 pursuant to Section 7.2 of the General  
5 Obligation Bond Act, less (i) the pro rata share of bond sale  
6 expenses determined by the System's share of total bond  
7 proceeds, (ii) any amounts received from the Common School Fund  
8 in fiscal year 2010, and (iii) any reduction in bond proceeds  
9 due to the issuance of discounted bonds, if applicable.

10 Notwithstanding any other provision of this Article, the  
11 total required State contribution for State fiscal year 2011 is  
12 the amount recertified by the System on or before April 1, 2011  
13 pursuant to subsection (a-1) of this Section and shall be made  
14 from the proceeds of bonds sold in fiscal year 2011 pursuant to  
15 Section 7.2 of the General Obligation Bond Act, less (i) the  
16 pro rata share of bond sale expenses determined by the System's  
17 share of total bond proceeds, (ii) any amounts received from  
18 the Common School Fund in fiscal year 2011, and (iii) any  
19 reduction in bond proceeds due to the issuance of discounted  
20 bonds, if applicable. This amount shall include, in addition to  
21 the amount certified by the System, an amount necessary to meet  
22 employer contributions required by the State as an employer  
23 under paragraph (e) of this Section, which may also be used by  
24 the System for contributions required by paragraph (a) of  
25 Section 16-127.

26 Beginning in State fiscal year 2046, the minimum State

SB0001 Enrolled

- 23 -

LRB100 06371 NHT 16410 b

1 contribution for each fiscal year shall be the amount needed to  
2 maintain the total assets of the System at 90% of the total  
3 actuarial liabilities of the System.

4 Amounts received by the System pursuant to Section 25 of  
5 the Budget Stabilization Act or Section 8.12 of the State  
6 Finance Act in any fiscal year do not reduce and do not  
7 constitute payment of any portion of the minimum State  
8 contribution required under this Article in that fiscal year.  
9 Such amounts shall not reduce, and shall not be included in the



10 calculation of, the required State contributions under this  
11 Article in any future year until the System has reached a  
12 funding ratio of at least 90%. A reference in this Article to  
13 the "required State contribution" or any substantially similar  
14 term does not include or apply to any amounts payable to the  
15 System under Section 25 of the Budget Stabilization Act.

16 Notwithstanding any other provision of this Section, the  
17 required State contribution for State fiscal year 2005 and for  
18 fiscal year 2008 and each fiscal year thereafter, as calculated  
19 under this Section and certified under subsection (a-1), shall  
20 not exceed an amount equal to (i) the amount of the required  
21 State contribution that would have been calculated under this  
22 Section for that fiscal year if the System had not received any  
23 payments under subsection (d) of Section 7.2 of the General  
24 Obligation Bond Act, minus (ii) the portion of the State's  
25 total debt service payments for that fiscal year on the bonds  
26 issued in fiscal year 2003 for the purposes of that Section

SB0001 Enrolled

- 24 -

LRB100 06371 NHT 16410 b

1 7.2, as determined and certified by the Comptroller, that is  
2 the same as the System's portion of the total moneys  
3 distributed under subsection (d) of Section 7.2 of the General  
4 Obligation Bond Act. In determining this maximum for State  
5 fiscal years 2008 through 2010, however, the amount referred to  
6 in item (i) shall be increased, as a percentage of the  
7 applicable employee payroll, in equal increments calculated  
8 from the sum of the required State contribution for State  
9 fiscal year 2007 plus the applicable portion of the State's  
10 total debt service payments for fiscal year 2007 on the bonds  
11 issued in fiscal year 2003 for the purposes of Section 7.2 of  
12 the General Obligation Bond Act, so that, by State fiscal year  
13 2011, the State is contributing at the rate otherwise required  
14 under this Section.

15 (c) Payment of the required State contributions and of all  
16 pensions, retirement annuities, death benefits, refunds, and  
17 other benefits granted under or assumed by this System, and all  
18 expenses in connection with the administration and operation  
19 thereof, are obligations of the State.

20 If members are paid from special trust or federal funds  
21 which are administered by the employing unit, whether school

22 district or other unit, the employing unit shall pay to the  
23 System from such funds the full accruing retirement costs based  
24 upon that service, which, beginning July 1, ~~2018~~ 2014, shall be  
25 at a rate, expressed as a percentage of salary, equal to the  
26 total ~~employer's minimum contribution to the System to be made~~

SB0001 Enrolled

- 25 -

LRB100 06371 NHT 16410 b

1 ~~by the State for that fiscal year, including both~~ normal cost  
2 ~~and unfunded liability components~~, expressed as a percentage of  
3 payroll, as determined by the System ~~under subsection (b-3) of~~  
4 ~~this Section~~. Employer contributions, based on salary paid to  
5 members from federal funds, may be forwarded by the  
6 distributing agency of the State of Illinois to the System  
7 prior to allocation, in an amount determined in accordance with  
8 guidelines established by such agency and the System. Any  
9 contribution for fiscal year 2015 collected as a result of the  
10 change made by this amendatory Act of the 98th General Assembly  
11 shall be considered a State contribution under subsection (b-3)  
12 of this Section.

13 (d) Effective July 1, 1986, any employer of a teacher as  
14 defined in paragraph (8) of Section 16-106 shall pay the  
15 employer's normal cost of benefits based upon the teacher's  
16 service, in addition to employee contributions, as determined  
17 by the System. Such employer contributions shall be forwarded  
18 monthly in accordance with guidelines established by the  
19 System.

20 However, with respect to benefits granted under Section  
21 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
22 of Section 16-106, the employer's contribution shall be 12%  
23 (rather than 20%) of the member's highest annual salary rate  
24 for each year of creditable service granted, and the employer  
25 shall also pay the required employee contribution on behalf of  
26 the teacher. For the purposes of Sections 16-133.4 and

SB0001 Enrolled

- 26 -

LRB100 06371 NHT 16410 b

1 16-133.5, a teacher as defined in paragraph (8) of Section  
2 16-106 who is serving in that capacity while on leave of  
3 absence from another employer under this Article shall not be

4 considered an employee of the employer from which the teacher  
5 is on leave.

6 (e) Beginning July 1, 1998, every employer of a teacher  
7 shall pay to the System an employer contribution computed as  
8 follows:

9 (1) Beginning July 1, 1998 through June 30, 1999, the  
10 employer contribution shall be equal to 0.3% of each  
11 teacher's salary.

12 (2) Beginning July 1, 1999 and thereafter, the employer  
13 contribution shall be equal to 0.58% of each teacher's  
14 salary.

15 The school district or other employing unit may pay these  
16 employer contributions out of any source of funding available  
17 for that purpose and shall forward the contributions to the  
18 System on the schedule established for the payment of member  
19 contributions.

20 These employer contributions are intended to offset a  
21 portion of the cost to the System of the increases in  
22 retirement benefits resulting from this amendatory Act of 1998.

23 Each employer of teachers is entitled to a credit against  
24 the contributions required under this subsection (e) with  
25 respect to salaries paid to teachers for the period January 1,  
26 2002 through June 30, 2003, equal to the amount paid by that

SB0001 Enrolled

- 27 -

LRB100 06371 NHT 16410 b

1 employer under subsection (a-5) of Section 6.6 of the State  
2 Employees Group Insurance Act of 1971 with respect to salaries  
3 paid to teachers for that period.

4 The additional 1% employee contribution required under  
5 Section 16-152 by this amendatory Act of 1998 is the  
6 responsibility of the teacher and not the teacher's employer,  
7 unless the employer agrees, through collective bargaining or  
8 otherwise, to make the contribution on behalf of the teacher.

9 If an employer is required by a contract in effect on May  
10 1, 1998 between the employer and an employee organization to  
11 pay, on behalf of all its full-time employees covered by this  
12 Article, all mandatory employee contributions required under  
13 this Article, then the employer shall be excused from paying  
14 the employer contribution required under this subsection (e)  
15 for the balance of the term of that contract. The employer and

16 the employee organization shall jointly certify to the System  
17 the existence of the contractual requirement, in such form as  
18 the System may prescribe. This exclusion shall cease upon the  
19 termination, extension, or renewal of the contract at any time  
20 after May 1, 1998.

21 (f) If the amount of a teacher's salary for any school year  
22 used to determine final average salary exceeds the member's  
23 annual full-time salary rate with the same employer for the  
24 previous school year by more than 6%, the teacher's employer  
25 shall pay to the System, in addition to all other payments  
26 required under this Section and in accordance with guidelines

SB0001 Enrolled

- 28 -

LRB100 06371 NHT 16410 b

1 established by the System, the present value of the increase in  
2 benefits resulting from the portion of the increase in salary  
3 that is in excess of 6%. This present value shall be computed  
4 by the System on the basis of the actuarial assumptions and  
5 tables used in the most recent actuarial valuation of the  
6 System that is available at the time of the computation. If a  
7 teacher's salary for the 2005-2006 school year is used to  
8 determine final average salary under this subsection (f), then  
9 the changes made to this subsection (f) by Public Act 94-1057  
10 shall apply in calculating whether the increase in his or her  
11 salary is in excess of 6%. For the purposes of this Section,  
12 change in employment under Section 10-21.12 of the School Code  
13 on or after June 1, 2005 shall constitute a change in employer.  
14 The System may require the employer to provide any pertinent  
15 information or documentation. The changes made to this  
16 subsection (f) by this amendatory Act of the 94th General  
17 Assembly apply without regard to whether the teacher was in  
18 service on or after its effective date.

19 Whenever it determines that a payment is or may be required  
20 under this subsection, the System shall calculate the amount of  
21 the payment and bill the employer for that amount. The bill  
22 shall specify the calculations used to determine the amount  
23 due. If the employer disputes the amount of the bill, it may,  
24 within 30 days after receipt of the bill, apply to the System  
25 in writing for a recalculation. The application must specify in  
26 detail the grounds of the dispute and, if the employer asserts

SB0001 Enrolled

- 29 -

LRB100 06371 NHT 16410 b

1 that the calculation is subject to subsection (g) or (h) of  
2 this Section, must include an affidavit setting forth and  
3 attesting to all facts within the employer's knowledge that are  
4 pertinent to the applicability of that subsection. Upon  
5 receiving a timely application for recalculation, the System  
6 shall review the application and, if appropriate, recalculate  
7 the amount due.

8 The employer contributions required under this subsection  
9 (f) may be paid in the form of a lump sum within 90 days after  
10 receipt of the bill. If the employer contributions are not paid  
11 within 90 days after receipt of the bill, then interest will be  
12 charged at a rate equal to the System's annual actuarially  
13 assumed rate of return on investment compounded annually from  
14 the 91st day after receipt of the bill. Payments must be  
15 concluded within 3 years after the employer's receipt of the  
16 bill.

17 (g) This subsection (g) applies only to payments made or  
18 salary increases given on or after June 1, 2005 but before July  
19 1, 2011. The changes made by Public Act 94-1057 shall not  
20 require the System to refund any payments received before July  
21 31, 2006 (the effective date of Public Act 94-1057).

22 When assessing payment for any amount due under subsection  
23 (f), the System shall exclude salary increases paid to teachers  
24 under contracts or collective bargaining agreements entered  
25 into, amended, or renewed before June 1, 2005.

26 When assessing payment for any amount due under subsection

SB0001 Enrolled

- 30 -

LRB100 06371 NHT 16410 b

1 (f), the System shall exclude salary increases paid to a  
2 teacher at a time when the teacher is 10 or more years from  
3 retirement eligibility under Section 16-132 or 16-133.2.

4 When assessing payment for any amount due under subsection  
5 (f), the System shall exclude salary increases resulting from  
6 overload work, including summer school, when the school  
7 district has certified to the System, and the System has  
8 approved the certification, that (i) the overload work is for  
9 the sole purpose of classroom instruction in excess of the

10 standard number of classes for a full-time teacher in a school  
11 district during a school year and (ii) the salary increases are  
12 equal to or less than the rate of pay for classroom instruction  
13 computed on the teacher's current salary and work schedule.

14 When assessing payment for any amount due under subsection  
15 (f), the System shall exclude a salary increase resulting from  
16 a promotion (i) for which the employee is required to hold a  
17 certificate or supervisory endorsement issued by the State  
18 Teacher Certification Board that is a different certification  
19 or supervisory endorsement than is required for the teacher's  
20 previous position and (ii) to a position that has existed and  
21 been filled by a member for no less than one complete academic  
22 year and the salary increase from the promotion is an increase  
23 that results in an amount no greater than the lesser of the  
24 average salary paid for other similar positions in the district  
25 requiring the same certification or the amount stipulated in  
26 the collective bargaining agreement for a similar position

SB0001 Enrolled

- 31 -

LRB100 06371 NHT 16410 b

1 requiring the same certification.

2 When assessing payment for any amount due under subsection  
3 (f), the System shall exclude any payment to the teacher from  
4 the State of Illinois or the State Board of Education over  
5 which the employer does not have discretion, notwithstanding  
6 that the payment is included in the computation of final  
7 average salary.

8 (h) When assessing payment for any amount due under  
9 subsection (f), the System shall exclude any salary increase  
10 described in subsection (g) of this Section given on or after  
11 July 1, 2011 but before July 1, 2014 under a contract or  
12 collective bargaining agreement entered into, amended, or  
13 renewed on or after June 1, 2005 but before July 1, 2011.  
14 Notwithstanding any other provision of this Section, any  
15 payments made or salary increases given after June 30, 2014  
16 shall be used in assessing payment for any amount due under  
17 subsection (f) of this Section.

18 (i) The System shall prepare a report and file copies of  
19 the report with the Governor and the General Assembly by  
20 January 1, 2007 that contains all of the following information:

21 (1) The number of recalculations required by the

changes made to this Section by Public Act 94-1057 for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.

SB0001 Enrolled

- 32 -

LRB100 06371 NHT 16410 b

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(j) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(k) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff. 6-18-12; 97-813, eff. 7-13-12; 98-674, eff. 6-30-14.)

Section 20. The Innovation Development and Economy Act is

SB0001 Enrolled

- 33 -

LRB100 06371 NHT 16410 b

amended by changing Section 33 as follows:

(50 ILCS 470/33)

3 Sec. 33. STAR Bonds School Improvement and Operations Trust  
4 Fund.

5 (a) The STAR Bonds School Improvement and Operations Trust  
6 Fund is created as a trust fund in the State treasury. Deposits  
7 into the Trust Fund shall be made as provided under this  
8 Section. Moneys in the Trust Fund shall be used by the  
9 Department of Revenue only for the purpose of making payments  
10 to school districts in educational service regions that include  
11 or are adjacent to the STAR bond district. Moneys in the Trust  
12 Fund are not subject to appropriation and shall be used solely  
13 as provided in this Section. All deposits into the Trust Fund  
14 shall be held in the Trust Fund by the State Treasurer as ex  
15 officio custodian separate and apart from all public moneys or  
16 funds of this State and shall be administered by the Department  
17 exclusively for the purposes set forth in this Section. All  
18 moneys in the Trust Fund shall be invested and reinvested by  
19 the State Treasurer. All interest accruing from these  
20 investments shall be deposited in the Trust Fund.

21 (b) Upon approval of a STAR bond district, the political  
22 subdivision shall immediately transmit to the county clerk of  
23 the county in which the district is located a certified copy of  
24 the ordinance creating the district, a legal description of the  
25 district, a map of the district, identification of the year

SB0001 Enrolled

- 34 -

LRB100 06371 NHT 16410 b

1 that the county clerk shall use for determining the total  
2 initial equalized assessed value of the district consistent  
3 with subsection (c), and a list of the parcel or tax  
4 identification number of each parcel of property included in  
5 the district.

6 (c) Upon approval of a STAR bond district, the county clerk  
7 immediately thereafter shall determine (i) the most recently  
8 ascertained equalized assessed value of each lot, block, tract,  
9 or parcel of real property within the STAR bond district, from  
10 which shall be deducted the homestead exemptions under Article  
11 15 of the Property Tax Code, which value shall be the initial  
12 equalized assessed value of each such piece of property, and  
13 (ii) the total equalized assessed value of all taxable real  
14 property within the district by adding together the most  
15 recently ascertained equalized assessed value of each taxable



16 lot, block, tract, or parcel of real property within the  
17 district, from which shall be deducted the homestead exemptions  
18 under Article 15 of the Property Tax Code, and shall certify  
19 that amount as the total initial equalized assessed value of  
20 the taxable real property within the STAR bond district.

21 (d) In reference to any STAR bond district created within  
22 any political subdivision, and in respect to which the county  
23 clerk has certified the total initial equalized assessed value  
24 of the property in the area, the political subdivision may  
25 thereafter request the clerk in writing to adjust the initial  
26 equalized value of all taxable real property within the STAR

SB0001 Enrolled

- 35 -

LRB100 06371 NHT 16410 b

1 bond district by deducting therefrom the exemptions under  
2 Article 15 of the Property Tax Code applicable to each lot,  
3 block, tract, or parcel of real property within the STAR bond  
4 district. The county clerk shall immediately, after the written  
5 request to adjust the total initial equalized value is  
6 received, determine the total homestead exemptions in the STAR  
7 bond district as provided under Article 15 of the Property Tax  
8 Code by adding together the homestead exemptions provided by  
9 said Article on each lot, block, tract, or parcel of real  
10 property within the STAR bond district and then shall deduct  
11 the total of said exemptions from the total initial equalized  
12 assessed value. The county clerk shall then promptly certify  
13 that amount as the total initial equalized assessed value as  
14 adjusted of the taxable real property within the STAR bond  
15 district.

16 (e) The county clerk or other person authorized by law  
17 shall compute the tax rates for each taxing district with all  
18 or a portion of its equalized assessed value located in the  
19 STAR bond district. The rate per cent of tax determined shall  
20 be extended to the current equalized assessed value of all  
21 property in the district in the same manner as the rate per  
22 cent of tax is extended to all other taxable property in the  
23 taxing district.

24 (f) Beginning with the assessment year in which the first  
25 destination user in the first STAR bond project in a STAR bond  
26 district makes its first retail sales and for each assessment

SB0001 Enrolled

- 36 -

LRB100 06371 NHT 16410 b

1 year thereafter until final maturity of the last STAR bonds  
2 issued in the district, the county clerk or other person  
3 authorized by law shall determine the increase in equalized  
4 assessed value of all real property within the STAR bond  
5 district by subtracting the initial equalized assessed value of  
6 all property in the district certified under subsection (c)  
7 from the current equalized assessed value of all property in  
8 the district. Each year, the property taxes arising from the  
9 increase in equalized assessed value in the STAR bond district  
10 shall be determined for each taxing district and shall be  
11 certified to the county collector.

12 (g) Beginning with the year in which taxes are collected  
13 based on the assessment year in which the first destination  
14 user in the first STAR bond project in a STAR bond district  
15 makes its first retail sales and for each year thereafter until  
16 final maturity of the last STAR bonds issued in the district,  
17 the county collector shall, within 30 days after receipt of  
18 property taxes, transmit to the Department to be deposited into  
19 the STAR Bonds School Improvement and Operations Trust Fund 15%  
20 of property taxes attributable to the increase in equalized  
21 assessed value within the STAR bond district from each taxing  
22 district as certified in subsection (f).

23 (h) The Department shall pay to the regional superintendent  
24 of schools whose educational service region includes Franklin  
25 and Williamson Counties, for each year for which money is  
26 remitted to the Department and paid into the STAR Bonds School

SB0001 Enrolled

- 37 -

LRB100 06371 NHT 16410 b

1 Improvement and Operations Trust Fund, the money in the Fund as  
2 provided in this Section. The amount paid to each school  
3 district shall be allocated proportionately, based on each  
4 qualifying school district's fall enrollment for the  
5 then-current school year, such that the school district with  
6 the largest fall enrollment receives the largest proportionate  
7 share of money paid out of the Fund or by any other method or  
8 formula that the regional superintendent of schools deems fit,  
9 equitable, and in the public interest. The regional

superintendent may allocate moneys to school districts that are outside of his or her educational service region or to other regional superintendents.

The Department shall determine the distributions under this Section using its best judgment and information. The Department shall be held harmless for the distributions made under this Section and all distributions shall be final.

(i) In any year that an assessment appeal is filed, the extension of taxes on any assessment so appealed shall not be delayed. In the case of an assessment that is altered, any taxes extended upon the unauthorized assessment or part thereof shall be abated, or, if already paid, shall be refunded with interest as provided in Section 23-20 of the Property Tax Code. In the case of an assessment appeal, the county collector shall notify the Department that an assessment appeal has been filed and the amount of the tax that would have been deposited in the STAR Bonds School Improvement and Operations Trust Fund. The

SB0001 Enrolled

- 38 -

LRB100 06371 NHT 16410 b

county collector shall hold that amount in a separate fund until the appeal process is final. After the appeal process is finalized, the county collector shall transmit to the Department the amount of tax that remains, if any, after all required refunds are made. The Department shall pay any amount deposited into the Trust Fund under this Section in the same proportion as determined for payments for that taxable year under subsection (h).

(j) In any year that ad valorem taxes are allocated to the STAR Bonds School Improvement and Operations Trust Fund, that allocation shall not reduce or otherwise impact the school aid provided to any school district under the general State school aid formula provided for in Section 18-8.05 of the School Code or the evidence-based funding formula provided for in Section 18-8.15 of the School Code.

(Source: P.A. 96-939, eff. 6-24-10.)

Section 25. The County Economic Development Project Area Property Tax Allocation Act is amended by changing Section 7 as follows:

(55 ILCS 85/7) (from Ch. 34, par. 7007)

21 Sec. 7. Creation of special tax allocation fund. If a  
22 county has adopted property tax allocation financing by  
23 ordinance for an economic development project area, the  
24 Department has approved and certified the economic development

SB0001 Enrolled

- 39 -

LRB100 06371 NHT 16410 b

1 project area, and the county clerk has thereafter certified the  
2 "total initial equalized value" of the taxable real property  
3 within such economic development project area in the manner  
4 provided in subsection (b) of Section 6 of this Act, each year  
5 after the date of the certification by the county clerk of the  
6 "initial equalized assessed value" until economic development  
7 project costs and all county obligations financing economic  
8 development project costs have been paid, the ad valorem taxes,  
9 if any, arising from the levies upon the taxable real property  
10 in the economic development project area by taxing districts  
11 and tax rates determined in the manner provided in subsection  
12 (b) of Section 6 of this Act shall be divided as follows:

13 (1) That portion of the taxes levied upon each taxable  
14 lot, block, tract or parcel of real property which is  
15 attributable to the lower of the current equalized assessed  
16 value or the initial equalized assessed value of each such  
17 taxable lot, block, tract, or parcel of real property  
18 existing at the time property tax allocation financing was  
19 adopted shall be allocated and when collected shall be paid  
20 by the county collector to the respective affected taxing  
21 districts in the manner required by the law in the absence  
22 of the adoption of property tax allocation financing.

23 (2) That portion, if any, of those taxes which is  
24 attributable to the increase in the current equalized  
25 assessed valuation of each taxable lot, block, tract, or  
26 parcel of real property in the economic development project

SB0001 Enrolled

- 40 -

LRB100 06371 NHT 16410 b

1 are, over and above the initial equalized assessed value of  
2 each property existing at the time property tax allocation  
3 financing was adopted shall be allocated to and when

collected shall be paid to the county treasurer, who shall deposit those taxes into a special fund called the special tax allocation fund of the county for the purpose of paying economic development project costs and obligations incurred in the payment thereof.

The county, by an ordinance adopting property tax allocation financing, may pledge the funds in and to be deposited in the special tax allocation fund for the payment of obligations issued under this Act and for the payment of economic development project costs. No part of the current equalized assessed valuation of each property in the economic development project area attributable to any increase above the total initial equalized assessed value of such properties shall be used in calculating the general State school aid formula, provided for in Section 18-8 of the School Code, or the evidence-based funding formula, provided for in Section 18-8.15 of the School Code, until such time as all economic development projects costs have been paid as provided for in this Section.

Whenever a county issues bonds for the purpose of financing economic development project costs, the county may provide by ordinance for the appointment of a trustee, which may be any trust company within the State, and for the establishment of

SB0001 Enrolled

- 41 -

LRB100 06371 NHT 16410 b

the funds or accounts to be maintained by such trustee as the county shall deem necessary to provide for the security and payment of the bonds. If the county provides for the appointment of a trustee, the trustee shall be considered the assignee of any payments assigned by the county pursuant to the ordinance and this Section. Any amounts paid to the trustee as assignee shall be deposited in the funds or accounts established pursuant to the trust agreement, and shall be held by the trustee in trust for the benefit of the holders of the bonds, and the holders shall have a lien on and a security interest in those bonds 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 county for deposit in the special tax allocation fund.

When the economic development project costs, including

16 without limitation all county obligations financing economic  
17 development project costs incurred under this Act, have been  
18 paid, all surplus funds then remaining in the special tax  
19 allocation funds shall be distributed by being paid by the  
20 county treasurer to the county collector, who shall immediately  
21 thereafter pay those funds to the taxing districts having  
22 taxable property in the economic development project area in  
23 the same manner and proportion as the most recent distribution  
24 by the county collector to those taxing districts of real  
25 property taxes from real property in the economic development  
26 project area.

SB0001 Enrolled

- 42 -

LRB100 06371 NHT 16410 b

1 Upon the payment of all economic development project costs,  
2 retirement of obligations and the distribution of any excess  
3 monies pursuant to this Section and not later than 23 years  
4 from the date of adoption of the ordinance adopting property  
5 tax allocation financing, the county shall adopt an ordinance  
6 dissolving the special tax allocation fund for the economic  
7 development project area and terminating the designation of the  
8 economic development project area as an economic development  
9 project area; however, in relation to one or more contiguous  
10 parcels not exceeding a total area of 120 acres within which an  
11 electric generating facility is intended to be constructed, and  
12 with respect to which the owner of that proposed electric  
13 generating facility has entered into a redevelopment agreement  
14 with Grundy County on or before July 25, 2017, the ordinance of  
15 the county required in this paragraph shall not dissolve the  
16 special tax allocation fund for the existing economic  
17 development project area and shall only terminate the  
18 designation of the economic development project area as to  
19 those portions of the economic development project area  
20 excluding the area covered by the redevelopment agreement  
21 between the owner of the proposed electric generating facility  
22 and Grundy County; the county shall adopt an ordinance  
23 dissolving the special tax allocation fund for the economic  
24 development project area and terminating the designation of the  
25 economic development project area as an economic development  
26 project area with regard to the electric generating facility

SB0001 Enrolled

- 43 -

LRB100 06371 NHT 16410 b

1 property not later than 35 years from the date of adoption of  
2 the ordinance adopting property tax allocation financing.  
3 Thereafter the rates of the taxing districts shall be extended  
4 and taxes levied, collected and distributed in the manner  
5 applicable in the absence of the adoption of property tax  
6 allocation financing.

7 Nothing in this Section shall be construed as relieving  
8 property in economic development project areas from being  
9 assessed as provided in the Property Tax Code or as relieving  
10 owners of that property from paying a uniform rate of taxes, as  
11 required by Section 4 of Article IX of the Illinois  
12 Constitution of 1970.

13 (Source: P.A. 98-463, eff. 8-16-13; 99-513, eff. 6-30-16.)

14 Section 30. The County Economic Development Project Area  
15 Tax Increment Allocation Act of 1991 is amended by changing  
16 Section 50 as follows:

17 (55 ILCS 90/50) (from Ch. 34, par. 8050)  
18 Sec. 50. Special tax allocation fund.

19 (a) If a county clerk has certified the "total initial  
20 equalized assessed value" of the taxable real property within  
21 an economic development project area in the manner provided in  
22 Section 45, each year after the date of the certification by  
23 the county clerk of the "total initial equalized assessed  
24 value", until economic development project costs and all county

SB0001 Enrolled

- 44 -

LRB100 06371 NHT 16410 b

1 obligations financing economic development project costs have  
2 been paid, the ad valorem taxes, if any, arising from the  
3 levies upon the taxable real property in the economic  
4 development project area by taxing districts and tax rates  
5 determined in the manner provided in subsection (b) of Section  
6 45 shall be divided as follows:

7 (1) That portion of the taxes levied upon each taxable  
8 lot, block, tract, or parcel of real property that is  
9 attributable to the lower of the current equalized assessed  
10

value or the initial equalized assessed value of each taxable lot, block, tract, or parcel of real property existing at the time tax increment financing was adopted 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 the taxes that is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the economic development project area, over and above the initial equalized assessed value of each property existing at the time tax increment financing was adopted, shall be allocated to (and when collected shall be paid to) the county treasurer, who shall deposit the taxes into a special fund (called the special tax allocation fund of the county) for the purpose of

SB0001 Enrolled

- 45 -

LRB100 06371 NHT 16410 b

paying economic development project costs and obligations incurred in the payment of those costs.

(b) The county, by an ordinance adopting tax increment allocation financing, may pledge the monies in and to be deposited into the special tax allocation fund for the payment of obligations issued under this Act and for the payment of economic development project costs. No part of the current equalized assessed valuation of each property in the economic development project area attributable to any increase above the total initial equalized assessed value of those properties shall be used in calculating the general State ~~school~~ aid formula under Section 18-8 of the School Code or the evidence-based funding formula under Section 18-8.15 of the School Code until all economic development projects costs have been paid as provided for in this Section.

(c) When the economic development projects costs, including without limitation all county obligations financing economic development project costs incurred under this Act, have been paid, all surplus monies then remaining in the special tax allocation fund shall be distributed by being paid



21 by the county treasurer to the county collector, who shall  
22 immediately pay the monies to the taxing districts having  
23 taxable property in the economic development project area in  
24 the same manner and proportion as the most recent distribution  
25 by the county collector to those taxing districts of real  
26 property taxes from real property in the economic development

SB0001 Enrolled

- 46 -

LRB100 06371 NHT 16410 b

1 project area.

2 (d) Upon the payment of all economic development project  
3 costs, retirement of obligations, and distribution of any  
4 excess monies under this Section, the county shall adopt an  
5 ordinance dissolving the special tax allocation fund for the  
6 economic development project area and terminating the  
7 designation of the economic development project area as an  
8 economic development project area. Thereafter, the rates of the  
9 taxing districts shall be extended and taxes shall be levied,  
10 collected, and distributed in the manner applicable in the  
11 absence of the adoption of tax increment allocation financing.

12 (e) Nothing in this Section shall be construed as relieving  
13 property in the economic development project areas from being  
14 assessed as provided in the Property Tax Code or as relieving  
15 owners of that property from paying a uniform rate of taxes as  
16 required by Section 4 of Article IX of the Illinois  
17 Constitution.

18 (Source: P.A. 98-463, eff. 8-16-13.)

19 Section 35. The Illinois Municipal Code is amended by  
20 changing Sections 11-74.4-3, 11-74.4-8, and 11-74.6-35 as  
21 follows:

22 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

23 Sec. 11-74.4-3. Definitions. The following terms, wherever  
24 used or referred to in this Division 74.4 shall have the

SB0001 Enrolled

- 47 -

LRB100 06371 NHT 16410 b

1 following respective meanings, unless in any case a different  
2 meaning clearly appears from the context.

3

(a) For any redevelopment project area that has been designated pursuant to this Section by an ordinance adopted prior to November 1, 1999 (the effective date of Public Act 91-478), "blighted area" shall have the meaning set forth in this Section prior to that date.

