

STATE OF ILLINOIS



HOUSE JOURNAL

HOUSE OF REPRESENTATIVES

NINETY-THIRD GENERAL ASSEMBLY

90TH LEGISLATIVE DAY

WEDNESDAY, FEBRUARY 4, 2004

12:00 O'CLOCK NOON

**HOUSE OF REPRESENTATIVES
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90th Legislative Day**

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The House met pursuant to adjournment.

Speaker Madigan in the chair.

Prayer by Pastor David Callahan, of the Mt. Olive General Baptist Church in McLeansboro, IL.

Representative Hoffman led the House in the Pledge of Allegiance.

By direction of the Speaker, a roll call was taken to ascertain the attendance of Members, as follows:

112 present. (ROLL CALL 1)

By unanimous consent, Representatives Burke, Delgado, Holbrook, Jones and Parke were excused from attendance.

COMMITTEE ON RULES REFERRALS

Representative Currie, Chairperson of the Committee on Rules, reported the following legislative measures and/or joint action motions have been assigned as follows:

Revenue: HOUSE AMENDMENT No. 5 to SENATE BILL 1498.

CORRECTIONAL NOTES SUPPLIED

Correctional Notes have been supplied for HOUSE BILLS 3984, 3993, 3997, 4006, 4018, 4023, 4024, 4036, 4065, 4066, 4087, 4120, 4121, 4123, 4135, and 4152.

REQUEST FOR FISCAL NOTE

Representative Hoffman requested that a Fiscal Note be supplied for HOUSE BILL 412.

REPORTS FROM STANDING COMMITTEES

Representative Franks, Chairperson, from the Committee on State Government Administration to which the following were referred, action taken earlier today, and reported the same back with the following recommendations:

That the resolution be reported "recommends be adopted" and be placed on the House Calendar: HOUSE JOINT RESOLUTION 53.

That the Floor Amendment be reported "recommends be adopted": Amendment No. 1 to SENATE BILL 1913.

The committee roll call vote on House Joint Resolution 53 is as follows:

10, Yeas; 0, Nays; 0, Answering Present.

Y Franks,Jack(D), Chairperson	A Brady,Dan(R)
Y Brauer,Rich(R)	Y Chapa LaVia,Linda(D)
Y Jakobsson,Naomi(D)	Y Lindner,Patricia(R)
Y Myers,Richard(R), Republican Spokesperson	Y Rose,Chapin(R)
Y Smith,Michael(D), Vice-Chairperson (Fritchey)	Y Verschoore,Patrick(D)
Y Washington,Eddie(D)	

The committee roll call vote on Amendment No. 1 to Senate Bill 1913 is as follows:

6, Yeas; 0, Nays; 4, Answering Present.

Y Franks,Jack(D), Chairperson	A Brady,Dan(R)
P Brauer,Rich(R)	Y Chapa LaVia,Linda(D)
Y Jakobsson,Naomi(D)	P Lindner,Patricia(R)
P Myers,Richard(R), Republican Spokesperson	P Rose,Chapin(R)
Y Smith,Michael(D), Vice-Chairperson (Fritchey)	Y Verschoore,Patrick(D)
Y Washington,Eddie(D)	

Representative Holbrook, Chairperson, from the Committee on Environment & Energy to which the following were referred, action taken earlier today, and reported the same back with the following recommendations:

That the bill be reported “do pass” and be placed on the order of Second Reading-- Short Debate: HOUSE BILL 3937.

The committee roll call vote on House Bill 3937 is as follows:

12, Yeas; 0, Nays; 0, Answering Present.

- | | |
|------------------------------------|---|
| Y Holbrook,Thomas(D), Chairperson | Y Bradley,Richard(D) |
| Y Churchill,Robert(R) | Y Collins,Annazette(D) |
| Y Davis,Steve(D) | Y Hamos,Julie(D) |
| Y Joyce,Kevin(D) | Y Kosel,Renee(R) |
| Y Leitch,David(R) | Y Meyer,James(R), Republican Spokesperson |
| A Parke,Terry(R) | Y Reitz,Dan(D) |
| Y Slone,Ricca(D), Vice-Chairperson | A Tenhouse,Art(R) |

Representative Fritchey, Chairperson, from the Committee on Judiciary I - Civil Law to which the following were referred, action taken earlier today, and reported the same back with the following recommendations:

That the Floor Amendment be reported “recommends be adopted”:

Motion to Concur with Senate Amendment No. 1 to HOUSE BILL 1017.

The committee roll call vote on Motion to Concur with Senate Amendment No. 1 to House Bill 1017 is as follows:

15, Yeas; 0, Nays; 0, Answering Present.

- | | |
|---------------------------------|--|
| Y Fritchey,John(D), Chairperson | Y Bailey,Patricia(D) |
| Y Berrios,Maria(D) | Y Bradley,John(D) |
| Y Brosnahan,James(D) | Y Cultra,Shane(R) |
| Y Froehlich,Paul(R) | A Hamos,Julie(D) |
| A Hoffman,Jay(D) | A Hultgren,Randall(R), Republican Spokesperson |
| Y Lang,Lou(D) | Y Mathias,Sidney(R) |
| A May,Karen(D) | Y Nekritz,Elaine(D) |
| Y Osmond,JoAnn(R) | Y Rose,Chapin(R) |
| Y Sacia,Jim(R) | Y Scully,George(D), Vice-Chairperson |
| Y Wait,Ronald(R) | |

Representative Molaro, Chairperson, from the Committee on Revenue to which the following were referred, action taken earlier today, and reported the same back with the following recommendations:

That the bill be reported “do pass as amended” and be placed on the order of Second Reading-- Short Debate: HOUSE BILL 412.

That the Floor Amendment be reported “recommends be adopted”:

Amendment No. 5 to SENATE BILL 1498.

The committee roll call vote on House Bill 412 is as follows:

8, Yeas; 1, Nays; 0, Answering Present.

- | | |
|--|---|
| Y Molaro,Robert(D), Chairperson (J. Lyons) | Y Beaubien,Mark(R), Republican Spokesperson |
| Y Biggins,Bob(R) | N Currie,Barbara(D), Vice-Chairperson |
| Y Hannig,Gary(D) | Y Lang,Lou(D) |
| Y Pankau,Carole(R) | Y Sullivan,Ed(R) |
| Y Turner,Arthur(D) | |

The committee roll call vote on Amendment No. 5 to Senate Bill 1498 is as follows:

5, Yeas; 1, Nays; 3, Answering Present.

Y Molaro,Robert(D), Chairperson (J. Lyons)
 P Biggins,Bob(R)
 Y Hannig,Gary(D)
 P Pankau,Carole(R)
 Y Turner,Arthur(D)

P Beaubien,Mark(R), Republican Spokesperson
 Y Currie,Barbara(D), Vice-Chairperson
 Y Lang,Lou(D)
 N Sullivan,Ed(R)

INTRODUCTION AND FIRST READING OF BILLS

The following bills were introduced, read by title a first time, ordered printed and placed in the Committee on Rules:

HOUSE BILL 4567. Introduced by Representatives Slone - Currie - Coulson, AN ACT concerning environmental protection.

HOUSE BILL 4568. Introduced by Representative Boland, AN ACT concerning telecommunications.

HOUSE BILL 4569. Introduced by Representative Saviano, AN ACT in relation to alcoholic liquor.

HOUSE BILL 4570. Introduced by Representative Saviano, AN ACT concerning financial regulation.

