

HB0009



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB0009

Introduced 1/9/2025, by Rep. Dan Ugaste

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.1028 new
105 ILCS 5/2-3.206 new

Amends the School Code. Provides that the State Board of Education shall establish and administer a program to award property tax relief grants to school districts in this State. Provides that, in exchange for receiving a grant, a school district's maximum aggregate property tax extension for the taxable year that begins on January 1 of the fiscal year for which the grant is awarded may not exceed an adjusted maximum aggregate property tax extension for that taxable year. Creates the Education Property Tax Relief Fund as a special fund in the State treasury for the purpose of awarding grants. Sets forth provisions concerning the Education Property Tax Relief Fund. Amends the State Finance Act to make conforming changes. Effective immediately.

LRB104 03135 LNS 13156 b

A BILL FOR

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 5. The State Finance Act is amended by adding
5 Section 5.1028 as follows:

6 (30 ILCS 105/5.1028 new)

7 Sec. 5.1028. The Education Property Tax Relief Fund.

8 Section 10. The School Code is amended by adding Section
9 2-3.206 as follows:

10 (105 ILCS 5/2-3.206 new)

11 Sec. 2-3.206. School district property tax relief grant
12 program.

13 (a) As used in this Section:

14 "Adjusted maximum aggregate property tax extension" means
15 the highest aggregate property tax extension that a school
16 district is authorized by law to levy, without regard to this
17 Section, for the taxable year for which the adjusted maximum
18 aggregate property tax extension is calculated, minus the
19 grant amount received by the school district for the fiscal
20 year that ends during the taxable year for which the adjusted
21 maximum aggregate property tax extension is calculated.

1 "Aggregate property tax extension" means the annual
2 corporate extension for the school district and those special
3 purpose extensions that are made annually for a school
4 district.

5 "Taxable year" means the calendar year during which
6 property taxes payable in the next succeeding year are levied.

7 (b) For State fiscal year 2026 and each State fiscal year
8 thereafter, the State Board of Education shall establish and
9 administer a program to award property tax relief grants to
10 school districts in this State. In exchange for receiving a
11 grant under this Section, a school district's maximum
12 aggregate property tax extension for the taxable year that
13 begins on January 1 of the fiscal year for which the grant is
14 awarded may not exceed its adjusted maximum aggregate property
15 tax extension for that taxable year. Grants shall be awarded
16 from moneys appropriated for that purpose from the Education
17 Property Tax Relief Fund created in subsection (c). Moneys
18 awarded to school districts under this Section shall be
19 distributed pro rata on a per pupil average daily attendance
20 basis, as reported in the school district report card for the
21 immediately preceding school year under Section 10-17a.

22 (c) The Education Property Tax Relief Fund is created as a
23 special fund in the State treasury. By September 1, 2025, and
24 by September 1 of each year thereafter, the Governor's Office
25 of Management and Budget shall certify to the State
26 Comptroller and the State Treasurer an amount equal to the

1 difference, if any, between (i) 25% of the total amount
2 appropriated from all State general funds as part of the State
3 budget for the fiscal year that begins on the immediately
4 preceding July 1, including any amounts appropriated for the
5 purpose of making grants under this Section, and (ii) the
6 total amount appropriated by the State, including any
7 continuing appropriations, for that fiscal year as State
8 contributions to the retirement system established under
9 Article 2 of the Illinois Pension Code, the retirement system
10 established under Article 14 of the Illinois Pension Code, the
11 retirement system established under Article 15 of the Illinois
12 Pension Code, the retirement system established under Article
13 16 of the Illinois Pension Code, the retirement fund
14 established under Article 17 of the Illinois Pension Code, and
15 the retirement system established under Article 18 of the
16 Illinois Pension Code. Upon receiving the certified amount
17 from the Governor's Office of Management and Budget, the State
18 Comptroller shall order transferred and the State Treasurer
19 shall transfer the certified amount from the General Revenue
20 Fund to the Education Property Tax Relief Fund. Any unexpended
21 amounts remaining in the Education Property Tax Relief Fund on
22 the last day of the fiscal year shall be transferred from the
23 Education Property Tax Relief Fund to the General Revenue
24 Fund.

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