On and after November 1, 1999, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:

(1) If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area:

(A) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive

SB0001 Enrolled

- 48 -

LRB100 06371 NHT 16410 b

that the buildings must be removed.

(B) Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

(C) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes,

depressions, loose paving material, and weeds protruding through paved surfaces.

(D) Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive vacancies. The presence of buildings

SB0001 Enrolled

- 49 -

LRB100 06371 NHT 16410 b

that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

(G) Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated,

25 antiquated, obsolete, or in disrepair, or (iii)  
26 lacking within the redevelopment project area.

SB0001 Enrolled

- 50 -

LRB100 06371 NHT 16410 b

1 (I) Excessive land coverage and overcrowding of  
2 structures and community facilities. The  
3 over-intensive use of property and the crowding of  
4 buildings and accessory facilities onto a site.  
5 Examples of problem conditions warranting the  
6 designation of an area as one exhibiting excessive land  
7 coverage are: (i) the presence of buildings either  
8 improperly situated on parcels or located on parcels of  
9 inadequate size and shape in relation to present-day  
10 standards of development for health and safety and (ii)  
11 the presence of multiple buildings on a single parcel.  
12 For there to be a finding of excessive land coverage,  
13 these parcels must exhibit one or more of the following  
14 conditions: insufficient provision for light and air  
15 within or around buildings, increased threat of spread  
16 of fire due to the close proximity of buildings, lack  
17 of adequate or proper access to a public right-of-way,  
18 lack of reasonably required off-street parking, or  
19 inadequate provision for loading and service.

20 (J) Deleterious land use or layout. The existence  
21 of incompatible land-use relationships, buildings  
22 occupied by inappropriate mixed-uses, or uses  
23 considered to be noxious, offensive, or unsuitable for  
24 the surrounding area.

25 (K) Environmental clean-up. The proposed  
26 redevelopment project area has incurred Illinois

SB0001 Enrolled

- 51 -

LRB100 06371 NHT 16410 b

1 Environmental Protection Agency or United States  
2 Environmental Protection Agency remediation costs for,  
3 or a study conducted by an independent consultant  
4 recognized as having expertise in environmental

5 remediation has determined a need for, the clean-up of  
6 hazardous waste, hazardous substances, or underground  
7 storage tanks required by State or federal law,  
8 provided that the remediation costs constitute a  
9 material impediment to the development or  
10 redevelopment of the redevelopment project area.

11 (L) Lack of community planning. The proposed  
12 redevelopment project area was developed prior to or  
13 without the benefit or guidance of a community plan.  
14 This means that the development occurred prior to the  
15 adoption by the municipality of a comprehensive or  
16 other community plan or that the plan was not followed  
17 at the time of the area's development. This factor must  
18 be documented by evidence of adverse or incompatible  
19 land-use relationships, inadequate street layout,  
20 improper subdivision, parcels of inadequate shape and  
21 size to meet contemporary development standards, or  
22 other evidence demonstrating an absence of effective  
23 community planning.

24 (M) The total equalized assessed value of the  
25 proposed redevelopment project area has declined for 3  
26 of the last 5 calendar years prior to the year in which

SB0001 Enrolled

- 52 -

LRB100 06371 NHT 16410 b

1 the redevelopment project area is designated or is  
2 increasing at an annual rate that is less than the  
3 balance of the municipality for 3 of the last 5  
4 calendar years for which information is available or is  
5 increasing at an annual rate that is less than the  
6 Consumer Price Index for All Urban Consumers published  
7 by the United States Department of Labor or successor  
8 agency for 3 of the last 5 calendar years prior to the  
9 year in which the redevelopment project area is  
10 designated.

11 (2) If vacant, the sound growth of the redevelopment  
12 project area is impaired by a combination of 2 or more of  
13 the following factors, each of which is (i) present, with  
14 that presence documented, to a meaningful extent so that a  
15 municipality may reasonably find that the factor is clearly

16 present within the intent of the Act and (ii) reasonably  
17 distributed throughout the vacant part of the  
18 redevelopment project area to which it pertains:

19 (A) Obsolete platting of vacant land that results  
20 in parcels of limited or narrow size or configurations  
21 of parcels of irregular size or shape that would be  
22 difficult to develop on a planned basis and in a manner  
23 compatible with contemporary standards and  
24 requirements, or platting that failed to create  
25 rights-of-ways for streets or alleys or that created  
26 inadequate right-of-way widths for streets, alleys, or

SB0001 Enrolled

- 53 -

LRB100 06371 NHT 16410 b

1 other public rights-of-way or that omitted easements  
2 for public utilities.

3 (B) Diversity of ownership of parcels of vacant  
4 land sufficient in number to retard or impede the  
5 ability to assemble the land for development.

6 (C) Tax and special assessment delinquencies exist  
7 or the property has been the subject of tax sales under  
8 the Property Tax Code within the last 5 years.

9 (D) Deterioration of structures or site  
10 improvements in neighboring areas adjacent to the  
11 vacant land.

12 (E) The area has incurred Illinois Environmental  
13 Protection Agency or United States Environmental  
14 Protection Agency remediation costs for, or a study  
15 conducted by an independent consultant recognized as  
16 having expertise in environmental remediation has  
17 determined a need for, the clean-up of hazardous waste,  
18 hazardous substances, or underground storage tanks  
19 required by State or federal law, provided that the  
20 remediation costs constitute a material impediment to  
21 the development or redevelopment of the redevelopment  
22 project area.

23 (F) The total equalized assessed value of the  
24 proposed redevelopment project area has declined for 3  
25 of the last 5 calendar years prior to the year in which  
26

the redevelopment project area is designated or is

SB0001 Enrolled

- 54 -

LRB100 06371 NHT 16410 b

1 increasing at an annual rate that is less than the  
2 balance of the municipality for 3 of the last 5  
3 calendar years for which information is available or is  
4 increasing at an annual rate that is less than the  
5 Consumer Price Index for All Urban Consumers published  
6 by the United States Department of Labor or successor  
7 agency for 3 of the last 5 calendar years prior to the  
8 year in which the redevelopment project area is  
9 designated.

10 (3) If vacant, the sound growth of the redevelopment  
11 project area is impaired by one of the following factors  
12 that (i) is present, with that presence documented, to a  
13 meaningful extent so that a municipality may reasonably  
14 find that the factor is clearly present within the intent  
15 of the Act and (ii) is reasonably distributed throughout  
16 the vacant part of the redevelopment project area to which  
17 it pertains:

18 (A) The area consists of one or more unused  
19 quarries, mines, or strip mine ponds.

20 (B) The area consists of unused rail yards, rail  
21 tracks, or railroad rights-of-way.

22 (C) The area, prior to its designation, is subject  
23 to (i) chronic flooding that adversely impacts on real  
24 property in the area as certified by a registered  
25 professional engineer or appropriate regulatory agency  
26 or (ii) surface water that discharges from all or a

SB0001 Enrolled

- 55 -

LRB100 06371 NHT 16410 b

1 part of the area and contributes to flooding within the  
2 same watershed, but only if the redevelopment project  
3 provides for facilities or improvements to contribute  
4 to the alleviation of all or part of the flooding.

5 (D) The area consists of an unused or illegal  
6 disposal site containing earth, stone, building

7 debris, or similar materials that were removed from  
8 construction, demolition, excavation, or dredge sites.

9 (E) Prior to November 1, 1999, the area is not less  
10 than 50 nor more than 100 acres and 75% of which is  
11 vacant (notwithstanding that the area has been used for  
12 commercial agricultural purposes within 5 years prior  
13 to the designation of the redevelopment project area),  
14 and the area meets at least one of the factors itemized  
15 in paragraph (1) of this subsection, the area has been  
16 designated as a town or village center by ordinance or  
17 comprehensive plan adopted prior to January 1, 1982,  
18 and the area has not been developed for that designated  
19 purpose.

20 (F) The area qualified as a blighted improved area  
21 immediately prior to becoming vacant, unless there has  
22 been substantial private investment in the immediately  
23 surrounding area.

24 (b) For any redevelopment project area that has been  
25 designated pursuant to this Section by an ordinance adopted  
26 prior to November 1, 1999 (the effective date of Public Act

SB0001 Enrolled

- 56 -

LRB100 06371 NHT 16410 b

1 91-478), "conservation area" shall have the meaning set forth  
2 in this Section prior to that date.

3 On and after November 1, 1999, "conservation area" means  
4 any improved area within the boundaries of a redevelopment  
5 project area located within the territorial limits of the  
6 municipality in which 50% or more of the structures in the area  
7 have an age of 35 years or more. Such an area is not yet a  
8 blighted area but because of a combination of 3 or more of the  
9 following factors is detrimental to the public safety, health,  
10 morals or welfare and such an area may become a blighted area:

11 (1) Dilapidation. An advanced state of disrepair or  
12 neglect of necessary repairs to the primary structural  
13 components of buildings or improvements in such a  
14 combination that a documented building condition analysis  
15 determines that major repair is required or the defects are  
16 so serious and so extensive that the buildings must be  
17 removed.



18 (2) Obsolescence. The condition or process of falling  
19 into disuse. Structures have become ill-suited for the  
20 original use.

21 (3) Deterioration. With respect to buildings, defects  
22 including, but not limited to, major defects in the  
23 secondary building components such as doors, windows,  
24 porches, gutters and downspouts, and fascia. With respect  
25 to surface improvements, that the condition of roadways,  
26 alleys, curbs, gutters, sidewalks, off-street parking, and

SB0001 Enrolled

- 57 -

LRB100 06371 NHT 16410 b

1 surface storage areas evidence deterioration, including,  
2 but not limited to, surface cracking, crumbling, potholes,  
3 depressions, loose paving material, and weeds protruding  
4 through paved surfaces.

5 (4) Presence of structures below minimum code  
6 standards. All structures that do not meet the standards of  
7 zoning, subdivision, building, fire, and other  
8 governmental codes applicable to property, but not  
9 including housing and property maintenance codes.

10 (5) Illegal use of individual structures. The use of  
11 structures in violation of applicable federal, State, or  
12 local laws, exclusive of those applicable to the presence  
13 of structures below minimum code standards.

14 (6) Excessive vacancies. The presence of buildings  
15 that are unoccupied or under-utilized and that represent an  
16 adverse influence on the area because of the frequency,  
17 extent, or duration of the vacancies.

18 (7) Lack of ventilation, light, or sanitary  
19 facilities. The absence of adequate ventilation for light  
20 or air circulation in spaces or rooms without windows, or  
21 that require the removal of dust, odor, gas, smoke, or  
22 other noxious airborne materials. Inadequate natural light  
23 and ventilation means the absence or inadequacy of  
24 skylights or windows for interior spaces or rooms and  
25 improper window sizes and amounts by room area to window  
26 area ratios. Inadequate sanitary facilities refers to the

1 absence or inadequacy of garbage storage and enclosure,  
2 bathroom facilities, hot water and kitchens, and  
3 structural inadequacies preventing ingress and egress to  
4 and from all rooms and units within a building.

5 (8) Inadequate utilities. Underground and overhead  
6 utilities such as storm sewers and storm drainage, sanitary  
7 sewers, water lines, and gas, telephone, and electrical  
8 services that are shown to be inadequate. Inadequate  
9 utilities are those that are: (i) of insufficient capacity  
10 to serve the uses in the redevelopment project area, (ii)  
11 deteriorated, antiquated, obsolete, or in disrepair, or  
12 (iii) lacking within the redevelopment project area.

13 (9) Excessive land coverage and overcrowding of  
14 structures and community facilities. The over-intensive  
15 use of property and the crowding of buildings and accessory  
16 facilities onto a site. Examples of problem conditions  
17 warranting the designation of an area as one exhibiting  
18 excessive land coverage are: the presence of buildings  
19 either improperly situated on parcels or located on parcels  
20 of inadequate size and shape in relation to present-day  
21 standards of development for health and safety and the  
22 presence of multiple buildings on a single parcel. For  
23 there to be a finding of excessive land coverage, these  
24 parcels must exhibit one or more of the following  
25 conditions: insufficient provision for light and air  
26 within or around buildings, increased threat of spread of

1 fire due to the close proximity of buildings, lack of  
2 adequate or proper access to a public right-of-way, lack of  
3 reasonably required off-street parking, or inadequate  
4 provision for loading and service.

5 (10) Deleterious land use or layout. The existence of  
6 incompatible land-use relationships, buildings occupied by  
7 inappropriate mixed-uses, or uses considered to be  
8 noxious, offensive, or unsuitable for the surrounding  
9

area.

(11) Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

(12) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has

SB0001 Enrolled

- 60 -

LRB100 06371 NHT 16410 b

determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(13) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

(c) "Industrial park" means an area in a blighted or conservation area suitable for use by any manufacturing, industrial, research or transportation enterprise, of

20 facilities to include but not be limited to factories, mills,  
21 processing plants, assembly plants, packing plants,  
22 fabricating plants, industrial distribution centers,  
23 warehouses, repair overhaul or service facilities, freight  
24 terminals, research facilities, test facilities or railroad  
25 facilities.

26 (d) "Industrial park conservation area" means an area

SB0001 Enrolled

- 61 -

LRB100 06371 NHT 16410 b

1 within the boundaries of a redevelopment project area located  
2 within the territorial limits of a municipality that is a labor  
3 surplus municipality or within 1 1/2 miles of the territorial  
4 limits of a municipality that is a labor surplus municipality  
5 if the area is annexed to the municipality; which area is zoned  
6 as industrial no later than at the time the municipality by  
7 ordinance designates the redevelopment project area, and which  
8 area includes both vacant land suitable for use as an  
9 industrial park and a blighted area or conservation area  
10 contiguous to such vacant land.

11 (e) "Labor surplus municipality" means a municipality in  
12 which, at any time during the 6 months before the municipality  
13 by ordinance designates an industrial park conservation area,  
14 the unemployment rate was over 6% and was also 100% or more of  
15 the national average unemployment rate for that same time as  
16 published in the United States Department of Labor Bureau of  
17 Labor Statistics publication entitled "The Employment  
18 Situation" or its successor publication. For the purpose of  
19 this subsection, if unemployment rate statistics for the  
20 municipality are not available, the unemployment rate in the  
21 municipality shall be deemed to be the same as the unemployment  
22 rate in the principal county in which the municipality is  
23 located.

24 (f) "Municipality" shall mean a city, village,  
25 incorporated town, or a township that is located in the  
26 unincorporated portion of a county with 3 million or more

SB0001 Enrolled

- 62 -

LRB100 06371 NHT 16410 b

1 inhabitants, if the county adopted an ordinance that approved

2 the township's redevelopment plan.

3 (g) "Initial Sales Tax Amounts" means the amount of taxes  
4 paid under the Retailers' Occupation Tax Act, Use Tax Act,  
5 Service Use Tax Act, the Service Occupation Tax Act, the  
6 Municipal Retailers' Occupation Tax Act, and the Municipal  
7 Service Occupation Tax Act by retailers and servicemen on  
8 transactions at places located in a State Sales Tax Boundary  
9 during the calendar year 1985.

10 (g-1) "Revised Initial Sales Tax Amounts" means the amount  
11 of taxes paid under the Retailers' Occupation Tax Act, Use Tax  
12 Act, Service Use Tax Act, the Service Occupation Tax Act, the  
13 Municipal Retailers' Occupation Tax Act, and the Municipal  
14 Service Occupation Tax Act by retailers and servicemen on  
15 transactions at places located within the State Sales Tax  
16 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

17 (h) "Municipal Sales Tax Increment" means an amount equal  
18 to the increase in the aggregate amount of taxes paid to a  
19 municipality from the Local Government Tax Fund arising from  
20 sales by retailers and servicemen within the redevelopment  
21 project area or State Sales Tax Boundary, as the case may be,  
22 for as long as the redevelopment project area or State Sales  
23 Tax Boundary, as the case may be, exist over and above the  
24 aggregate amount of taxes as certified by the Illinois  
25 Department of Revenue and paid under the Municipal Retailers'  
26 Occupation Tax Act and the Municipal Service Occupation Tax Act

SB0001 Enrolled

- 63 -

LRB100 06371 NHT 16410 b

1 by retailers and servicemen, on transactions at places of  
2 business located in the redevelopment project area or State  
3 Sales Tax Boundary, as the case may be, during the base year  
4 which shall be the calendar year immediately prior to the year  
5 in which the municipality adopted tax increment allocation  
6 financing. For purposes of computing the aggregate amount of  
7 such taxes for base years occurring prior to 1985, the  
8 Department of Revenue shall determine the Initial Sales Tax  
9 Amounts for such taxes and deduct therefrom an amount equal to  
10 4% of the aggregate amount of taxes per year for each year the  
11 base year is prior to 1985, but not to exceed a total deduction  
12 of 12%. The amount so determined shall be known as the  
13 "Adjusted Initial Sales Tax Amounts". For purposes of

14 determining the Municipal Sales Tax Increment, the Department  
15 of Revenue shall for each period subtract from the amount paid  
16 to the municipality from the Local Government Tax Fund arising  
17 from sales by retailers and servicemen on transactions located  
18 in the redevelopment project area or the State Sales Tax  
19 Boundary, as the case may be, the certified Initial Sales Tax  
20 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised  
21 Initial Sales Tax Amounts for the Municipal Retailers'  
22 Occupation Tax Act and the Municipal Service Occupation Tax  
23 Act. For the State Fiscal Year 1989, this calculation shall be  
24 made by utilizing the calendar year 1987 to determine the tax  
25 amounts received. For the State Fiscal Year 1990, this  
26 calculation shall be made by utilizing the period from January

SB0001 Enrolled

- 64 -

LRB100 06371 NHT 16410 b

1 1, 1988, until September 30, 1988, to determine the tax amounts  
2 received from retailers and servicemen pursuant to the  
3 Municipal Retailers' Occupation Tax and the Municipal Service  
4 Occupation Tax Act, which shall have deducted therefrom  
5 nine-twelfths of the certified Initial Sales Tax Amounts, the  
6 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
7 Tax Amounts as appropriate. For the State Fiscal Year 1991,  
8 this calculation shall be made by utilizing the period from  
9 October 1, 1988, to June 30, 1989, to determine the tax amounts  
10 received from retailers and servicemen pursuant to the  
11 Municipal Retailers' Occupation Tax and the Municipal Service  
12 Occupation Tax Act which shall have deducted therefrom  
13 nine-twelfths of the certified Initial Sales Tax Amounts,  
14 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
15 Tax Amounts as appropriate. For every State Fiscal Year  
16 thereafter, the applicable period shall be the 12 months  
17 beginning July 1 and ending June 30 to determine the tax  
18 amounts received which shall have deducted therefrom the  
19 certified Initial Sales Tax Amounts, the Adjusted Initial Sales  
20 Tax Amounts or the Revised Initial Sales Tax Amounts, as the  
21 case may be.

22 (i) "Net State Sales Tax Increment" means the sum of the  
23 following: (a) 80% of the first \$100,000 of State Sales Tax  
24 Increment annually generated within a State Sales Tax Boundary;  
25 (b) 60% of the amount in excess of \$100,000 but not exceeding

26 \$500,000 of State Sales Tax Increment annually generated within

SB0001 Enrolled

- 65 -

LRB100 06371 NHT 16410 b

1 a State Sales Tax Boundary; and (c) 40% of all amounts in  
2 excess of \$500,000 of State Sales Tax Increment annually  
3 generated within a State Sales Tax Boundary. If, however, a  
4 municipality established a tax increment financing district in  
5 a county with a population in excess of 3,000,000 before  
6 January 1, 1986, and the municipality entered into a contract  
7 or issued bonds after January 1, 1986, but before December 31,  
8 1986, to finance redevelopment project costs within a State  
9 Sales Tax Boundary, then the Net State Sales Tax Increment  
10 means, for the fiscal years beginning July 1, 1990, and July 1,  
11 1991, 100% of the State Sales Tax Increment annually generated  
12 within a State Sales Tax Boundary; and notwithstanding any  
13 other provision of this Act, for those fiscal years the  
14 Department of Revenue shall distribute to those municipalities  
15 100% of their Net State Sales Tax Increment before any  
16 distribution to any other municipality and regardless of  
17 whether or not those other municipalities will receive 100% of  
18 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
19 every year thereafter until the year 2007, for any municipality  
20 that has not entered into a contract or has not issued bonds  
21 prior to June 1, 1988 to finance redevelopment project costs  
22 within a State Sales Tax Boundary, the Net State Sales Tax  
23 Increment shall be calculated as follows: By multiplying the  
24 Net State Sales Tax Increment by 90% in the State Fiscal Year  
25 1999; 80% in the State Fiscal Year 2000; 70% in the State  
26 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the

SB0001 Enrolled

- 66 -

LRB100 06371 NHT 16410 b

1 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%  
2 in the State Fiscal Year 2005; 20% in the State Fiscal Year  
3 2006; and 10% in the State Fiscal Year 2007. No payment shall  
4 be made for State Fiscal Year 2008 and thereafter.

5 Municipalities that issued bonds in connection with a  
6 redevelopment project in a redevelopment project area within  
7 the State Sales Tax Boundary prior to July 29, 1991, or that

8 entered into contracts in connection with a redevelopment  
9 project in a redevelopment project area before June 1, 1988,  
10 shall continue to receive their proportional share of the  
11 Illinois Tax Increment Fund distribution until the date on  
12 which the redevelopment project is completed or terminated. If,  
13 however, a municipality that issued bonds in connection with a  
14 redevelopment project in a redevelopment project area within  
15 the State Sales Tax Boundary prior to July 29, 1991 retires the  
16 bonds prior to June 30, 2007 or a municipality that entered  
17 into contracts in connection with a redevelopment project in a  
18 redevelopment project area before June 1, 1988 completes the  
19 contracts prior to June 30, 2007, then so long as the  
20 redevelopment project is not completed or is not terminated,  
21 the Net State Sales Tax Increment shall be calculated,  
22 beginning on the date on which the bonds are retired or the  
23 contracts are completed, as follows: By multiplying the Net  
24 State Sales Tax Increment by 60% in the State Fiscal Year 2002;  
25 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year  
26 2004; 30% in the State Fiscal Year 2005; 20% in the State

SB0001 Enrolled

- 67 -

LRB100 06371 NHT 16410 b

1 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No  
2 payment shall be made for State Fiscal Year 2008 and  
3 thereafter. Refunding of any bonds issued prior to July 29,  
4 1991, shall not alter the Net State Sales Tax Increment.

5 (j) "State Utility Tax Increment Amount" means an amount  
6 equal to the aggregate increase in State electric and gas tax  
7 charges imposed on owners and tenants, other than residential  
8 customers, of properties located within the redevelopment  
9 project area under Section 9-222 of the Public Utilities Act,  
10 over and above the aggregate of such charges as certified by  
11 the Department of Revenue and paid by owners and tenants, other  
12 than residential customers, of properties within the  
13 redevelopment project area during the base year, which shall be  
14 the calendar year immediately prior to the year of the adoption  
15 of the ordinance authorizing tax increment allocation  
16 financing.

17 (k) "Net State Utility Tax Increment" means the sum of the  
18 following: (a) 80% of the first \$100,000 of State Utility Tax  
19 Increment annually generated by a redevelopment project area;



20 (b) 60% of the amount in excess of \$100,000 but not exceeding  
21 \$500,000 of the State Utility Tax Increment annually generated  
22 by a redevelopment project area; and (c) 40% of all amounts in  
23 excess of \$500,000 of State Utility Tax Increment annually  
24 generated by a redevelopment project area. For the State Fiscal  
25 Year 1999, and every year thereafter until the year 2007, for  
26 any municipality that has not entered into a contract or has

SB0001 Enrolled

- 68 -

LRB100 06371 NHT 16410 b

1 not issued bonds prior to June 1, 1988 to finance redevelopment  
2 project costs within a redevelopment project area, the Net  
3 State Utility Tax Increment shall be calculated as follows: By  
4 multiplying the Net State Utility Tax Increment by 90% in the  
5 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%  
6 in the State Fiscal Year 2001; 60% in the State Fiscal Year  
7 2002; 50% in the State Fiscal Year 2003; 40% in the State  
8 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the  
9 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.  
10 No payment shall be made for the State Fiscal Year 2008 and  
11 thereafter.

12 Municipalities that issue bonds in connection with the  
13 redevelopment project during the period from June 1, 1988 until  
14 3 years after the effective date of this Amendatory Act of 1988  
15 shall receive the Net State Utility Tax Increment, subject to  
16 appropriation, for 15 State Fiscal Years after the issuance of  
17 such bonds. For the 16th through the 20th State Fiscal Years  
18 after issuance of the bonds, the Net State Utility Tax  
19 Increment shall be calculated as follows: By multiplying the  
20 Net State Utility Tax Increment by 90% in year 16; 80% in year  
21 17; 70% in year 18; 60% in year 19; and 50% in year 20.  
22 Refunding of any bonds issued prior to June 1, 1988, shall not  
23 alter the revised Net State Utility Tax Increment payments set  
24 forth above.

25 (l) "Obligations" mean bonds, loans, debentures, notes,  
26 special certificates or other evidence of indebtedness issued

SB0001 Enrolled

- 69 -

LRB100 06371 NHT 16410 b

1 by the municipality to carry out a redevelopment project or to

2 refund outstanding obligations.

3 (m) "Payment in lieu of taxes" means those estimated tax  
4 revenues from real property in a redevelopment project area  
5 derived from real property that has been acquired by a  
6 municipality which according to the redevelopment project or  
7 plan is to be used for a private use which taxing districts  
8 would have received had a municipality not acquired the real  
9 property and adopted tax increment allocation financing and  
10 which would result from levies made after the time of the  
11 adoption of tax increment allocation financing to the time the  
12 current equalized value of real property in the redevelopment  
13 project area exceeds the total initial equalized value of real  
14 property in said area.

15 (n) "Redevelopment plan" means the comprehensive program  
16 of the municipality for development or redevelopment intended  
17 by the payment of redevelopment project costs to reduce or  
18 eliminate those conditions the existence of which qualified the  
19 redevelopment project area as a "blighted area" or  
20 "conservation area" or combination thereof or "industrial park  
21 conservation area," and thereby to enhance the tax bases of the  
22 taxing districts which extend into the redevelopment project  
23 area, provided that, with respect to redevelopment project  
24 areas described in subsections (p-1) and (p-2), "redevelopment  
25 plan" means the comprehensive program of the affected  
26 municipality for the development of qualifying transit

SB0001 Enrolled

- 70 -

LRB100 06371 NHT 16410 b

1 facilities. On and after November 1, 1999 (the effective date  
2 of Public Act 91-478), no redevelopment plan may be approved or  
3 amended that includes the development of vacant land (i) with a  
4 golf course and related clubhouse and other facilities or (ii)  
5 designated by federal, State, county, or municipal government  
6 as public land for outdoor recreational activities or for  
7 nature preserves and used for that purpose within 5 years prior  
8 to the adoption of the redevelopment plan. For the purpose of  
9 this subsection, "recreational activities" is limited to mean  
10 camping and hunting. Each redevelopment plan shall set forth in  
11 writing the program to be undertaken to accomplish the  
12 objectives and shall include but not be limited to:

13 (A) an itemized list of estimated redevelopment

14 project costs;

15 (B) evidence indicating that the redevelopment project  
16 area on the whole has not been subject to growth and  
17 development through investment by private enterprise,  
18 provided that such evidence shall not be required for any  
19 redevelopment project area located within a transit  
20 facility improvement area established pursuant to Section  
21 11-74.4-3.3;

22 (C) an assessment of any financial impact of the  
23 redevelopment project area on or any increased demand for  
24 services from any taxing district affected by the plan and  
25 any program to address such financial impact or increased  
26 demand;

SB0001 Enrolled

- 71 -

LRB100 06371 NHT 16410 b

1 (D) the sources of funds to pay costs;

2 (E) the nature and term of the obligations to be  
3 issued;

4 (F) the most recent equalized assessed valuation of the  
5 redevelopment project area;

6 (G) an estimate as to the equalized assessed valuation  
7 after redevelopment and the general land uses to apply in  
8 the redevelopment project area;

9 (H) a commitment to fair employment practices and an  
10 affirmative action plan;

11 (I) if it concerns an industrial park conservation  
12 area, the plan shall also include a general description of  
13 any proposed developer, user and tenant of any property, a  
14 description of the type, structure and general character of  
15 the facilities to be developed, a description of the type,  
16 class and number of new employees to be employed in the  
17 operation of the facilities to be developed; and

18 (J) if property is to be annexed to the municipality,  
19 the plan shall include the terms of the annexation  
20 agreement.

21 The provisions of items (B) and (C) of this subsection (n)  
22 shall not apply to a municipality that before March 14, 1994  
23 (the effective date of Public Act 88-537) had fixed, either by  
24 its corporate authorities or by a commission designated under

25 subsection (k) of Section 11-74.4-4, a time and place for a  
26 public hearing as required by subsection (a) of Section

SB0001 Enrolled

- 72 -

LRB100 06371 NHT 16410 b

1 11-74.4-5. No redevelopment plan shall be adopted unless a  
2 municipality complies with all of the following requirements:

3 (1) The municipality finds that the redevelopment  
4 project area on the whole has not been subject to growth  
5 and development through investment by private enterprise  
6 and would not reasonably be anticipated to be developed  
7 without the adoption of the redevelopment plan, provided,  
8 however, that such a finding shall not be required with  
9 respect to any redevelopment project area located within a  
10 transit facility improvement area established pursuant to  
11 Section 11-74.4-3.3.

12 (2) The municipality finds that the redevelopment plan  
13 and project conform to the comprehensive plan for the  
14 development of the municipality as a whole, or, for  
15 municipalities with a population of 100,000 or more,  
16 regardless of when the redevelopment plan and project was  
17 adopted, the redevelopment plan and project either: (i)  
18 conforms to the strategic economic development or  
19 redevelopment plan issued by the designated planning  
20 authority of the municipality, or (ii) includes land uses  
21 that have been approved by the planning commission of the  
22 municipality.

23 (3) The redevelopment plan establishes the estimated  
24 dates of completion of the redevelopment project and  
25 retirement of obligations issued to finance redevelopment  
26 project costs. Those dates may not be later than the dates

SB0001 Enrolled

- 73 -

LRB100 06371 NHT 16410 b

1 set forth under Section 11-74.4-3.5.

2 A municipality may by municipal ordinance amend an  
3 existing redevelopment plan to conform to this paragraph  
4 (3) as amended by Public Act 91-478, which municipal  
5 ordinance may be adopted without further hearing or notice

6 and without complying with the procedures provided in this  
7 Act pertaining to an amendment to or the initial approval  
8 of a redevelopment plan and project and designation of a  
9 redevelopment project area.

10 (3.5) The municipality finds, in the case of an  
11 industrial park conservation area, also that the  
12 municipality is a labor surplus municipality and that the  
13 implementation of the redevelopment plan will reduce  
14 unemployment, create new jobs and by the provision of new  
15 facilities enhance the tax base of the taxing districts  
16 that extend into the redevelopment project area.