HOUSE BILL 4571. Introduced by Representative Saviano, AN ACT concerning professional regulation.

HOUSE BILL 4572. Introduced by Representative Mautino, AN ACT concerning State employee insurance.

HOUSE BILL 4573. Introduced by Representative Turner, AN ACT concerning taxes.

HOUSE BILL 4574. Introduced by Representative Turner, AN ACT concerning taxes.

HOUSE BILL 4575. Introduced by Representative Capparelli, AN ACT in relation to public employee benefits.

HOUSE BILL 4576. Introduced by Representative Rose, AN ACT concerning criminal law.

HOUSE BILL 4577. Introduced by Representative Rose, AN ACT concerning vehicles.

HOUSE BILL 4578. Introduced by Representative Rose, AN ACT concerning families.

HOUSE BILL 4579. Introduced by Representative Cross, AN ACT concerning elections.

HOUSE BILL 4580. Introduced by Representative Ryg, AN ACT in relation to public aid.

HOUSE BILL 4581. Introduced by Representative Saviano, AN ACT concerning the regulation of professions.

HOUSE BILL 4582. Introduced by Representative Molaro, AN ACT concerning property taxes.

HOUSE BILL 4583. Introduced by Representative Molaro, AN ACT in relation to taxes.

HOUSE BILL 4584. Introduced by Representative Molaro, AN ACT in relation to property taxes.

HOUSE BILL 4585. Introduced by Representative Molaro, AN ACT in relation to property taxes.

HOUSE BILL 4586. Introduced by Representative Molaro, AN ACT in relation to taxes.

HOUSE BILL 4587. Introduced by Representative Molaro, AN ACT concerning criminal law.

HOUSE BILL 4588. Introduced by Representative Molaro, AN ACT concerning taxes.

HOUSE BILL 4589. Introduced by Representative Molaro, AN ACT concerning open meetings.

HOUSE BILL 4590. Introduced by Representative Rita, AN ACT concerning transportation.

HOUSE BILL 4591. Introduced by Representative Rita, AN ACT concerning financial regulation.

HOUSE BILL 4592. Introduced by Representative Rita, AN ACT in relation to criminal law.

HOUSE BILL 4593. Introduced by Representative Rita, AN ACT in relation to public health.

HOUSE BILL 4594. Introduced by Representative Beaubien, AN ACT concerning trusts.

HOUSE BILL 4595. Introduced by Representative Boland, AN ACT making appropriations.

HOUSE BILL 4596. Introduced by Representative Boland, AN ACT making appropriations.

HOUSE BILL 4597. Introduced by Representative Boland, AN ACT concerning elections.

HOUSE BILL 4598. Introduced by Representative Jakobsson, AN ACT concerning insurance.

HOUSE BILL 4599. Introduced by Representative May, AN ACT in relation to criminal law.

HOUSE BILL 4600. Introduced by Representative Lang, AN ACT concerning economic development.

HOUSE BILL 4601. Introduced by Representative Lang, AN ACT concerning gambling.

HOUSE BILL 4602. Introduced by Representative Lang, AN ACT in relation to gambling.

HOUSE BILL 4603. Introduced by Representative Lang, AN ACT concerning gambling.

HOUSE BILL 4604. Introduced by Representative Collins, AN ACT concerning juveniles.

HOUSE BILL 4605. Introduced by Representative Collins, AN ACT in relation to criminal law.

HOUSE BILL 4606. Introduced by Representative Collins, AN ACT concerning minors.
HOUSE BILL 4607. Introduced by Representative Collins, AN ACT in relation to criminal law.
HOUSE BILL 4608. Introduced by Representative Collins, AN ACT concerning counties.
HOUSE BILL 4609. Introduced by Representative Collins, AN ACT in relation to crime victims.
HOUSE BILL 4610. Introduced by Representative Collins, AN ACT in relation to minors.
HOUSE BILL 4611. Introduced by Representative Collins, AN ACT in relation to minors.
HOUSE BILL 4612. Introduced by Representative Coulson, AN ACT concerning health improvement.

HOUSE BILL 4613. Introduced by Representative May, AN ACT concerning public transportation.
HOUSE BILL 4614. Introduced by Representative Ryg, AN ACT concerning business transactions.
HOUSE BILL 4615. Introduced by Representative Ryg, AN ACT concerning public health.
HOUSE BILL 4616. Introduced by Representative Ryg, AN ACT making appropriations.
HOUSE BILL 4617. Introduced by Representative Ryg, AN ACT making appropriations.
HOUSE BILL 4618. Introduced by Representative Ryg, AN ACT concerning criminal law.
HOUSE BILL 4619. Introduced by Representative Hoffman, AN ACT concerning procurement.
HOUSE BILL 4620. Introduced by Representative Ryg, AN ACT in relation to emergency services.
HOUSE BILL 4621. Introduced by Representative Reitz, AN ACT concerning capital development.
HOUSE BILL 4622. Introduced by Representative Ryg, AN ACT concerning public aid.
HOUSE BILL 4623. Introduced by Representative Ryg, AN ACT concerning taxes.
HOUSE BILL 4624. Introduced by Representatives Ryg - Franks, AN ACT concerning health.
HOUSE BILL 4625. Introduced by Representative Younge, AN ACT in relation to property taxes.
HOUSE BILL 4626. Introduced by Representative Younge, AN ACT concerning economic development.

HOUSE BILL 4627. Introduced by Representative Younge, AN ACT making appropriations.
HOUSE BILL 4628. Introduced by Representative Younge, AN ACT concerning insurance.
HOUSE BILL 4629. Introduced by Representative Younge, AN ACT concerning insurance.
HOUSE BILL 4630. Introduced by Representative Younge, AN ACT concerning insurance.
HOUSE BILL 4631. Introduced by Representative Younge, AN ACT in relation to housing.
HOUSE BILL 4632. Introduced by Representative Younge, AN ACT concerning economic development.

HOUSE BILL 4633. Introduced by Representative Younge, AN ACT concerning appropriations.
HOUSE BILL 4634. Introduced by Representative Younge, AN ACT concerning appropriations.
HOUSE BILL 4635. Introduced by Representative Younge, AN ACT concerning local government.
HOUSE BILL 4636. Introduced by Representative Younge, AN ACT concerning appropriations.
HOUSE BILL 4637. Introduced by Representative Younge, AN ACT concerning appropriations.
HOUSE BILL 4638. Introduced by Representative Younge, AN ACT concerning housing.
HOUSE BILL 4639. Introduced by Representative Younge, AN ACT to foster economic development.

HOUSE BILL 4640. Introduced by Representative Younge, AN ACT concerning community revitalization.

HOUSE BILL 4641. Introduced by Representative Holbrook, AN ACT concerning taxes.

HOUSE BILL 4642. Introduced by Representative Lang, AN ACT in relation to public employee pensions, amending named Acts.

HOUSE BILL 4643. Introduced by Representatives Hultgren - Pankau - Capparelli - Parke - Grunloh and Biggins, AN ACT in relation to health.

HOUSE BILL 4644. Introduced by Representative Turner, AN ACT concerning special districts.

HOUSE BILL 4645. Introduced by Representative Holbrook, AN ACT concerning the Department on Aging.

HOUSE BILL 4646. Introduced by Representative Holbrook, AN ACT concerning nuclear safety.

HOUSE BILL 4647. Introduced by Representative Holbrook, AN ACT concerning nuclear safety.

