

97TH GENERAL ASSEMBLY State of Illinois 2011 and 2012 HB3828

Introduced 10/5/2011, by

SYNOPSIS AS INTRODUCED:

30 ILCS 115/12 105 ILCS 5/3-2.5 105 ILCS 5/3-15.10 105 ILCS 5/18-5 from Ch. 85, par. 616

from Ch. 122, par. 3-15.10 from Ch. 122, par. 18-5

Amends the State Revenue Sharing Act. Includes regional officials and local officials among the expenses for which the payments of revenue into the Personal Property Tax Replacement Fund shall be used. Makes corresponding changes. Amends the School Code in the Article concerning regional superintendents of schools to provide that the salaries plus an amount for other employment-related compensation or benefits for regional superintendents and assistant regional superintendents are payable monthly by the State Board of Education out of the personal Property Tax Replacement Fund through a specific appropriation to that effect in the State Board of Education budget. Makes corresponding changes. Makes a change concerning reporting requirements when the State Board of Education becomes aware that a regional superintendent is employing his or her relative as an assistant regional superintendent. Further amends the School Code in the Article concerning the common school fund to provide that the State Board of Education shall request an appropriation payable from the Personal Property Tax Replacement Fund or the common school fund (rather than the common school fund only) for compensation for regional superintendents of schools and the assistant regional superintendents of schools. Effective immediately.

LRB097 13849 RPM 58411 b

FISCAL NOTE ACT MAY APPLY

1 AN ACT concerning education.

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

- Section 5. The State Revenue Sharing Act is amended by changing Section 12 as follows:
- 6 (30 ILCS 115/12) (from Ch. 85, par. 616)
- Sec. 12. Personal Property Tax Replacement Fund. There is hereby created the Personal Property Tax Replacement Fund, a special fund in the State Treasury into which shall be paid all
- 10 revenue realized:
- 11 (a) all amounts realized from the additional personal 12 property tax replacement income tax imposed by subsections (c) 13 and (d) of Section 201 of the Illinois Income Tax Act, except 14 for those amounts deposited into the Income Tax Refund Fund 15 pursuant to subsection (c) of Section 901 of the Illinois 16 Income Tax Act; and
- 17 (b) all amounts realized from the additional personal
 18 property replacement invested capital taxes imposed by Section
 19 2a.1 of the Messages Tax Act, Section 2a.1 of the Gas Revenue
 20 Tax Act, Section 2a.1 of the Public Utilities Revenue Act, and
 21 Section 3 of the Water Company Invested Capital Tax Act, and
 22 amounts payable to the Department of Revenue under the
 23 Telecommunications Infrastructure Maintenance Fee Act.

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As soon as may be after the end of each month, Department of Revenue shall certify to the Treasurer and the Comptroller the amount of all refunds paid out of the General Revenue Fund through the preceding month on account of overpayment of liability on taxes paid into the Personal Tax Replacement Fund. Upon receipt certification, the Treasurer and the Comptroller shall transfer the amount so certified from the Personal Property Tax Replacement Fund into the General Revenue Fund.

The payments of revenue into the Personal Property Tax Replacement Fund shall be used exclusively for distribution to taxing districts, regional officials, and local officials as provided in this Section and in the School Code, payment of the ordinary and contingent expenses of the Property Tax Appeal Board, payment of the expenses of the Department of Revenue incurred in administering the collection and distribution of monies paid into the Personal Property Tax Replacement Fund and transfers due to refunds to taxpayers for overpayment of liability for taxes paid into the Personal Property Tax Replacement Fund.

As soon as may be after the effective date of this amendatory Act of 1980, the Department of Revenue shall certify to the Treasurer the amount of net replacement revenue paid into the General Revenue Fund prior to that effective date from the additional tax imposed by Section 2a.1 of the Messages Tax Act; Section 2a.1 of the Gas Revenue Tax Act; Section 2a.1 of

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the Public Utilities Revenue Act; Section 3 of the Water 1 2 Company Invested Capital Tax Act; amounts collected by the 3 Department of Revenue under the Telecommunications Infrastructure Maintenance Fee Act; and the additional 5 personal property tax replacement income tax imposed by the 6 Illinois Income Tax Act, as amended by Public Act 81-1st Special Session-1. Net replacement revenue shall be defined as 7 8 the total amount paid into and remaining in the General Revenue 9 Fund as a result of those Acts minus the amount outstanding and 10 obligated from the General Revenue Fund in state vouchers or 11 warrants prior to the effective date of this amendatory Act of 12 1980 as refunds to taxpayers for overpayment of liability under 13 those Acts.