17 (4) If any incremental revenues are being utilized  
18 under Section 8(a)(1) or 8(a)(2) of this Act in  
19 redevelopment project areas approved by ordinance after  
20 January 1, 1986, the municipality finds: (a) that the  
21 redevelopment project area would not reasonably be  
22 developed without the use of such incremental revenues, and  
23 (b) that such incremental revenues will be exclusively  
24 utilized for the development of the redevelopment project  
25 area.

26 (5) If: (a) the redevelopment plan will not result in

SB0001 Enrolled

- 74 -

LRB100 06371 NHT 16410 b

1 displacement of residents from 10 or more inhabited  
2 residential units, and the municipality certifies in the  
3 plan that such displacement will not result from the plan;  
4 or (b) the redevelopment plan is for a redevelopment  
5 project area located within a transit facility improvement  
6 area established pursuant to Section 11-74.4-3.3, and the  
7 applicable project is subject to the process for evaluation  
8 of environmental effects under the National Environmental  
9 Policy Act of 1969, 42 U.S.C. § 4321 et seq., then a  
10 housing impact study need not be performed. If, however,  
11 the redevelopment plan would result in the displacement of  
12 residents from 10 or more inhabited residential units, or  
13 if the redevelopment project area contains 75 or more  
14 inhabited residential units and no certification is made,  
15 then the municipality shall prepare, as part of the  
16

separate feasibility report required by subsection (a) of Section 11-74.4-5, a housing impact study.

Part I of the housing impact study shall include (i) data as to whether the residential units are single family or multi-family units, (ii) the number and type of rooms within the units, if that information is available, (iii) whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 is passed, and (iv) data as to the racial and ethnic composition of the residents in the inhabited

SB0001 Enrolled

- 75 -

LRB100 06371 NHT 16410 b

residential units. The data requirement as to the racial and ethnic composition of the residents in the inhabited residential units shall be deemed to be fully satisfied by data from the most recent federal census.

Part II of the housing impact study shall identify the inhabited residential units in the proposed redevelopment project area that are to be or may be removed. If inhabited residential units are to be removed, then the housing impact study shall identify (i) the number and location of those units that will or may be removed, (ii) the municipality's plans for relocation assistance for those residents in the proposed redevelopment project area whose residences are to be removed, (iii) the availability of replacement housing for those residents whose residences are to be removed, and shall identify the type, location, and cost of the housing, and (iv) the type and extent of relocation assistance to be provided.

(6) On and after November 1, 1999, the housing impact study required by paragraph (5) shall be incorporated in the redevelopment plan for the redevelopment project area.

(7) On and after November 1, 1999, no redevelopment plan shall be adopted, nor an existing plan amended, nor shall residential housing that is occupied by households of low-income and very low-income persons in currently existing redevelopment project areas be removed after November 1, 1999 unless the redevelopment plan provides,

SB0001 Enrolled

- 76 -

LRB100 06371 NHT 16410 b

1 with respect to inhabited housing units that are to be  
2 removed for households of low-income and very low-income  
3 persons, affordable housing and relocation assistance not  
4 less than that which would be provided under the federal  
5 Uniform Relocation Assistance and Real Property  
6 Acquisition Policies Act of 1970 and the regulations under  
7 that Act, including the eligibility criteria. Affordable  
8 housing may be either existing or newly constructed  
9 housing. For purposes of this paragraph (7), "low-income  
10 households", "very low-income households", and "affordable  
11 housing" have the meanings set forth in the Illinois  
12 Affordable Housing Act. The municipality shall make a good  
13 faith effort to ensure that this affordable housing is  
14 located in or near the redevelopment project area within  
15 the municipality.

16 (8) On and after November 1, 1999, if, after the  
17 adoption of the redevelopment plan for the redevelopment  
18 project area, any municipality desires to amend its  
19 redevelopment plan to remove more inhabited residential  
20 units than specified in its original redevelopment plan,  
21 that change shall be made in accordance with the procedures  
22 in subsection (c) of Section 11-74.4-5.

23 (9) For redevelopment project areas designated prior  
24 to November 1, 1999, the redevelopment plan may be amended  
25 without further joint review board meeting or hearing,  
26 provided that the municipality shall give notice of any

SB0001 Enrolled

- 77 -

LRB100 06371 NHT 16410 b

1 such changes by mail to each affected taxing district and  
2 registrant on the interested party registry, to authorize  
3 the municipality to expend tax increment revenues for  
4 redevelopment project costs defined by paragraphs (5) and  
5 (7.5), subparagraphs (E) and (F) of paragraph (11), and  
6 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so

7 long as the changes do not increase the total estimated  
8 redevelopment project costs set out in the redevelopment  
9 plan by more than 5% after adjustment for inflation from  
10 the date the plan was adopted.

11 (o) "Redevelopment project" means any public and private  
12 development project in furtherance of the objectives of a  
13 redevelopment plan. On and after November 1, 1999 (the  
14 effective date of Public Act 91-478), no redevelopment plan may  
15 be approved or amended that includes the development of vacant  
16 land (i) with a golf course and related clubhouse and other  
17 facilities or (ii) designated by federal, State, county, or  
18 municipal government as public land for outdoor recreational  
19 activities or for nature preserves and used for that purpose  
20 within 5 years prior to the adoption of the redevelopment plan.  
21 For the purpose of this subsection, "recreational activities"  
22 is limited to mean camping and hunting.

23 (p) "Redevelopment project area" means an area designated  
24 by the municipality, which is not less in the aggregate than 1  
25 1/2 acres and in respect to which the municipality has made a  
26 finding that there exist conditions which cause the area to be

SB0001 Enrolled

- 78 -

LRB100 06371 NHT 16410 b

1 classified as an industrial park conservation area or a  
2 blighted area or a conservation area, or a combination of both  
3 blighted areas and conservation areas.

4 (p-1) Notwithstanding any provision of this Act to the  
5 contrary, on and after August 25, 2009 (the effective date of  
6 Public Act 96-680), a redevelopment project area may include  
7 areas within a one-half mile radius of an existing or proposed  
8 Regional Transportation Authority Suburban Transit Access  
9 Route (STAR Line) station without a finding that the area is  
10 classified as an industrial park conservation area, a blighted  
11 area, a conservation area, or a combination thereof, but only  
12 if the municipality receives unanimous consent from the joint  
13 review board created to review the proposed redevelopment  
14 project area.

15 (p-2) Notwithstanding any provision of this Act to the  
16 contrary, on and after the effective date of this amendatory  
17 Act of the 99th General Assembly, a redevelopment project area  
18 may include areas within a transit facility improvement area



19 that has been established pursuant to Section 11-74.4-3.3  
20 without a finding that the area is classified as an industrial  
21 park conservation area, a blighted area, a conservation area,  
22 or any combination thereof.

23 (q) "Redevelopment project costs", except for  
24 redevelopment project areas created pursuant to subsection  
25 ~~subsections~~ (p-1) or (p-2), means and includes the sum total of  
26 all reasonable or necessary costs incurred or estimated to be

SB0001 Enrolled

- 79 -

LRB100 06371 NHT 16410 b

1 incurred, and any such costs incidental to a redevelopment plan  
2 and a redevelopment project. Such costs include, without  
3 limitation, the following:

4 (1) Costs of studies, surveys, development of plans,  
5 and specifications, implementation and administration of  
6 the redevelopment plan including but not limited to staff  
7 and professional service costs for architectural,  
8 engineering, legal, financial, planning or other services,  
9 provided however that no charges for professional services  
10 may be based on a percentage of the tax increment  
11 collected; except that on and after November 1, 1999 (the  
12 effective date of Public Act 91-478), no contracts for  
13 professional services, excluding architectural and  
14 engineering services, may be entered into if the terms of  
15 the contract extend beyond a period of 3 years. In  
16 addition, "redevelopment project costs" shall not include  
17 lobbying expenses. After consultation with the  
18 municipality, each tax increment consultant or advisor to a  
19 municipality that plans to designate or has designated a  
20 redevelopment project area shall inform the municipality  
21 in writing of any contracts that the consultant or advisor  
22 has entered into with entities or individuals that have  
23 received, or are receiving, payments financed by tax  
24 increment revenues produced by the redevelopment project  
25 area with respect to which the consultant or advisor has  
26 performed, or will be performing, service for the

SB0001 Enrolled

- 80 -

LRB100 06371 NHT 16410 b

1 municipality. This requirement shall be satisfied by the  
2 consultant or advisor before the commencement of services  
3 for the municipality and thereafter whenever any other  
4 contracts with those individuals or entities are executed  
5 by the consultant or advisor;

6 (1.5) After July 1, 1999, annual administrative costs  
7 shall not include general overhead or administrative costs  
8 of the municipality that would still have been incurred by  
9 the municipality if the municipality had not designated a  
10 redevelopment project area or approved a redevelopment  
11 plan;

12 (1.6) The cost of marketing sites within the  
13 redevelopment project area to prospective businesses,  
14 developers, and investors;

15 (2) Property assembly costs, including but not limited  
16 to acquisition of land and other property, real or  
17 personal, or rights or interests therein, demolition of  
18 buildings, site preparation, site improvements that serve  
19 as an engineered barrier addressing ground level or below  
20 ground environmental contamination, including, but not  
21 limited to parking lots and other concrete or asphalt  
22 barriers, and the clearing and grading of land;

23 (3) Costs of rehabilitation, reconstruction or repair  
24 or remodeling of existing public or private buildings,  
25 fixtures, and leasehold improvements; and the cost of  
26 replacing an existing public building if pursuant to the

SB0001 Enrolled

- 81 -

LRB100 06371 NHT 16410 b

1 implementation of a redevelopment project the existing  
2 public building is to be demolished to use the site for  
3 private investment or devoted to a different use requiring  
4 private investment; including any direct or indirect costs  
5 relating to Green Globes or LEED certified construction  
6 elements or construction elements with an equivalent  
7 certification;

8 (4) Costs of the construction of public works or  
9 improvements, including any direct or indirect costs  
10 relating to Green Globes or LEED certified construction

elements or construction elements with an equivalent certification, except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999, (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal

SB0001 Enrolled

- 82 -

LRB100 06371 NHT 16410 b

building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan, or (iii) the new municipal public building is for the storage, maintenance, or repair of transit vehicles and is located in a transit facility improvement area that has been established pursuant to Section 11-74.4-3.3;

(5) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;

(6) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

(7) To the extent the municipality by written agreement

accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project; -

(7.5) For redevelopment project areas designated (or

SB0001 Enrolled

- 83 -

LRB100 06371 NHT 16410 b

redemption project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redemption project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:

(A) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redemption project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that

SB0001 Enrolled

- 84 -

LRB100 06371 NHT 16410 b

housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code or evidence-based funding as defined in Section 18-8.15 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax

SB0001 Enrolled

- 85 -

LRB100 06371 NHT 16410 b

increment finance assistance under this Act.

(B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the

municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code or evidence-based funding as defined in Section 18-8.15 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have

SB0001 Enrolled

- 86 -

LRB100 06371 NHT 16410 b

received tax increment finance assistance under this Act;

(ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(C) For any school district in a municipality with a population in excess of 1,000,000, the following restrictions shall apply to the reimbursement of increased costs under this paragraph (7.5):

(i) no increased costs shall be reimbursed unless the school district certifies that each of the schools affected by the assisted housing project is at or over its student capacity;

(ii) the amount reimbursable shall be reduced by the value of any land donated to the school

23 district by the municipality or developer, and by  
24 the value of any physical improvements made to the  
25 schools by the municipality or developer; and  
26 (iii) the amount reimbursed may not affect

SB0001 Enrolled

- 87 -

LRB100 06371 NHT 16410 b

1 amounts otherwise obligated by the terms of any  
2 bonds, notes, or other funding instruments, or the  
3 terms of any redevelopment agreement.  
4 Any school district seeking payment under this  
5 paragraph (7.5) shall, after July 1 and before  
6 September 30 of each year, provide the municipality  
7 with reasonable evidence to support its claim for  
8 reimbursement before the municipality shall be  
9 required to approve or make the payment to the school  
10 district. If the school district fails to provide the  
11 information during this period in any year, it shall  
12 forfeit any claim to reimbursement for that year.  
13 School districts may adopt a resolution waiving the  
14 right to all or a portion of the reimbursement  
15 otherwise required by this paragraph (7.5). By  
16 acceptance of this reimbursement the school district  
17 waives the right to directly or indirectly set aside,  
18 modify, or contest in any manner the establishment of  
19 the redevelopment project area or projects;  
20 (7.7) For redevelopment project areas designated (or  
21 redevelopment project areas amended to add or increase the  
22 number of tax-increment-financing assisted housing units)  
23 on or after January 1, 2005 (the effective date of Public  
24 Act 93-961), a public library district's increased costs  
25 attributable to assisted housing units located within the  
26 redevelopment project area for which the developer or

SB0001 Enrolled

- 88 -

LRB100 06371 NHT 16410 b

1 redeveloper receives financial assistance through an  
2 agreement with the municipality or because the

3 municipality incurs the cost of necessary infrastructure  
4 improvements within the boundaries of the assisted housing  
5 sites necessary for the completion of that housing as  
6 authorized by this Act shall be paid to the library  
7 district by the municipality from the Special Tax  
8 Allocation Fund when the tax increment revenue is received  
9 as a result of the assisted housing units. This paragraph  
10 (7.7) applies only if (i) the library district is located  
11 in a county that is subject to the Property Tax Extension  
12 Limitation Law or (ii) the library district is not located  
13 in a county that is subject to the Property Tax Extension  
14 Limitation Law but the district is prohibited by any other  
15 law from increasing its tax levy rate without a prior voter  
16 referendum.

17 The amount paid to a library district under this  
18 paragraph (7.7) shall be calculated by multiplying (i) the  
19 net increase in the number of persons eligible to obtain a  
20 library card in that district who reside in housing units  
21 within the redevelopment project area that have received  
22 financial assistance through an agreement with the  
23 municipality or because the municipality incurs the cost of  
24 necessary infrastructure improvements within the  
25 boundaries of the housing sites necessary for the  
26 completion of that housing as authorized by this Act since

SB0001 Enrolled

- 89 -

LRB100 06371 NHT 16410 b

1 the designation of the redevelopment project area by (ii)  
2 the per-patron cost of providing library services so long  
3 as it does not exceed \$120. The per-patron cost shall be  
4 the Total Operating Expenditures Per Capita for the library  
5 in the previous fiscal year. The municipality may deduct  
6 from the amount that it must pay to a library district  
7 under this paragraph any amount that it has voluntarily  
8 paid to the library district from the tax increment  
9 revenue. The amount paid to a library district under this  
10 paragraph (7.7) shall be no more than 2% of the amount  
11 produced by the assisted housing units and deposited into  
12 the Special Tax Allocation Fund.

13 A library district is not eligible for any payment



14 under this paragraph (7.7) unless the library district has  
15 experienced an increase in the number of patrons from the  
16 municipality that created the tax-increment-financing  
17 district since the designation of the redevelopment  
18 project area.

19 Any library district seeking payment under this  
20 paragraph (7.7) shall, after July 1 and before September 30  
21 of each year, provide the municipality with convincing  
22 evidence to support its claim for reimbursement before the  
23 municipality shall be required to approve or make the  
24 payment to the library district. If the library district  
25 fails to provide the information during this period in any  
26 year, it shall forfeit any claim to reimbursement for that

SB0001 Enrolled

- 90 -

LRB100 06371 NHT 16410 b

1 year. Library districts may adopt a resolution waiving the  
2 right to all or a portion of the reimbursement otherwise  
3 required by this paragraph (7.7). By acceptance of such  
4 reimbursement, the library district shall forfeit any  
5 right to directly or indirectly set aside, modify, or  
6 contest in any manner whatsoever the establishment of the  
7 redevelopment project area or projects;

8 (8) Relocation costs to the extent that a municipality  
9 determines that relocation costs shall be paid or is  
10 required to make payment of relocation costs by federal or  
11 State law or in order to satisfy subparagraph (7) of  
12 subsection (n);

13 (9) Payment in lieu of taxes;

14 (10) Costs of job training, retraining, advanced  
15 vocational education or career education, including but  
16 not limited to courses in occupational, semi-technical or  
17 technical fields leading directly to employment, incurred  
18 by one or more taxing districts, provided that such costs  
19 (i) are related to the establishment and maintenance of  
20 additional job training, advanced vocational education or  
21 career education programs for persons employed or to be  
22 employed by employers located in a redevelopment project  
23 area; and (ii) when incurred by a taxing district or taxing  
24

districts other than the municipality, are set forth in a  
written agreement by or among the municipality and the  
taxing district or taxing districts, which agreement

SB0001 Enrolled

- 91 -

LRB100 06371 NHT 16410 b

describes the program to be undertaken, including but not  
limited to the number of employees to be trained, a  
description of the training and services to be provided,  
the number and type of positions available or to be  
available, itemized costs of the program and sources of  
funds to pay for the same, and the term of the agreement.  
Such costs include, specifically, the payment by community  
college districts of costs pursuant to Sections 3-37, 3-38,  
3-40 and 3-40.1 of the Public Community College Act and by  
school districts of costs pursuant to Sections 10-22.20a  
and 10-23.3a of the ~~The~~ School Code;

(11) Interest cost incurred by a redeveloper related to  
the construction, renovation or rehabilitation of a  
redevelopment project provided that:

(A) such costs are to be paid directly from the  
special tax allocation fund established pursuant to  
this Act;

(B) such payments in any one year may not exceed  
30% of the annual interest costs incurred by the  
redeveloper with regard to the redevelopment project  
during that year;

(C) if there are not sufficient funds available in  
the special tax allocation fund to make the payment  
pursuant to this paragraph (11) then the amounts so due  
shall accrue and be payable when sufficient funds are  
available in the special tax allocation fund;

SB0001 Enrolled

- 92 -

LRB100 06371 NHT 16410 b

(D) the total of such interest payments paid  
pursuant to this Act may not exceed 30% of the total  
(i) cost paid or incurred by the redeveloper for the  
redevelopment project plus (ii) redevelopment project

5 costs excluding any property assembly costs and any  
6 relocation costs incurred by a municipality pursuant  
7 to this Act; ~~and~~

8 (E) the cost limits set forth in subparagraphs (B)  
9 and (D) of paragraph (11) shall be modified for the  
10 financing of rehabilitated or new housing units for  
11 low-income households and very low-income households,  
12 as defined in Section 3 of the Illinois Affordable  
13 Housing Act. The percentage of 75% shall be substituted  
14 for 30% in subparagraphs (B) and (D) of paragraph (11);  
15 and -

16 (F) instead ~~Instead~~ of the eligible costs provided  
17 by subparagraphs (B) and (D) of paragraph (11), as  
18 modified by this subparagraph, and notwithstanding any  
19 other provisions of this Act to the contrary, the  
20 municipality may pay from tax increment revenues up to  
21 50% of the cost of construction of new housing units to  
22 be occupied by low-income households and very  
23 low-income households as defined in Section 3 of the  
24 Illinois Affordable Housing Act. The cost of  
25 construction of those units may be derived from the  
26 proceeds of bonds issued by the municipality under this

SB0001 Enrolled

- 93 -

LRB100 06371 NHT 16410 b

1 Act or other constitutional or statutory authority or  
2 from other sources of municipal revenue that may be  
3 reimbursed from tax increment revenues or the proceeds  
4 of bonds issued to finance the construction of that  
5 housing.

6 The eligible costs provided under this  
7 subparagraph (F) of paragraph (11) shall be an eligible  
8 cost for the construction, renovation, and  
9 rehabilitation of all low and very low-income housing  
10 units, as defined in Section 3 of the Illinois  
11 Affordable Housing Act, within the redevelopment  
12 project area. If the low and very low-income units are  
13 part of a residential redevelopment project that  
14 includes units not affordable to low and very

15 low-income households, only the low and very  
16 low-income units shall be eligible for benefits under  
17 this subparagraph (F) of paragraph (11). The standards  
18 for maintaining the occupancy by low-income households  
19 and very low-income households, as defined in Section 3  
20 of the Illinois Affordable Housing Act, of those units  
21 constructed with eligible costs made available under  
22 the provisions of this subparagraph (F) of paragraph  
23 (11) shall be established by guidelines adopted by the  
24 municipality. The responsibility for annually  
25 documenting the initial occupancy of the units by  
26 low-income households and very low-income households,

SB0001 Enrolled

- 94 -

LRB100 06371 NHT 16410 b

1 as defined in Section 3 of the Illinois Affordable  
2 Housing Act, shall be that of the then current owner of  
3 the property. For ownership units, the guidelines will  
4 provide, at a minimum, for a reasonable recapture of  
5 funds, or other appropriate methods designed to  
6 preserve the original affordability of the ownership  
7 units. For rental units, the guidelines will provide,  
8 at a minimum, for the affordability of rent to low and  
9 very low-income households. As units become available,  
10 they shall be rented to income-eligible tenants. The  
11 municipality may modify these guidelines from time to  
12 time; the guidelines, however, shall be in effect for  
13 as long as tax increment revenue is being used to pay  
14 for costs associated with the units or for the  
15 retirement of bonds issued to finance the units or for  
16 the life of the redevelopment project area, whichever  
17 is later; -

18 (11.5) If the redevelopment project area is located  
19 within a municipality with a population of more than  
20 100,000, the cost of day care services for children of  
21 employees from low-income families working for businesses  
22 located within the redevelopment project area and all or a  
23 portion of the cost of operation of day care centers  
24 established by redevelopment project area businesses to  
25 serve employees from low-income families working in

26 businesses located in the redevelopment project area. For

SB0001 Enrolled

- 95 -

LRB100 06371 NHT 16410 b

1 the purposes of this paragraph, "low-income families"  
2 means families whose annual income does not exceed 80% of  
3 the municipal, county, or regional median income, adjusted  
4 for family size, as the annual income and municipal,  
5 county, or regional median income are determined from time  
6 to time by the United States Department of Housing and  
7 Urban Development.

8 ~~(12)~~ Unless explicitly stated herein the cost of  
9 construction of new privately-owned buildings shall not be an  
10 eligible redevelopment project cost.

11 ~~(13)~~ After November 1, 1999 (the effective date of Public  
12 Act 91-478), none of the redevelopment project costs enumerated  
13 in this subsection shall be eligible redevelopment project  
14 costs if those costs would provide direct financial support to  
15 a retail entity initiating operations in the redevelopment  
16 project area while terminating operations at another Illinois  
17 location within 10 miles of the redevelopment project area but  
18 outside the boundaries of the redevelopment project area  
19 municipality. For purposes of this paragraph, termination  
20 means a closing of a retail operation that is directly related  
21 to the opening of the same operation or like retail entity  
22 owned or operated by more than 50% of the original ownership in  
23 a redevelopment project area, but it does not mean closing an  
24 operation for reasons beyond the control of the retail entity,  
25 as documented by the retail entity, subject to a reasonable  
26 finding by the municipality that the current location contained

SB0001 Enrolled

- 96 -

LRB100 06371 NHT 16410 b

1 inadequate space, had become economically obsolete, or was no  
2 longer a viable location for the retailer or serviceman.

3 ~~(14)~~ No cost shall be a redevelopment project cost in a  
4 redevelopment project area if used to demolish, remove, or  
5 substantially modify a historic resource, after August 26, 2008  
6 (the effective date of Public Act 95-934), unless no prudent

7 and feasible alternative exists. "Historic resource" for the  
8 purpose of this paragraph ~~item (14)~~ means (i) a place or  
9 structure that is included or eligible for inclusion on the  
10 National Register of Historic Places or (ii) a contributing  
11 structure in a district on the National Register of Historic  
12 Places. This paragraph ~~item (14)~~ does not apply to a place or  
13 structure for which demolition, removal, or modification is  
14 subject to review by the preservation agency of a Certified  
15 Local Government designated as such by the National Park  
16 Service of the United States Department of the Interior.

17 If a special service area has been established pursuant to  
18 the Special Service Area Tax Act or Special Service Area Tax  
19 Law, then any tax increment revenues derived from the tax  
20 imposed pursuant to the Special Service Area Tax Act or Special  
21 Service Area Tax Law may be used within the redevelopment  
22 project area for the purposes permitted by that Act or Law as  
23 well as the purposes permitted by this Act.

24 (q-1) For redevelopment project areas created pursuant to  
25 subsection (p-1), redevelopment project costs are limited to  
26 those costs in paragraph (q) that are related to the existing

SB0001 Enrolled

- 97 -

LRB100 06371 NHT 16410 b

1 or proposed Regional Transportation Authority Suburban Transit  
2 Access Route (STAR Line) station.

3 (q-2) For a redevelopment project area located within a  
4 transit facility improvement area established pursuant to  
5 Section 11-74.4-3.3, redevelopment project costs means those  
6 costs described in subsection (q) that are related to the  
7 construction, reconstruction, rehabilitation, remodeling, or  
8 repair of any existing or proposed transit facility.

9 (r) "State Sales Tax Boundary" means the redevelopment  
10 project area or the amended redevelopment project area  
11 boundaries which are determined pursuant to subsection (9) of  
12 Section 11-74.4-8a of this Act. The Department of Revenue shall  
13 certify pursuant to subsection (9) of Section 11-74.4-8a the  
14 appropriate boundaries eligible for the determination of State  
15 Sales Tax Increment.

16 (s) "State Sales Tax Increment" means an amount equal to  
17 the increase in the aggregate amount of taxes paid by retailers  
18 and servicemen, other than retailers and servicemen subject to

19 the Public Utilities Act, on transactions at places of business  
20 located within a State Sales Tax Boundary pursuant to the  
21 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use  
22 Tax Act, and the Service Occupation Tax Act, except such  
23 portion of such increase that is paid into the State and Local  
24 Sales Tax Reform Fund, the Local Government Distributive Fund,  
25 the Local Government Tax Fund and the County and Mass Transit  
26 District Fund, for as long as State participation exists, over

SB0001 Enrolled

- 98 -

LRB100 06371 NHT 16410 b

1 and above the Initial Sales Tax Amounts, Adjusted Initial Sales  
2 Tax Amounts or the Revised Initial Sales Tax Amounts for such  
3 taxes as certified by the Department of Revenue and paid under  
4 those Acts by retailers and servicemen on transactions at  
5 places of business located within the State Sales Tax Boundary  
6 during the base year which shall be the calendar year  
7 immediately prior to the year in which the municipality adopted  
8 tax increment allocation financing, less 3.0% of such amounts  
9 generated under the Retailers' Occupation Tax Act, Use Tax Act  
10 and Service Use Tax Act and the Service Occupation Tax Act,  
11 which sum shall be appropriated to the Department of Revenue to  
12 cover its costs of administering and enforcing this Section.  
13 For purposes of computing the aggregate amount of such taxes  
14 for base years occurring prior to 1985, the Department of  
15 Revenue shall compute the Initial Sales Tax Amount for such  
16 taxes and deduct therefrom an amount equal to 4% of the  
17 aggregate amount of taxes per year for each year the base year  
18 is prior to 1985, but not to exceed a total deduction of 12%.  
19 The amount so determined shall be known as the "Adjusted  
20 Initial Sales Tax Amount". For purposes of determining the  
21 State Sales Tax Increment the Department of Revenue shall for  
22 each period subtract from the tax amounts received from  
23 retailers and servicemen on transactions located in the State  
24 Sales Tax Boundary, the certified Initial Sales Tax Amounts,  
25 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax  
26 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,

SB0001 Enrolled

- 99 -

LRB100 06371 NHT 16410 b

1 the Service Use Tax Act and the Service Occupation Tax Act. For  
2 the State Fiscal Year 1989 this calculation shall be made by  
3 utilizing the calendar year 1987 to determine the tax amounts  
4 received. For the State Fiscal Year 1990, this calculation  
5 shall be made by utilizing the period from January 1, 1988,  
6 until September 30, 1988, to determine the tax amounts received  
7 from retailers and servicemen, which shall have deducted  
8 therefrom nine-twelfths of the certified Initial Sales Tax  
9 Amounts, Adjusted Initial Sales Tax Amounts or the Revised  
10 Initial Sales Tax Amounts as appropriate. For the State Fiscal  
11 Year 1991, this calculation shall be made by utilizing the  
12 period from October 1, 1988, until June 30, 1989, to determine  
13 the tax amounts received from retailers and servicemen, which  
14 shall have deducted therefrom nine-twelfths of the certified  
15 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax  
16 Amounts or the Revised Initial Sales Tax Amounts as  
17 appropriate. For every State Fiscal Year thereafter, the  
18 applicable period shall be the 12 months beginning July 1 and  
19 ending on June 30, to determine the tax amounts received which  
20 shall have deducted therefrom the certified Initial Sales Tax  
21 Amounts, Adjusted Initial Sales Tax Amounts or the Revised  
22 Initial Sales Tax Amounts. Municipalities intending to receive  
23 a distribution of State Sales Tax Increment must report a list  
24 of retailers to the Department of Revenue by October 31, 1988  
25 and by July 31, of each year thereafter.

26 (t) "Taxing districts" means counties, townships, cities

SB0001 Enrolled

- 100 -

LRB100 06371 NHT 16410 b

1 and incorporated towns and villages, school, road, park,  
2 sanitary, mosquito abatement, forest preserve, public health,  
3 fire protection, river conservancy, tuberculosis sanitarium  
4 and any other municipal corporations or districts with the  
5 power to levy taxes.

6 (u) "Taxing districts' capital costs" means those costs of  
7 taxing districts for capital improvements that are found by the  
8 municipal corporate authorities to be necessary and directly  
9 result from the redevelopment project.

10 (v) As used in subsection (a) of Section 11-74.4-3 of this  
11 Act, "vacant land" means any parcel or combination of parcels  
12 of real property without industrial, commercial, and



13 residential buildings which has not been used for commercial  
14 agricultural purposes within 5 years prior to the designation  
15 of the redevelopment project area, unless the parcel is  
16 included in an industrial park conservation area or the parcel  
17 has been subdivided; provided that if the parcel was part of a  
18 larger tract that has been divided into 3 or more smaller  
19 tracts that were accepted for recording during the period from  
20 1950 to 1990, then the parcel shall be deemed to have been  
21 subdivided, and all proceedings and actions of the municipality  
22 taken in that connection with respect to any previously  
23 approved or designated redevelopment project area or amended  
24 redevelopment project area are hereby validated and hereby  
25 declared to be legally sufficient for all purposes of this Act.  
26 For purposes of this Section and only for land subject to the

SB0001 Enrolled

- 101 -

LRB100 06371 NHT 16410 b

1 subdivision requirements of the Plat Act, land is subdivided  
2 when the original plat of the proposed Redevelopment Project  
3 Area or relevant portion thereof has been properly certified,  
4 acknowledged, approved, and recorded or filed in accordance  
5 with the Plat Act and a preliminary plat, if any, for any  
6 subsequent phases of the proposed Redevelopment Project Area or  
7 relevant portion thereof has been properly approved and filed  
8 in accordance with the applicable ordinance of the  
9 municipality.

10 (w) "Annual Total Increment" means the sum of each  
11 municipality's annual Net Sales Tax Increment and each  
12 municipality's annual Net Utility Tax Increment. The ratio of  
13 the Annual Total Increment of each municipality to the Annual  
14 Total Increment for all municipalities, as most recently  
15 calculated by the Department, shall determine the proportional  
16 shares of the Illinois Tax Increment Fund to be distributed to  
17 each municipality.