HOUSE BILL 4648. Introduced by Representative Holbrook, AN ACT concerning public health.

HOUSE BILL 4649. Introduced by Representative Mathias, AN ACT concerning taxes.

HOUSE BILL 4650. Introduced by Representative Collins, AN ACT concerning housing.

HOUSE BILL 4651. Introduced by Representatives Capparelli - Lyons, Joseph, AN ACT concerning mobile homes.

HOUSE BILL 4652. Introduced by Representatives Capparelli - Lyons, Joseph, AN ACT concerning electronic fund transfer terminals.

HOUSE BILL 4653. Introduced by Representatives Capparelli - Lyons, Joseph, AN ACT in relation to public employee benefits.

HOUSE BILL 4654. Introduced by Representative Osterman, AN ACT concerning public safety.

HOUSE BILL 4655. Introduced by Representatives Osterman - Coulson, AN ACT concerning public aid.

HOUSE BILL 4656. Introduced by Representative Osterman, AN ACT in relation to municipal government.

HOUSE BILL 4657. Introduced by Representative Osterman, AN ACT in relation to municipal government.

HOUSE BILL 4658. Introduced by Representatives Sullivan - Osmond - Dunn, AN ACT concerning local government.

HOUSE BILL 4659. Introduced by Representative Pankau, AN ACT concerning liens.

HOUSE BILL 4660. Introduced by Representatives Dugan - McAuliffe - Chapa LaVia - Bost - Flider, AN ACT concerning military personnel.

HOUSE BILL 4661. Introduced by Representative Osterman, AN ACT in relation to alcoholic liquor.

HOUSE BILL 4662. Introduced by Representative Osterman, AN ACT concerning domestic violence.

HOUSE BILL 4663. Introduced by Representative Osterman, AN ACT concerning appropriations.

HOUSE BILL 4664. Introduced by Representative Osterman, AN ACT concerning special districts.

HOUSE BILL 4665. Introduced by Representative Osmond, AN ACT relating to schools.

HOUSE BILL 4666. Introduced by Representative Osterman, AN ACT concerning public health.

HOUSE BILL 4667. Introduced by Representative Younge, AN ACT making appropriations.

HOUSE BILL 4668. Introduced by Representative Younge, AN ACT to create the Illinois Africa-America Peace Brigade.

HOUSE BILL 4669. Introduced by Representative Younge, AN ACT in relation to East St. Louis Area economic development.

HOUSE BILL 4670. Introduced by Representative Hoffman, AN ACT concerning insurance.

HOUSE BILL 4671. Introduced by Representative Younge, AN ACT making appropriations.

HOUSE BILL 4672. Introduced by Representative Younge, AN ACT making appropriations.

HOUSE BILL 4673. Introduced by Representative Meyer, AN ACT in relation to support.

HOUSE BILL 4674. Introduced by Representative Meyer, AN ACT in relation to support.

HOUSE BILL 4675. Introduced by Representative Howard, AN ACT concerning sealing of criminal records.

HOUSE BILL 4676. Introduced by Representative Howard, AN ACT concerning appropriations.

HOUSE BILL 4677. Introduced by Representative Howard, AN ACT concerning criminal justice.

HOUSE BILL 4678. Introduced by Representative Meyer, AN ACT in relation to public aid.

HOUSE BILL 4679. Introduced by Representative Meyer, AN ACT in relation to housing.

HOUSE BILL 4680. Introduced by Representative Meyer, AN ACT in relation to support.

HOUSE BILL 4681. Introduced by Representative Colvin, AN ACT concerning domestic violence.

HOUSE BILL 4682. Introduced by Representative Colvin, AN ACT concerning criminal law.

HOUSE BILL 4683. Introduced by Representative Colvin, AN ACT concerning emergency communications.

HOUSE BILL 4684. Introduced by Representative Colvin, AN ACT concerning business transactions.

HOUSE BILL 4685. Introduced by Representative Colvin, AN ACT concerning child support.

HOUSE BILL 4686. Introduced by Representative Colvin, AN ACT concerning higher education.

HOUSE BILL 4687. Introduced by Representative Colvin, AN ACT concerning organ donors.

HOUSE BILL 4688. Introduced by Representative Colvin, AN ACT concerning education.

HOUSE BILL 4689. Introduced by Representative Fritchey, AN ACT concerning civil law notaries.

HOUSE BILL 4690. Introduced by Representative Fritchey, AN ACT in relation to housing.

HOUSE BILL 4691. Introduced by Representative Younge, AN ACT making an appropriation to the Department of Natural Resources.

HOUSE BILL 4692. Introduced by Representative Younge, AN ACT regarding higher education.

HOUSE BILL 4693. Introduced by Representative Younge, AN ACT concerning an academy for performing, visual, and cultural arts.

HOUSE BILL 4694. Introduced by Representative Howard, AN ACT concerning employment.

HOUSE BILL 4695. Introduced by Representative Younge, AN ACT concerning property tax reform.

HOUSE BILL 4696. Introduced by Representative Younge, AN ACT relating to school facilities.

HOUSE BILL 4697. Introduced by Representative Younge, AN ACT concerning higher education.

