

SB4003



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB4003

Introduced 1/21/2022, by Sen. Melinda Bush

SYNOPSIS AS INTRODUCED:

105 ILCS 5/2-3.170

Amends the School Code. With respect to property tax relief pool grants, provides that the State Board of Education shall process applications for relief, providing a grant to those districts with the highest operating tax rate, as determined by those districts with the highest percentage of the simple average operating tax rate of districts of the same type, either elementary, high school, unit, or tier status as calculated under the evidence-based funding provisions (rather than either elementary, high school, or unit), first in an amount equal to the intended relief multiplied by the property tax multiplier. Effective immediately.

LRB102 24658 RJT 33897 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 School Code is amended by changing Section
5 2-3.170 as follows:

6 (105 ILCS 5/2-3.170)

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

8 (a) As used in this Section,

9 "EAV" means equalized assessed valuation as defined under
10 Section 18-8.15 of this Code.

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 "Local capacity percentage multiplier" means one minus the
15 school district's Local Capacity Percentage, as defined in
16 Section 18-8.15.

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

18 (b) Subject to appropriation, the State Board shall
19 provide grants to eligible school districts that provide tax
20 relief to the school district's residents, which may be no
21 greater than 1% of EAV for a unit district, 0.69% of EAV for an
22 elementary school district, or 0.31% of EAV for a high school
23 district, as provided in this Section.

1 (b-5) School districts may apply for property tax relief
2 under this Section concurrently to setting their levy for the
3 fiscal year. The intended relief may not be greater than 1% of
4 the EAV for a unit district, 0.69% of the EAV for an elementary
5 school district, or 0.31% of the EAV for a high school
6 district, multiplied by the school district's local capacity
7 percentage multiplier. The State Board shall process
8 applications for relief, providing a grant to those districts
9 with the highest operating tax rate, as determined by those
10 districts with the highest percentage of the simple average
11 operating tax rate of districts of the same type, either
12 elementary, high school, ~~or~~ unit, or tier status as calculated
13 under Section 18-8.15 of this Code, first, in an amount equal
14 to the intended relief multiplied by the property tax
15 multiplier. The State Board shall provide grants to school
16 districts in order of priority until the property tax relief
17 pool is exhausted. If more school districts apply for relief
18 under this subsection than there are funds available, the
19 State Board must distribute the grants and prorate any
20 remaining funds to the final school district that qualifies
21 for grant relief. The abatement amount for that district must
22 be equal to the grant amount divided by the property tax
23 multiplier.

24 If a school district receives the State Board's approval
25 of a grant under this Section by March 1 of the fiscal year,
26 the school district shall present a duly authorized and

1 approved abatement resolution by March 30 of the fiscal year
2 to the county clerk of each county in which the school files
3 its levy, authorizing the county clerk to lower the school
4 district's levy by the amount designated in its application to
5 the State Board. When the preceding requisites are satisfied,
6 the county clerk shall reduce the amount collected for the
7 school district by the amount indicated in the school
8 district's abatement resolution for that fiscal year.

9 (c) (Blank).

10 (d) School districts seeking grants under this Section
11 shall apply to the State Board each year. All applications to
12 the State Board for grants shall include the amount of the tax
13 relief intended by the school district.

14 (e) Each year, based on the most recent available data
15 provided by school districts pursuant to Section 18-8.15 of
16 this Code, the State Board shall calculate the order of
17 priority for grant eligibility under subsection (b-5) and
18 publish a list of the school districts eligible for relief.
19 The State Board shall provide grants in the manner provided
20 under subsection (b-5).

21 (f) The State Board shall publish a final list of eligible
22 grant recipients and provide payment of the grants by March 1
23 of each year.

24 (g) If notice of eligibility from the State Board is
25 received by a school district by March 1, then by March 30, the
26 school district shall file an abatement of its property tax

1 levy in an amount equal to the grant received under this
2 Section divided by the property tax multiplier. Payment of all
3 grant amounts shall be made by June 1 each fiscal year. The
4 State Superintendent of Education shall establish the timeline
5 in such cases in which notice cannot be made by March 1.

6 (h) The total property tax relief allowable to a school
7 district under this Section shall be calculated based on the
8 total amount of reduction in the school district's aggregate
9 extension. The total grant shall be equal to the reduction,
10 multiplied by the property tax multiplier. The reduction shall
11 be equal to 1% of a district's EAV for a unit school district,
12 0.69% for an elementary school district, or 0.31% for a high
13 school district, multiplied by the school district's local
14 capacity percentage multiplier.

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

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

21 (k) Any grants received by a school district shall be
22 included in future calculations of that school district's Base
23 Funding Minimum under Section 18-8.15 of this Code. Beginning
24 with Fiscal Year 2020, if a school district receives a grant
25 under this Section, the school district must present to the
26 county clerk a duly authorized and approved abatement

1 resolution by March 30 for the year in which the school
2 district receives the grant and the successive fiscal year
3 following the receipt of the grant, authorizing the county
4 clerk to lower the school district's levy by the amount
5 designated in its original application to the State Board.
6 After receiving a resolution, the county clerk must reduce the
7 amount collected for the school district by the amount
8 indicated in the school district's abatement resolution for
9 that fiscal year. If a school district does not abate in this
10 amount for the successive fiscal year, the grant amount may
11 not be included in the school district's Base Funding Minimum
12 under Section 18-8.15 in the fiscal year following the tax
13 year in which the abatement is not authorized and in any future
14 fiscal year thereafter, and the county clerk must notify the
15 State Board of the increase no later 30 days after it occurs.

16 (1) In the immediate 2 consecutive tax years following
17 receipt of a Property Tax Pool Relief Grant, the aggregate
18 extension base of any school district receiving a grant under
19 this Section, for purposes of the Property Tax Extension
20 Limitation Law, shall include the tax relief the school
21 district provided in the previous taxable year under this
22 Section.

23 (Source: P.A. 100-465, eff. 8-31-17; 100-582, eff. 3-23-18;
24 100-863, eff. 8-14-18; 101-17, eff. 6-14-19; 101-643, eff.
25 6-18-20.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.