18 (x) "LEED certified" means any certification level of  
19 construction elements by a qualified Leadership in Energy and  
20 Environmental Design Accredited Professional as determined by  
21 the U.S. Green Building Council.

22 (y) "Green Globes certified" means any certification level  
23 of construction elements by a qualified Green Globes  
24 Professional as determined by the Green Building Initiative.

25 (Source: P.A. 99-792, eff. 8-12-16; revised 10-31-16.)

SB0001 Enrolled

- 102 -

LRB100 06371 NHT 16410 b

1 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)  
2 Sec. 11-74.4-8. Tax increment allocation financing. A  
3 municipality may not adopt tax increment financing in a  
4 redevelopment project area after the effective date of this  
5 amendatory Act of 1997 that will encompass an area that is  
6 currently included in an enterprise zone created under the  
7 Illinois Enterprise Zone Act unless that municipality,  
8 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,  
9 amends the enterprise zone designating ordinance to limit the  
10 eligibility for tax abatements as provided in Section 5.4.1 of  
11 the Illinois Enterprise Zone Act. A municipality, at the time a  
12 redevelopment project area is designated, may adopt tax  
13 increment allocation financing by passing an ordinance  
14 providing that the ad valorem taxes, if any, arising from the  
15 levies upon taxable real property in such redevelopment project  
16 area by taxing districts and tax rates determined in the manner  
17 provided in paragraph (c) of Section 11-74.4-9 each year after  
18 the effective date of the ordinance until redevelopment project  
19 costs and all municipal obligations financing redevelopment  
20 project costs incurred under this Division have been paid shall  
21 be divided as follows, provided, however, that with respect to  
22 any redevelopment project area located within a transit  
23 facility improvement area established pursuant to Section  
24 11-74.4-3.3 in a municipality with a population of 1,000,000 or  
25 more, ad valorem taxes, if any, arising from the levies upon  
26 taxable real property in such redevelopment project area shall

SB0001 Enrolled

- 103 -

LRB100 06371 NHT 16410 b

1 be allocated as specifically provided in this Section:  
2 (a) That portion of taxes levied upon each taxable lot,  
3 block, tract or parcel of real property which is  
4 attributable to the lower of the current equalized assessed  
5 value or the initial equalized assessed value of each such  
6 taxable lot, block, tract or parcel of real property in the

7 redevelopment project area shall be allocated to and when  
8 collected shall be paid by the county collector to the  
9 respective affected taxing districts in the manner  
10 required by law in the absence of the adoption of tax  
11 increment allocation financing.

12 (b) Except from a tax levied by a township to retire  
13 bonds issued to satisfy court-ordered damages, that  
14 portion, if any, of such taxes which is attributable to the  
15 increase in the current equalized assessed valuation of  
16 each taxable lot, block, tract or parcel of real property  
17 in the redevelopment project area over and above the  
18 initial equalized assessed value of each property in the  
19 project area shall be allocated to and when collected shall  
20 be paid to the municipal treasurer who shall deposit said  
21 taxes into a special fund called the special tax allocation  
22 fund of the municipality for the purpose of paying  
23 redevelopment project costs and obligations incurred in  
24 the payment thereof. In any county with a population of  
25 3,000,000 or more that has adopted a procedure for  
26 collecting taxes that provides for one or more of the

SB0001 Enrolled

- 104 -

LRB100 06371 NHT 16410 b

1 installments of the taxes to be billed and collected on an  
2 estimated basis, the municipal treasurer shall be paid for  
3 deposit in the special tax allocation fund of the  
4 municipality, from the taxes collected from estimated  
5 bills issued for property in the redevelopment project  
6 area, the difference between the amount actually collected  
7 from each taxable lot, block, tract, or parcel of real  
8 property within the redevelopment project area and an  
9 amount determined by multiplying the rate at which taxes  
10 were last extended against the taxable lot, block, track,  
11 or parcel of real property in the manner provided in  
12 subsection (c) of Section 11-74.4-9 by the initial  
13 equalized assessed value of the property divided by the  
14 number of installments in which real estate taxes are  
15 billed and collected within the county; provided that the  
16 payments on or before December 31, 1999 to a municipal  
17 treasurer shall be made only if each of the following

18 conditions are met:

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

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

SB0001 Enrolled

- 105 -

LRB100 06371 NHT 16410 b

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

14 (4) The municipality has not requested that the total  
15 initial equalized assessed value of real property be  
16 adjusted as provided in subsection (b) of Section  
17 11-74.4-9.

18 The conditions of paragraphs (1) through (4) do not  
19 apply after December 31, 1999 to payments to a municipal  
20 treasurer made by a county with 3,000,000 or more  
21 inhabitants that has adopted an estimated billing  
22 procedure for collecting taxes. If a county that has  
23 adopted the estimated billing procedure makes an erroneous  
24 overpayment of tax revenue to the municipal treasurer, then  
25 the county may seek a refund of that overpayment. The  
26 county shall send the municipal treasurer a notice of

SB0001 Enrolled

- 106 -

LRB100 06371 NHT 16410 b

1 liability for the overpayment on or before the mailing date  
2 of the next real estate tax bill within the county. The  
3 refund shall be limited to the amount of the overpayment.

4 It is the intent of this Division that after the  
5 effective date of this amendatory Act of 1988 a  
6 municipality's own ad valorem tax arising from levies on  
7 taxable real property be included in the determination of  
8 incremental revenue in the manner provided in paragraph (c)  
9 of Section 11-74.4-9. If the municipality does not extend  
10 such a tax, it shall annually deposit in the municipality's  
11 Special Tax Increment Fund an amount equal to 10% of the  
12 total contributions to the fund from all other taxing  
13 districts in that year. The annual 10% deposit required by  
14 this paragraph shall be limited to the actual amount of  
15 municipally produced incremental tax revenues available to  
16 the municipality from taxpayers located in the  
17 redevelopment project area in that year if: (a) the plan  
18 for the area restricts the use of the property primarily to  
19 industrial purposes, (b) the municipality establishing the  
20 redevelopment project area is a home-rule community with a  
21 1990 population of between 25,000 and 50,000, (c) the  
22 municipality is wholly located within a county with a 1990  
23 population of over 750,000 and (d) the redevelopment  
24 project area was established by the municipality prior to  
25 June 1, 1990. This payment shall be in lieu of a  
26 contribution of ad valorem taxes on real property. If no

SB0001 Enrolled

- 107 -

LRB100 06371 NHT 16410 b

1 such payment is made, any redevelopment project area of the  
2 municipality shall be dissolved.

3 If a municipality has adopted tax increment allocation  
4 financing by ordinance and the County Clerk thereafter  
5 certifies the "total initial equalized assessed value as  
6 adjusted" of the taxable real property within such  
7 redevelopment project area in the manner provided in  
8

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, provided, however, that with respect to any redevelopment project area located within a transit facility improvement area established pursuant to Section 11-74.4-3.3 in a municipality with a population of 1,000,000 or more, ad valorem taxes, if any, arising from the levies upon the taxable real property in such redevelopment project area shall be allocated as specifically provided in this Section:

- (1) That portion of the taxes levied upon each taxable lot, block, tract or parcel of real property which is

SB0001 Enrolled

- 108 -

LRB100 06371 NHT 16410 b

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 under Article 15 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

19 increment financing was adopted, minus the total  
20 current homestead exemptions pertaining to each piece  
21 of property provided by Article 15 of the Property Tax  
22 Code in the redevelopment project area, shall be  
23 allocated to and when collected shall be paid to the  
24 municipal Treasurer, who shall deposit said taxes into  
25 a special fund called the special tax allocation fund  
26 of the municipality for the purpose of paying

SB0001 Enrolled

- 109 -

LRB100 06371 NHT 16410 b

1 redevelopment project costs and obligations incurred  
2 in the payment thereof.  
3 The municipality may pledge in the ordinance the funds  
4 in and to be deposited in the special tax allocation fund  
5 for the payment of such costs and obligations. No part of  
6 the current equalized assessed valuation of each property  
7 in the redevelopment project area attributable to any  
8 increase above the total initial equalized assessed value,  
9 or the total initial equalized assessed value as adjusted,  
10 of such properties shall be used in calculating the general  
11 State ~~school~~ aid formula, provided for in Section 18-8 of  
12 the School Code, or the evidence-based funding formula,  
13 provided for in Section 18-8.15 of the School Code, until  
14 such time as all redevelopment project costs have been paid  
15 as provided for in this Section.

16 Whenever a municipality issues bonds for the purpose of  
17 financing redevelopment project costs, such municipality  
18 may provide by ordinance for the appointment of a trustee,  
19 which may be any trust company within the State, and for  
20 the establishment of such funds or accounts to be  
21 maintained by such trustee as the municipality shall deem  
22 necessary to provide for the security and payment of the  
23 bonds. If such municipality provides for the appointment of  
24 a trustee, such trustee shall be considered the assignee of  
25 any payments assigned by the municipality pursuant to such  
26 ordinance and this Section. Any amounts paid to such

1 trustee as assignee shall be deposited in the funds or  
2 accounts established pursuant to such trust agreement, and  
3 shall be held by such trustee in trust for the benefit of  
4 the holders of the bonds, and such holders shall have a  
5 lien on and a security interest in such funds or accounts  
6 so long as the bonds remain outstanding and unpaid. Upon  
7 retirement of the bonds, the trustee shall pay over any  
8 excess amounts held to the municipality for deposit in the  
9 special tax allocation fund.

10 When such redevelopment projects costs, including  
11 without limitation all municipal obligations financing  
12 redevelopment project costs incurred under this Division,  
13 have been paid, all surplus funds then remaining in the  
14 special tax allocation fund shall be distributed by being  
15 paid by the municipal treasurer to the Department of  
16 Revenue, the municipality and the county collector; first  
17 to the Department of Revenue and the municipality in direct  
18 proportion to the tax incremental revenue received from the  
19 State and the municipality, but not to exceed the total  
20 incremental revenue received from the State or the  
21 municipality less any annual surplus distribution of  
22 incremental revenue previously made; with any remaining  
23 funds to be paid to the County Collector who shall  
24 immediately thereafter pay said funds to the taxing  
25 districts in the redevelopment project area in the same  
26 manner and proportion as the most recent distribution by

1 the county collector to the affected districts of real  
2 property taxes from real property in the redevelopment  
3 project area.

4 Upon the payment of all redevelopment project costs,  
5 the retirement of obligations, the distribution of any  
6 excess monies pursuant to this Section, and final closing  
7 of the books and records of the redevelopment project area,  
8 the municipality shall adopt an ordinance dissolving the  
9



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

SB0001 Enrolled

- 112 -

LRB100 06371 NHT 16410 b

distributed in the manner applicable in the absence of the adoption of tax increment allocation financing.

If a municipality with a population of 1,000,000 or more has adopted by ordinance tax increment allocation financing for a redevelopment project area located in a transit facility improvement area established pursuant to Section 11-74.4-3.3, for each year after the effective date of the ordinance 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 that 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 (i) the current equalized assessed value or "current equalized assessed value as adjusted" or (ii) the initial

20 equalized assessed value of each such taxable lot,  
21 block, tract, or parcel of real property existing at  
22 the time tax increment financing was adopted, minus the  
23 total current homestead exemptions under Article 15 of  
24 the Property Tax Code in the redevelopment project area  
25 shall be allocated to and when collected shall be paid  
26 by the county collector to the respective affected

SB0001 Enrolled

- 113 -

LRB100 06371 NHT 16410 b

1 taxing districts in the manner required by law in the  
2 absence of the adoption of tax increment allocation  
3 financing.

4 (2) That portion, if any, of such taxes which is  
5 attributable to the increase in the current equalized  
6 assessed valuation of each taxable lot, block, tract,  
7 or parcel of real property in the redevelopment project  
8 area, over and above the initial equalized assessed  
9 value of each property existing at the time tax  
10 increment financing was adopted, minus the total  
11 current homestead exemptions pertaining to each piece  
12 of property provided by Article 15 of the Property Tax  
13 Code in the redevelopment project area, shall be  
14 allocated to and when collected shall be paid by the  
15 county collector as follows:

16 (A) First, that portion which would be payable  
17 to a school district whose boundaries are  
18 coterminous with such municipality in the absence  
19 of the adoption of tax increment allocation  
20 financing, shall be paid to such school district in  
21 the manner required by law in the absence of the  
22 adoption of tax increment allocation financing;  
23 then

24 (B) 80% of the remaining portion shall be paid  
25 to the municipal Treasurer, who shall deposit said  
26 taxes into a special fund called the special tax

SB0001 Enrolled

- 114 -

LRB100 06371 NHT 16410 b

1 allocation fund of the municipality for the  
2 purpose of paying redevelopment project costs and  
3 obligations incurred in the payment thereof; and  
4 then

5 (C) 20% of the remaining portion shall be paid  
6 to the respective affected taxing districts, other  
7 than the school district described in clause (a)  
8 above, in the manner required by law in the absence  
9 of the adoption of tax increment allocation  
10 financing.

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

17 (Source: P.A. 98-463, eff. 8-16-13; 99-792, eff. 8-12-16.)

18 (65 ILCS 5/11-74.6-35)

19 Sec. 11-74.6-35. Ordinance for tax increment allocation  
20 financing.

21 (a) A municipality, at the time a redevelopment project  
22 area is designated, may adopt tax increment allocation  
23 financing by passing an ordinance providing that the ad valorem  
24 taxes, if any, arising from the levies upon taxable real  
25 property within the redevelopment project area by taxing

SB0001 Enrolled

- 115 -

LRB100 06371 NHT 16410 b

1 districts and tax rates determined in the manner provided in  
2 subsection (b) of Section 11-74.6-40 each year after the  
3 effective date of the ordinance until redevelopment project  
4 costs and all municipal obligations financing redevelopment  
5 project costs incurred under this Act have been paid shall be  
6 divided as follows:

7 (1) That portion of the taxes levied upon each taxable  
8 lot, block, tract or parcel of real property that is  
9 attributable to the lower of the current equalized assessed  
10 value or the initial equalized assessed value or the  
11 updated initial equalized assessed value of each 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 without regard to the adoption of tax increment allocation financing.

(2) That portion, if any, of those taxes that is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the redevelopment project area, over and above the initial equalized assessed value or the updated initial equalized assessed value of each property in the project area, shall be allocated to and when collected shall be paid by the county collector to the municipal treasurer who shall deposit that portion of those

SB0001 Enrolled

- 116 -

LRB100 06371 NHT 16410 b

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 of those costs and obligations. 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 (b) of Section 11-74.6-40 by the initial equalized assessed value or the updated 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

23 or before December 31, 1999 to a municipal treasurer shall  
24 be made only if each of the following conditions are met:  
25 (A) The total equalized assessed value of the  
26 redevelopment project area as last determined was not

SB0001 Enrolled

- 117 -

LRB100 06371 NHT 16410 b

1 less than 175% of the total initial equalized assessed  
2 value.

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

7 (C) The municipal clerk has certified to the county  
8 clerk that the municipality has issued its obligations  
9 to which there has been pledged the incremental  
10 property taxes of the redevelopment project area or  
11 taxes levied and collected on any or all property in  
12 the municipality or the full faith and credit of the  
13 municipality to pay or secure payment for all or a  
14 portion of the redevelopment project costs. The  
15 certification shall be filed annually no later than  
16 September 1 for the estimated taxes to be distributed  
17 in the following year.

18 The conditions of paragraphs (A) through (C) do not apply  
19 after December 31, 1999 to payments to a municipal treasurer  
20 made by a county with 3,000,000 or more inhabitants that has  
21 adopted an estimated billing procedure for collecting taxes. If  
22 a county that has adopted the estimated billing procedure makes  
23 an erroneous overpayment of tax revenue to the municipal  
24 treasurer, then the county may seek a refund of that  
25 overpayment. The county shall send the municipal treasurer a  
26 notice of liability for the overpayment on or before the

SB0001 Enrolled

- 118 -

LRB100 06371 NHT 16410 b

1 mailing date of the next real estate tax bill within the  
2 county. The refund shall be limited to the amount of the  
3 overpayment.

4 (b) It is the intent of this Act that a municipality's own  
5 ad valorem tax arising from levies on taxable real property be  
6 included in the determination of incremental revenue in the  
7 manner provided in paragraph (b) of Section 11-74.6-40.

8 (c) If a municipality has adopted tax increment allocation  
9 financing for a redevelopment project area by ordinance and the  
10 county clerk thereafter certifies the total initial equalized  
11 assessed value or the total updated initial equalized assessed  
12 value of the taxable real property within such redevelopment  
13 project area in the manner provided in paragraph (a) or (b) of  
14 Section 11-74.6-40, each year after the date of the  
15 certification of the total initial equalized assessed value or  
16 the total updated initial equalized assessed value until  
17 redevelopment project costs and all municipal obligations  
18 financing redevelopment project costs have been paid, the ad  
19 valorem taxes, if any, arising from the levies upon the taxable  
20 real property in the redevelopment project area by taxing  
21 districts and tax rates determined in the manner provided in  
22 paragraph (b) of Section 11-74.6-40 shall be divided as  
23 follows:

24 (1) That portion of the taxes levied upon each taxable  
25 lot, block, tract or parcel of real property that is  
26 attributable to the lower of the current equalized assessed

SB0001 Enrolled

- 119 -

LRB100 06371 NHT 16410 b

1 value or the initial equalized assessed value, or the  
2 updated initial equalized assessed value of each parcel if  
3 the updated initial equalized assessed value of that parcel  
4 has been certified in accordance with Section 11-74.6-40,  
5 whichever has been most recently certified, of each taxable  
6 lot, block, tract, or parcel of real property existing at  
7 the time tax increment allocation financing was adopted in  
8 the redevelopment project area, shall be allocated to and  
9 when collected shall be paid by the county collector to the  
10 respective affected taxing districts in the manner  
11 required by law without regard to the adoption of tax  
12 increment allocation financing.

13 (2) That portion, if any, of those taxes that is  
14 attributable to the increase in the current equalized

15 assessed value of each taxable lot, block, tract, or parcel  
16 of real property in the redevelopment project area, over  
17 and above the initial equalized assessed value of each  
18 property existing at the time tax increment allocation  
19 financing was adopted in the redevelopment project area, or  
20 the updated initial equalized assessed value of each parcel  
21 if the updated initial equalized assessed value of that  
22 parcel has been certified in accordance with Section  
23 11-74.6-40, shall be allocated to and when collected shall  
24 be paid to the municipal treasurer, who shall deposit those  
25 taxes into a special fund called the special tax allocation  
26 fund of the municipality for the purpose of paying

SB0001 Enrolled

- 120 -

LRB100 06371 NHT 16410 b

1 redevelopment project costs and obligations incurred in  
2 the payment thereof.  
3 (d) The municipality may pledge in the ordinance the funds  
4 in and to be deposited in the special tax allocation fund for  
5 the payment of redevelopment project costs and obligations. No  
6 part of the current equalized assessed value of each property  
7 in the redevelopment project area attributable to any increase  
8 above the total initial equalized assessed value or the total  
9 initial updated equalized assessed value of the property, shall  
10 be used in calculating the general ~~General~~ State aid formula  
11 ~~School Aid Formula~~, provided for in Section 18-8 of the School  
12 Code, or the evidence-based funding formula, provided for in  
13 Section 18-8.15 of the School Code, until all redevelopment  
14 project costs have been paid as provided for in this Section.  
15 Whenever a municipality issues bonds for the purpose of  
16 financing redevelopment project costs, that municipality may  
17 provide by ordinance for the appointment of a trustee, which  
18 may be any trust company within the State, and for the  
19 establishment of any funds or accounts to be maintained by that  
20 trustee, as the municipality deems necessary to provide for the  
21 security and payment of the bonds. If the municipality provides  
22 for the appointment of a trustee, the trustee shall be  
23 considered the assignee of any payments assigned by the  
24 municipality under that ordinance and this Section. Any amounts  
25 paid to the trustee as assignee shall be deposited into the  
26

funds or accounts established under the trust agreement, and

SB0001 Enrolled

- 121 -

LRB100 06371 NHT 16410 b

1 shall be held by the trustee in trust for the benefit of the  
2 holders of the bonds. The holders of those bonds shall have a  
3 lien on and a security interest in those funds or accounts  
4 while the bonds remain outstanding and unpaid. Upon retirement  
5 of the bonds, the trustee shall pay over any excess amounts  
6 held to the municipality for deposit in the special tax  
7 allocation fund.

8 When the redevelopment projects costs, including without  
9 limitation all municipal obligations financing redevelopment  
10 project costs incurred under this Law, have been paid, all  
11 surplus funds then remaining in the special tax allocation fund  
12 shall be distributed by being paid by the municipal treasurer  
13 to the municipality and the county collector; first to the  
14 municipality in direct proportion to the tax incremental  
15 revenue received from the municipality, but not to exceed the  
16 total incremental revenue received from the municipality,  
17 minus any annual surplus distribution of incremental revenue  
18 previously made. Any remaining funds shall be paid to the  
19 county collector who shall immediately distribute that payment  
20 to the taxing districts in the redevelopment project area in  
21 the same manner and proportion as the most recent distribution  
22 by the county collector to the affected districts of real  
23 property taxes from real property situated in the redevelopment  
24 project area.

25 Upon the payment of all redevelopment project costs,  
26 retirement of obligations and the distribution of any excess

SB0001 Enrolled

- 122 -

LRB100 06371 NHT 16410 b

1 moneys under this Section, the municipality shall adopt an  
2 ordinance dissolving the special tax allocation fund for the  
3 redevelopment project area and terminating the designation of  
4 the redevelopment project area as a redevelopment project area.  
5 Thereafter the tax levies of taxing districts shall be  
6 extended, collected and distributed in the same manner  
7 applicable before the adoption of tax increment allocation



8 financing. Municipality shall notify affected taxing districts  
9 prior to November if the redevelopment project area is to be  
10 terminated by December 31 of that same year.

11 Nothing in this Section shall be construed as relieving  
12 property in a redevelopment project area from being assessed as  
13 provided in the Property Tax Code or as relieving owners of  
14 that property from paying a uniform rate of taxes, as required  
15 by Section 4 of Article IX of the Illinois Constitution.  
16 (Source: P.A. 91-474, eff. 11-1-99.)

17 Section 40. The Economic Development Project Area Tax  
18 Increment Allocation Act of 1995 is amended by changing Section  
19 50 as follows:

20 (65 ILCS 110/50)

21 Sec. 50. Special tax allocation fund.

22 (a) If a county clerk has certified the "total initial  
23 equalized assessed value" of the taxable real property within  
24 an economic development project area in the manner provided in

SB0001 Enrolled

- 123 -

LRB100 06371 NHT 16410 b

1 Section 45, each year after the date of the certification by  
2 the county clerk of the "total initial equalized assessed  
3 value", until economic development project costs and all  
4 municipal obligations financing economic development project  
5 costs have been paid, the ad valorem taxes, if any, arising  
6 from the levies upon the taxable real property in the economic  
7 development project area by taxing districts and tax rates  
8 determined in the manner provided in subsection (b) of Section  
9 45 shall be divided as follows:

10 (1) That portion of the taxes levied upon each taxable  
11 lot, block, tract, or parcel of real property that is  
12 attributable to the lower of the current equalized assessed  
13 value or the initial equalized assessed value of each  
14 taxable lot, block, tract, or parcel of real property  
15 existing at the time tax increment financing was adopted  
16 shall be allocated to (and when collected shall be paid by  
17 the county collector to) the respective affected taxing  
18 districts in the manner required by law in the absence of  
19 the adoption of tax increment allocation financing.

20 (2) That portion, if any, of the taxes that is  
21 attributable to the increase in the current equalized  
22 assessed valuation of each taxable lot, block, tract, or  
23 parcel of real property in the economic development project  
24 area, over and above the initial equalized assessed value  
25 of each property existing at the time tax increment  
26 financing was adopted, shall be allocated to (and when

SB0001 Enrolled

- 124 -

LRB100 06371 NHT 16410 b

1 collected shall be paid to) the municipal treasurer, who  
2 shall deposit the taxes into a special fund (called the  
3 special tax allocation fund of the municipality) for the  
4 purpose of paying economic development project costs and  
5 obligations incurred in the payment of those costs.  
6 (b) The municipality, by an ordinance adopting tax  
7 increment allocation financing, may pledge the monies in and to  
8 be deposited into the special tax allocation fund for the  
9 payment of obligations issued under this Act and for the  
10 payment of economic development project costs. No part of the  
11 current equalized assessed valuation of each property in the  
12 economic development project area attributable to any increase  
13 above the total initial equalized assessed value of those  
14 properties shall be used in calculating the general State  
15 ~~school~~ aid formula under Section 18-8 of the School Code or the  
16 evidence-based funding formula under Section 18-8.15 of the  
17 School Code, until all economic development projects costs have  
18 been paid as provided for in this Section.

19 (c) When the economic development projects costs,  
20 including without limitation all municipal obligations  
21 financing economic development project costs incurred under  
22 this Act, have been paid, all surplus monies then remaining in  
23 the special tax allocation fund shall be distributed by being  
24 paid by the municipal treasurer to the county collector, who  
25 shall immediately pay the monies to the taxing districts having  
26 taxable property in the economic development project area in

SB0001 Enrolled

- 125 -

LRB100 06371 NHT 16410 b

1 the same manner and proportion as the most recent distribution  
2 by the county collector to those taxing districts of real  
3 property taxes from real property in the economic development  
4 project area.

5 (d) Upon the payment of all economic development project  
6 costs, retirement of obligations, and distribution of any  
7 excess monies under this Section and not later than 23 years  
8 from the date of the adoption of the ordinance establishing the  
9 economic development project area, the municipality shall  
10 adopt an ordinance dissolving the special tax allocation fund  
11 for the economic development project area and terminating the  
12 designation of the economic development project area as an  
13 economic development project area. Thereafter, the rates of the  
14 taxing districts shall be extended and taxes shall be levied,  
15 collected, and distributed in the manner applicable in the  
16 absence of the adoption of tax increment allocation financing.

17 (e) Nothing in this Section shall be construed as relieving  
18 property in the economic development project areas from being  
19 assessed as provided in the Property Tax Code or as relieving  
20 owners or lessees of that property from paying a uniform rate  
21 of taxes as required by Section 4 of Article IX of the Illinois  
22 Constitution.

23 (Source: P.A. 98-463, eff. 8-16-13.)

24 Section 45. The School Code is amended by changing Sections  
25 1A-8, 1B-5, 1B-6, 1B-7, 1B-8, 1C-1, 1C-2, 1D-1, 1E-20, 1F-20,

SB0001 Enrolled

- 126 -

LRB100 06371 NHT 16410 b

1 1F-62, 1H-20, 1H-70, 2-3.33, 2-3.51.5, 2-3.66, 2-3.66b,  
2 2-3.84, 2-3.109a, 3-14.21, 7-14A, 10-17a, 10-19, 10-22.5a,  
3 10-22.20, 10-29, 11E-135, 13A-8, 13B-20.20, 13B-45, 13B-50,  
4 13B-50.10, 13B-50.15, 14-7.02b, 14-13.01, 14C-1, 14C-12, 17-1,  
5 17-1.2, 17-1.5, 17-2.11, 17-2A, 18-4.3, 18-8.05, 18-8.10,  
6 18-9, 18-12, 26-16, 27-8.1, 27A-9, 27A-11, 29-5, 34-2.3, 34-18,  
7 34-18.30, and 34-43.1 and by adding Sections 2-3.170, 17-3.6,  
8 and 18-8.15 as follows:

9 (105 ILCS 5/1A-8) (from Ch. 122, par. 1A-8)

10 Sec. 1A-8. Powers of the Board in Assisting Districts  
11 Deemed in Financial Difficulties. To promote the financial  
12 integrity of school districts, the State Board of Education

13 shall be provided the necessary powers to promote sound  
14 financial management and continue operation of the public  
15 schools.

16 (a) The State Superintendent of Education may require a  
17 school district, including any district subject to Article 34A  
18 of this Code, to share financial information relevant to a  
19 proper investigation of the district's financial condition and  
20 the delivery of appropriate State financial, technical, and  
21 consulting services to the district if the district (i) has  
22 been designated, through the State Board of Education's School  
23 District Financial Profile System, as on financial warning or  
24 financial watch status, (ii) has failed to file an annual  
25 financial report, annual budget, deficit reduction plan, or

SB0001 Enrolled

- 127 -

LRB100 06371 NHT 16410 b

1 other financial information as required by law, (iii) has been  
2 identified, through the district's annual audit or other  
3 financial and management information, as in serious financial  
4 difficulty in the current or next school year, or (iv) is  
5 determined to be likely to fail to fully meet any regularly  
6 scheduled, payroll-period obligations when due or any debt  
7 service payments when due or both. In addition to financial,  
8 technical, and consulting services provided by the State Board  
9 of Education, at the request of a school district, the State  
10 Superintendent may provide for an independent financial  
11 consultant to assist the district review its financial  
12 condition and options.

13 (b) The State Board of Education, after proper  
14 investigation of a district's financial condition, may certify  
15 that a district, including any district subject to Article 34A,  
16 is in financial difficulty when any of the following conditions  
17 occur:

18 (1) The district has issued school or teacher orders  
19 for wages as permitted in Sections 8-16, 32-7.2 and 34-76  
20 of this Code.

21 (2) The district has issued tax anticipation warrants  
22 or tax anticipation notes in anticipation of a second  
23 year's taxes when warrants or notes in anticipation of  
24 current year taxes are still outstanding, as authorized by  
25 Sections 17-16, 34-23, 34-59 and 34-63 of this Code, or has

issued short-term debt against 2 future revenue sources,

SB0001 Enrolled

- 128 -

LRB100 06371 NHT 16410 b

such as, but not limited to, tax anticipation warrants and general State aid or evidence-based funding Aid certificates or tax anticipation warrants and revenue anticipation notes.

(3) The district has for 2 consecutive years shown an excess of expenditures and other financing uses over revenues and other financing sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations and Maintenance, Transportation, and Working Cash Funds.

(4) The district refuses to provide financial information or cooperate with the State Superintendent in an investigation of the district's financial condition.

(5) The district is likely to fail to fully meet any regularly scheduled, payroll-period obligations when due or any debt service payments when due or both.

No school district shall be certified by the State Board of Education to be in financial difficulty solely by reason of any of the above circumstances arising as a result of (i) the failure of the county to make any distribution of property tax money due the district at the time such distribution is due or (ii) the failure of this State to make timely payments of general State aid, evidence-based funding, or any of the mandated categoricals; or if the district clearly demonstrates to the satisfaction of the State Board of Education at the time of its determination that such condition no longer exists. If

SB0001 Enrolled

- 129 -

LRB100 06371 NHT 16410 b

the State Board of Education certifies that a district in a city with 500,000 inhabitants or more is in financial difficulty, the State Board shall so notify the Governor and the Mayor of the city in which the district is located. The State Board of Education may require school districts certified in financial difficulty, except those districts subject to

Article 34A, to develop, adopt and submit a financial plan within 45 days after certification of financial difficulty. The financial plan shall be developed according to guidelines presented to the district by the State Board of Education within 14 days of certification. Such guidelines shall address the specific nature of each district's financial difficulties. Any proposed budget of the district shall be consistent with the financial plan submitted to and approved by the State Board of Education.