- HOUSE BILL 4698. Introduced by Representative Younge, AN ACT concerning employment.
- HOUSE BILL 4699. Introduced by Representative Younge, AN ACT concerning the homeless mentally ill.
- HOUSE BILL 4700. Introduced by Representative Churchill, AN ACT concerning taxes.
- HOUSE BILL 4701. Introduced by Representative Churchill, AN ACT concerning medical malpractice.
- HOUSE BILL 4702. Introduced by Representative Churchill, AN ACT concerning child support.
- HOUSE BILL 4703. Introduced by Representative Churchill, AN ACT concerning vehicles.
- HOUSE BILL 4704. Introduced by Representative Hultgren, AN ACT concerning asbestos.
- HOUSE BILL 4705. Introduced by Representatives Lyons, Eileen - Munson - Currie, AN ACT concerning local government.
- HOUSE BILL 4706. Introduced by Representative McAuliffe, AN ACT concerning residential mortgages.
- HOUSE BILL 4707. Introduced by Representative Davis, Will, AN ACT concerning insurance.
- HOUSE BILL 4708. Introduced by Representative Brosnahan, AN ACT concerning health facilities.
- HOUSE BILL 4709. Introduced by Representative Brosnahan, AN ACT concerning appropriations.
- HOUSE BILL 4710. Introduced by Representative Brosnahan, AN ACT concerning health services.
- HOUSE BILL 4711. Introduced by Representative Bradley, Richard, AN ACT in relation to public employee benefits.
- HOUSE BILL 4712. Introduced by Representative Morrow, AN ACT concerning consumer protection.
- HOUSE BILL 4713. Introduced by Representative Franks, AN ACT concerning higher education.
- HOUSE BILL 4714. Introduced by Representative Coulson, AN ACT concerning healthcare.
- HOUSE BILL 4715. Introduced by Representative Coulson, AN ACT concerning public aid.
- HOUSE BILL 4716. Introduced by Representative Moffitt, AN ACT concerning taxes.
- HOUSE BILL 4717. Introduced by Representative Myers, AN ACT concerning public benefits.
- HOUSE BILL 4718. Introduced by Representative Myers, AN ACT concerning criminal law.
- HOUSE BILL 4719. Introduced by Representative Leitch, AN ACT concerning public safety.
- HOUSE BILL 4720. Introduced by Representative Leitch, AN ACT in relation to gambling.
- HOUSE BILL 4721. Introduced by Representative Leitch, AN ACT concerning hospitals.
- HOUSE BILL 4722. Introduced by Representative Leitch, AN ACT concerning professional regulation.
- HOUSE BILL 4723. Introduced by Representative Leitch, AN ACT concerning children and families.
- HOUSE BILL 4724. Introduced by Representative Feigenholtz, AN ACT concerning adoption.
- HOUSE BILL 4725. Introduced by Representative Feigenholtz, AN ACT concerning child care.
- HOUSE BILL 4726. Introduced by Representative Feigenholtz, AN ACT to create the Illinois Public Health, Corrections, and Community Initiative.
- HOUSE BILL 4727. Introduced by Representative Feigenholtz, AN ACT concerning public aid.
- HOUSE BILL 4728. Introduced by Representative Feigenholtz, AN ACT concerning public aid.
- HOUSE BILL 4729. Introduced by Representative Feigenholtz, AN ACT concerning public aid.
- HOUSE BILL 4730. Introduced by Representative Feigenholtz, AN ACT concerning public aid.
- HOUSE BILL 4731. Introduced by Representative Yarbrough, AN ACT concerning insurance.
- HOUSE BILL 4732. Introduced by Representative Yarbrough, AN ACT concerning insurance.
- HOUSE BILL 4733. Introduced by Representative Coulson, AN ACT concerning long-term care.
- HOUSE BILL 4734. Introduced by Representative May, AN ACT in relation to aging.
- HOUSE BILL 4735. Introduced by Representative Hamos, AN ACT concerning nursing facilities.
- HOUSE BILL 4736. Introduced by Representative Hamos, AN ACT concerning public health.
- HOUSE BILL 4737. Introduced by Representative Hamos, AN ACT in relation to housing.
- HOUSE BILL 4738. Introduced by Representative Hamos, AN ACT concerning education.
- HOUSE BILL 4739. Introduced by Representatives Hamos - Millner, AN ACT concerning criminal law.
- HOUSE BILL 4740. Introduced by Representative Hamos, AN ACT with respect to conservation rights valuation.
- HOUSE BILL 4741. Introduced by Representative Hamos, AN ACT concerning taxes.
- HOUSE BILL 4742. Introduced by Representative Hamos, AN ACT concerning families.
- HOUSE BILL 4743. Introduced by Representative McCarthy, AN ACT in relation to public employee benefits.

HOUSE BILL 4744. Introduced by Representative McCarthy, AN ACT concerning higher education student assistance.

HOUSE BILL 4745. Introduced by Representative Lindner, AN ACT concerning mortgages.

HOUSE BILL 4746. Introduced by Representative Lindner, AN ACT concerning education.

HOUSE BILL 4747. Introduced by Representative Lindner, AN ACT concerning elections.

HOUSE BILL 4748. Introduced by Representatives Millner - Chapa LaVia, AN ACT concerning criminal law.

HOUSE BILL 4749. Introduced by Representative McGuire, AN ACT concerning taxes.

HOUSE BILL 4750. Introduced by Representatives Pihos - Millner, AN ACT concerning vehicles.

HOUSE BILL 4751. Introduced by Representatives Dunn - Millner - Chapa LaVia, AN ACT concerning criminal law.

HOUSE BILL 4752. Introduced by Representatives Aguilar - Millner - Chapa LaVia, AN ACT concerning criminal law.

HOUSE BILL 4753. Introduced by Representatives Aguilar - Millner - Chapa LaVia, AN ACT concerning criminal law.

HOUSE BILL 4754. Introduced by Representative Millner, AN ACT concerning vehicles.

HOUSE BILL 4755. Introduced by Representative Millner, AN ACT concerning professional regulation.

HOUSE BILL 4756. Introduced by Representative Millner, AN ACT in relation to public employee benefits.

HOUSE BILL 4757. Introduced by Representatives Pihos - Millner, AN ACT concerning vehicles.

HOUSE BILL 4758. Introduced by Representative Brady, AN ACT in relation to criminal law.

HOUSE BILL 4759. Introduced by Representative Mitchell, Bill, AN ACT concerning mortgages.

HOUSE BILL 4760. Introduced by Representative Mitchell, Bill, AN ACT concerning insurance.

HOUSE BILL 4761. Introduced by Representative Bailey, AN ACT concerning elections.

HOUSE BILL 4762. Introduced by Representative Bailey, AN ACT concerning elections.

HOUSE BILL 4763. Introduced by Representative Boland, AN ACT concerning whistleblowers.

HOUSE BILL 4764. Introduced by Representative Hamos, AN ACT concerning the executive branch.

HOUSE BILL 4765. Introduced by Representative Nekritz, AN ACT concerning Maryville Academy.

HOUSE BILL 4766. Introduced by Representative Nekritz, AN ACT concerning education.

HOUSE BILL 4767. Introduced by Representative Bellock, AN ACT concerning mental health.

HOUSE BILL 4768. Introduced by Representative Davis, Steve, AN ACT in relation to alcoholic liquor.

HOUSE BILL 4769. Introduced by Representatives Pritchard - Sacia, AN ACT concerning food animals.

HOUSE BILL 4770. Introduced by Representatives Grunloh - Capparelli, AN ACT concerning infants who are born alive.

HOUSE BILL 4771. Introduced by Representative Dugan, AN ACT concerning criminal law.

HOUSE BILL 4772. Introduced by Representative Giles, AN ACT in relation to public employee benefits.

HOUSE BILL 4773. Introduced by Representative Kelly, AN ACT concerning criminal law.

HOUSE BILL 4774. Introduced by Representatives Miller - Eddy - Davis, Will - Mitchell, Jerry, AN ACT concerning taxation.

HOUSE BILL 4775. Introduced by Representative McCarthy, AN ACT relating to public community colleges.

HOUSE BILL 4776. Introduced by Representative McCarthy, AN ACT concerning education.

HOUSE BILL 4777. Introduced by Representative Berrios, AN ACT concerning criminal law.

HOUSE BILL 4778. Introduced by Representative Pankau, AN ACT concerning insurance coverage.

HOUSE BILL 4779. Introduced by Representative Moffitt, AN ACT concerning cemeteries.

HOUSE BILL 4780. Introduced by Representatives Capparelli - Lyons, Joseph - Bradley, John, AN ACT concerning financial regulation.

HOUSE BILL 4781. Introduced by Representative Reitz, AN ACT in relation to public safety.

HOUSE BILL 4782. Introduced by Representatives Reitz - Phelps, AN ACT concerning alcoholic liquor.

HOUSE BILL 4783. Introduced by Representative Bailey, AN ACT concerning criminal justice.

HOUSE BILL 4784. Introduced by Representative Bailey, AN ACT in relation to county government.

HOUSE BILL 4785. Introduced by Representative Howard, AN ACT concerning utilities.