All interest earned by monies accumulated in the Personal Property Tax Replacement Fund shall be deposited in such Fund. All amounts allocated pursuant to this Section are appropriated on a continuing basis.

Prior to December 31, 1980, as soon as may be after the end of each quarter beginning with the quarter ending December 31, 1979, and on and after December 31, 1980, as soon as may be after January 1, March 1, April 1, May 1, July 1, August 1, October 1 and December 1 of each year, the Department of Revenue shall allocate to each taxing district as defined in Section 1-150 of the Property Tax Code, in accordance with the provisions of paragraph (2) of this Section the portion of the funds held in the Personal Property Tax Replacement Fund which

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is required to be distributed, as provided in paragraph (1), for each quarter. Provided, however, under no circumstances shall any taxing district during each of the first two years of distribution of the taxes imposed by this amendatory Act of 1979 be entitled to an annual allocation which is less than the funds such taxing district collected from the 1978 personal property tax. Provided further that under no circumstances shall any taxing district during the third year of distribution of the taxes imposed by this amendatory Act of 1979 receive less than 60% of the funds such taxing district collected from the 1978 personal property tax. In the event that the total of the allocations made as above provided for all taxing districts, during either of such 3 years, exceeds the amount available for distribution the allocation of each taxing district shall be proportionately reduced. Except as provided in Section 13 of this Act, the Department shall then certify, pursuant to appropriation, such allocations to the State Comptroller who shall pay over to the several taxing districts the respective amounts allocated to them.

Any township which receives an allocation based in whole or in part upon personal property taxes which it levied pursuant to Section 6-507 or 6-512 of the Illinois Highway Code and which was previously required to be paid over to a municipality shall immediately pay over to that municipality a proportionate share of the personal property replacement funds which such township receives.

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Any municipality or township, other than a municipality with a population in excess of 500,000, which receives an allocation based in whole or in part on personal property taxes which it levied pursuant to Sections 3-1, 3-4 and 3-6 of the Illinois Local Library Act and which was previously required to be paid over to a public library shall immediately pay over to that library a proportionate share of the personal property tax replacement funds which such municipality or township receives; provided that if such a public library has converted to a library organized under The Illinois Public Library District Act, regardless of whether such conversion has after or before January 1, 1988, occurred on, proportionate share shall be immediately paid over to the library district which maintains and operates the library. However, any library that has converted prior to January 1, 1988, and which hitherto has not received the personal property tax replacement funds, shall receive such funds commencing on January 1, 1988.

Any township which receives an allocation based in whole or in part on personal property taxes which it levied pursuant to Section 1c of the Public Graveyards Act and which taxes were previously required to be paid over to or used for such public cemetery or cemeteries shall immediately pay over to or use for such public cemetery or cemeteries a proportionate share of the personal property tax replacement funds which the township receives.

Any taxing district which receives an allocation based in whole or in part upon personal property taxes which it levied for another governmental body or school district in Cook County in 1976 or for another governmental body or school district in the remainder of the State in 1977 shall immediately pay over to that governmental body or school district the amount of personal property replacement funds which such governmental body or school district would receive directly under the provisions of paragraph (2) of this Section, had it levied its own taxes.

(1) The portion of the Personal Property Tax Replacement Fund required to be distributed as of the time allocation is required to be made shall be the amount available in such Fund as of the time allocation is required to be made.

The amount available for distribution shall be the total amount in the fund at such time minus the necessary administrative and other authorized expenses as limited by the appropriation and the amount determined by: (a) \$2.8 million for fiscal year 1981; (b) for fiscal year 1982, .54% of the funds distributed from the fund during the preceding fiscal year; (c) for fiscal year 1983 through fiscal year 1988, .54% of the funds distributed from the fund during the preceding fiscal year less .02% of such fund for fiscal year 1983 and less .02% of such funds for each fiscal year thereafter; (d) for fiscal year 1989

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through fiscal year 2011 no more than 105% of the actual administrative expenses of the prior fiscal year; or (e) for fiscal year 2012 and beyond, a sufficient amount to pay stipends, additional compensation, (i) reimbursements, and other amounts directed to be paid out of this Fund for local and regional government officials as authorized or required by statute and (ii) no more than 105% of the actual administrative expenses of the prior fiscal year, including payment of the ordinary and contingent expenses of the Property Tax Appeal Board and payment of the expenses of the Department of Revenue incurred in administering the collection and distribution of moneys paid into the Fund. Such portion of the fund shall be determined after the transfer into the General Revenue Fund due to refunds, if any, paid from the General Revenue Fund during the preceding quarter. If at any time, any reason, there is insufficient amount in the Personal Property Tax Replacement Fund for payments for regional official or local officials or payment of costs of administration or for transfers due to refunds at the end of any particular month, the amount of such insufficiency shall be carried over for the purposes of payments for regional officials, local officials, transfers into the General Revenue Fund, and for purposes of costs of administration to the following month or months. Net replacement revenue held, and defined above, shall be

transferred by the Treasurer and Comptroller to the
Personal Property Tax Replacement Fund within 10 days of
such certification.