A district certified to be in financial difficulty, other than a district subject to Article 34A, shall report to the State Board of Education at such times and in such manner as the State Board may direct, concerning the district's compliance with each financial plan. The State Board may review the district's operations, obtain budgetary data and financial statements, require the district to produce reports, and have access to any other information in the possession of the district that it deems relevant. The State Board may issue recommendations or directives within its powers to the district to assist in compliance with the financial plan. The district

SB0001 Enrolled

- 130 -

LRB100 06371 NHT 16410 b

shall produce such budgetary data, financial statements, reports and other information and comply with such directives. If the State Board of Education determines that a district has failed to comply with its financial plan, the State Board of Education may rescind approval of the plan and appoint a Financial Oversight Panel for the district as provided in Section 1B-4. This action shall be taken only after the district has been given notice and an opportunity to appear before the State Board of Education to discuss its failure to comply with its financial plan.

No bonds, notes, teachers orders, tax anticipation warrants or other evidences of indebtedness shall be issued or sold by a school district or be legally binding upon or enforceable against a local board of education of a district certified to be in financial difficulty unless and until the financial plan required under this Section has been approved by the State Board of Education.

Any financial profile compiled and distributed by the State

19 Board of Education in Fiscal Year 2009 or any fiscal year  
20 thereafter shall incorporate such adjustments as may be needed  
21 in the profile scores to reflect the financial effects of the  
22 inability or refusal of the State of Illinois to make timely  
23 disbursements of any general State aid, evidence-based  
24 funding, or mandated categorical aid payments due school  
25 districts or to fully reimburse school districts for mandated  
26 categorical programs pursuant to reimbursement formulas

SB0001 Enrolled

- 131 -

LRB100 06371 NHT 16410 b

1 provided in this School Code.  
2 (Source: P.A. 96-668, eff. 8-25-09; 96-1423, eff. 8-3-10;  
3 97-429, eff. 8-16-11.)

4 (105 ILCS 5/1B-5) (from Ch. 122, par. 1B-5)  
5 Sec. 1B-5. When a petition for emergency financial  
6 assistance for a school district is allowed by the State Board  
7 under Section 1B-4, the State Superintendent shall within 10  
8 days thereafter appoint 3 members to serve at the State  
9 Superintendent's pleasure on a Financial Oversight Panel for  
10 the district. The State Superintendent shall designate one of  
11 the members of the Panel to serve as its Chairman. In the event  
12 of vacancy or resignation the State Superintendent shall  
13 appoint a successor within 10 days of receiving notice thereof.

14 Members of the Panel shall be selected primarily on the  
15 basis of their experience and education in financial  
16 management, with consideration given to persons knowledgeable  
17 in education finance. A member of the Panel may not be a board  
18 member or employee of the district for which the Panel is  
19 constituted, nor may a member have a direct financial interest  
20 in that district.

21 Panel members shall serve without compensation, but may be  
22 reimbursed for travel and other necessary expenses incurred in  
23 the performance of their official duties by the State Board.  
24 The amount reimbursed Panel members for their expenses shall be  
25 charged to the school district as part of any emergency

SB0001 Enrolled

- 132 -

LRB100 06371 NHT 16410 b

1 financial assistance and incorporated as a part of the terms  
2 and conditions for repayment of such assistance or shall be  
3 deducted from the district's general State aid or  
4 evidence-based funding as provided in Section 1B-8.

5 The first meeting of the Panel shall be held at the call of  
6 the Chairman. The Panel may elect such other officers as it  
7 deems appropriate. The Panel shall prescribe the times and  
8 places for its meetings and the manner in which regular and  
9 special meetings may be called, and shall comply with the Open  
10 Meetings Act.

11 Two members of the Panel shall constitute a quorum, and the  
12 affirmative vote of 2 members shall be necessary for any  
13 decision or action to be taken by the Panel.

14 The Panel and the State Superintendent shall cooperate with  
15 each other in the exercise of their respective powers. The  
16 Panel shall report not later than September 1 annually to the  
17 State Board and the State Superintendent with respect to its  
18 activities and the condition of the school district for the  
19 previous fiscal year.

20 Any Financial Oversight Panel established under this  
21 Article shall remain in existence for not less than 3 years nor  
22 more than 10 years from the date the State Board grants the  
23 petition under Section 1B-4. If after 3 years the school  
24 district has repaid all of its obligations resulting from  
25 emergency State financial assistance provided under this  
26 Article and has improved its financial situation, the board of

SB0001 Enrolled

- 133 -

LRB100 06371 NHT 16410 b

1 education may, not more frequently than once in any 12 month  
2 period, petition the State Board to dissolve the Financial  
3 Oversight Panel, terminate the oversight responsibility, and  
4 remove the district's certification under Section 1A-8 as a  
5 district in financial difficulty. In acting on such a petition  
6 the State Board shall give additional weight to the  
7 recommendations of the State Superintendent and the Financial  
8 Oversight Panel.

9 (Source: P.A. 88-618, eff. 9-9-94.)

10 (105 ILCS 5/1B-6) (from Ch. 122, par. 1B-6)

11 Sec. 1B-6. General powers. The purpose of the Financial  
12



Oversight Panel shall be to exercise financial control over the board of education, and, when approved by the State Board and the State Superintendent of Education, to furnish financial assistance so that the board can provide public education within the board's jurisdiction while permitting the board to meet its obligations to its creditors and the holders of its notes and bonds. Except as expressly limited by this Article, the Panel shall have all powers necessary to meet its responsibilities and to carry out its purposes and the purposes of this Article, including, but not limited to, the following powers:

(a) to sue and be sued;

(b) to provide for its organization and internal management;

SB0001 Enrolled

- 134 -

LRB100 06371 NHT 16410 b

(c) to appoint a Financial Administrator to serve as the chief executive officer of the Panel. The Financial Administrator may be an individual, partnership, corporation, including an accounting firm, or other entity determined by the Panel to be qualified to serve; and to appoint other officers, agents, and employees of the Panel, define their duties and qualifications and fix their compensation and employee benefits;

(d) to approve the local board of education appointments to the positions of treasurer in a Class I county school unit and in each school district which forms a part of a Class II county school unit but which no longer is subject to the jurisdiction and authority of a township treasurer or trustees of schools of a township because the district has withdrawn from the jurisdiction and authority of the township treasurer and the trustees of schools of the township or because those offices have been abolished as provided in subsection (b) or (c) of Section 5-1, and chief school business official, if such official is not the superintendent of the district. Either the board or the Panel may remove such treasurer or chief school business official;

(e) to approve any and all bonds, notes, teachers orders, tax anticipation warrants, and other evidences of indebtedness prior to issuance or sale by the school district; and

25 notwithstanding any other provision of The School Code, as now  
26 or hereafter amended, no bonds, notes, teachers orders, tax

SB0001 Enrolled

- 135 -

LRB100 06371 NHT 16410 b

1 anticipation warrants or other evidences of indebtedness shall  
2 be issued or sold by the school district or be legally binding  
3 upon or enforceable against the local board of education unless  
4 and until the approval of the Panel has been received;

5 (f) to approve all property tax levies of the school  
6 district and require adjustments thereto as the Panel deems  
7 necessary or advisable;

8 (g) to require and approve a school district financial  
9 plan;

10 (h) to approve and require revisions of the school district  
11 budget;

12 (i) to approve all contracts and other obligations as the  
13 Panel deems necessary and appropriate;

14 (j) to authorize emergency State financial assistance,  
15 including requirements regarding the terms and conditions of  
16 repayment of such assistance, and to require the board of  
17 education to levy a separate local property tax, subject to the  
18 limitations of Section 1B-8, sufficient to repay such  
19 assistance consistent with the terms and conditions of  
20 repayment and the district's approved financial plan and  
21 budget;

22 (k) to request the regional superintendent to make  
23 appointments to fill all vacancies on the local school board as  
24 provided in Section 10-10;

25 (l) to recommend dissolution or reorganization of the  
26 school district to the General Assembly if in the Panel's

SB0001 Enrolled

- 136 -

LRB100 06371 NHT 16410 b

1 judgment the circumstances so require;

2 (m) to direct a phased reduction in the oversight  
3 responsibilities of the Financial Administrator and of the  
4 Panel as the circumstances permit;

5 (n) to determine the amount of emergency State financial  
6 assistance to be made available to the school district, and to

7 establish an operating budget for the Panel to be supported by  
8 funds available from such assistance, with the assistance and  
9 the budget required to be approved by the State Superintendent;

10 (o) to procure insurance against any loss in such amounts  
11 and from such insurers as it deems necessary;

12 (p) to engage the services of consultants for rendering  
13 professional and technical assistance and advice on matters  
14 within the Panel's power;

15 (q) to contract for and to accept any gifts, grants or  
16 loans of funds or property or financial or other aid in any  
17 form from the federal government, State government, unit of  
18 local government, school district or any agency or  
19 instrumentality thereof, or from any other private or public  
20 source, and to comply with the terms and conditions thereof;

21 (r) to pay the expenses of its operations based on the  
22 Panel's budget as approved by the State Superintendent from  
23 emergency financial assistance funds available to the district  
24 or from deductions from the district's general State aid or  
25 evidence-based funding;

26 (s) to do any and all things necessary or convenient to

SB0001 Enrolled

- 137 -

LRB100 06371 NHT 16410 b

1 carry out its purposes and exercise the powers given to the  
2 Panel by this Article; and

3 (t) to recommend the creation of a school finance authority  
4 pursuant to Article 1F of this Code.

5 (Source: P.A. 91-357, eff. 7-29-99; 92-855, eff. 12-6-02.)

6 (105 ILCS 5/1B-7) (from Ch. 122, par. 1B-7)

7 Sec. 1B-7. Financial Administrator; Powers and Duties. The  
8 Financial Administrator appointed by the Financial Oversight  
9 Panel shall serve as the Panel's chief executive officer. The  
10 Financial Administrator shall exercise the powers and duties  
11 required by the Panel, including but not limited to the  
12 following:

13 (a) to provide guidance and recommendations to the local  
14 board and officials of the school district in developing the  
15 district's financial plan and budget prior to board action;

16 (b) to direct the local board to reorganize its financial  
17 accounts, budgetary systems, and internal accounting and

18 financial controls, in whatever manner the Panel deems  
19 appropriate to achieve greater financial responsibility and to  
20 reduce financial inefficiency, and to provide technical  
21 assistance to aid the district in accomplishing the  
22 reorganization;

23 (c) to make recommendations to the Financial Oversight  
24 Panel concerning the school district's financial plan and  
25 budget, and all other matters within the scope of the Panel's

SB0001 Enrolled

- 138 -

LRB100 06371 NHT 16410 b

1 authority;

2 (d) to prepare and recommend to the Panel a proposal for  
3 emergency State financial assistance for the district,  
4 including recommended terms and conditions of repayment, and an  
5 operations budget for the Panel to be funded from the emergency  
6 assistance or from deductions from the district's general State  
7 aid or evidence-based funding;

8 (e) to require the local board to prepare and submit  
9 preliminary staffing and budgetary analyses annually prior to  
10 February 1 in such manner and form as the Financial  
11 Administrator shall prescribe; and

12 (f) subject to the direction of the Panel, to do all other  
13 things necessary or convenient to carry out its purposes and  
14 exercise the powers given to the Panel under this Article.

15 (Source: P.A. 88-618, eff. 9-9-94.)

16 (105 ILCS 5/1B-8) (from Ch. 122, par. 1B-8)

17 Sec. 1B-8. There is created in the State Treasury a special  
18 fund to be known as the School District Emergency Financial  
19 Assistance Fund (the "Fund"). The School District Emergency  
20 Financial Assistance Fund shall consist of appropriations,  
21 loan repayments, grants from the federal government, and  
22 donations from any public or private source. Moneys in the Fund  
23 may be appropriated only to the Illinois Finance Authority and  
24 the State Board for those purposes authorized under this  
25 Article and Articles 1F and 1H of this Code. The appropriation

SB0001 Enrolled

- 139 -

LRB100 06371 NHT 16410 b

1 may be allocated and expended by the State Board for  
2 contractual services to provide technical assistance or  
3 consultation to school districts to assess their financial  
4 condition and to Financial Oversight Panels that petition for  
5 emergency financial assistance grants. The Illinois Finance  
6 Authority may provide loans to school districts which are the  
7 subject of an approved petition for emergency financial  
8 assistance under Section 1B-4, 1F-62, or 1H-65 of this Code.  
9 Neither the State Board of Education nor the Illinois Finance  
10 Authority may collect any fees for providing these services.

11 From the amount allocated to each such school district  
12 under this Article the State Board shall identify a sum  
13 sufficient to cover all approved costs of the Financial  
14 Oversight Panel established for the respective school  
15 district. If the State Board and State Superintendent of  
16 Education have not approved emergency financial assistance in  
17 conjunction with the appointment of a Financial Oversight  
18 Panel, the Panel's approved costs shall be paid from deductions  
19 from the district's general State aid or evidence-based  
20 funding.

21 The Financial Oversight Panel may prepare and file with the  
22 State Superintendent a proposal for emergency financial  
23 assistance for the school district and for its operations  
24 budget. No expenditures from the Fund shall be authorized by  
25 the State Superintendent until he or she has approved the  
26 request of the Panel, either as submitted or in such lesser

SB0001 Enrolled

- 140 -

LRB100 06371 NHT 16410 b

1 amount determined by the State Superintendent.

2 The maximum amount of an emergency financial assistance  
3 loan which may be allocated to any school district under this  
4 Article, including moneys necessary for the operations of the  
5 Panel, shall not exceed \$4,000 times the number of pupils  
6 enrolled in the school district during the school year ending  
7 June 30 prior to the date of approval by the State Board of the  
8 petition for emergency financial assistance, as certified to  
9 the local board and the Panel by the State Superintendent. An  
10 emergency financial assistance grant shall not exceed \$1,000  
11 times the number of such pupils. A district may receive both a  
12 loan and a grant.

13 The payment of an emergency State financial assistance  
14 grant or loan shall be subject to appropriation by the General  
15 Assembly. Payment of the emergency State financial assistance  
16 loan is subject to the applicable provisions of the Illinois  
17 Finance Authority Act. Emergency State financial assistance  
18 allocated and paid to a school district under this Article may  
19 be applied to any fund or funds from which the local board of  
20 education of that district is authorized to make expenditures  
21 by law.

22 Any emergency financial assistance grant proposed by the  
23 Financial Oversight Panel and approved by the State  
24 Superintendent may be paid in its entirety during the initial  
25 year of the Panel's existence or spread in equal or declining  
26 amounts over a period of years not to exceed the period of the

SB0001 Enrolled

- 141 -

LRB100 06371 NHT 16410 b

1 Panel's existence. An emergency financial assistance loan  
2 proposed by the Financial Oversight Panel and approved by the  
3 Illinois Finance Authority may be paid in its entirety during  
4 the initial year of the Panel's existence or spread in equal or  
5 declining amounts over a period of years not to exceed the  
6 period of the Panel's existence. All loans made by the Illinois  
7 Finance Authority for a school district shall be required to be  
8 repaid, with simple interest over the term of the loan at a  
9 rate equal to 50% of the one-year Constant Maturity Treasury  
10 (CMT) yield as last published by the Board of Governors of the  
11 Federal Reserve System before the date on which the district's  
12 loan is approved by the Illinois Finance Authority, not later  
13 than the date the Financial Oversight Panel ceases to exist.  
14 The Panel shall establish and the Illinois Finance Authority  
15 shall approve the terms and conditions, including the schedule,  
16 of repayments. The schedule shall provide for repayments  
17 commencing July 1 of each year or upon each fiscal year's  
18 receipt of moneys from a tax levy for emergency financial  
19 assistance. Repayment shall be incorporated into the annual  
20 budget of the school district and may be made from any fund or  
21 funds of the district in which there are moneys available. An  
22 emergency financial assistance loan to the Panel or district  
23 shall not be considered part of the calculation of a district's  
24 debt for purposes of the limitation specified in Section 19-1

25 of this Code. Default on repayment is subject to the Illinois  
26 Grant Funds Recovery Act. When moneys are repaid as provided

SB0001 Enrolled

- 142 -

LRB100 06371 NHT 16410 b

1 herein they shall not be made available to the local board for  
2 further use as emergency financial assistance under this  
3 Article at any time thereafter. All repayments required to be  
4 made by a school district shall be received by the State Board  
5 and deposited in the School District Emergency Financial  
6 Assistance Fund.

7 In establishing the terms and conditions for the repayment  
8 obligation of the school district the Panel shall annually  
9 determine whether a separate local property tax levy is  
10 required. The board of any school district with a tax rate for  
11 educational purposes for the prior year of less than 120% of  
12 the maximum rate for educational purposes authorized by Section  
13 17-2 shall provide for a separate tax levy for emergency  
14 financial assistance repayment purposes. Such tax levy shall  
15 not be subject to referendum approval. The amount of the levy  
16 shall be equal to the amount necessary to meet the annual  
17 repayment obligations of the district as established by the  
18 Panel, or 20% of the amount levied for educational purposes for  
19 the prior year, whichever is less. However, no district shall  
20 be required to levy the tax if the district's operating tax  
21 rate as determined under Section 18-8, ~~or 18-8.05,~~ or 18-8.15  
22 exceeds 200% of the district's tax rate for educational  
23 purposes for the prior year.

24 (Source: P.A. 97-429, eff. 8-16-11.)

25 (105 ILCS 5/1C-1)

SB0001 Enrolled

- 143 -

LRB100 06371 NHT 16410 b

1 Sec. 1C-1. Purpose. The purpose of this Article is to  
2 permit greater flexibility and efficiency in the distribution  
3 and use of certain State funds available to local education  
4 agencies for the improvement of the quality of educational  
5 services pursuant to locally established priorities.

6 Through fiscal year 2017, this ~~This~~ Article does not apply

to school districts having a population in excess of 500,000 inhabitants.

(Source: P.A. 88-555, eff. 7-27-94; 89-15, eff. 5-30-95; 89-397, eff. 8-20-95; 89-626, eff. 8-9-96.)

(105 ILCS 5/1C-2)

Sec. 1C-2. Block grants.

(a) For fiscal year 1999, and each fiscal year thereafter, the State Board of Education shall award to school districts block grants as described in subsection (c). The State Board of Education may adopt rules and regulations necessary to implement this Section. In accordance with Section 2-3.32, all state block grants are subject to an audit. Therefore, block grant receipts and block grant expenditures shall be recorded to the appropriate fund code.

(b) (Blank).

(c) An Early Childhood Education Block Grant shall be created by combining the following programs: Preschool Education, Parental Training and Prevention Initiative. These funds shall be distributed to school districts and other

SB0001 Enrolled

- 144 -

LRB100 06371 NHT 16410 b

entities on a competitive basis, except that the State Board of Education shall award to a school district having a population exceeding 500,000 inhabitants 37% of the funds in each fiscal year. Not less than 14% of the Early Childhood Education Block Grant allocation of funds shall be used to fund programs for children ages 0-3. Beginning in Fiscal Year 2016, at least 25% of any additional Early Childhood Education Block Grant funding over and above the previous fiscal year's allocation shall be used to fund programs for children ages 0-3. Once the percentage of Early Childhood Education Block Grant funding allocated to programs for children ages 0-3 reaches 20% of the overall Early Childhood Education Block Grant allocation for a full fiscal year, thereafter in subsequent fiscal years the percentage of Early Childhood Education Block Grant funding allocated to programs for children ages 0-3 each fiscal year shall remain at least 20% of the overall Early Childhood Education Block Grant allocation. However, if, in a given fiscal year, the amount appropriated for the Early Childhood



Education Block Grant is insufficient to increase the percentage of the grant to fund programs for children ages 0-3 without reducing the amount of the grant for existing providers of preschool education programs, then the percentage of the grant to fund programs for children ages 0-3 may be held steady instead of increased.  
(Source: P.A. 98-645, eff. 7-1-14; 99-589, eff. 7-21-16.)

SB0001 Enrolled

- 145 -

LRB100 06371 NHT 16410 b

(105 ILCS 5/1D-1)

Sec. 1D-1. Block grant funding.

(a) For fiscal year 1996 through fiscal year 2017 and ~~each fiscal year thereafter~~, the State Board of Education shall award to a school district having a population exceeding 500,000 inhabitants a general education block grant and an educational services block grant, determined as provided in this Section, in lieu of distributing to the district separate State funding for the programs described in subsections (b) and (c). The provisions of this Section, however, do not apply to any federal funds that the district is entitled to receive. In accordance with Section 2-3.32, all block grants are subject to an audit. Therefore, block grant receipts and block grant expenditures shall be recorded to the appropriate fund code for the designated block grant.

(b) The general education block grant shall include the following programs: REI Initiative, Summer Bridges, Preschool At Risk, K-6 Comprehensive Arts, School Improvement Support, Urban Education, Scientific Literacy, Substance Abuse Prevention, Second Language Planning, Staff Development, Outcomes and Assessment, K-6 Reading Improvement, 7-12 Continued Reading Improvement, Truants' Optional Education, Hispanic Programs, Agriculture Education, Parental Education, Prevention Initiative, Report Cards, and Criminal Background Investigations. Notwithstanding any other provision of law, all amounts paid under the general education block grant from

SB0001 Enrolled

- 146 -

LRB100 06371 NHT 16410 b

1 State appropriations to a school district in a city having a  
2 population exceeding 500,000 inhabitants shall be appropriated  
3 and expended by the board of that district for any of the  
4 programs included in the block grant or any of the board's  
5 lawful purposes.

6 (c) The educational services block grant shall include the  
7 following programs: Regular and Vocational Transportation,  
8 State Lunch and Free Breakfast Program, Special Education  
9 (Personnel, Transportation, Orphanage, Private Tuition),  
10 funding for children requiring special education services,  
11 Summer School, Educational Service Centers, and  
12 Administrator's Academy. This subsection (c) does not relieve  
13 the district of its obligation to provide the services required  
14 under a program that is included within the educational  
15 services block grant. It is the intention of the General  
16 Assembly in enacting the provisions of this subsection (c) to  
17 relieve the district of the administrative burdens that impede  
18 efficiency and accompany single-program funding. The General  
19 Assembly encourages the board to pursue mandate waivers  
20 pursuant to Section 2-3.25g.

21 The funding program included in the educational services  
22 block grant for funding for children requiring special  
23 education services in each fiscal year shall be treated in that  
24 fiscal year as a payment to the school district in respect of  
25 services provided or costs incurred in the prior fiscal year,  
26 calculated in each case as provided in this Section. Nothing in

SB0001 Enrolled

- 147 -

LRB100 06371 NHT 16410 b

1 this Section shall change the nature of payments for any  
2 program that, apart from this Section, would be or, prior to  
3 adoption or amendment of this Section, was on the basis of a  
4 payment in a fiscal year in respect of services provided or  
5 costs incurred in the prior fiscal year, calculated in each  
6 case as provided in this Section.

7 (d) For fiscal year 1996 through fiscal year 2017 ~~and each~~  
8 ~~fiscal year thereafter~~, the amount of the district's block  
9 grants shall be determined as follows: (i) with respect to each  
10 program that is included within each block grant, the district  
11 shall receive an amount equal to the same percentage of the  
12 current fiscal year appropriation made for that program as the

percentage of the appropriation received by the district from the 1995 fiscal year appropriation made for that program, and (ii) the total amount that is due the district under the block grant shall be the aggregate of the amounts that the district is entitled to receive for the fiscal year with respect to each program that is included within the block grant that the State Board of Education shall award the district under this Section for that fiscal year. In the case of the Summer Bridges program, the amount of the district's block grant shall be equal to 44% of the amount of the current fiscal year appropriation made for that program.

(e) The district is not required to file any application or other claim in order to receive the block grants to which it is entitled under this Section. The State Board of Education shall

SB0001 Enrolled

- 148 -

LRB100 06371 NHT 16410 b

make payments to the district of amounts due under the district's block grants on a schedule determined by the State Board of Education.

(f) A school district to which this Section applies shall report to the State Board of Education on its use of the block grants in such form and detail as the State Board of Education may specify. In addition, the report must include the following description for the district, which must also be reported to the General Assembly: block grant allocation and expenditures by program; population and service levels by program; and administrative expenditures by program. The State Board of Education shall ensure that the reporting requirements for the district are the same as for all other school districts in this State.

(g) Through fiscal year 2017, this ~~This~~ paragraph provides for the treatment of block grants under Article 1C for purposes of calculating the amount of block grants for a district under this Section. Those block grants under Article 1C are, for this purpose, treated as included in the amount of appropriation for the various programs set forth in paragraph (b) above. The appropriation in each current fiscal year for each block grant under Article 1C shall be treated for these purposes as appropriations for the individual program included in that block grant. The proportion of each block grant so allocated to

25 each such program included in it shall be the proportion which  
26 the appropriation for that program was of all appropriations

SB0001 Enrolled

- 149 -

LRB100 06371 NHT 16410 b

1 for such purposes now in that block grant, in fiscal 1995.

2 Payments to the school district under this Section with  
3 respect to each program for which payments to school districts  
4 generally, as of the date of this amendatory Act of the 92nd  
5 General Assembly, are on a reimbursement basis shall continue  
6 to be made to the district on a reimbursement basis, pursuant  
7 to the provisions of this Code governing those programs.

8 (h) Notwithstanding any other provision of law, any school  
9 district receiving a block grant under this Section may  
10 classify all or a portion of the funds that it receives in a  
11 particular fiscal year from any block grant authorized under  
12 this Code or from general State aid pursuant to Section 18-8.05  
13 of this Code (other than supplemental general State aid) as  
14 funds received in connection with any funding program for which  
15 it is entitled to receive funds from the State in that fiscal  
16 year (including, without limitation, any funding program  
17 referred to in subsection (c) of this Section), regardless of  
18 the source or timing of the receipt. The district may not  
19 classify more funds as funds received in connection with the  
20 funding program than the district is entitled to receive in  
21 that fiscal year for that program. Any classification by a  
22 district must be made by a resolution of its board of  
23 education. The resolution must identify the amount of any block  
24 grant or general State aid to be classified under this  
25 subsection (h) and must specify the funding program to which  
26 the funds are to be treated as received in connection

SB0001 Enrolled

- 150 -

LRB100 06371 NHT 16410 b

1 therewith. This resolution is controlling as to the  
2 classification of funds referenced therein. A certified copy of  
3 the resolution must be sent to the State Superintendent of  
4 Education. The resolution shall still take effect even though a  
5 copy of the resolution has not been sent to the State  
6 Superintendent of Education in a timely manner. No

7 classification under this subsection (h) by a district shall  
8 affect the total amount or timing of money the district is  
9 entitled to receive under this Code. No classification under  
10 this subsection (h) by a district shall in any way relieve the  
11 district from or affect any requirements that otherwise would  
12 apply with respect to the block grant as provided in this  
13 Section, including any accounting of funds by source, reporting  
14 expenditures by original source and purpose, reporting  
15 requirements, or requirements of provision of services.  
16 (Source: P.A. 97-238, eff. 8-2-11; 97-324, eff. 8-12-11;  
17 97-813, eff. 7-13-12.)

18 (105 ILCS 5/1E-20)

19 (This Section scheduled to be repealed in accordance with  
20 105 ILCS 5/1E-165)

21 Sec. 1E-20. Members of Authority; meetings.

22 (a) When a petition for a School Finance Authority is  
23 allowed by the State Board under Section 1E-15 of this Code,  
24 the State Superintendent shall within 10 days thereafter  
25 appoint 5 members to serve on a School Finance Authority for

SB0001 Enrolled

- 151 -

LRB100 06371 NHT 16410 b

1 the district. Of the initial members, 2 shall be appointed to  
2 serve a term of 2 years and 3 shall be appointed to serve a term  
3 of 3 years. Thereafter, each member shall serve for a term of 3  
4 years and until his or her successor has been appointed. The  
5 State Superintendent shall designate one of the members of the  
6 Authority to serve as its Chairperson. In the event of vacancy  
7 or resignation, the State Superintendent shall, within 10 days  
8 after receiving notice, appoint a successor to serve out that  
9 member's term. The State Superintendent may remove a member for  
10 incompetence, malfeasance, neglect of duty, or other just  
11 cause.

12 Members of the Authority shall be selected primarily on the  
13 basis of their experience and education in financial  
14 management, with consideration given to persons knowledgeable  
15 in education finance. Two members of the Authority shall be  
16 residents of the school district that the Authority serves. A  
17 member of the Authority may not be a member of the district's  
18 school board or an employee of the district nor may a member

19 have a direct financial interest in the district.

20 Authority members shall serve without compensation, but  
21 may be reimbursed by the State Board for travel and other  
22 necessary expenses incurred in the performance of their  
23 official duties. Unless paid from bonds issued under Section  
24 1E-65 of this Code, the amount reimbursed members for their  
25 expenses shall be charged to the school district as part of any  
26 emergency financial assistance and incorporated as a part of

SB0001 Enrolled

- 152 -

LRB100 06371 NHT 16410 b

1 the terms and conditions for repayment of the assistance or  
2 shall be deducted from the district's general State aid or  
3 evidence-based funding as provided in Section 1B-8 of this  
4 Code.

5 The Authority may elect such officers as it deems  
6 appropriate.

7 (b) The first meeting of the Authority shall be held at the  
8 call of the Chairperson. The Authority shall prescribe the  
9 times and places for its meetings and the manner in which  
10 regular and special meetings may be called and shall comply  
11 with the Open Meetings Act.

12 Three members of the Authority shall constitute a quorum.  
13 When a vote is taken upon any measure before the Authority, a  
14 quorum being present, a majority of the votes of the members  
15 voting on the measure shall determine the outcome.

16 (Source: P.A. 92-547, eff. 6-13-02.)

17 (105 ILCS 5/1F-20)

18 (This Section scheduled to be repealed in accordance with 105  
19 ILCS 5/1F-165)

20 Sec. 1F-20. Members of Authority; meetings.

21 (a) Upon establishment of a School Finance Authority under  
22 Section 1F-15 of this Code, the State Superintendent shall  
23 within 15 days thereafter appoint 5 members to serve on a  
24 School Finance Authority for the district. Of the initial  
25 members, 2 shall be appointed to serve a term of 2 years and 3

SB0001 Enrolled

- 153 -

LRB100 06371 NHT 16410 b

1 shall be appointed to serve a term of 3 years. Thereafter, each  
2 member shall serve for a term of 3 years and until his or her  
3 successor has been appointed. The State Superintendent shall  
4 designate one of the members of the Authority to serve as its  
5 Chairperson. In the event of vacancy or resignation, the State  
6 Superintendent shall, within 10 days after receiving notice,  
7 appoint a successor to serve out that member's term. The State  
8 Superintendent may remove a member for incompetence,  
9 malfeasance, neglect of duty, or other just cause.

10 Members of the Authority shall be selected primarily on the  
11 basis of their experience and education in financial  
12 management, with consideration given to persons knowledgeable  
13 in education finance. Two members of the Authority shall be  
14 residents of the school district that the Authority serves. A  
15 member of the Authority may not be a member of the district's  
16 school board or an employee of the district nor may a member  
17 have a direct financial interest in the district.