- HOUSE BILL 4786. Introduced by Representative Aguilar, AN ACT concerning criminal law.
- HOUSE BILL 4787. Introduced by Representative Aguilar, AN ACT concerning criminal law.
- HOUSE BILL 4788. Introduced by Representative Aguilar, AN ACT concerning criminal law.
- HOUSE BILL 4789. Introduced by Representative Aguilar, AN ACT concerning criminal law.
- HOUSE BILL 4790. Introduced by Representative Aguilar, AN ACT concerning criminal law.
- HOUSE BILL 4791. Introduced by Representative Aguilar, AN ACT in relation to public employee benefits.
- HOUSE BILL 4792. Introduced by Representative Aguilar, AN ACT concerning telecommunications.
- HOUSE BILL 4793. Introduced by Representative Reitz, AN ACT concerning soil conservation.
- HOUSE BILL 4794. Introduced by Representative Reitz, AN ACT concerning appropriations.
- HOUSE BILL 4795. Introduced by Representative Krause, AN ACT concerning civil liability.
- HOUSE BILL 4796. Introduced by Representatives Miller - Joyce, AN ACT concerning fire safety.
- HOUSE BILL 4797. Introduced by Representatives Miller - Coulson, AN ACT concerning pharmacy benefits.
- HOUSE BILL 4798. Introduced by Representative Mendoza, AN ACT concerning financial regulation.
- HOUSE BILL 4799. Introduced by Representative Pihos, AN ACT regarding schools.
- HOUSE BILL 4800. Introduced by Representative Mautino, AN ACT concerning professional regulation.
- HOUSE BILL 4801. Introduced by Representative Coulson, AN ACT concerning public health.
- HOUSE BILL 4802. Introduced by Representative Coulson, AN ACT concerning public health.
- HOUSE BILL 4803. Introduced by Representative Mulligan, AN ACT concerning business transactions.
- HOUSE BILL 4804. Introduced by Representative Mulligan, AN ACT concerning taxes.
- HOUSE BILL 4805. Introduced by Representative Mulligan, AN ACT concerning notaries public.
- HOUSE BILL 4806. Introduced by Representative Mulligan, AN ACT concerning business transactions.
- HOUSE BILL 4807. Introduced by Representative Mulligan, AN ACT concerning business transactions.
- HOUSE BILL 4808. Introduced by Representative Bellock, AN ACT concerning the Department of Public Health.
- HOUSE BILL 4809. Introduced by Representative Bellock, AN ACT in relation to public health.
- HOUSE BILL 4810. Introduced by Representatives Bassi - Phelps - Bost - Joyce, AN ACT concerning aging.
- HOUSE BILL 4811. Introduced by Representative Bassi, AN ACT concerning aging.
- HOUSE BILL 4812. Introduced by Representative Bassi, AN ACT concerning aging.
- HOUSE BILL 4813. Introduced by Representative Bassi, AN ACT concerning aging.
- HOUSE BILL 4814. Introduced by Representative Bassi, AN ACT concerning aging.
- HOUSE BILL 4815. Introduced by Representative Bassi, AN ACT in relation to aging.
- HOUSE BILL 4816. Introduced by Representative Bassi, AN ACT in relation to aging.
- HOUSE BILL 4817. Introduced by Representative Phelps, AN ACT concerning State employee group insurance.
- HOUSE BILL 4818. Introduced by Representative Watson, AN ACT concerning sheltered care.
- HOUSE BILL 4819. Introduced by Representative Watson, AN ACT concerning sheltered care.
- HOUSE BILL 4820. Introduced by Representative Watson, AN ACT concerning health facilities.
- HOUSE BILL 4821. Introduced by Representative Watson, AN ACT making appropriations.
- HOUSE BILL 4822. Introduced by Representative Watson, AN ACT making appropriations.
- HOUSE BILL 4823. Introduced by Representative Eddy, AN ACT concerning criminal law.
- HOUSE BILL 4824. Introduced by Representative Mautino, AN ACT concerning insurance.
- HOUSE BILL 4825. Introduced by Representatives Chapa LaVia - Mendoza, AN ACT concerning criminal law.
- HOUSE BILL 4826. Introduced by Representative Miller, AN ACT concerning child care.
- HOUSE BILL 4827. Introduced by Representative Winters, AN ACT concerning mental health.
- HOUSE BILL 4828. Introduced by Representative Soto, AN ACT concerning family law.
- HOUSE BILL 4829. Introduced by Representative Soto, AN ACT concerning child support.
- HOUSE BILL 4830. Introduced by Representative Soto, AN ACT in relation to forest preserves.

HOUSE BILL 4831. Introduced by Representatives Soto - Delgado - Pankau, AN ACT concerning community development.

HOUSE BILL 4832. Introduced by Representative Holbrook, AN ACT concerning vehicles.

HOUSE BILL 4833. Introduced by Representative Davis, Monique, AN ACT concerning vehicles.

HOUSE BILL 4834. Introduced by Representatives Collins - Davis, Monique, AN ACT concerning schools.

HOUSE BILL 4835. Introduced by Representative Scully, AN ACT in relation to firearms.

HOUSE BILL 4836. Introduced by Representative McGuire, AN ACT concerning health care workers.

HOUSE BILL 4837. Introduced by Representative McGuire, AN ACT concerning the Department on Aging.

HOUSE BILL 4838. Introduced by Representatives Mautino - Biggins, AN ACT concerning the Auditor General.

HOUSE BILL 4839. Introduced by Representative Hannig, AN ACT concerning State property.

HOUSE BILL 4840. Introduced by Representatives Hannig - Rita, AN ACT concerning fire safety.

HOUSE BILL 4841. Introduced by Representative Hannig, AN ACT concerning education.

HOUSE BILL 4842. Introduced by Representative Hannig, AN ACT concerning public employee benefits.

HOUSE BILL 4843. Introduced by Representative Sacia, AN ACT concerning vehicles.

HOUSE BILL 4844. Introduced by Representative Lang, AN ACT concerning aging.

HOUSE BILL 4845. Introduced by Representative Lang, AN ACT concerning health.

HOUSE BILL 4846. Introduced by Representative Colvin, AN ACT concerning public utilities.

HOUSE BILL 4847. Introduced by Representative May, AN ACT concerning insurance.

HOUSE BILL 4848. Introduced by Representative Slone, AN ACT in relation to environmental safety.

HOUSE BILL 4849. Introduced by Representative Slone, AN ACT concerning housing affordability.

HOUSE BILL 4850. Introduced by Representative Slone, AN ACT concerning sewage disposal.

HOUSE BILL 4851. Introduced by Representative Boland, AN ACT in relation to employment.

HOUSE BILL 4852. Introduced by Representative Meyer, AN ACT concerning education.

HOUSE BILL 4853. Introduced by Representative Myers, AN ACT in relation to families.

HOUSE BILL 4854. Introduced by Representative Myers, AN ACT concerning prisoners.

HOUSE BILL 4855. Introduced by Representatives Bradley, Richard - McCarthy - Capparelli - Lyons, Joseph - Burke, AN ACT in relation to public employee benefits.

HOUSE BILL 4856. Introduced by Representative Morrow, AN ACT concerning disclosure of utility services to be provided by landlords.

HOUSE BILL 4857. Introduced by Representative Morrow, AN ACT concerning exclusion from labor organization membership.

HOUSE BILL 4858. Introduced by Representative Nekritz, AN ACT concerning public health.

HOUSE BILL 4859. Introduced by Representative Sacia, AN ACT concerning anatomical gifts.

HOUSE BILL 4860. Introduced by Representative Feigenholtz, AN ACT concerning State officers and agencies.

HOUSE BILL 4861. Introduced by Representative Winters, AN ACT concerning education.

HOUSE BILL 4862. Introduced by Representative McAuliffe, AN ACT concerning hospitals.