(2) Each quarterly allocation shall first be apportioned in the following manner: 51.65% for taxing districts in Cook County and 48.35% for taxing districts in the remainder of the State.

The Personal Property Replacement Ratio of each taxing district outside Cook County shall be the ratio which the Tax Base of that taxing district bears to the Downstate Tax Base. The Tax Base of each taxing district outside of Cook County is the personal property tax collections for that taxing district for the 1977 tax year. The Downstate Tax Base is the personal property tax collections for all taxing districts in the State outside of Cook County for the 1977 tax year. The Department of Revenue shall have authority to review for accuracy and completeness the personal property tax collections for each taxing district outside Cook County for the 1977 tax year.

The Personal Property Replacement Ratio of each Cook County taxing district shall be the ratio which the Tax Base of that taxing district bears to the Cook County Tax Base. The Tax Base of each Cook County taxing district is the personal property tax collections for that taxing district for the 1976 tax year. The Cook County Tax Base is the personal property tax collections for all taxing districts in Cook County for the 1976 tax year. The Department of Revenue shall have authority

to review for accuracy and completeness the personal property tax collections for each taxing district within Cook County for the 1976 tax year.

For all purposes of this Section 12, amounts paid to a taxing district for such tax years as may be applicable by a foreign corporation under the provisions of Section 7-202 of the Public Utilities Act, as amended, shall be deemed to be personal property taxes collected by such taxing district for such tax years as may be applicable. The Director shall determine from the Illinois Commerce Commission, for any tax year as may be applicable, the amounts so paid by any such foreign corporation to any and all taxing districts. The Illinois Commerce Commission shall furnish such information to the Director. For all purposes of this Section 12, the Director shall deem such amounts to be collected personal property taxes of each such taxing district for the applicable tax year or years.

Taxing districts located both in Cook County and in one or more other counties shall receive both a Cook County allocation and a Downstate allocation determined in the same way as all other taxing districts.

If any taxing district in existence on July 1, 1979 ceases to exist, or discontinues its operations, its Tax Base shall thereafter be deemed to be zero. If the powers, duties and obligations of the discontinued taxing district are assumed by another taxing district, the Tax Base of the discontinued

taxing district shall be added to the Tax Base of the taxing district assuming such powers, duties and obligations.

If two or more taxing districts in existence on July 1, 1979, or a successor or successors thereto shall consolidate into one taxing district, the Tax Base of such consolidated taxing district shall be the sum of the Tax Bases of each of the taxing districts which have consolidated.

If a single taxing district in existence on July 1, 1979, or a successor or successors thereto shall be divided into two or more separate taxing districts, the tax base of the taxing district so divided shall be allocated to each of the resulting taxing districts in proportion to the then current equalized assessed value of each resulting taxing district.

If a portion of the territory of a taxing district is disconnected and annexed to another taxing district of the same type, the Tax Base of the taxing district from which disconnection was made shall be reduced in proportion to the then current equalized assessed value of the disconnected territory as compared with the then current equalized assessed value within the entire territory of the taxing district prior to disconnection, and the amount of such reduction shall be added to the Tax Base of the taxing district to which annexation is made.

If a community college district is created after July 1, 1979, beginning on the effective date of this amendatory Act of 1995, its Tax Base shall be 3.5% of the sum of the personal

1 property tax collected for the 1977 tax year within the 2 territorial jurisdiction of the district.

The amounts allocated and paid to taxing districts pursuant to the provisions of this amendatory Act of 1979 shall be deemed to be substitute revenues for the revenues derived from taxes imposed on personal property pursuant to the provisions of the "Revenue Act of 1939" or "An Act for the assessment and taxation of private car line companies", approved July 22, 1943, as amended, or Section 414 of the Illinois Insurance Code, prior to the abolition of such taxes and shall be used for the same purposes as the revenues derived from ad valorem taxes on real estate.