18 Authority members shall be paid a stipend approved by the  
19 State Superintendent of not more than \$100 per meeting and may  
20 be reimbursed by the State Board for travel and other necessary  
21 expenses incurred in the performance of their official duties.  
22 Unless paid from bonds issued under Section 1F-65 of this Code,  
23 the amount reimbursed members for their expenses shall be  
24 charged to the school district as part of any emergency  
25 financial assistance and incorporated as a part of the terms  
26 and conditions for repayment of the assistance or shall be

SB0001 Enrolled

- 154 -

LRB100 06371 NHT 16410 b

1 deducted from the district's general State aid or  
2 evidence-based funding as provided in Section 1B-8 of this  
3 Code.

4 The Authority may elect such officers as it deems  
5 appropriate.

6 (b) The first meeting of the Authority shall be held at the  
7 call of the Chairperson. The Authority shall prescribe the  
8 times and places for its meetings and the manner in which  
9 regular and special meetings may be called and shall comply  
10 with the Open Meetings Act.

11 Three members of the Authority shall constitute a quorum.  
12 When a vote is taken upon any measure before the Authority, a

13 quorum being present, a majority of the votes of the members  
14 voting on the measure shall determine the outcome.  
15 (Source: P.A. 94-234, eff. 7-1-06.)

16 (105 ILCS 5/1F-62)  
17 (This Section scheduled to be repealed in accordance with 105  
18 ILCS 5/1F-165)

19 Sec. 1F-62. School District Emergency Financial Assistance  
20 Fund; grants and loans.

21 (a) Moneys in the School District Emergency Financial  
22 Assistance Fund established under Section 1B-8 of this Code may  
23 be allocated and expended by the State Board as grants to  
24 provide technical and consulting services to school districts  
25 to assess their financial condition and by the Illinois Finance

SB0001 Enrolled

- 155 -

LRB100 06371 NHT 16410 b

1 Authority for emergency financial assistance loans to a School  
2 Finance Authority that petitions for emergency financial  
3 assistance. An emergency financial assistance loan to a School  
4 Finance Authority or borrowing from sources other than the  
5 State shall not be considered as part of the calculation of a  
6 district's debt for purposes of the limitation specified in  
7 Section 19-1 of this Code. From the amount allocated to each  
8 School Finance Authority, the State Board shall identify a sum  
9 sufficient to cover all approved costs of the School Finance  
10 Authority. If the State Board and State Superintendent have not  
11 approved emergency financial assistance in conjunction with  
12 the appointment of a School Finance Authority, the Authority's  
13 approved costs shall be paid from deductions from the  
14 district's general State aid or evidence-based funding.

15 The School Finance Authority may prepare and file with the  
16 State Superintendent a proposal for emergency financial  
17 assistance for the school district and for its operations  
18 budget. No expenditures shall be authorized by the State  
19 Superintendent until he or she has approved the proposal of the  
20 School Finance Authority, either as submitted or in such lesser  
21 amount determined by the State Superintendent.

22 (b) The amount of an emergency financial assistance loan  
23 that may be allocated to a School Finance Authority under this  
24 Article, including moneys necessary for the operations of the  
25



26 School Finance Authority, and borrowing from sources other than  
the State shall not exceed, in the aggregate, \$4,000 times the

SB0001 Enrolled

- 156 -

LRB100 06371 NHT 16410 b

1 number of pupils enrolled in the district during the school  
2 year ending June 30 prior to the date of approval by the State  
3 Board of the petition for emergency financial assistance, as  
4 certified to the school board and the School Finance Authority  
5 by the State Superintendent. However, this limitation does not  
6 apply to borrowing by the district secured by amounts levied by  
7 the district prior to establishment of the School Finance  
8 Authority. An emergency financial assistance grant shall not  
9 exceed \$1,000 times the number of such pupils. A district may  
10 receive both a loan and a grant.

11 (c) The payment of a State emergency financial assistance  
12 grant or loan shall be subject to appropriation by the General  
13 Assembly. State emergency financial assistance allocated and  
14 paid to a School Finance Authority under this Article may be  
15 applied to any fund or funds from which the School Finance  
16 Authority is authorized to make expenditures by law.

17 (d) Any State emergency financial assistance proposed by  
18 the School Finance Authority and approved by the State  
19 Superintendent may be paid in its entirety during the initial  
20 year of the School Finance Authority's existence or spread in  
21 equal or declining amounts over a period of years not to exceed  
22 the period of the School Finance Authority's existence. The  
23 State Superintendent shall not approve any loan to the School  
24 Finance Authority unless the School Finance Authority has been  
25 unable to borrow sufficient funds to operate the district.

26 All loan payments made from the School District Emergency

SB0001 Enrolled

- 157 -

LRB100 06371 NHT 16410 b

1 Financial Assistance Fund to a School Finance Authority shall  
2 be required to be repaid not later than the date the School  
3 Finance Authority ceases to exist, with simple interest over  
4 the term of the loan at a rate equal to 50% of the one-year  
5 Constant Maturity Treasury (CMT) yield as last published by the  
6 Board of Governors of the Federal Reserve System before the

7 date on which the School Finance Authority's loan is approved  
8 by the State Board.

9 The School Finance Authority shall establish and the  
10 Illinois Finance Authority shall approve the terms and  
11 conditions of the loan, including the schedule of repayments.  
12 The schedule shall provide for repayments commencing July 1 of  
13 each year or upon each fiscal year's receipt of moneys from a  
14 tax levy for emergency financial assistance. Repayment shall be  
15 incorporated into the annual budget of the district and may be  
16 made from any fund or funds of the district in which there are  
17 moneys available. Default on repayment is subject to the  
18 Illinois Grant Funds Recovery Act. When moneys are repaid as  
19 provided in this Section, they shall not be made available to  
20 the School Finance Authority for further use as emergency  
21 financial assistance under this Article at any time thereafter.  
22 All repayments required to be made by a School Finance  
23 Authority shall be received by the State Board and deposited in  
24 the School District Emergency Financial Assistance Fund.

25 In establishing the terms and conditions for the repayment  
26 obligation of the School Finance Authority, the School Finance

SB0001 Enrolled

- 158 -

LRB100 06371 NHT 16410 b

1 Authority shall annually determine whether a separate local  
2 property tax levy is required to meet that obligation. The  
3 School Finance Authority shall provide for a separate tax levy  
4 for emergency financial assistance repayment purposes. This  
5 tax levy shall not be subject to referendum approval. The  
6 amount of the levy shall not exceed the amount necessary to  
7 meet the annual emergency financial repayment obligations of  
8 the district, including principal and interest, as established  
9 by the School Finance Authority.

10 (Source: P.A. 94-234, eff. 7-1-06.)

11 (105 ILCS 5/1H-20)

12 Sec. 1H-20. Members of Panel; meetings.

13 (a) Upon establishment of a Financial Oversight Panel under  
14 Section 1H-15 of this Code, the State Superintendent shall  
15 within 15 working days thereafter appoint 5 members to serve on  
16 a Financial Oversight Panel for the district. Members appointed  
17 to the Panel shall serve at the pleasure of the State

18 Superintendent. The State Superintendent shall designate one  
19 of the members of the Panel to serve as its Chairperson. In the  
20 event of vacancy or resignation, the State Superintendent  
21 shall, within 10 days after receiving notice, appoint a  
22 successor to serve out that member's term.

23 (b) Members of the Panel shall be selected primarily on the  
24 basis of their experience and education in financial  
25 management, with consideration given to persons knowledgeable

SB0001 Enrolled

- 159 -

LRB100 06371 NHT 16410 b

1 in education finance. Two members of the Panel shall be  
2 residents of the school district that the Panel serves. A  
3 member of the Panel may not be a member of the district's  
4 school board or an employee of the district nor may a member  
5 have a direct financial interest in the district.

6 (c) Panel members may be reimbursed by the State Board for  
7 travel and other necessary expenses incurred in the performance  
8 of their official duties. The amount reimbursed members for  
9 their expenses shall be charged to the school district as part  
10 of any emergency financial assistance and incorporated as a  
11 part of the terms and conditions for repayment of the  
12 assistance or shall be deducted from the district's general  
13 State aid or evidence-based funding as provided in Section  
14 1H-65 of this Code.

15 (d) With the exception of the chairperson, who shall be  
16 designated as provided in subsection (a) of this Section, the  
17 Panel may elect such officers as it deems appropriate.

18 (e) The first meeting of the Panel shall be held at the  
19 call of the Chairperson. The Panel shall prescribe the times  
20 and places for its meetings and the manner in which regular and  
21 special meetings may be called and shall comply with the Open  
22 Meetings Act. The Panel shall also comply with the Freedom of  
23 Information Act.

24 (f) Three members of the Panel shall constitute a quorum. A  
25 majority of members present is required to pass a measure.  
26 (Source: P.A. 97-429, eff. 8-16-11.)

SB0001 Enrolled

- 160 -

LRB100 06371 NHT 16410 b

1 (105 ILCS 5/1H-70)

2 Sec. 1H-70. Tax anticipation warrants, tax anticipation  
3 notes, revenue anticipation certificates or notes, general  
4 State aid or evidence-based funding anticipation certificates,  
5 and lines of credit. With the approval of the State  
6 Superintendent and provided that the district is unable to  
7 secure short-term financing after 3 attempts, a Panel shall  
8 have the same power as a district to do the following:

9 (1) issue tax anticipation warrants under the  
10 provisions of Section 17-16 of this Code against taxes  
11 levied by either the school board or the Panel pursuant to  
12 Section 1H-25 of this Code;

13 (2) issue tax anticipation notes under the provisions  
14 of the Tax Anticipation Note Act against taxes levied by  
15 either the school board or the Panel pursuant to Section  
16 1H-25 of this Code;

17 (3) issue revenue anticipation certificates or notes  
18 under the provisions of the Revenue Anticipation Act;

19 (4) issue general State aid or evidence-based funding  
20 anticipation certificates under the provisions of Section  
21 18-18 of this Code; and

22 (5) establish and utilize lines of credit under the  
23 provisions of Section 17-17 of this Code.

24 Tax anticipation warrants, tax anticipation notes, revenue  
25 anticipation certificates or notes, general State aid or

SB0001 Enrolled

- 161 -

LRB100 06371 NHT 16410 b

1 evidence-based funding anticipation certificates, and lines of  
2 credit are considered borrowing from sources other than the  
3 State and are subject to Section 1H-65 of this Code.  
4 (Source: P.A. 97-429, eff. 8-16-11.)

5 (105 ILCS 5/2-3.33) (from Ch. 122, par. 2-3.33)

6 Sec. 2-3.33. Recomputation of claims. To recompute within  
7 3 years from the final date for filing of a claim any claim for  
8 general State aid reimbursement to any school district and one  
9 year from the final date for filing of a claim for  
10 evidence-based funding if the claim has been found to be  
11 incorrect and to adjust subsequent claims accordingly, and to

recompute and adjust any such claims within 6 years from the final date for filing when there has been an adverse court or administrative agency decision on the merits affecting the tax revenues of the school district. However, no such adjustment shall be made regarding equalized assessed valuation unless the district's equalized assessed valuation is changed by greater than \$250,000 or 2%. Any adjustments for claims recomputed for the 2016-2017 school year and prior school years shall be applied to the apportionment of evidence-based funding in Section 18-8.15 of this Code beginning in the 2017-2018 school year and thereafter. However, the recomputation of a claim for evidence-based funding for a school district shall not require the recomputation of claims for all districts, and the State Board of Education shall only make recomputations of

SB0001 Enrolled

- 162 -

LRB100 06371 NHT 16410 b

evidence-based funding for those districts where an adjustment is required.

Except in the case of an adverse court or administrative agency decision, no recomputation of a State aid claim shall be made pursuant to this Section as a result of a reduction in the assessed valuation of a school district from the assessed valuation of the district reported to the State Board of Education by the Department of Revenue under Section 18-8.05 or 18-8.15 of this Code unless the requirements of Section 16-15 of the Property Tax Code and Section 2-3.84 of this Code are complied with in all respects.

This paragraph applies to all requests for recomputation of a general State aid or evidence-based funding claim received after June 30, 2003. In recomputing a general State aid or evidence-based funding claim that was originally calculated using an extension limitation equalized assessed valuation under paragraph (3) of subsection (G) of Section 18-8.05 of this Code or Section 18-8.15 of this Code, a qualifying reduction in equalized assessed valuation shall be deducted from the extension limitation equalized assessed valuation that was used in calculating the original claim.

From the total amount of general State aid or evidence-based funding to be provided to districts, adjustments as a result of recomputation under this Section

25 together with adjustments under Section 2-3.84 must not exceed  
26 \$25 million, in the aggregate for all districts under both

SB0001 Enrolled

- 163 -

LRB100 06371 NHT 16410 b

1 Sections combined, of the general State aid or evidence-based  
2 funding appropriation in any fiscal year; if necessary, amounts  
3 shall be prorated among districts. If it is necessary to  
4 prorate claims under this paragraph, then that portion of each  
5 prorated claim that is approved but not paid in the current  
6 fiscal year may be resubmitted as a valid claim in the  
7 following fiscal year.

8 (Source: P.A. 93-845, eff. 7-30-04.)

9 (105 ILCS 5/2-3.51.5)

10 Sec. 2-3.51.5. School Safety and Educational Improvement  
11 Block Grant Program. To improve the level of education and  
12 safety of students from kindergarten through grade 12 in school  
13 districts and State-recognized, non-public schools. The State  
14 Board of Education is authorized to fund a School Safety and  
15 Educational Improvement Block Grant Program.

16 (1) For school districts, the program shall provide funding  
17 for school safety, textbooks and software, electronic  
18 textbooks and the technological equipment necessary to gain  
19 access to and use electronic textbooks, teacher training and  
20 curriculum development, school improvements, school report  
21 cards under Section 10-17a, and criminal history records checks  
22 under Sections 10-21.9 and 34-18.5. For State-recognized,  
23 non-public schools, the program shall provide funding for  
24 secular textbooks and software, criminal history records  
25 checks, and health and safety mandates to the extent that the

SB0001 Enrolled

- 164 -

LRB100 06371 NHT 16410 b

1 funds are expended for purely secular purposes. A school  
2 district or laboratory school as defined in Section 18-8, ~~or~~  
3 18-8.05, or 18-8.15 is not required to file an application in  
4 order to receive the categorical funding to which it is  
5 entitled under this Section. Funds for the School Safety and  
6 Educational Improvement Block Grant Program shall be

distributed to school districts and laboratory schools based on the prior year's best 3 months average daily attendance. Funds for the School Safety and Educational Improvement Block Grant Program shall be distributed to State-recognized, non-public schools based on the average daily attendance figure for the previous school year provided to the State Board of Education. The State Board of Education shall develop an application that requires State-recognized, non-public schools to submit average daily attendance figures. A State-recognized, non-public school must submit the application and average daily attendance figure prior to receiving funds under this Section. The State Board of Education shall promulgate rules and regulations necessary for the implementation of this program.

(2) Distribution of moneys to school districts and State-recognized, non-public schools shall be made in 2 semi-annual installments, one payment on or before October 30, and one payment prior to April 30, of each fiscal year.

(3) Grants under the School Safety and Educational Improvement Block Grant Program shall be awarded provided there is an appropriation for the program, and funding levels for

SB0001 Enrolled

- 165 -

LRB100 06371 NHT 16410 b

each district shall be prorated according to the amount of the appropriation.

(4) The provisions of this Section are in the public interest, are for the public benefit, and serve secular public purposes.

(Source: P.A. 98-972, eff. 8-15-14.)

(105 ILCS 5/2-3.66) (from Ch. 122, par. 2-3.66)

Sec. 2-3.66. Truants' alternative and optional education programs. To establish projects to offer modified instructional programs or other services designed to prevent students from dropping out of school, including programs pursuant to Section 2-3.41, and to serve as a part time or full time option in lieu of regular school attendance and to award grants to local school districts, educational service regions or community college districts from appropriated funds to assist districts in establishing such projects. The education agency may operate its own program or enter into a contract

with another not-for-profit entity to implement the program.

The projects shall allow dropouts, up to and including age 21, potential dropouts, including truants, uninvolved, unmotivated and disaffected students, as defined by State Board of Education rules and regulations, to enroll, as an alternative to regular school attendance, in an optional education program which may be established by school board policy and is in conformance with rules adopted by the State Board of Education.

SB0001 Enrolled

- 166 -

LRB100 06371 NHT 16410 b

Truants' Alternative and Optional Education programs funded pursuant to this Section shall be planned by a student, the student's parents or legal guardians, unless the student is 18 years or older, and school officials and shall culminate in an individualized optional education plan. Such plan shall focus on academic or vocational skills, or both, and may include, but not be limited to, evening school, summer school, community college courses, adult education, preparation courses for high school equivalency testing, vocational training, work experience, programs to enhance self concept and parenting courses. School districts which are awarded grants pursuant to this Section shall be authorized to provide day care services to children of students who are eligible and desire to enroll in programs established and funded under this Section, but only if and to the extent that such day care is necessary to enable those eligible students to attend and participate in the programs and courses which are conducted pursuant to this Section. School districts and regional offices of education may claim general State aid under Section 18-8.05 or evidence-based funding under Section 18-8.15 for students enrolled in truants' alternative and optional education programs, provided that such students are receiving services that are supplemental to a program leading to a high school diploma and are otherwise eligible to be claimed for general State aid under Section 18-8.05 or evidence-based funding under Section 18-8.15, as applicable.

SB0001 Enrolled

- 167 -

LRB100 06371 NHT 16410 b



1 (Source: P.A. 98-718, eff. 1-1-15.)

2 (105 ILCS 5/2-3.66b)

3 Sec. 2-3.66b. IHOPE Program.

4 (a) There is established the Illinois Hope and Opportunity  
5 Pathways through Education (IHOPE) Program. The State Board of  
6 Education shall implement and administer the IHOPE Program. The  
7 goal of the IHOPE Program is to develop a comprehensive system  
8 in this State to re-enroll significant numbers of high school  
9 dropouts in programs that will enable them to earn their high  
10 school diploma.

11 (b) The IHOPE Program shall award grants, subject to  
12 appropriation for this purpose, to educational service regions  
13 and a school district organized under Article 34 of this Code  
14 from appropriated funds to assist in establishing  
15 instructional programs and other services designed to  
16 re-enroll high school dropouts. From any funds appropriated for  
17 the IHOPE Program, the State Board of Education may use up to  
18 5% for administrative costs, including the performance of a  
19 program evaluation and the hiring of staff to implement and  
20 administer the program.

21 The IHOPE Program shall provide incentive grant funds for  
22 regional offices of education and a school district organized  
23 under Article 34 of this Code to develop partnerships with  
24 school districts, public community colleges, and community  
25 groups to build comprehensive plans to re-enroll high school

SB0001 Enrolled

- 168 -

LRB100 06371 NHT 16410 b

1 dropouts in their regions or districts.

2 Programs funded through the IHOPE Program shall allow high  
3 school dropouts, up to and including age 21 notwithstanding  
4 Section 26-2 of this Code, to re-enroll in an educational  
5 program in conformance with rules adopted by the State Board of  
6 Education. Programs may include without limitation  
7 comprehensive year-round programming, evening school, summer  
8 school, community college courses, adult education, vocational  
9 training, work experience, programs to enhance self-concept,  
10 and parenting courses. Any student in the IHOPE Program who  
11 wishes to earn a high school diploma must meet the  
12 prerequisites to receiving a high school diploma specified in

13 Section 27-22 of this Code and any other graduation  
14 requirements of the student's district of residence. Any  
15 student who successfully completes the requirements for his or  
16 her graduation shall receive a diploma identifying the student  
17 as graduating from his or her district of residence.

18 (c) In order to be eligible for funding under the IHOPE  
19 Program, an interested regional office of education or a school  
20 district organized under Article 34 of this Code shall develop  
21 an IHOPE Plan to be approved by the State Board of Education.  
22 The State Board of Education shall develop rules for the IHOPE  
23 Program that shall set forth the requirements for the  
24 development of the IHOPE Plan. Each Plan shall involve school  
25 districts, public community colleges, and key community  
26 programs that work with high school dropouts located in an

SB0001 Enrolled

- 169 -

LRB100 06371 NHT 16410 b

1 educational service region or the City of Chicago before the  
2 Plan is sent to the State Board for approval. No funds may be  
3 distributed to a regional office of education or a school  
4 district organized under Article 34 of this Code until the  
5 State Board has approved the Plan.

6 (d) A regional office of education or a school district  
7 organized under Article 34 of this Code may operate its own  
8 program funded by the IHOPE Program or enter into a contract  
9 with other not-for-profit entities, including school  
10 districts, public community colleges, and not-for-profit  
11 community-based organizations, to operate a program.

12 A regional office of education or a school district  
13 organized under Article 34 of this Code that receives an IHOPE  
14 grant from the State Board of Education may provide funds under  
15 a sub-grant, as specified in the IHOPE Plan, to other  
16 not-for-profit entities to provide services according to the  
17 IHOPE Plan that was developed. These other entities may include  
18 school districts, public community colleges, or not-for-profit  
19 community-based organizations or a cooperative partnership  
20 among these entities.

21 (e) In order to distribute funding based upon the need to  
22 ensure delivery of programs that will have the greatest impact,  
23 IHOPE Program funding must be distributed based upon the  
24 proportion of dropouts in the educational service region or

25 school district, in the case of a school district organized  
26 under Article 34 of this Code, to the total number of dropouts

SB0001 Enrolled

- 170 -

LRB100 06371 NHT 16410 b

1 in this State. This formula shall employ the dropout data  
2 provided by school districts to the State Board of Education.

3 A regional office of education or a school district  
4 organized under Article 34 of this Code may claim State aid  
5 under Section 18-8.05 or 18-8.15 of this Code for students  
6 enrolled in a program funded by the IHOPE Program, provided  
7 that the State Board of Education has approved the IHOPE Plan  
8 and that these students are receiving services that are meeting  
9 the requirements of Section 27-22 of this Code for receipt of a  
10 high school diploma and are otherwise eligible to be claimed  
11 for general State aid under Section 18-8.05 of this Code or  
12 evidence-based funding under Section 18-8.15 of this Code,  
13 including provisions related to the minimum number of days of  
14 pupil attendance pursuant to Section 10-19 of this Code and the  
15 minimum number of daily hours of school work and any exceptions  
16 thereto as defined by the State Board of Education in rules.

17 (f) IHOPE categories of programming may include the  
18 following:

19 (1) Full-time programs that are comprehensive,  
20 year-round programs.

21 (2) Part-time programs combining work and study  
22 scheduled at various times that are flexible to the needs  
23 of students.

24 (3) Online programs and courses in which students take  
25 courses and complete on-site, supervised tests that  
26 measure the student's mastery of a specific course needed

SB0001 Enrolled

- 171 -

LRB100 06371 NHT 16410 b

1 for graduation. Students may take courses online and earn  
2 credit or students may prepare to take supervised tests for  
3 specific courses for credit leading to receipt of a high  
4 school diploma.

5 (4) Dual enrollment in which students attend high  
6

school classes in combination with community college classes or students attend community college classes while simultaneously earning high school credit and eventually a high school diploma.

(g) In order to have successful comprehensive programs re-enrolling and graduating low-skilled high school dropouts, programs funded through the IHOPE Program shall include all of the following components:

(1) Small programs (70 to 100 students) at a separate school site with a distinct identity. Programs may be larger with specific need and justification, keeping in mind that it is crucial to keep programs small to be effective.

(2) Specific performance-based goals and outcomes and measures of enrollment, attendance, skills, credits, graduation, and the transition to college, training, and employment.

(3) Strong, experienced leadership and teaching staff who are provided with ongoing professional development.

(4) Voluntary enrollment.

(5) High standards for student learning, integrating

SB0001 Enrolled

- 172 -

LRB100 06371 NHT 16410 b

work experience, and education, including during the school year and after school, and summer school programs that link internships, work, and learning.

(6) Comprehensive programs providing extensive support services.

(7) Small teams of students supported by full-time paid mentors who work to retain and help those students graduate.

(8) A comprehensive technology learning center with Internet access and broad-based curriculum focusing on academic and career subject areas.

(9) Learning opportunities that incorporate action into study.

(h) Programs funded through the IHOPE Program must report data to the State Board of Education as requested. This information shall include, but is not limited to, student

17 enrollment figures, attendance information, course completion  
18 data, graduation information, and post-graduation information,  
19 as available.

20 (i) Rules must be developed by the State Board of Education  
21 to set forth the fund distribution process to regional offices  
22 of education and a school district organized under Article 34  
23 of this Code, the planning and the conditions upon which an  
24 IHOPE Plan would be approved by State Board, and other rules to  
25 develop the IHOPE Program.

26 (Source: P.A. 96-106, eff. 7-30-09.)

SB0001 Enrolled

- 173 -

LRB100 06371 NHT 16410 b

1 (105 ILCS 5/2-3.84) (from Ch. 122, par. 2-3.84)

2 Sec. 2-3.84. In calculating the amount of State aid to be  
3 apportioned to the various school districts in this State, the  
4 State Board of Education shall incorporate and deduct the total  
5 aggregate adjustments to assessments made by the State Property  
6 Tax Appeal Board or Cook County Board of Appeals, as reported  
7 pursuant to Section 16-15 of the Property Tax Code or Section  
8 129.1 of the Revenue Act of 1939 by the Department of Revenue,  
9 from the equalized assessed valuation that is otherwise to be  
10 utilized in the initial calculation.

11 From the total amount of general State aid or  
12 evidence-based funding to be provided to districts,  
13 adjustments under this Section together with adjustments as a  
14 result of recomputation under Section 2-3.33 must not exceed  
15 \$25 million, in the aggregate for all districts under both  
16 Sections combined, of the general State aid or evidence-based  
17 funding appropriation in any fiscal year; if necessary, amounts  
18 shall be prorated among districts. If it is necessary to  
19 prorate claims under this paragraph, then that portion of each  
20 prorated claim that is approved but not paid in the current  
21 fiscal year may be resubmitted as a valid claim in the  
22 following fiscal year.

23 (Source: P.A. 93-845, eff. 7-30-04.)

24 (105 ILCS 5/2-3.109a)

SB0001 Enrolled

- 174 -

LRB100 06371 NHT 16410 b

1       Sec. 2-3.109a. Laboratory schools grant eligibility. A  
2       laboratory school as defined in Section 18-8 or 18-8.15 may  
3       apply for and be eligible to receive, subject to the same  
4       restrictions applicable to school districts, any grant  
5       administered by the State Board of Education that is available  
6       for school districts.

7       (Source: P.A. 90-566, eff. 1-2-98.)

8       (105 ILCS 5/2-3.170 new)

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

10      (a) As used in this Section,

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

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

15      "Unit equivalent tax rate" means the Adjusted Operating Tax  
16      Rate, as defined in Section 18-8.15 of this Code, multiplied by  
17      a factor of 1 for unit school district, 13/9 for elementary  
18      school districts, and 13/4 for high school districts.

19      (b) Subject to appropriation, the State Board shall provide  
20      grants to eligible school districts that provide tax relief to  
21      the school district's residents, up to a limit of 1% of the  
22      school district's equalized assessed value, as provided in this  
23      Section.

24      (c) By August 1 of each year, the State Board shall publish  
25      an estimated unit equivalent tax rate above which school

SB0001 Enrolled

- 175 -

LRB100 06371 NHT 16410 b

1      districts are eligible for relief under this Section. This  
2      estimated tax rate shall be based on the most recent available  
3      data provided by school districts pursuant to Section 18-8.15  
4      of this Code. The State Board shall estimate this property tax  
5      rate based on the amount appropriated to the grant program and  
6      the assumption that a set of school districts, based on  
7      criteria established by the State Board, will apply for grants  
8      under this Section. The criteria shall be based on reasonable  
9      assumptions about when school districts will apply for the  
10     grant.

11     (d) School districts seeking grants under this Section

12 shall apply to the State Board by October 1 of each year. All  
13 applications to the State Board for grants shall include the  
14 amount of the grant requested.

15 (e) By December 1 of each year, based on the most recent  
16 available data provided by school districts pursuant to Section  
17 18-8.15 of this Code, the State Board shall calculate the unit  
18 equivalent tax rate, based on the applications received by the  
19 State Board, above which the appropriations are sufficient to  
20 provide relief and publish a list of the school districts  
21 eligible for relief.

22 (f) The State Board shall publish a final list of grant  
23 recipients and provide payment of the grants by January 15 of  
24 each year.

25 (g) If payment from the State Board is received by the  
26 school district on time, the school district shall reduce its

SB0001 Enrolled

- 176 -

LRB100 06371 NHT 16410 b

1 property tax levy in an amount equal to the grant received  
2 under this Section.

3 (h) The total grant to a school district under this Section  
4 shall be calculated based on the total amount of reduction in  
5 the school district's aggregate extension, up to a limit of 1%  
6 of a district's equalized assessed value for a unit school  
7 district, 0.69% for an elementary school district, and 0.31%  
8 for a high school district, multiplied by the property tax  
9 multiplier or the amount that the unit equivalent tax rate is  
10 greater than the rate determined by the State Board, whichever  
11 is less.

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

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

18 (k) Any grants received by a school district shall be  
19 included in future calculations of that school district's Base  
20 Funding Minimum under Section 18-8.15 of this Code.

21 (l) In the tax year following receipt of a Property Tax  
22 Pool Relief Grant, the aggregate levy of any school district  
23 receiving a grant under this Section, for purposes of the

24 Property Tax Extension Limitation Law, shall include the tax  
25 relief the school district provided in the previous taxable  
26 year under this Section.

SB0001 Enrolled

- 177 -

LRB100 06371 NHT 16410 b

1 (105 ILCS 5/3-14.21) (from Ch. 122, par. 3-14.21)

2 Sec. 3-14.21. Inspection of schools.

3 (a) The regional superintendent shall inspect and survey  
4 all public schools under his or her supervision and notify the  
5 board of education, or the trustees of schools in a district  
6 with trustees, in writing before July 30, whether or not the  
7 several schools in their district have been kept as required by  
8 law, using forms provided by the State Board of Education which  
9 are based on the Health/Life Safety Code for Public Schools  
10 adopted under Section 2-3.12. The regional superintendent  
11 shall report his or her findings to the State Board of  
12 Education on forms provided by the State Board of Education.

13 (b) If the regional superintendent determines that a school  
14 board has failed in a timely manner to correct urgent items  
15 identified in a previous life-safety report completed under  
16 Section 2-3.12 or as otherwise previously ordered by the  
17 regional superintendent, the regional superintendent shall  
18 order the school board to adopt and submit to the regional  
19 superintendent a plan for the immediate correction of the  
20 building violations. This plan shall be adopted following a  
21 public hearing that is conducted by the school board on the  
22 violations and the plan and that is preceded by at least 7  
23 days' prior notice of the hearing published in a newspaper of  
24 general circulation within the school district. If the regional  
25 superintendent determines in the next annual inspection that

SB0001 Enrolled

- 178 -

LRB100 06371 NHT 16410 b

1 the plan has not been completed and that the violations have  
2 not been corrected, the regional superintendent shall submit a  
3 report to the State Board of Education with a recommendation  
4 that the State Board withhold from payments of general State  
5 aid or evidence-based funding due to the district an amount



6 necessary to correct the outstanding violations. The State  
7 Board, upon notice to the school board and to the regional  
8 superintendent, shall consider the report at a meeting of the  
9 State Board, and may order that a sufficient amount of general  
10 State aid or evidence-based funding be withheld from payments  
11 due to the district to correct the violations. This amount  
12 shall be paid to the regional superintendent who shall contract  
13 on behalf of the school board for the correction of the  
14 outstanding violations.