HOUSE BILL 4863. Introduced by Representative McAuliffe, AN ACT concerning hospitals.

HOUSE BILL 4864. Introduced by Representative Saviano, AN ACT concerning professional regulation.

HOUSE BILL 4865. Introduced by Representative Saviano, AN ACT in relation to public employee benefits.

HOUSE BILL 4866. Introduced by Representative Saviano, AN ACT in relation to public employee benefits.

HOUSE BILL 4867. Introduced by Representative Saviano, AN ACT concerning public employee benefits.

HOUSE BILL 4868. Introduced by Representatives Saviano - McKeon - Mendoza, AN ACT concerning the medicinal use of cannabis.

HOUSE BILL 4869. Introduced by Representative Watson, AN ACT concerning education.

HOUSE BILL 4870. Introduced by Representative Kelly, AN ACT concerning public aid.

HOUSE BILL 4871. Introduced by Representative Kelly, AN ACT concerning public aid.

HOUSE BILL 4872. Introduced by Representatives Lyons, Eileen - Bellock, AN ACT in relation to child support.

HOUSE BILL 4873. Introduced by Representative Lyons, Joseph, AN ACT concerning mortgages.

HOUSE BILL 4874. Introduced by Representative Lyons, Joseph, AN ACT concerning telecommunications.

HOUSE BILL 4875. Introduced by Representatives Miller - Fritchey - Coulson - Feigenholtz, AN ACT concerning children.

HOUSE BILL 4876. Introduced by Representative Miller, AN ACT concerning loans.

HOUSE BILL 4877. Introduced by Representative McCarthy, AN ACT concerning public employee benefits.

HOUSE BILL 4878. Introduced by Representatives May - Black - Bailey - Krause, AN ACT concerning pharmacies.

HOUSE BILL 4879. Introduced by Representative Soto, AN ACT concerning public health.

HOUSE BILL 4880. Introduced by Representative Younge, AN ACT concerning schools.

HOUSE BILL 4881. Introduced by Representative Hoffman, AN ACT in relation to transportation.

HOUSE BILL 4882. Introduced by Representative Miller, AN ACT concerning urban development.

HOUSE BILL 4883. Introduced by Representative McKeon, AN ACT concerning employment.

HOUSE BILL 4884. Introduced by Representative Hannig, AN ACT concerning appropriations.

HOUSE BILL 4885. Introduced by Representative Hannig, AN ACT concerning schools.

HOUSE BILL 4886. Introduced by Representatives Munson - Osmond, AN ACT concerning electronic signatures.

HOUSE BILL 4887. Introduced by Representatives Biggins - Sullivan, AN ACT concerning taxes.

HOUSE BILL 4888. Introduced by Representatives Joyce - Brosnahan, AN ACT concerning villages.

HOUSE BILL 4889. Introduced by Representative Joyce, AN ACT concerning public employee benefits.

HOUSE BILL 4890. Introduced by Representative Joyce, AN ACT concerning taxes.

HOUSE BILL 4891. Introduced by Representatives Joyce - Brosnahan, AN ACT concerning vehicles.

HOUSE BILL 4892. Introduced by Representatives Joyce - Froehlich, AN ACT concerning business transactions.

HOUSE BILL 4893. Introduced by Representative Joyce, AN ACT concerning animals.

HOUSE BILL 4894. Introduced by Representatives Joyce - McCarthy - Brosnahan, AN ACT concerning public health.

HOUSE BILL 4895. Introduced by Representatives Joyce - Brosnahan, AN ACT concerning child custody.

**HOUSE JOINT RESOLUTIONS
CONSTITUTIONAL AMENDMENTS
FIRST READING**

Representative Boland introduced the following:

**HOUSE JOINT RESOLUTION
CONSTITUTIONAL AMENDMENT 30**

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-THIRD GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that there shall be submitted to the electors of the State for adoption or rejection at the general election next occurring at least 6 months after the adoption of this resolution a proposition to amend Article V of the Illinois Constitution by changing Sections 1, 3, 7, and 18 and by repealing Section 17 as follows:

ARTICLE V

THE EXECUTIVE

SECTION 1. OFFICERS

The Executive Branch shall include a Governor, Lieutenant Governor, Attorney General, Secretary of State, ~~and State Fiscal Officer Comptroller and Treasurer~~ elected by the electors of the State. They shall keep the public records and maintain a residence at the seat of government during their terms of office.

(Source: Illinois Constitution.)

SECTION 3. ELIGIBILITY

To be eligible to hold the office of Governor, Lieutenant Governor, Attorney General, Secretary of State, or State Fiscal Officer ~~Comptroller or Treasurer~~, a person must be a United States citizen, at least 25 years old, and a resident of this State for the three years preceding his or her election.

(Source: Illinois Constitution.)

SECTION 7. VACANCIES IN OTHER ELECTIVE OFFICES

If the Attorney General, Secretary of State, or State Fiscal Officer ~~Comptroller or Treasurer~~ fails to qualify or if the his office becomes vacant, the Governor shall fill the office by appointment. The appointee shall hold office until the elected officer qualifies or until a successor is elected and qualified as may be provided by law and shall not be subject to removal by the Governor. If the Lieutenant Governor fails to qualify or if the his office becomes vacant, it shall remain vacant until the end of the term.

(Source: Illinois Constitution.)

SECTION 17. COMPTROLLER - DUTIES (REPEALED)

~~The Comptroller, in accordance with law, shall maintain the State's central fiscal accounts, and order payments into and out of the funds held by the Treasurer.~~

(Source: Illinois Constitution.)

SECTION 18. STATE FISCAL OFFICER TREASURER - DUTIES

The State Fiscal Officer ~~Treasurer~~, in accordance with law, shall (i) maintain the State's central fiscal accounts, and order payments into and out of the funds held by him or her, (ii) be responsible for the safekeeping and investment of monies and securities deposited with him or her, and for their disbursement upon his or her order, and (iii) have the duties and powers that may be prescribed by law of the ~~Comptroller~~.

(Source: Illinois Constitution.)

SCHEDULE

This Constitutional Amendment takes effect upon being declared adopted in accordance with Section 7 of the Illinois Constitutional Amendment Act. A State Fiscal Officer, but not a Comptroller or Treasurer, shall be elected in 2006 and thereafter. This Constitutional Amendment otherwise applies upon the conclusion of the terms of the Comptroller and the Treasurer elected in 2002.

The foregoing HOUSE JOINT RESOLUTION CONSTITUTIONAL AMENDMENT 30 was taken up, read in full a first time, ordered printed and placed in the Committee on Rules.

HOUSE BILL ON THIRD READING

The following bill and any amendments adopted thereto were printed and laid upon the Members' desks. This bill has been examined, any amendments thereto engrossed and any errors corrected. Any amendments pending were tabled pursuant to Rule 40(a).

On motion of Representative Capparelli, HOUSE BILL 378 was taken up and read by title a third time. And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: 104, Yeas; 7, Nays; 1, Answering Present.

(ROLL CALL 2)

This bill, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence.

SENATE BILLS ON SECOND READING

SENATE BILL 1498. Having been read by title a second time on November 20, 2003, and held on the order of Second Reading, the same was again taken up.

Floor Amendment No. 1 remained in the Committee on Rules.

Representative Lang offered and withdrew Amendment No. 3.

Floor Amendment No. 4 remained in the Committee on Rules.

Representative Currie offered the following amendment and moved its adoption.