Monies received by any taxing districts from the Personal Property Tax Replacement Fund shall be first applied toward payment of the proportionate amount of debt service which was previously levied and collected from extensions against personal property on bonds outstanding as of December 31, 1978 and next applied toward payment of the proportionate share of the pension or retirement obligations of the taxing district which were previously levied and collected from extensions against personal property. For each such outstanding bond issue, the County Clerk shall determine the percentage of the debt service which was collected from extensions against real estate in the taxing district for 1978 taxes payable in 1979, as related to the total amount of such levies and collections from extensions against both real and personal property. For

- 1979 and subsequent years' taxes, the County Clerk shall levy 1 2 and extend taxes against the real estate of each taxing 3 district which will yield the said percentage or percentages of the debt service on such outstanding bonds. The balance of the 5 amount necessary to fully pay such debt service shall 6 constitute a first and prior lien upon the monies received by 7 each such taxing district through the Personal Property Tax 8 Replacement Fund and shall be first applied or set aside for 9 such purpose. In counties having fewer than 3,000,000 10 inhabitants, the amendments to this paragraph as made by this 11 amendatory Act of 1980 shall be first applicable to 1980 taxes 12 to be collected in 1981.
- Section 10. The School Code is amended by changing Sections

(Source: P.A. 96-45, eff. 7-15-09; 97-72, eff. 7-1-11.)

- 15 3-2.5, 3-15.10, and 18-5 as follows:
- 16 (105 ILCS 5/3-2.5)
- 17 Sec. 3-2.5. Salaries.
- 18 (a) Except as otherwise provided in this Section, the 19 regional superintendents of schools shall receive for their 20 services an annual salary according to the population, as 21 determined by the last preceding federal census, of the region
- 22 they serve, as set out in the following schedule:
- 23 SALARIES OF REGIONAL SUPERINTENDENTS OF
- 24 SCHOOLS

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1	POPULATION OF REGION	ANNUAL SALARY
2	Less than 48,000	\$73,500
3	48,000 to 99,999	\$78,000
4	100,000 to 999,999	\$81,500
5	1,000,000 and over	\$83,500

The changes made by Public Act 86-98 in the annual salary that the regional superintendents of schools shall receive for their services shall apply to the annual salary received by the regional superintendents of schools during each of their elected terms of office that commence after July 26, 1989 and before the first Monday of August, 1995.

The changes made by Public Act 89-225 in the annual salary that regional superintendents of schools shall receive for their services shall apply to the annual salary received by the regional superintendents of schools during their elected terms of office that commence after August 4, 1995 and end on August 1, 1999.

The changes made by this amendatory Act of the 91st General Assembly in the annual salary that the regional superintendents of schools shall receive for their services shall apply to the annual salary received by the regional superintendents of schools during each of their elected terms of office that commence on or after August 2, 1999.

Beginning July 1, 2000, the salary that the regional superintendent of schools receives for his or her services shall be adjusted annually to reflect the percentage increase,

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1	if any, in the most recent Consumer Price Index, as defined and
2	officially reported by the United States Department of Labor,
3	Bureau of Labor Statistics, except that no annual increment may
4	exceed 2.9%. If the percentage of change in the Consumer Price
5	Index is a percentage decrease, the salary that the regional
6	superintendent of schools receives shall not be adjusted for
7	that year.

When regional superintendents are authorized by the School Code to appoint assistant regional superintendents, the assistant regional superintendent shall receive an annual salary based on his or her qualifications and computed as a percentage of the salary of the regional superintendent to whom he or she is assistant, as set out in the following schedule:

14 SALARIES OF ASSISTANT REGIONAL

15 SUPERINTENDENTS

16	QUALIFICATIONS OF	PERCENTAGE OF SALARY
17	ASSISTANT REGIONAL	OF REGIONAL
18	SUPERINTENDENT	SUPERINTENDENT
19	No Bachelor's degree, but State	
20	certificate valid for teaching	
21	and supervising.	70%
22	Bachelor's degree plus	
23	State certificate valid	
24	for supervising.	75%
25	Master's degree plus	
26	State certificate valid	

1 for supervising.

90%

However, in any region in which the appointment of more than one assistant regional superintendent is authorized, whether by Section 3-15.10 of this Code or otherwise, not more than one assistant may be compensated at the 90% rate and any other assistant shall be paid at not exceeding the 75% rate, in each case depending on the qualifications of the assistant.

The salaries provided in this Section <u>plus an amount for other employment-related compensation or benefits</u> for regional superintendents and assistant regional superintendents are payable monthly <u>by the State Board of Education out of the personal Property Tax Replacement Fund through a specific appropriation to that effect in the State Board of Education <u>budget</u>. The State Comptroller in making his or her warrant to any county for the amount due it <u>from the Personal Property Tax Replacement Fund</u> shall deduct from it the several amounts for which warrants have been issued to the regional superintendent, and any assistant regional superintendent, of the educational service region encompassing the county since the preceding apportionment <u>from the Personal Property Tax Replacement Fund</u>.</u>

County boards may provide for additional compensation for the regional superintendent or the assistant regional superintendents, or for each of them, to be paid quarterly from the county treasury.