15 (c) The Office of the State Fire Marshal or a qualified  
16 fire official, as defined in Section 2-3.12 of this Code, to  
17 whom the State Fire Marshal has delegated his or her authority  
18 shall conduct an annual fire safety inspection of each school  
19 building in this State. The State Fire Marshal or the fire  
20 official shall coordinate its inspections with the regional  
21 superintendent. The inspection shall be based on the fire  
22 safety code authorized in Section 2-3.12 of this Code. Any  
23 violations shall be reported in writing to the regional  
24 superintendent and shall reference the specific code sections  
25 where a discrepancy has been identified within 15 days after  
26 the inspection has been conducted. The regional superintendent

SB0001 Enrolled

- 179 -

LRB100 06371 NHT 16410 b

1 shall address those violations that are not corrected in a  
2 timely manner pursuant to subsection (b) of this Section. The  
3 inspection must be at no cost to the school district.

4 (d) If a municipality or, in the case of an unincorporated  
5 area, a county or, if applicable, a fire protection district  
6 wishes to perform new construction inspections under the  
7 jurisdiction of a regional superintendent, then the entity must  
8 register this wish with the regional superintendent. These  
9 inspections must be based on the building code authorized in  
10 Section 2-3.12 of this Code. The inspections must be at no cost  
11 to the school district.

12 (Source: P.A. 96-734, eff. 8-25-09.)

13 (105 ILCS 5/7-14A) (from Ch. 122, par. 7-14A)

14 Sec. 7-14A. Annexation compensation. There shall be no  
15 accounting made after a mere change in boundaries when no new  
16 district is created, except that those districts whose  
17

enrollment increases by 90% or more as a result of annexing territory detached from another district pursuant to this Article are eligible for supplementary State aid payments in accordance with Section 11E-135 of this Code. Eligible annexing districts shall apply to the State Board of Education for supplementary State aid payments by submitting enrollment figures for the year immediately preceding and the year immediately following the effective date of the boundary change for both the district gaining territory and the district losing

SB0001 Enrolled

- 180 -

LRB100 06371 NHT 16410 b

territory. Copies of any intergovernmental agreements between the district gaining territory and the district losing territory detailing any transfer of fund balances and staff must also be submitted. In all instances of changes in boundaries, the district losing territory shall not count the average daily attendance of pupils living in the territory during the year preceding the effective date of the boundary change in its claim for reimbursement under Section 18-8.05 or 18-8.15 of this Code for the school year following the effective date of the change in boundaries and the district receiving the territory shall count the average daily attendance of pupils living in the territory during the year preceding the effective date of the boundary change in its claim for reimbursement under Section 18-8.05 or 18-8.15 of this Code for the school year following the effective date of the change in boundaries. The changes to this Section made by this amendatory Act of the 95th General Assembly are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004.  
(Source: P.A. 99-657, eff. 7-28-16.)

(105 ILCS 5/10-17a) (from Ch. 122, par. 10-17a)  
Sec. 10-17a. State, school district, and school report cards.

(1) By October 31, 2013 and October 31 of each subsequent school year, the State Board of Education, through the State

SB0001 Enrolled

- 181 -

LRB100 06371 NHT 16410 b

1 Superintendent of Education, shall prepare a State report card,  
2 school district report cards, and school report cards, and  
3 shall by the most economic means provide to each school  
4 district in this State, including special charter districts and  
5 districts subject to the provisions of Article 34, the report  
6 cards for the school district and each of its schools.

7 (2) In addition to any information required by federal law,  
8 the State Superintendent shall determine the indicators and  
9 presentation of the school report card, which must include, at  
10 a minimum, the most current data possessed by the State Board  
11 of Education related to the following:

12 (A) school characteristics and student demographics,  
13 including average class size, average teaching experience,  
14 student racial/ethnic breakdown, and the percentage of  
15 students classified as low-income; the percentage of  
16 students classified as English learners; the percentage of  
17 students who have individualized education plans or 504  
18 plans that provide for special education services; the  
19 percentage of students who annually transferred in or out  
20 of the school district; the per-pupil operating  
21 expenditure of the school district; and the per-pupil State  
22 average operating expenditure for the district type  
23 (elementary, high school, or unit);

24 (B) curriculum information, including, where  
25 applicable, Advanced Placement, International  
26 Baccalaureate or equivalent courses, dual enrollment

SB0001 Enrolled

- 182 -

LRB100 06371 NHT 16410 b

1 courses, foreign language classes, school personnel  
2 resources (including Career Technical Education teachers),  
3 before and after school programs, extracurricular  
4 activities, subjects in which elective classes are  
5 offered, health and wellness initiatives (including the  
6 average number of days of Physical Education per week per  
7 student), approved programs of study, awards received,  
8 community partnerships, and special programs such as  
9 programming for the gifted and talented, students with  
10 disabilities, and work-study students;

(C) student outcomes, including, where applicable, the percentage of students deemed proficient on assessments of State standards, the percentage of students in the eighth grade who pass Algebra, the percentage of students enrolled in post-secondary institutions (including colleges, universities, community colleges, trade/vocational schools, and training programs leading to career certification within 2 semesters of high school graduation), the percentage of students graduating from high school who are college and career ready, and the percentage of graduates enrolled in community colleges, colleges, and universities who are in one or more courses that the community college, college, or university identifies as a developmental course;

(D) student progress, including, where applicable, the percentage of students in the ninth grade who have earned 5

SB0001 Enrolled

- 183 -

LRB100 06371 NHT 16410 b

credits or more without failing more than one core class, a measure of students entering kindergarten ready to learn, a measure of growth, and the percentage of students who enter high school on track for college and career readiness;

(E) the school environment, including, where applicable, the percentage of students with less than 10 absences in a school year, the percentage of teachers with less than 10 absences in a school year for reasons other than professional development, leaves taken pursuant to the federal Family Medical Leave Act of 1993, long-term disability, or parental leaves, the 3-year average of the percentage of teachers returning to the school from the previous year, the number of different principals at the school in the last 6 years, 2 or more indicators from any school climate survey selected or approved by the State and administered pursuant to Section 2-3.153 of this Code, with the same or similar indicators included on school report cards for all surveys selected or approved by the State pursuant to Section 2-3.153 of this Code, and the combined percentage of teachers rated as proficient or excellent in their most recent evaluation; ~~and~~

(F) a school district's and its individual schools' balanced accountability measure, in accordance with Section 2-3.25a of this Code; -

(G) a school district's Final Percent of Adequacy, as defined in paragraph (4) of subsection (f) of Section

SB0001 Enrolled

- 184 -

LRB100 06371 NHT 16410 b

18-8.15 of this Code;

(H) a school district's Local Capacity Target, as defined in paragraph (2) of subsection (c) of Section 18-8.15 of this Code, displayed as a percentage amount; and

(I) a school district's Real Receipts, as defined in paragraph (1) of subsection (d) of Section 18-8.15 of this Code, divided by a school district's Adequacy Target, as defined in paragraph (1) of subsection (b) of Section 18-8.15 of this Code, displayed as a percentage amount.

The school report card shall also provide information that allows for comparing the current outcome, progress, and environment data to the State average, to the school data from the past 5 years, and to the outcomes, progress, and environment of similar schools based on the type of school and enrollment of low-income students, special education students, and English learners.

(3) At the discretion of the State Superintendent, the school district report card shall include a subset of the information identified in paragraphs (A) through (E) of subsection (2) of this Section, as well as information relating to the operating expense per pupil and other finances of the school district, and the State report card shall include a subset of the information identified in paragraphs (A) through (E) of subsection (2) of this Section.

(4) Notwithstanding anything to the contrary in this Section, in consultation with key education stakeholders, the

SB0001 Enrolled

- 185 -

LRB100 06371 NHT 16410 b

State Superintendent shall at any time have the discretion to amend or update any and all metrics on the school, district, or

3 State report card.

4 (5) Annually, no more than 30 calendar days after receipt  
5 of the school district and school report cards from the State  
6 Superintendent of Education, each school district, including  
7 special charter districts and districts subject to the  
8 provisions of Article 34, shall present such report cards at a  
9 regular school board meeting subject to applicable notice  
10 requirements, post the report cards on the school district's  
11 Internet web site, if the district maintains an Internet web  
12 site, make the report cards available to a newspaper of general  
13 circulation serving the district, and, upon request, send the  
14 report cards home to a parent (unless the district does not  
15 maintain an Internet web site, in which case the report card  
16 shall be sent home to parents without request). If the district  
17 posts the report card on its Internet web site, the district  
18 shall send a written notice home to parents stating (i) that  
19 the report card is available on the web site, (ii) the address  
20 of the web site, (iii) that a printed copy of the report card  
21 will be sent to parents upon request, and (iv) the telephone  
22 number that parents may call to request a printed copy of the  
23 report card.

24 (6) Nothing contained in this amendatory Act of the 98th  
25 General Assembly repeals, supersedes, invalidates, or  
26 nullifies final decisions in lawsuits pending on the effective

SB0001 Enrolled

- 186 -

LRB100 06371 NHT 16410 b

1 date of this amendatory Act of the 98th General Assembly in  
2 Illinois courts involving the interpretation of Public Act  
3 97-8.

4 (Source: P.A. 98-463, eff. 8-16-13; 98-648, eff. 7-1-14; 99-30,  
5 eff. 7-10-15; 99-193, eff. 7-30-15; 99-642, eff. 7-28-16.)

6 (105 ILCS 5/10-19) (from Ch. 122, par. 10-19)

7 Sec. 10-19. Length of school term - experimental programs.  
8 Each school board shall annually prepare a calendar for the  
9 school term, specifying the opening and closing dates and  
10 providing a minimum term of at least 185 days to insure 176  
11 days of actual pupil attendance, computable under Section  
12 18-8.05 or 18-8.15, except that for the 1980-1981 school year  
13 only 175 days of actual pupil attendance shall be required  
14

because of the closing of schools pursuant to Section 24-2 on January 29, 1981 upon the appointment by the President of that day as a day of thanksgiving for the freedom of the Americans who had been held hostage in Iran. Any days allowed by law for teachers' institutes but not used as such or used as parental institutes as provided in Section 10-22.18d shall increase the minimum term by the school days not so used. Except as provided in Section 10-19.1, the board may not extend the school term beyond such closing date unless that extension of term is necessary to provide the minimum number of computable days. In case of such necessary extension school employees shall be paid for such additional time on the basis of their regular

SB0001 Enrolled

- 187 -

LRB100 06371 NHT 16410 b

contracts. A school board may specify a closing date earlier than that set on the annual calendar when the schools of the district have provided the minimum number of computable days under this Section. Nothing in this Section prevents the board from employing superintendents of schools, principals and other nonteaching personnel for a period of 12 months, or in the case of superintendents for a period in accordance with Section 10-23.8, or prevents the board from employing other personnel before or after the regular school term with payment of salary proportionate to that received for comparable work during the school term.

A school board may make such changes in its calendar for the school term as may be required by any changes in the legal school holidays prescribed in Section 24-2. A school board may make changes in its calendar for the school term as may be necessary to reflect the utilization of teachers' institute days as parental institute days as provided in Section 10-22.18d.

The calendar for the school term and any changes must be submitted to and approved by the regional superintendent of schools before the calendar or changes may take effect.

With the prior approval of the State Board of Education and subject to review by the State Board of Education every 3 years, any school board may, by resolution of its board and in agreement with affected exclusive collective bargaining agents, establish experimental educational programs, including

SB0001 Enrolled

- 188 -

LRB100 06371 NHT 16410 b

1 but not limited to programs for e-learning days as authorized  
2 under Section 10-20.56 of this Code, self-directed learning, or  
3 outside of formal class periods, which programs when so  
4 approved shall be considered to comply with the requirements of  
5 this Section as respects numbers of days of actual pupil  
6 attendance and with the other requirements of this Act as  
7 respects courses of instruction.

8 (Source: P.A. 98-756, eff. 7-16-14; 99-194, eff. 7-30-15.)

9 (105 ILCS 5/10-22.5a) (from Ch. 122, par. 10-22.5a)

10 Sec. 10-22.5a. Attendance by dependents of United States  
11 military personnel, foreign exchange students, and certain  
12 nonresident pupils.

13 (a) To enter into written agreements with cultural exchange  
14 organizations, or with nationally recognized eleemosynary  
15 institutions that promote excellence in the arts, mathematics,  
16 or science. The written agreements may provide for tuition free  
17 attendance at the local district school by foreign exchange  
18 students, or by nonresident pupils of eleemosynary  
19 institutions. The local board of education, as part of the  
20 agreement, may require that the cultural exchange program or  
21 the eleemosynary institutions provide services to the district  
22 in exchange for the waiver of nonresident tuition.

23 To enter into written agreements with adjacent school  
24 districts to provide for tuition free attendance by a student  
25 of the adjacent district when requested for the student's

SB0001 Enrolled

- 189 -

LRB100 06371 NHT 16410 b

1 health and safety by the student or parent and both districts  
2 determine that the student's health or safety will be served by  
3 such attendance. Districts shall not be required to enter into  
4 such agreements nor be required to alter existing  
5 transportation services due to the attendance of such  
6 non-resident pupils.

7 (a-5) If, at the time of enrollment, a dependent of United  
8 States military personnel is housed in temporary housing



9 located outside of a school district, but will be living within  
10 the district within 60 days after the time of initial  
11 enrollment, the dependent must be allowed to enroll, subject to  
12 the requirements of this subsection (a-5), and must not be  
13 charged tuition. Any United States military personnel  
14 attempting to enroll a dependent under this subsection (a-5)  
15 shall provide proof that the dependent will be living within  
16 the district within 60 days after the time of initial  
17 enrollment. Proof of residency may include, but is not limited  
18 to, postmarked mail addressed to the military personnel and  
19 sent to an address located within the district, a lease  
20 agreement for occupancy of a residence located within the  
21 district, or proof of ownership of a residence located within  
22 the district.

23 (b) Nonresident pupils and foreign exchange students  
24 attending school on a tuition free basis under such agreements  
25 and nonresident dependents of United States military personnel  
26 attending school on a tuition free basis may be counted for the

SB0001 Enrolled

- 190 -

LRB100 06371 NHT 16410 b

1 purposes of determining the apportionment of State aid provided  
2 under Section 18-8.05 or 18-8.15 of this Code. No organization  
3 or institution participating in agreements authorized under  
4 this Section may exclude any individual for participation in  
5 its program on account of the person's race, color, sex,  
6 religion or nationality.

7 (Source: P.A. 98-739, eff. 7-16-14.)

8 (105 ILCS 5/10-22.20) (from Ch. 122, par. 10-22.20)

9 Sec. 10-22.20. Classes for adults and youths whose  
10 schooling has been interrupted; conditions for State  
11 reimbursement; use of child care facilities.

12 (a) To establish special classes for the instruction (1) of  
13 persons of age 21 years or over and (2) of persons less than  
14 age 21 and not otherwise in attendance in public school, for  
15 the purpose of providing adults in the community and youths  
16 whose schooling has been interrupted with such additional basic  
17 education, vocational skill training, and other instruction as  
18 may be necessary to increase their qualifications for  
19 employment or other means of self-support and their ability to  
20

meet their responsibilities as citizens, including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and high school equivalency testing review classes.

The board shall pay the necessary expenses of such classes out of school funds of the district, including costs of student

SB0001 Enrolled

- 191 -

LRB100 06371 NHT 16410 b

transportation and such facilities or provision for child-care as may be necessary in the judgment of the board to permit maximum utilization of the courses by students with children, and other special needs of the students directly related to such instruction. The expenses thus incurred shall be subject to State reimbursement, as provided in this Section. The board may make a tuition charge for persons taking instruction who are not subject to State reimbursement, such tuition charge not to exceed the per capita cost of such classes.

The cost of such instruction, including the additional expenses herein authorized, incurred for recipients of financial aid under the Illinois Public Aid Code, or for persons for whom education and training aid has been authorized under Section 9-8 of that Code, shall be assumed in its entirety from funds appropriated by the State to the Illinois Community College Board.

(b) The Illinois Community College Board shall establish the standards for the courses of instruction reimbursed under this Section. The Illinois Community College Board shall supervise the administration of the programs. The Illinois Community College Board shall determine the cost of instruction in accordance with standards established by the Illinois Community College Board, including therein other incidental costs as herein authorized, which shall serve as the basis of State reimbursement in accordance with the provisions of this Section. In the approval of programs and the determination of

SB0001 Enrolled

- 192 -

LRB100 06371 NHT 16410 b

the cost of instruction, the Illinois Community College Board shall provide for the maximum utilization of federal funds for

3 such programs. The Illinois Community College Board shall also  
4 provide for:

5 (1) the development of an index of need for program  
6 planning and for area funding allocations, as defined by  
7 the Illinois Community College Board;

8 (2) the method for calculating hours of instruction, as  
9 defined by the Illinois Community College Board, claimable  
10 for reimbursement and a method to phase in the calculation  
11 and for adjusting the calculations in cases where the  
12 services of a program are interrupted due to circumstances  
13 beyond the control of the program provider;

14 (3) a plan for the reallocation of funds to increase  
15 the amount allocated for grants based upon program  
16 performance as set forth in subsection (d) below; and

17 (4) the development of standards for determining  
18 grants based upon performance as set forth in subsection  
19 (d) below and a plan for the phased-in implementation of  
20 those standards.

21 For instruction provided by school districts and community  
22 college districts beginning July 1, 1996 and thereafter,  
23 reimbursement provided by the Illinois Community College Board  
24 for classes authorized by this Section shall be provided from  
25 funds appropriated for the reimbursement criteria set forth in  
26 subsection (c) below.

SB0001 Enrolled

- 193 -

LRB100 06371 NHT 16410 b

1 (c) Upon the annual approval of the Illinois Community  
2 College Board, reimbursement shall be first provided for  
3 transportation, child care services, and other special needs of  
4 the students directly related to instruction and then from the  
5 funds remaining an amount equal to the product of the total  
6 credit hours or units of instruction approved by the Illinois  
7 Community College Board, multiplied by the following:

8 (1) For adult basic education, the maximum  
9 reimbursement per credit hour or per unit of instruction  
10 shall be equal to (i) through fiscal year 2017, the general  
11 state aid per pupil foundation level established in  
12 subsection (B) of Section 18-8.05, divided by 60, or (ii)  
13 in fiscal year 2018 and thereafter, the prior fiscal year

14 reimbursement level multiplied by the Consumer Price Index  
15 for All Urban Consumers for all items published by the  
16 United States Department of Labor;

17 (2) The maximum reimbursement per credit hour or per  
18 unit of instruction in subparagraph (1) above shall be  
19 weighted for students enrolled in classes defined as  
20 vocational skills and approved by the Illinois Community  
21 College Board by 1.25;

22 (3) The maximum reimbursement per credit hour or per  
23 unit of instruction in subparagraph (1) above shall be  
24 multiplied by .90 for students enrolled in classes defined  
25 as adult secondary education programs and approved by the  
26 Illinois Community College Board;

SB0001 Enrolled

- 194 -

LRB100 06371 NHT 16410 b

1 (4) (Blank); and

2 (5) Funding for program years after 1999-2000 shall be  
3 determined by the Illinois Community College Board.

4 (d) Upon its annual approval, the Illinois Community  
5 College Board shall provide grants to eligible programs for  
6 supplemental activities to improve or expand services under the  
7 Adult Education Act. Eligible programs shall be determined  
8 based upon performance outcomes of students in the programs as  
9 set by the Illinois Community College Board.

10 (e) Reimbursement under this Section shall not exceed the  
11 actual costs of the approved program.

12 If the amount appropriated to the Illinois Community  
13 College Board for reimbursement under this Section is less than  
14 the amount required under this Act, the apportionment shall be  
15 proportionately reduced.

16 School districts and community college districts may  
17 assess students up to \$3.00 per credit hour, for classes other  
18 than Adult Basic Education level programs, if needed to meet  
19 program costs.

20 (f) An education plan shall be established for each adult  
21 or youth whose schooling has been interrupted and who is  
22 participating in the instructional programs provided under  
23 this Section.

24 Each school board and community college shall keep an  
25 accurate and detailed account of the students assigned to and

26 receiving instruction under this Section who are subject to

SB0001 Enrolled

- 195 -

LRB100 06371 NHT 16410 b

1 State reimbursement and shall submit reports of services  
2 provided commencing with fiscal year 1997 as required by the  
3 Illinois Community College Board.

4 For classes authorized under this Section, a credit hour or  
5 unit of instruction is equal to 15 hours of direct instruction  
6 for students enrolled in approved adult education programs at  
7 midterm and making satisfactory progress, in accordance with  
8 standards established by the Illinois Community College Board.

9 (g) Upon proof submitted to the Illinois Department of  
10 Human Services of the payment of all claims submitted under  
11 this Section, that Department shall apply for federal funds  
12 made available therefor and any federal funds so received shall  
13 be paid into the General Revenue Fund in the State Treasury.

14 School districts or community colleges providing classes  
15 under this Section shall submit applications to the Illinois  
16 Community College Board for preapproval in accordance with the  
17 standards established by the Illinois Community College Board.  
18 Payments shall be made by the Illinois Community College Board  
19 based upon approved programs. Interim expenditure reports may  
20 be required by the Illinois Community College Board. Final  
21 claims for the school year shall be submitted to the regional  
22 superintendents for transmittal to the Illinois Community  
23 College Board. Final adjusted payments shall be made by  
24 September 30.

25 If a school district or community college district fails to  
26 provide, or is providing unsatisfactory or insufficient

SB0001 Enrolled

- 196 -

LRB100 06371 NHT 16410 b

1 classes under this Section, the Illinois Community College  
2 Board may enter into agreements with public or private  
3 educational or other agencies other than the public schools for  
4 the establishment of such classes.

5 (h) If a school district or community college district  
6 establishes child-care facilities for the children of  
7

participants in classes established under this Section, it may extend the use of these facilities to students who have obtained employment and to other persons in the community whose children require care and supervision while the parent or other person in charge of the children is employed or otherwise absent from the home during all or part of the day. It may make the facilities available before and after as well as during regular school hours to school age and preschool age children who may benefit thereby, including children who require care and supervision pending the return of their parent or other person in charge of their care from employment or other activity requiring absence from the home.

The Illinois Community College Board shall pay to the board the cost of care in the facilities for any child who is a recipient of financial aid under the Illinois Public Aid Code.

The board may charge for care of children for whom it cannot make claim under the provisions of this Section. The charge shall not exceed per capita cost, and to the extent feasible, shall be fixed at a level which will permit utilization by employed parents of low or moderate income. It

SB0001 Enrolled

- 197 -

LRB100 06371 NHT 16410 b

may also permit any other State or local governmental agency or private agency providing care for children to purchase care.

After July 1, 1970 when the provisions of Section 10-20.20 become operative in the district, children in a child-care facility shall be transferred to the kindergarten established under that Section for such portion of the day as may be required for the kindergarten program, and only the prorated costs of care and training provided in the Center for the remaining period shall be charged to the Illinois Department of Human Services or other persons or agencies paying for such care.

(i) The provisions of this Section shall also apply to school districts having a population exceeding 500,000.

(j) In addition to claiming reimbursement under this Section, a school district may claim general State aid under Section 18-8.05 or evidence-based funding under Section 18-8.15 for any student under age 21 who is enrolled in courses accepted for graduation from elementary or high school and who

19 otherwise meets the requirements of Section 18-8.05 or 18-8.15,  
20 as applicable.

21 (Source: P.A. 98-718, eff. 1-1-15.)

22 (105 ILCS 5/10-29)

23 Sec. 10-29. Remote educational programs.

24 (a) For purposes of this Section, "remote educational  
25 program" means an educational program delivered to students in

SB0001 Enrolled

- 198 -

LRB100 06371 NHT 16410 b

1 the home or other location outside of a school building that  
2 meets all of the following criteria:

3 (1) A student may participate in the program only after  
4 the school district, pursuant to adopted school board  
5 policy, and a person authorized to enroll the student under  
6 Section 10-20.12b of this Code determine that a remote  
7 educational program will best serve the student's  
8 individual learning needs. The adopted school board policy  
9 shall include, but not be limited to, all of the following:

10 (A) Criteria for determining that a remote  
11 educational program will best serve a student's  
12 individual learning needs. The criteria must include  
13 consideration of, at a minimum, a student's prior  
14 attendance, disciplinary record, and academic history.

15 (B) Any limitations on the number of students or  
16 grade levels that may participate in a remote  
17 educational program.

18 (C) A description of the process that the school  
19 district will use to approve participation in the  
20 remote educational program. The process must include  
21 without limitation a requirement that, for any student  
22 who qualifies to receive services pursuant to the  
23 federal Individuals with Disabilities Education  
24 Improvement Act of 2004, the student's participation  
25 in a remote educational program receive prior approval  
26 from the student's individualized education program

SB0001 Enrolled

- 199 -

LRB100 06371 NHT 16410 b

1 team.

2 (D) A description of the process the school  
3 district will use to develop and approve a written  
4 remote educational plan that meets the requirements of  
5 subdivision (5) of this subsection (a).

6 (E) A description of the system the school district  
7 will establish to calculate the number of clock hours a  
8 student is participating in instruction in accordance  
9 with the remote educational program.

10 (F) A description of the process for renewing a  
11 remote educational program at the expiration of its  
12 term.

13 (G) Such other terms and provisions as the school  
14 district deems necessary to provide for the  
15 establishment and delivery of a remote educational  
16 program.

17 (2) The school district has determined that the remote  
18 educational program's curriculum is aligned to State  
19 learning standards and that the program offers instruction  
20 and educational experiences consistent with those given to  
21 students at the same grade level in the district.

22 (3) The remote educational program is delivered by  
23 instructors that meet the following qualifications:

24 (A) they are certificated under Article 21 of this  
25 Code;

26 (B) they meet applicable highly qualified criteria

SB0001 Enrolled

- 200 -

LRB100 06371 NHT 16410 b

1 under the federal No Child Left Behind Act of 2001; and

2 (C) they have responsibility for all of the  
3 following elements of the program: planning  
4 instruction, diagnosing learning needs, prescribing  
5 content delivery through class activities, assessing  
6 learning, reporting outcomes to administrators and  
7 parents and guardians, and evaluating the effects of  
8 instruction.

9 (4) During the period of time from and including the  
10 opening date to the closing date of the regular school term



11 of the school district established pursuant to Section  
12 10-19 of this Code, participation in a remote educational  
13 program may be claimed for general State aid purposes under  
14 Section 18-8.05 of this Code or evidence-based funding  
15 purposes under Section 18-8.15 of this Code on any calendar  
16 day, notwithstanding whether the day is a day of pupil  
17 attendance or institute day on the school district's  
18 calendar or any other provision of law restricting  
19 instruction on that day. If the district holds year-round  
20 classes in some buildings, the district shall classify each  
21 student's participation in a remote educational program as  
22 either on a year-round or a non-year-round schedule for  
23 purposes of claiming general State aid or evidence-based  
24 funding. Outside of the regular school term of the  
25 district, the remote educational program may be offered as  
26 part of any summer school program authorized by this Code.

SB0001 Enrolled

- 201 -

LRB100 06371 NHT 16410 b

1 (5) Each student participating in a remote educational  
2 program must have a written remote educational plan that  
3 has been approved by the school district and a person  
4 authorized to enroll the student under Section 10-20.12b of  
5 this Code. The school district and a person authorized to  
6 enroll the student under Section 10-20.12b of this Code  
7 must approve any amendment to a remote educational plan.  
8 The remote educational plan must include, but is not  
9 limited to, all of the following:

10 (A) Specific achievement goals for the student  
11 aligned to State learning standards.

12 (B) A description of all assessments that will be  
13 used to measure student progress, which description  
14 shall indicate the assessments that will be  
15 administered at an attendance center within the school  
16 district.

17 (C) A description of the progress reports that will  
18 be provided to the school district and the person or  
19 persons authorized to enroll the student under Section  
20 10-20.12b of this Code.

21 (D) Expectations, processes, and schedules for

22 interaction between a teacher and student.

23 (E) A description of the specific responsibilities  
24 of the student's family and the school district with  
25 respect to equipment, materials, phone and Internet  
26 service, and any other requirements applicable to the

SB0001 Enrolled

- 202 -

LRB100 06371 NHT 16410 b

1 home or other location outside of a school building  
2 necessary for the delivery of the remote educational  
3 program.

4 (F) If applicable, a description of how the remote  
5 educational program will be delivered in a manner  
6 consistent with the student's individualized education  
7 program required by Section 614(d) of the federal  
8 Individuals with Disabilities Education Improvement  
9 Act of 2004 or plan to ensure compliance with Section  
10 504 of the federal Rehabilitation Act of 1973.

11 (G) A description of the procedures and  
12 opportunities for participation in academic and  
13 extra-curricular activities and programs within the  
14 school district.

15 (H) The identification of a parent, guardian, or  
16 other responsible adult who will provide direct  
17 supervision of the program. The plan must include an  
18 acknowledgment by the parent, guardian, or other  
19 responsible adult that he or she may engage only in  
20 non-teaching duties not requiring instructional  
21 judgment or the evaluation of a student. The plan shall  
22 designate the parent, guardian, or other responsible  
23 adult as non-teaching personnel or volunteer personnel  
24 under subsection (a) of Section 10-22.34 of this Code.

25 (I) The identification of a school district  
26 administrator who will oversee the remote educational

SB0001 Enrolled

- 203 -

LRB100 06371 NHT 16410 b

1 program on behalf of the school district and who may be

2

contacted by the student's parents with respect to any issues or concerns with the program.

(J) The term of the student's participation in the remote educational program, which may not extend for longer than 12 months, unless the term is renewed by the district in accordance with subdivision (7) of this subsection (a).

(K) A description of the specific location or locations in which the program will be delivered. If the remote educational program is to be delivered to a student in any location other than the student's home, the plan must include a written determination by the school district that the location will provide a learning environment appropriate for the delivery of the program. The location or locations in which the program will be delivered shall be deemed a long distance teaching reception area under subsection (a) of Section 10-22.34 of this Code.

(L) Certification by the school district that the plan meets all other requirements of this Section.

(6) Students participating in a remote educational program must be enrolled in a school district attendance center pursuant to the school district's enrollment policy or policies. A student participating in a remote educational program must be tested as part of all

SB0001 Enrolled

- 204 -

LRB100 06371 NHT 16410 b

assessments administered by the school district pursuant to Section 2-3.64a-5 of this Code at the attendance center in which the student is enrolled and in accordance with the attendance center's assessment policies and schedule. The student must be included within all accountability determinations for the school district and attendance center under State and federal law.

(7) The term of a student's participation in a remote educational program may not extend for longer than 12 months, unless the term is renewed by the school district. The district may only renew a student's participation in a remote educational program following an evaluation of the

13 student's progress in the program, a determination that the  
14 student's continuation in the program will best serve the  
15 student's individual learning needs, and an amendment to  
16 the student's written remote educational plan addressing  
17 any changes for the upcoming term of the program.