AMENDMENT NO. 5. Amend Senate Bill 1498, AS AMENDED, by replacing everything after the enacting clause with the following:

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

(20 ILCS 620/6) (from Ch. 67 1/2, par. 1006)

Sec. 6. Filing with county clerk; certification of initial equalized assessed value.

(a) The municipality shall file a certified copy of any ordinance authorizing tax increment allocation financing for an economic development project area with the county clerk, and the county clerk shall immediately thereafter determine (1) the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~, and 15-176 of the Property Tax Code, which value shall be the "initial equalized assessed value" of each such piece of property, and (2) the total equalized assessed value of all taxable real property within the economic development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such economic development project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~, and 15-176 of the Property Tax Code, and shall certify such amount as the "total initial equalized assessed value" of the taxable real property within the economic development project area.

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within that taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within that taxing district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of allocating taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the economic development project area, terminating the economic development project area, and terminating the use of tax increment allocation financing for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 88-670, eff. 12-2-94.)

Section 10. The Property Tax Code is amended by changing Sections 14-15, 15-10, 15-170, 15-175, and 20-178 and by adding Section 15-176 as follows:

(35 ILCS 200/14-15)

Sec. 14-15. Certificate of error; counties of 3,000,000 or more.

(a) In counties with 3,000,000 or more inhabitants, if, after the assessment is certified pursuant to Section 16-150, but subject to the limitations of subsection (c) of this Section, the county assessor discovers an error or mistake in the assessment, the assessor shall execute a certificate setting forth the nature and cause of the error. The certificate when endorsed by the county assessor, or when endorsed by the county assessor and board of appeals (until the first Monday in December 1998 and the board of review beginning the first Monday in December 1998 and thereafter) where the certificate is executed for any assessment which was the subject of a complaint filed in the board of appeals (until the first Monday in December 1998 and the board of review beginning the first Monday in December 1998 and thereafter) for the tax year for which the certificate is issued, may, either be certified according to the procedure authorized by this Section or be presented and received in evidence in any court of competent jurisdiction. Certification is authorized, at the discretion of the county assessor, for: (1) certificates of error allowing homestead exemptions pursuant to Sections 15-170, 15-172, ~~and 15-175~~, and 15-176; (2) certificates of error on residential property of 6 units or less; (3) certificates of error allowing exemption of the property pursuant to Section 14-25; and (4) other

certificates of error reducing assessed value by less than \$100,000. Any certificate of error not certified shall be presented to the court. The county assessor shall develop reasonable procedures for the filing and processing of certificates of error. Prior to the certification or presentation to the court, the county assessor or his or her designee shall execute and include in the certificate of error a statement attesting that all procedural requirements pertaining to the issuance of the certificate of error have been met and that in fact an error exists. When so introduced in evidence such certificate shall become a part of the court records, and shall not be removed from the files except upon the order of the court.

Certificates of error that will be presented to the court shall be filed as an objection in the application for judgment and order of sale for the year in relation to which the certificate is made or as an amendment to the objection under subsection (b). Certificates of error that are to be certified according to the procedure authorized by this Section need not be presented to the court as an objection or an amendment under subsection (b). The State's Attorney of the county in which the property is situated shall mail a copy of any final judgment entered by the court regarding any certificate of error to the taxpayer of record for the year in question.

Any unpaid taxes after the entry of the final judgment by the court or certification on certificates issued under this Section may be included in a special tax sale, provided that an advertisement is published and a notice is mailed to the person in whose name the taxes were last assessed, in a form and manner substantially similar to the advertisement and notice required under Sections 21-110 and 21-135. The advertisement and sale shall be subject to all provisions of law regulating the annual advertisement and sale of delinquent property, to the extent that those provisions may be made applicable.

A certificate of error certified under this Section shall be given effect by the county treasurer, who shall mark the tax books and, upon receipt of one of the following certificates from the county assessor or the county assessor and the board of review where the board of review is required to endorse the certificate of error, shall issue refunds to the taxpayer accordingly:

"CERTIFICATION

I,, county assessor, hereby certify that the Certificates of Error set out on the attached list have been duly issued to correct an error or mistake in the assessment."

"CERTIFICATION

I,, county assessor, and we,, members of the board of review, hereby certify that the Certificates of Error set out on the attached list have been duly issued to correct an error or mistake in the assessment and that any certificates of error required to be endorsed by the board of review have been so endorsed."

The county treasurer has the power to mark the tax books to reflect the issuance of certificates of error certified according to the procedure authorized in this Section for certificates of error issued under Section 14-25 or certificates of error issued to and including 3 years after the date on which the annual judgment and order of sale for that tax year was first entered. The county treasurer has the power to issue refunds to the taxpayer as set forth above until all refunds authorized by this Section have been completed.

To the extent that the certificate of error obviates the liability for nonpayment of taxes, certification of a certificate of error according to the procedure authorized in this Section shall operate to vacate any judgment or forfeiture as to that year's taxes, and the warrant books and judgment books shall be marked to reflect that the judgment or forfeiture has been vacated.

(b) Nothing in subsection (a) of this Section shall be construed to prohibit the execution, endorsement, issuance, and adjudication of a certificate of error if (i) the annual judgment and order of sale for the tax year in question is reopened for further proceedings upon consent of the county collector and county assessor, represented by the State's Attorney, and (ii) a new final judgment is subsequently entered pursuant to the certificate. This subsection (b) shall be construed as declarative of existing law and not as a new enactment.

(c) No certificate of error, other than a certificate to establish an exemption under Section 14-25, shall be executed for any tax year more than 3 years after the date on which the annual judgment and order of sale for that tax year was first entered, except that during calendar years 1999 and 2000 a certificate of error may be executed for any tax year, provided that the error or mistake in the assessment was discovered no more than 3 years after the date on which the annual judgment and order of sale for that tax year was first entered.

(d) The time limitation of subsection (c) shall not apply to a certificate of error correcting an assessment to \$1, under Section 10-35, on a parcel that a subdivision or planned development has acquired by adverse possession, if during the tax year for which the certificate is executed the subdivision or planned development used the parcel as common area, as defined in Section 10-35, and if application for the

certificate of error is made prior to December 1, 1997.

(e) The changes made by this amendatory Act of the 91st General Assembly apply to certificates of error issued before, on, and after the effective date of this amendatory Act of the 91st General Assembly.

(Source: P.A. 90-4, eff. 3-7-97; 90-288, eff. 8-1-97; 90-655, eff. 7-30-98; 91-393, eff. 7-30-99; 91-686, eff. 1-26-00.)

(35 ILCS 200/15-10)

Sec. 15-10. Exempt property; procedures for certification. All property granted an exemption by the Department pursuant to the requirements of Section 15-5 and described in the Sections following Section 15-30 and preceding Section 16-5, to the extent therein limited, is exempt from taxation. In order to maintain that exempt status, the titleholder or the owner of the beneficial interest of any property that is exempt must file with the chief county assessment officer, on or before January 31 of each year (May 31 in the case of property exempted by Section 15-170), an affidavit stating whether there has been any change in the ownership or use of the property or the status of the owner-resident, or that a disabled veteran who qualifies under Section 15-165 owned and used the property as of January 1 of that year. The nature of any change shall be stated in the affidavit. Failure to file an affidavit shall, in the discretion of the assessment officer, constitute cause to terminate the exemption of that property, notwithstanding any other provision of this Code. Owners of 5 or more such exempt parcels within a county may file a single annual affidavit in lieu of an affidavit for each parcel. The assessment officer, upon request, shall furnish an affidavit form to the owners, in which the owner may state whether there has been any change in the ownership or use of the property or status of the owner or resident as of January 1 of that year. The owner of 5 or more exempt parcels shall list all the properties giving the same information for each parcel as required of owners who file individual affidavits.

