



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5611

Introduced 2/13/2026, by Rep. Travis Weaver

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.1038 new
30 ILCS 122/20
30 ILCS 122/25
105 ILCS 5/2-3.214 new

Amends the Budget Stabilization Act. Provides additional scheduled transfers to the Pension Stabilization Fund, sets termination conditions, and clarifies allocation and applicability of payments. Amends the School Code. Establishes a property tax relief grant program for school districts beginning in Fiscal Year 2030, funded from the Education Property Tax Relief Fund. Makes conforming changes in the State Finance Act.

LRB104 20416 HLH 33880 b

1 AN ACT concerning finance.

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 5.1038 as follows:

6 (30 ILCS 105/5.1038 new)

7 Sec. 5.1038. The Education Property Tax Relief Fund.

8 Section 10. The Budget Stabilization Act is amended by
9 changing Sections 20 and 25 as follows:

10 (30 ILCS 122/20)

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

13 Sec. 20. Pension Stabilization Fund.

14 (a) The Pension Stabilization Fund is hereby created as a
15 special fund in the State treasury. Moneys in the fund shall be
16 used for the sole purpose of making payments to the designated
17 retirement systems as provided in Section 25.

18 (b) For each fiscal year when the General Assembly's
19 appropriations and transfers or diversions as required by law
20 from general funds do not exceed 99% of the estimated general
21 funds revenues pursuant to subsection (a) of Section 10, the

1 Comptroller shall transfer from the General Revenue Fund as
 2 provided by this Section a total amount equal to 0.5% of the
 3 estimated general funds revenues to the Pension Stabilization
 4 Fund.

5 (c) For each fiscal year when the General Assembly's
 6 appropriations and transfers or diversions as required by law
 7 from general funds do not exceed 98% of the estimated general
 8 funds revenues pursuant to subsection (b) of Section 10, the
 9 Comptroller shall transfer from the General Revenue Fund as
 10 provided by this Section a total amount equal to 1.0% of the
 11 estimated general funds revenues to the Pension Stabilization
 12 Fund.

13 (c-5) In addition to any other transfers that may be
 14 provided by law, the Comptroller shall transfer from the
 15 General Revenue Fund to the Pension Stabilization Fund the
 16 amount set forth as follows for each of the specified fiscal
 17 years:

<u>Fiscal Year</u>	<u>Amount</u>
<u>2030-2033</u>	<u>\$300,000,000</u>
<u>2034-Completion</u>	<u>\$850,000,000</u>

21 (c-10) The transfers made beginning in State fiscal year
 22 2030 pursuant to subsection (c-5) of this Section shall
 23 terminate at the end of State fiscal year 2045 or when each of
 24 the designated retirement systems, as defined in Section 25,
 25 has achieved 100% funding, whichever occurs first.

26 (d) The Comptroller shall transfer 1/12 of the total

1 amount to be transferred each fiscal year under this Section
2 into the Pension Stabilization Fund on the first day of each
3 month of that fiscal year or as soon thereafter as possible;
4 except that the final transfer of the fiscal year shall be made
5 as soon as practical after the August 31 following the end of
6 the fiscal year.

7 Before the final transfer for a fiscal year is made, the
8 Comptroller shall reconcile the estimated general funds
9 revenues used in calculating the other transfers under this
10 Section for that fiscal year with the actual general funds
11 revenues for that fiscal year. The final transfer for the
12 fiscal year shall be adjusted so that the total amount
13 transferred under this Section for that fiscal year is equal
14 to the percentage specified in subsection (b) or (c) of this
15 Section, whichever is applicable, of the actual general funds
16 revenues for that fiscal year. The actual general funds
17 revenues for the fiscal year shall be calculated in a manner
18 consistent with subsection (c) of Section 10 of this Act.

19 (Source: P.A. 94-839, eff. 6-6-06.)