18 For purposes of this Section, a remote educational program  
19 does not include instruction delivered to students through an  
20 e-learning program approved under Section 10-20.56 of this  
21 Code.

22 (b) A school district may, by resolution of its school  
23 board, establish a remote educational program.

24 (c) Clock hours of instruction by students in a remote  
25 educational program meeting the requirements of this Section  
26 may be claimed by the school district and shall be counted as

SB0001 Enrolled

- 205 -

LRB100 06371 NHT 16410 b

1 school work for general State aid purposes in accordance with  
2 and subject to the limitations of Section 18-8.05 of this Code  
3 or evidence-based funding purposes in accordance with and  
4 subject to the limitations of Section 18-8.15 of this Code.

5 (d) The impact of remote educational programs on wages,  
6 hours, and terms and conditions of employment of educational  
7 employees within the school district shall be subject to local  
8 collective bargaining agreements.

9 (e) The use of a home or other location outside of a school  
10 building for a remote educational program shall not cause the  
11 home or other location to be deemed a public school facility.

12 (f) A remote educational program may be used, but is not  
13 required, for instruction delivered to a student in the home or  
14 other location outside of a school building that is not claimed  
15 for general State aid purposes under Section 18-8.05 of this  
16 Code or evidence-based funding purposes under Section 18-8.15  
17 of this Code.

18 (g) School districts that, pursuant to this Section, adopt  
19 a policy for a remote educational program must submit to the  
20 State Board of Education a copy of the policy and any  
21 amendments thereto, as well as data on student participation in  
22 a format specified by the State Board of Education. The State  
23 Board of Education may perform or contract with an outside  
24 entity to perform an evaluation of remote educational programs

25 in this State.

26 (h) The State Board of Education may adopt any rules

SB0001 Enrolled

- 206 -

LRB100 06371 NHT 16410 b

1 necessary to ensure compliance by remote educational programs  
2 with the requirements of this Section and other applicable  
3 legal requirements.

4 (Source: P.A. 98-972, eff. 8-15-14; 99-193, eff. 7-30-15;  
5 99-194, eff. 7-30-15; 99-642, eff. 7-28-16.)

6 (105 ILCS 5/11E-135)

7 Sec. 11E-135. Incentives. For districts reorganizing under  
8 this Article and for a district or districts that annex all of  
9 the territory of one or more entire other school districts in  
10 accordance with Article 7 of this Code, the following payments  
11 shall be made from appropriations made for these purposes:

12 (a)(1) For a combined school district, as defined in  
13 Section 11E-20 of this Code, or for a unit district, as defined  
14 in Section 11E-25 of this Code, for its first year of  
15 existence, the general State aid and supplemental general State  
16 aid calculated under Section 18-8.05 of this Code or the  
17 evidence-based funding calculated under Section 18-8.15 of  
18 this Code, as applicable, shall be computed for the new  
19 district and for the previously existing districts for which  
20 property is totally included within the new district. If the  
21 computation on the basis of the previously existing districts  
22 is greater, a supplementary payment equal to the difference  
23 shall be made for the first 4 years of existence of the new  
24 district.

25 (2) For a school district that annexes all of the territory

SB0001 Enrolled

- 207 -

LRB100 06371 NHT 16410 b

1 of one or more entire other school districts as defined in  
2 Article 7 of this Code, for the first year during which the  
3 change of boundaries attributable to the annexation becomes  
4 effective for all purposes, as determined under Section 7-9 of  
5 this Code, the general State aid and supplemental general State  
6 aid calculated under Section 18-8.05 of this Code or the

7 evidence-based funding calculated under Section 18-8.15 of  
8 this Code, as applicable, shall be computed for the annexing  
9 district as constituted after the annexation and for the  
10 annexing and each annexed district as constituted prior to the  
11 annexation; and if the computation on the basis of the annexing  
12 and annexed districts as constituted prior to the annexation is  
13 greater, then a supplementary payment equal to the difference  
14 shall be made for the first 4 years of existence of the  
15 annexing school district as constituted upon the annexation.

16 (3) For 2 or more school districts that annex all of the  
17 territory of one or more entire other school districts, as  
18 defined in Article 7 of this Code, for the first year during  
19 which the change of boundaries attributable to the annexation  
20 becomes effective for all purposes, as determined under Section  
21 7-9 of this Code, the general State aid and supplemental  
22 general State aid calculated under Section 18-8.05 of this Code  
23 or the evidence-based funding calculated under Section 18-8.15  
24 of this Code, as applicable, shall be computed for each  
25 annexing district as constituted after the annexation and for  
26 each annexing and annexed district as constituted prior to the

SB0001 Enrolled

- 208 -

LRB100 06371 NHT 16410 b

1 annexation; and if the aggregate of the general State aid and  
2 supplemental general State aid or evidence-based funding, as  
3 applicable, as so computed for the annexing districts as  
4 constituted after the annexation is less than the aggregate of  
5 the general State aid and supplemental general State aid or  
6 evidence-based funding, as applicable, as so computed for the  
7 annexing and annexed districts, as constituted prior to the  
8 annexation, then a supplementary payment equal to the  
9 difference shall be made and allocated between or among the  
10 annexing districts, as constituted upon the annexation, for the  
11 first 4 years of their existence. The total difference payment  
12 shall be allocated between or among the annexing districts in  
13 the same ratio as the pupil enrollment from that portion of the  
14 annexed district or districts that is annexed to each annexing  
15 district bears to the total pupil enrollment from the entire  
16 annexed district or districts, as such pupil enrollment is  
17 determined for the school year last ending prior to the date  
18 when the change of boundaries attributable to the annexation

19 becomes effective for all purposes. The amount of the total  
20 difference payment and the amount thereof to be allocated to  
21 the annexing districts shall be computed by the State Board of  
22 Education on the basis of pupil enrollment and other data that  
23 shall be certified to the State Board of Education, on forms  
24 that it shall provide for that purpose, by the regional  
25 superintendent of schools for each educational service region  
26 in which the annexing and annexed districts are located.

SB0001 Enrolled

- 209 -

LRB100 06371 NHT 16410 b

1 (4) For a school district conversion, as defined in Section  
2 11E-15 of this Code, or a multi-unit conversion, as defined in  
3 subsection (b) of Section 11E-30 of this Code, if in their  
4 first year of existence the newly created elementary districts  
5 and the newly created high school district, from a school  
6 district conversion, or the newly created elementary district  
7 or districts and newly created combined high school - unit  
8 district, from a multi-unit conversion, qualify for less  
9 general State aid under Section 18-8.05 of this Code or  
10 evidence-based funding under Section 18-8.15 of this Code than  
11 would have been payable under Section 18-8.05 or 18-8.15, as  
12 applicable, for that same year to the previously existing  
13 districts, then a supplementary payment equal to that  
14 difference shall be made for the first 4 years of existence of  
15 the newly created districts. The aggregate amount of each  
16 supplementary payment shall be allocated among the newly  
17 created districts in the proportion that the deemed pupil  
18 enrollment in each district during its first year of existence  
19 bears to the actual aggregate pupil enrollment in all of the  
20 districts during their first year of existence. For purposes of  
21 each allocation:

22 (A) the deemed pupil enrollment of the newly created  
23 high school district from a school district conversion  
24 shall be an amount equal to its actual pupil enrollment for  
25 its first year of existence multiplied by 1.25;

26 (B) the deemed pupil enrollment of each newly created

SB0001 Enrolled

- 210 -

LRB100 06371 NHT 16410 b

1 elementary district from a school district conversion  
2 shall be an amount equal to its actual pupil enrollment for  
3 its first year of existence reduced by an amount equal to  
4 the product obtained when the amount by which the newly  
5 created high school district's deemed pupil enrollment  
6 exceeds its actual pupil enrollment for its first year of  
7 existence is multiplied by a fraction, the numerator of  
8 which is the actual pupil enrollment of the newly created  
9 elementary district for its first year of existence and the  
10 denominator of which is the actual aggregate pupil  
11 enrollment of all of the newly created elementary districts  
12 for their first year of existence;

13 (C) the deemed high school pupil enrollment of the  
14 newly created combined high school - unit district from a  
15 multi-unit conversion shall be an amount equal to its  
16 actual grades 9 through 12 pupil enrollment for its first  
17 year of existence multiplied by 1.25; and

18 (D) the deemed elementary pupil enrollment of each  
19 newly created district from a multi-unit conversion shall  
20 be an amount equal to each district's actual grade K  
21 through 8 pupil enrollment for its first year of existence,  
22 reduced by an amount equal to the product obtained when the  
23 amount by which the newly created combined high school -  
24 unit district's deemed high school pupil enrollment  
25 exceeds its actual grade 9 through 12 pupil enrollment for  
26 its first year of existence is multiplied by a fraction,

SB0001 Enrolled

- 211 -

LRB100 06371 NHT 16410 b

1 the numerator of which is the actual grade K through 8  
2 pupil enrollment of each newly created district for its  
3 first year of existence and the denominator of which is the  
4 actual aggregate grade K through 8 pupil enrollment of all  
5 such newly created districts for their first year of  
6 existence.

7 The aggregate amount of each supplementary payment under  
8 this subdivision (4) and the amount thereof to be allocated to  
9 the newly created districts shall be computed by the State  
10 Board of Education on the basis of pupil enrollment and other  
11 data, which shall be certified to the State Board of Education,



12 on forms that it shall provide for that purpose, by the  
13 regional superintendent of schools for each educational  
14 service region in which the newly created districts are  
15 located.

16 (5) For a partial elementary unit district, as defined in  
17 subsection (a) or (c) of Section 11E-30 of this Code, if, in  
18 the first year of existence, the newly created partial  
19 elementary unit district qualifies for less general State aid  
20 and supplemental general State aid under Section 18-8.05 of  
21 this Code or less evidence-based funding under Section 18-8.15  
22 of this Code, as applicable, than would have been payable under  
23 those Sections ~~that Section~~ for that same year to the  
24 previously existing districts that formed the partial  
25 elementary unit district, then a supplementary payment equal to  
26 that difference shall be made to the partial elementary unit

SB0001 Enrolled

- 212 -

LRB100 06371 NHT 16410 b

1 district for the first 4 years of existence of that newly  
2 created district.

3 (6) For an elementary opt-in, as described in subsection  
4 (d) of Section 11E-30 of this Code, the general State aid or  
5 evidence-based funding difference shall be computed in  
6 accordance with paragraph (5) of this subsection (a) as if the  
7 elementary opt-in was included in an optional elementary unit  
8 district at the optional elementary unit district's original  
9 effective date. If the calculation in this paragraph (6) is  
10 less than that calculated in paragraph (5) of this subsection  
11 (a) at the optional elementary unit district's original  
12 effective date, then no adjustments may be made. If the  
13 calculation in this paragraph (6) is more than that calculated  
14 in paragraph (5) of this subsection (a) at the optional  
15 elementary unit district's original effective date, then the  
16 excess must be paid as follows:

17 (A) If the effective date for the elementary opt-in is  
18 one year after the effective date for the optional  
19 elementary unit district, 100% of the calculated excess  
20 shall be paid to the optional elementary unit district in  
21 each of the first 4 years after the effective date of the  
22 elementary opt-in.

23 (B) If the effective date for the elementary opt-in is

24 2 years after the effective date for the optional  
25 elementary unit district, 75% of the calculated excess  
26 shall be paid to the optional elementary unit district in

SB0001 Enrolled

- 213 -

LRB100 06371 NHT 16410 b

1 each of the first 4 years after the effective date of the  
2 elementary opt-in.

3 (C) If the effective date for the elementary opt-in is  
4 3 years after the effective date for the optional  
5 elementary unit district, 50% of the calculated excess  
6 shall be paid to the optional elementary unit district in  
7 each of the first 4 years after the effective date of the  
8 elementary opt-in.

9 (D) If the effective date for the elementary opt-in is  
10 4 years after the effective date for the optional  
11 elementary unit district, 25% of the calculated excess  
12 shall be paid to the optional elementary unit district in  
13 each of the first 4 years after the effective date of the  
14 elementary opt-in.

15 (E) If the effective date for the elementary opt-in is  
16 5 years after the effective date for the optional  
17 elementary unit district, the optional elementary unit  
18 district is not eligible for any additional incentives due  
19 to the elementary opt-in.

20 (6.5) For a school district that annexes territory detached  
21 from another school district whereby the enrollment of the  
22 annexing district increases by 90% or more as a result of the  
23 annexation, for the first year during which the change of  
24 boundaries attributable to the annexation becomes effective  
25 for all purposes as determined under Section 7-9 of this Code,  
26 the general State aid and supplemental general State aid or

SB0001 Enrolled

- 214 -

LRB100 06371 NHT 16410 b

1 evidence-based funding, as applicable, calculated under this  
2 Section shall be computed for the district gaining territory  
3 and the district losing territory as constituted after the  
4 annexation and for the same districts as constituted prior to

5 the annexation; and if the aggregate of the general State aid  
6 and supplemental general State aid or evidence-based funding,  
7 as applicable, as so computed for the district gaining  
8 territory and the district losing territory as constituted  
9 after the annexation is less than the aggregate of the general  
10 State aid and supplemental general State aid or evidence-based  
11 funding, as applicable, as so computed for the district gaining  
12 territory and the district losing territory as constituted  
13 prior to the annexation, then a supplementary payment shall be  
14 made to the annexing district for the first 4 years of  
15 existence after the annexation, equal to the difference  
16 multiplied by the ratio of student enrollment in the territory  
17 detached to the total student enrollment in the district losing  
18 territory for the year prior to the effective date of the  
19 annexation. The amount of the total difference and the  
20 proportion paid to the annexing district shall be computed by  
21 the State Board of Education on the basis of pupil enrollment  
22 and other data that must be submitted to the State Board of  
23 Education in accordance with Section 7-14A of this Code. The  
24 changes to this Section made by Public Act 95-707 are intended  
25 to be retroactive and applicable to any annexation taking  
26 effect on or after July 1, 2004. For annexations that are

SB0001 Enrolled

- 215 -

LRB100 06371 NHT 16410 b

1 eligible for payments under this paragraph (6.5) and that are  
2 effective on or after July 1, 2004, but before January 11, 2008  
3 (the effective date of Public Act 95-707), the first required  
4 yearly payment under this paragraph (6.5) shall be paid in the  
5 fiscal year of January 11, 2008 (the effective date of Public  
6 Act 95-707). Subsequent required yearly payments shall be paid  
7 in subsequent fiscal years until the payment obligation under  
8 this paragraph (6.5) is complete.

9 (7) Claims for financial assistance under this subsection  
10 (a) may not be recomputed except as expressly provided under  
11 Section 18-8.05 or 18-8.15 of this Code.

12 (8) Any supplementary payment made under this subsection  
13 (a) must be treated as separate from all other payments made  
14 pursuant to Section 18-8.05 or 18-8.15 of this Code.

15 (b)(1) After the formation of a combined school district,  
16 as defined in Section 11E-20 of this Code, or a unit district,

17 as defined in Section 11E-25 of this Code, a computation shall  
18 be made to determine the difference between the salaries  
19 effective in each of the previously existing districts on June  
20 30, prior to the creation of the new district. For the first 4  
21 years after the formation of the new district, a supplementary  
22 State aid reimbursement shall be paid to the new district equal  
23 to the difference between the sum of the salaries earned by  
24 each of the certificated members of the new district, while  
25 employed in one of the previously existing districts during the  
26 year immediately preceding the formation of the new district,

SB0001 Enrolled

- 216 -

LRB100 06371 NHT 16410 b

1 and the sum of the salaries those certificated members would  
2 have been paid during the year immediately prior to the  
3 formation of the new district if placed on the salary schedule  
4 of the previously existing district with the highest salary  
5 schedule.

6 (2) After the territory of one or more school districts is  
7 annexed by one or more other school districts as defined in  
8 Article 7 of this Code, a computation shall be made to  
9 determine the difference between the salaries effective in each  
10 annexed district and in the annexing district or districts as  
11 they were each constituted on June 30 preceding the date when  
12 the change of boundaries attributable to the annexation became  
13 effective for all purposes, as determined under Section 7-9 of  
14 this Code. For the first 4 years after the annexation, a  
15 supplementary State aid reimbursement shall be paid to each  
16 annexing district as constituted after the annexation equal to  
17 the difference between the sum of the salaries earned by each  
18 of the certificated members of the annexing district as  
19 constituted after the annexation, while employed in an annexed  
20 or annexing district during the year immediately preceding the  
21 annexation, and the sum of the salaries those certificated  
22 members would have been paid during the immediately preceding  
23 year if placed on the salary schedule of whichever of the  
24 annexing or annexed districts had the highest salary schedule  
25 during the immediately preceding year.

26 (3) For each new high school district formed under a school

1 district conversion, as defined in Section 11E-15 of this Code,  
2 the State shall make a supplementary payment for 4 years equal  
3 to the difference between the sum of the salaries earned by  
4 each certified member of the new high school district, while  
5 employed in one of the previously existing districts, and the  
6 sum of the salaries those certified members would have been  
7 paid if placed on the salary schedule of the previously  
8 existing district with the highest salary schedule.

9 (4) For each newly created partial elementary unit  
10 district, the State shall make a supplementary payment for 4  
11 years equal to the difference between the sum of the salaries  
12 earned by each certified member of the newly created partial  
13 elementary unit district, while employed in one of the  
14 previously existing districts that formed the partial  
15 elementary unit district, and the sum of the salaries those  
16 certified members would have been paid if placed on the salary  
17 schedule of the previously existing district with the highest  
18 salary schedule. The salary schedules used in the calculation  
19 shall be those in effect in the previously existing districts  
20 for the school year prior to the creation of the new partial  
21 elementary unit district.

22 (5) For an elementary district opt-in, as described in  
23 subsection (d) of Section 11E-30 of this Code, the salary  
24 difference incentive shall be computed in accordance with  
25 paragraph (4) of this subsection (b) as if the opted-in  
26 elementary district was included in the optional elementary

1 unit district at the optional elementary unit district's  
2 original effective date. If the calculation in this paragraph  
3 (5) is less than that calculated in paragraph (4) of this  
4 subsection (b) at the optional elementary unit district's  
5 original effective date, then no adjustments may be made. If  
6 the calculation in this paragraph (5) is more than that  
7 calculated in paragraph (4) of this subsection (b) at the  
8 optional elementary unit district's original effective date,  
9 then the excess must be paid as follows:

10 (A) If the effective date for the elementary opt-in is

one year after the effective date for the optional elementary unit district, 100% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(B) If the effective date for the elementary opt-in is 2 years after the effective date for the optional elementary unit district, 75% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(C) If the effective date for the elementary opt-in is 3 years after the effective date for the optional elementary unit district, 50% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the

SB0001 Enrolled

- 219 -

LRB100 06371 NHT 16410 b

elementary opt-in.

(D) If the effective date for the elementary opt-in is 4 years after the effective date for the partial elementary unit district, 25% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(E) If the effective date for the elementary opt-in is 5 years after the effective date for the optional elementary unit district, the optional elementary unit district is not eligible for any additional incentives due to the elementary opt-in.

(5.5) After the formation of a cooperative high school by 2 or more school districts under Section 10-22.22c of this Code, a computation shall be made to determine the difference between the salaries effective in each of the previously existing high schools on June 30 prior to the formation of the cooperative high school. For the first 4 years after the formation of the cooperative high school, a supplementary State aid reimbursement shall be paid to the cooperative high school equal to the difference between the sum of the salaries earned

22 by each of the certificated members of the cooperative high  
23 school while employed in one of the previously existing high  
24 schools during the year immediately preceding the formation of  
25 the cooperative high school and the sum of the salaries those  
26 certificated members would have been paid during the year

SB0001 Enrolled

- 220 -

LRB100 06371 NHT 16410 b

1 immediately prior to the formation of the cooperative high  
2 school if placed on the salary schedule of the previously  
3 existing high school with the highest salary schedule.

4 (5.10) After the annexation of territory detached from  
5 another school district whereby the enrollment of the annexing  
6 district increases by 90% or more as a result of the  
7 annexation, a computation shall be made to determine the  
8 difference between the salaries effective in the district  
9 gaining territory and the district losing territory as they  
10 each were constituted on June 30 preceding the date when the  
11 change of boundaries attributable to the annexation became  
12 effective for all purposes as determined under Section 7-9 of  
13 this Code. For the first 4 years after the annexation, a  
14 supplementary State aid reimbursement shall be paid to the  
15 annexing district equal to the difference between the sum of  
16 the salaries earned by each of the certificated members of the  
17 annexing district as constituted after the annexation while  
18 employed in the district gaining territory or the district  
19 losing territory during the year immediately preceding the  
20 annexation and the sum of the salaries those certificated  
21 members would have been paid during such immediately preceding  
22 year if placed on the salary schedule of whichever of the  
23 district gaining territory or district losing territory had the  
24 highest salary schedule during the immediately preceding year.  
25 To be eligible for supplementary State aid reimbursement under  
26 this Section, the intergovernmental agreement to be submitted

SB0001 Enrolled

- 221 -

LRB100 06371 NHT 16410 b

1 pursuant to Section 7-14A of this Code must show that staff  
2 members were transferred from the control of the district  
3 losing territory to the control of the district gaining

territory in the annexation. The changes to this Section made by Public Act 95-707 are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004. For annexations that are eligible for payments under this paragraph (5.10) and that are effective on or after July 1, 2004, but before January 11, 2008 (the effective date of Public Act 95-707), the first required yearly payment under this paragraph (5.10) shall be paid in the fiscal year of January 11, 2008 (the effective date of Public Act 95-707). Subsequent required yearly payments shall be paid in subsequent fiscal years until the payment obligation under this paragraph (5.10) is complete.

(5.15) After the deactivation of a school facility in accordance with Section 10-22.22b of this Code, a computation shall be made to determine the difference between the salaries effective in the sending school district and each receiving school district on June 30 prior to the deactivation of the school facility. For the lesser of the first 4 years after the deactivation of the school facility or the length of the deactivation agreement, including any renewals of the original deactivation agreement, a supplementary State aid reimbursement shall be paid to each receiving district equal to the difference between the sum of the salaries earned by each

SB0001 Enrolled

- 222 -

LRB100 06371 NHT 16410 b

of the certificated members transferred to that receiving district as a result of the deactivation while employed in the sending district during the year immediately preceding the deactivation and the sum of the salaries those certificated members would have been paid during the year immediately preceding the deactivation if placed on the salary schedule of the sending or receiving district with the highest salary schedule.

(6) The supplementary State aid reimbursement under this subsection (b) shall be treated as separate from all other payments made pursuant to Section 18-8.05 of this Code. In the case of the formation of a new district or cooperative high school or a deactivation, reimbursement shall begin during the first year of operation of the new district or cooperative high school or the first year of the deactivation, and in the case



16 of an annexation of the territory of one or more school  
17 districts by one or more other school districts or the  
18 annexation of territory detached from a school district whereby  
19 the enrollment of the annexing district increases by 90% or  
20 more as a result of the annexation, reimbursement shall begin  
21 during the first year when the change in boundaries  
22 attributable to the annexation becomes effective for all  
23 purposes as determined pursuant to Section 7-9 of this Code,  
24 except that for an annexation of territory detached from a  
25 school district that is effective on or after July 1, 2004, but  
26 before January 11, 2008 (the effective date of Public Act

SB0001 Enrolled

- 223 -

LRB100 06371 NHT 16410 b

1 95-707), whereby the enrollment of the annexing district  
2 increases by 90% or more as a result of the annexation,  
3 reimbursement shall begin during the fiscal year of January 11,  
4 2008 (the effective date of Public Act 95-707). Each year that  
5 the new, annexing, or receiving district or cooperative high  
6 school, as the case may be, is entitled to receive  
7 reimbursement, the number of eligible certified members who are  
8 employed on October 1 in the district or cooperative high  
9 school shall be certified to the State Board of Education on  
10 prescribed forms by October 15 and payment shall be made on or  
11 before November 15 of that year.

12 (c)(1) For the first year after the formation of a combined  
13 school district, as defined in Section 11E-20 of this Code or a  
14 unit district, as defined in Section 11E-25 of this Code, a  
15 computation shall be made totaling each previously existing  
16 district's audited fund balances in the educational fund,  
17 working cash fund, operations and maintenance fund, and  
18 transportation fund for the year ending June 30 prior to the  
19 referendum for the creation of the new district. The new  
20 district shall be paid supplementary State aid equal to the sum  
21 of the differences between the deficit of the previously  
22 existing district with the smallest deficit and the deficits of  
23 each of the other previously existing districts.

24 (2) For the first year after the annexation of all of the  
25 territory of one or more entire school districts by another  
26 school district, as defined in Article 7 of this Code,

SB0001 Enrolled

- 224 -

LRB100 06371 NHT 16410 b

1 computations shall be made, for the year ending June 30 prior  
2 to the date that the change of boundaries attributable to the  
3 annexation is allowed by the affirmative decision issued by the  
4 regional board of school trustees under Section 7-6 of this  
5 Code, notwithstanding any effort to seek administrative review  
6 of the decision, totaling the annexing district's and totaling  
7 each annexed district's audited fund balances in their  
8 respective educational, working cash, operations and  
9 maintenance, and transportation funds. The annexing district  
10 as constituted after the annexation shall be paid supplementary  
11 State aid equal to the sum of the differences between the  
12 deficit of whichever of the annexing or annexed districts as  
13 constituted prior to the annexation had the smallest deficit  
14 and the deficits of each of the other districts as constituted  
15 prior to the annexation.

16 (3) For the first year after the annexation of all of the  
17 territory of one or more entire school districts by 2 or more  
18 other school districts, as defined by Article 7 of this Code,  
19 computations shall be made, for the year ending June 30 prior  
20 to the date that the change of boundaries attributable to the  
21 annexation is allowed by the affirmative decision of the  
22 regional board of school trustees under Section 7-6 of this  
23 Code, notwithstanding any action for administrative review of  
24 the decision, totaling each annexing and annexed district's  
25 audited fund balances in their respective educational, working  
26 cash, operations and maintenance, and transportation funds.

SB0001 Enrolled

- 225 -

LRB100 06371 NHT 16410 b

1 The annexing districts as constituted after the annexation  
2 shall be paid supplementary State aid, allocated as provided in  
3 this paragraph (3), in an aggregate amount equal to the sum of  
4 the differences between the deficit of whichever of the  
5 annexing or annexed districts as constituted prior to the  
6 annexation had the smallest deficit and the deficits of each of  
7 the other districts as constituted prior to the annexation. The  
8 aggregate amount of the supplementary State aid payable under  
9 this paragraph (3) shall be allocated between or among the

10 annexing districts as follows:

11 (A) the regional superintendent of schools for each  
12 educational service region in which an annexed district is  
13 located prior to the annexation shall certify to the State  
14 Board of Education, on forms that it shall provide for that  
15 purpose, the value of all taxable property in each annexed  
16 district, as last equalized or assessed by the Department  
17 of Revenue prior to the annexation, and the equalized  
18 assessed value of each part of the annexed district that  
19 was annexed to or included as a part of an annexing  
20 district;

21 (B) using equalized assessed values as certified by the  
22 regional superintendent of schools under clause (A) of this  
23 paragraph (3), the combined audited fund balance deficit of  
24 each annexed district as determined under this Section  
25 shall be apportioned between or among the annexing  
26 districts in the same ratio as the equalized assessed value

SB0001 Enrolled

- 226 -

LRB100 06371 NHT 16410 b

1 of that part of the annexed district that was annexed to or  
2 included as a part of an annexing district bears to the  
3 total equalized assessed value of the annexed district; and

4 (C) the aggregate supplementary State aid payment  
5 under this paragraph (3) shall be allocated between or  
6 among, and shall be paid to, the annexing districts in the  
7 same ratio as the sum of the combined audited fund balance  
8 deficit of each annexing district as constituted prior to  
9 the annexation, plus all combined audited fund balance  
10 deficit amounts apportioned to that annexing district  
11 under clause (B) of this subsection, bears to the aggregate  
12 of the combined audited fund balance deficits of all of the  
13 annexing and annexed districts as constituted prior to the  
14 annexation.

15 (4) For the new elementary districts and new high school  
16 district formed through a school district conversion, as  
17 defined in Section 11E-15 of this Code or the new elementary  
18 district or districts and new combined high school - unit  
19 district formed through a multi-unit conversion, as defined in  
20 subsection (b) of Section 11E-30 of this Code, a computation

21 shall be made totaling each previously existing district's  
22 audited fund balances in the educational fund, working cash  
23 fund, operations and maintenance fund, and transportation fund  
24 for the year ending June 30 prior to the referendum  
25 establishing the new districts. In the first year of the new  
26 districts, the State shall make a one-time supplementary

SB0001 Enrolled

- 227 -

LRB100 06371 NHT 16410 b

1 payment equal to the sum of the differences between the deficit  
2 of the previously existing district with the smallest deficit  
3 and the deficits of each of the other previously existing  
4 districts. A district with a combined balance among the 4 funds  
5 that is positive shall be considered to have a deficit of zero.  
6 The supplementary payment shall be allocated among the newly  
7 formed high school and elementary districts in the manner  
8 provided by the petition for the formation of the districts, in  
9 the form in which the petition is approved by the regional  
10 superintendent of schools or State Superintendent of Education  
11 under Section 11E-50 of this Code.

12 (5) For each newly created partial elementary unit  
13 district, as defined in subsection (a) or (c) of Section 11E-30  
14 of this Code, a computation shall be made totaling the audited  
15 fund balances of each previously existing district that formed  
16 the new partial elementary unit district in the educational  
17 fund, working cash fund, operations and maintenance fund, and  
18 transportation fund for the year ending June 30 prior to the  
19 referendum for the formation of the partial elementary unit  
20 district. In the first year of the new partial elementary unit  
21 district, the State shall make a one-time supplementary payment  
22 to the new district equal to the sum of the differences between  
23 the deficit of the previously existing district with the  
24 smallest deficit and the deficits of each of the other  
25 previously existing districts. A district with a combined  
26 balance among the 4 funds that is positive shall be considered

SB0001 Enrolled

- 228 -

LRB100 06371 NHT 16410 b

1 to have a deficit of zero.

2 (6) For an elementary opt-in as defined in subsection (d)

3 of Section 11E-30 of this Code, the deficit fund balance  
4 incentive shall be computed in accordance with paragraph (5) of  
5 this subsection (c) as if the opted-in elementary was included  
6 in the optional elementary unit district at the optional  
7 elementary unit district's original effective date. If the  
8 calculation in this paragraph (6) is less than that calculated  
9 in paragraph (5) of this subsection (c) at the optional  
10 elementary unit district's original effective date, then no  
11 adjustments may be made. If the calculation in this paragraph  
12 (6) is more than that calculated in paragraph (5) of this  
13 subsection (c) at the optional elementary unit district's  
14 original effective date, then the excess must be paid as  
15 follows:

16 (A) If the effective date for the elementary opt-in is  
17 one year after the effective date for the optional  
18 elementary unit district, 100% of the calculated excess  
19 shall be paid to the optional elementary unit district in  
20 the first year after the effective date of the elementary  
21 opt-in.

22 (B) If the effective date for the elementary opt-in is  
23