(b) Upon abolition of the office of regional superintendent of schools in educational service regions containing 2,000,000

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- or more inhabitants as provided in Section 3-0.01 of this Code, the funds provided under subsection (a) of this Section shall continue to be appropriated and reallocated, as provided for pursuant to subsection (b) of Section 3-0.01 of this Code, to the educational service centers established pursuant to Section 2-3.62 of this Code for an educational service region containing 2,000,000 or more inhabitants.
 - (c) If the State pays all or any portion of the employee contributions required under Section 16-152 of the Illinois Pension Code for employees of the State Board of Education, it shall also, subject to appropriation in the State Board of Education budget for such payments to Regional Superintendents and Assistant Regional Superintendents, pay the employee contributions required of regional superintendents of schools and assistant regional superintendents of schools on the same basis, but excluding any contributions based on compensation that is paid by the county rather than the State.
 - This subsection (c) applies to contributions based on payments of salary earned after the effective date of this amendatory Act of the 91st General Assembly, except that in the case of an elected regional superintendent of schools, this subsection does not apply to contributions based on payments of salary earned during a term of office that commenced before the effective date of this amendatory Act.
- 25 (Source: P.A. 96-893, eff. 7-1-10; 96-1086, eff. 7-16-10;
- 26 97-333, eff. 8-12-11.)

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1 (105 ILCS 5/3-15.10) (from Ch. 122, par. 3-15.10)

3-15.10. Assistant Regional Superintendent. To employ, in counties or regions of 2,000,000 inhabitants or less, in addition to any assistants authorized to be employed with the approval of the county board, an assistant regional superintendent of schools who shall be a person of good attainment, versed in the principles and methods of education, and qualified to teach and supervise schools under Article 21 of this Act; to fix the term of such assistant and direct his work and define his duties. On the effective date of this amendatory Act of the 96th General Assembly, in regions established within that portion of a Class II county school unit outside of a city of 500,000 or more inhabitants, the employment of all persons serving as assistant county or regional superintendents of schools is terminated, the position of assistant regional superintendent of schools in each such region is abolished, and this Section shall, beginning on the effective date of this amendatory Act of the 96th General Assembly, have no further application in the educational service region. Assistant regional superintendents shall each be a person of good attainment, versed in the principles and methods of education, and qualified to teach and supervise schools under Article 21 of this Act. The work of such assistant regional superintendent shall be so arranged and directed that the county or regional superintendent and

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assistant superintendent, together, shall devote an amount of time during the school year, equal to at least the full time of one individual, to the supervision of schools and of teaching in the schools of the county.

A regional superintendent of schools shall not employ his or her spouse, child, stepchild, or relative as an assistant regional superintendent of schools. By September 1 each year, a regional superintendent shall certify to the State Board of Education that he or she has complied with this paragraph. If the State Board of Education becomes aware of the fact that a regional superintendent is employing his or her spouse, child, stepchild, or relative regional as an assistant superintendent, the State Board of Education shall report this information to the Governor and the Comptroller, and the State Board of Education shall not request for payment from the State Comptroller any warrants for the payment of the assistant regional superintendent's salary or other employment-related compensation or benefits. In this paragraph, "relative" means a grandparent, parent, aunt, uncle, sibling, first cousin, nephew, niece, grandchild, or spouse of one of these persons. This paragraph applies only to contracts for employment entered into on or after the effective date of this amendatory Act of the 91st General Assembly.

24 (Source: P.A. 96-893, eff. 7-1-10.)

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(105 ILCS 5/18-5) (from Ch. 122, par. 18-5)
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Sec. 18-5. Compensation of regional superintendents and assistants. The State Board of Education shall request an appropriation payable from the Personal Property Replacement Fund or the common school fund as and for compensation for regional superintendents of schools and the assistant regional superintendents of schools authorized by Section 3-15.10 of this Act, and as provided in "An Act concerning fees and salaries and to classify the several counties of this State with reference thereto", approved March 29, 1872 as amended, and shall present vouchers to the Comptroller monthly for the payment to the several regional superintendents and such assistant regional superintendents of their compensation as fixed by law. Such payments shall be made either (1) monthly, at the close of the month, or (2) semimonthly on or around the 15th of the month and at the close of the month, at the option of the regional superintendent or assistant regional superintendent.

18 (Source: P.A. 83-686.)

19 Section 99. Effective date. This Act takes effect upon 20 becoming law.