20 (30 ILCS 122/25)

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

23 Sec. 25. Transfers from the Pension Stabilization Fund.

24 (a) As used in this Section, "designated retirement
25 systems" means:

1 (1) the State Employees' Retirement System of
2 Illinois;

3 (2) the Teachers' Retirement System of the State of
4 Illinois;

5 (3) the State Universities Retirement System;

6 (4) the Judges Retirement System of Illinois; and

7 (5) the General Assembly Retirement System.

8 (b) As soon as may be practical after any money is
9 deposited into the Pension Stabilization Fund, the State
10 Comptroller shall apportion the deposited amount among the
11 designated retirement systems and the State Comptroller and
12 State Treasurer shall pay the apportioned amounts to the
13 designated retirement systems. The amount deposited shall be
14 apportioned among the designated retirement systems in the
15 same proportion as their respective portions of the total
16 actuarial reserve deficiency of the designated retirement
17 systems, as most recently determined by the Governor's Office
18 of Management and Budget. Amounts received by a designated
19 retirement system under this Section shall be used for funding
20 the unfunded liabilities of the retirement system. Payments
21 under this Section are authorized by the continuing
22 appropriation under Section 1.7 of the State Pension Funds
23 Continuing Appropriation Act.

24 (c) At the request of the State Comptroller, the
25 Governor's Office of Management and Budget shall determine the
26 individual and total actuarial reserve deficiencies of the

1 designated retirement systems. For this purpose, the
2 Governor's Office of Management and Budget shall consider the
3 latest available audit and actuarial reports of each of the
4 retirement systems and the relevant reports and statistics of
5 the Public Pension Division of the Department of Financial and
6 Professional Regulation.

7 (d) Payments to the designated retirement systems under
8 this Section shall be in addition to, and not in lieu of, any
9 State contributions required under Section 2-124, 14-131,
10 15-155, 16-158, or 18-131 of the Illinois Pension Code.

11 Payments to the designated retirement systems under
12 subsections (c-5) and (c-10) of Section 20 received after the
13 effective date of this amendatory Act of the 104th General
14 Assembly, and any investment earnings attributable to such
15 payments, do not reduce and do not constitute payment of any
16 portion of the required State contribution under Article 2,
17 14, 15, 16, or 18 of the Illinois Pension Code in the current
18 fiscal year. Such amounts shall not reduce, and shall not be
19 included in the calculation of, the required State
20 contribution under Article 2, 14, 15, 16, or 18 of the Illinois
21 Pension Code in any future fiscal year, until the designated
22 retirement system has reached a 100% funding ratio. Such
23 payments may be invested in the same manner as other assets of
24 the designated retirement system and shall be used in the
25 calculation of the system's funding ratio for the purposes of
26 this Section and Section 20 of this Act. Payments under this

1 Section may be used for any associated administrative costs.

2 (Source: P.A. 94-839, eff. 6-6-06.)

3 Section 15. The School Code is amended by adding Section
4 2-3.214 as follows:

5 (105 ILCS 5/2-3.214 new)

6 Sec. 2-3.214. School district property tax relief grant
7 program.

8 (a) As used in this Section:

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

17 "Aggregate property tax extension" means the annual
18 corporate extension for the school district and those special
19 purpose extensions that are made annually for a school
20 district.

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

23 (b) For State fiscal year 2030 and each State fiscal year
24 thereafter, the State Board of Education shall establish and

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

14 (c) The Education Property Tax Relief Fund is created as a
15 special fund in the State treasury. By September 1, 2030, and
16 by September 1 of each year thereafter, the Governor's Office
17 of Management and Budget shall certify to the State
18 Comptroller and the State Treasurer an amount equal to
19 \$300,000,000 in fiscal years 2030-2033 and \$850,000,000 in
20 fiscal year 2034 and every fiscal year thereafter. Upon
21 receiving the certified amount from the Governor's Office of
22 Management and Budget, the State Comptroller shall order
23 transferred and the State Treasurer shall transfer the
24 certified amount from the General Revenue Fund to the
25 Education Property Tax Relief Fund. Any unexpended amounts
26 remaining in the Education Property Tax Relief Fund on the

1 last day of the fiscal year shall be transferred from the
2 Education Property Tax Relief Fund to the General Revenue
3 Fund.