However, titleholders or owners of the beneficial interest in any property exempted under any of the following provisions are not required to submit an annual filing under this Section:

- (1) Section 15-45 (burial grounds) in counties of less than 3,000,000 inhabitants and owned by a not-for-profit organization.
- (2) Section 15-40.
- (3) Section 15-50 (United States property).

If there is a change in use or ownership, however, notice must be filed pursuant to Section 15-20.

An application for homestead exemptions shall be filed as provided in Section 15-170 (senior citizens homestead exemption), Section 15-172 (senior citizens assessment freeze homestead exemption), and ~~Sections Section~~ 15-175 and 15-176 (general homestead exemption), respectively.

(Source: P.A. 92-333, eff. 8-10-01; 92-729, eff. 7-25-02.)

(35 ILCS 200/15-170)

Sec. 15-170. Senior Citizens Homestead Exemption. An annual homestead exemption limited, except as described here with relation to cooperatives or life care facilities, to a maximum reduction set forth below from the property's value, as equalized or assessed by the Department, is granted for property that is occupied as a residence by a person 65 years of age or older who is liable for paying real estate taxes on the property and is an owner of record of the property or has a legal or equitable interest therein as evidenced by a written instrument, except for a leasehold interest, other than a leasehold interest of land on which a single family residence is located, which is occupied as a residence by a person 65 years or older who has an ownership interest therein, legal, equitable or as a lessee, and on which he or she is liable for the payment of property taxes. The maximum reduction shall be \$2,500 in counties with 3,000,000 or more inhabitants and \$2,000 in all other counties. For land improved with an apartment building owned and operated as a cooperative, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by a person 65 years of age or older who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. For land improved with a life care facility, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by persons 65 years of age or older, irrespective of any legal, equitable, or leasehold interest in the facility, who are liable, under a contract with the owner or owners of record of the facility, for paying property taxes on the property. In a cooperative or a life care facility where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor. Under this Section and ~~Sections Section~~ 15-175 and 15-176, "life care facility"

means a facility as defined in Section 2 of the Life Care Facilities Act, with which the applicant for the homestead exemption has a life care contract as defined in that Act.

When a homestead exemption has been granted under this Section and the person qualifying subsequently becomes a resident of a facility licensed under the Nursing Home Care Act, the exemption shall continue so long as the residence continues to be occupied by the qualifying person's spouse if the spouse is 65 years of age or older, or if the residence remains unoccupied but is still owned by the person qualified for the homestead exemption.

A person who will be 65 years of age during the current assessment year shall be eligible to apply for the homestead exemption during that assessment year. Application shall be made during the application period in effect for the county of his residence.

Beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the senior citizens homestead exemption under this Section must be granted a pro-rata exemption for the assessment year. The amount of the pro-rata exemption is the exemption allowed in the county under this Section divided by 365 and multiplied by the number of days during the assessment year the property is occupied as a residence by a person eligible for the exemption under this Section. The chief county assessment officer must adopt reasonable procedures to establish eligibility for this pro-rata exemption.

The assessor or chief county assessment officer may determine the eligibility of a life care facility to receive the benefits provided by this Section, by affidavit, application, visual inspection, questionnaire or other reasonable methods in order to insure that the tax savings resulting from the exemption are credited by the management firm to the apportioned tax liability of each qualifying resident. The assessor may request reasonable proof that the management firm has so credited the exemption.

The chief county assessment officer of each county with less than 3,000,000 inhabitants shall provide to each person allowed a homestead exemption under this Section a form to designate any other person to receive a duplicate of any notice of delinquency in the payment of taxes assessed and levied under this Code on the property of the person receiving the exemption. The duplicate notice shall be in addition to the notice required to be provided to the person receiving the exemption, and shall be given in the manner required by this Code. The person filing the request for the duplicate notice shall pay a fee of \$5 to cover administrative costs to the supervisor of assessments, who shall then file the executed designation with the county collector. Notwithstanding any other provision of this Code to the contrary, the filing of such an executed designation requires the county collector to provide duplicate notices as indicated by the designation. A designation may be rescinded by the person who executed such designation at any time, in the manner and form required by the chief county assessment officer.

The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire or other reasonable methods. The determination shall be made in accordance with guidelines established by the Department.

In counties with less than 3,000,000 inhabitants, the county board may by resolution provide that if a person has been granted a homestead exemption under this Section, the person qualifying need not reapply for the exemption.

In counties with less than 3,000,000 inhabitants, if the assessor or chief county assessment officer requires annual application for verification of eligibility for an exemption once granted under this Section, the application shall be mailed to the taxpayer.

The assessor or chief county assessment officer shall notify each person who qualifies for an exemption under this Section that the person may also qualify for deferral of real estate taxes under the Senior Citizens Real Estate Tax Deferral Act. The notice shall set forth the qualifications needed for deferral of real estate taxes, the address and telephone number of county collector, and a statement that applications for deferral of real estate taxes may be obtained from the county collector.

Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

(Source: P.A. 92-196, eff. 1-1-02; 93-511, eff. 8-11-03.)

(35 ILCS 200/15-175)

Sec. 15-175. General homestead exemption. Except as provided in Section 15-176, homestead property is entitled to an annual homestead exemption limited, except as described here with relation to cooperatives, to a reduction in the equalized assessed value of homestead property equal to the increase in equalized assessed value for the current assessment year above the equalized assessed value of the property for 1977, up to the maximum reduction set forth below. If however, the 1977 equalized assessed value

upon which taxes were paid is subsequently determined by local assessing officials, the Property Tax Appeal Board, or a court to have been excessive, the equalized assessed value which should have been placed on the property for 1977 shall be used to determine the amount of the exemption.

Except as provided in Section 15-176, the maximum reduction shall be \$4,500 in counties with 3,000,000 or more inhabitants and \$3,500 in all other counties.

In counties with fewer than 3,000,000 inhabitants, if, based on the most recent assessment, the equalized assessed value of the homestead property for the current assessment year is greater than the equalized assessed value of the property for 1977, the owner of the property shall automatically receive the exemption granted under this Section in an amount equal to the increase over the 1977 assessment up to the maximum reduction set forth in this Section.

If in any assessment year beginning with the 2000 assessment year, homestead property has a pro-rata valuation under Section 9-180 resulting in an increase in the assessed valuation, a reduction in equalized assessed valuation equal to the increase in equalized assessed value of the property for the year of the pro-rata valuation above the equalized assessed value of the property for 1977 shall be applied to the property on a proportionate basis for the period the property qualified as homestead property during the assessment year. The maximum proportionate homestead exemption shall not exceed the maximum homestead exemption allowed in the county under this Section divided by 365 and multiplied by the number of days the property qualified as homestead property.

"Homestead property" under this Section includes residential property that is occupied by its owner or owners as his or their principal dwelling place, or that is a leasehold interest on which a single family residence is situated, which is occupied as a residence by a person who has an ownership interest therein, legal or equitable or as a lessee, and on which the person is liable for the payment of property taxes. For land improved with an apartment building owned and operated as a cooperative or a building which is a life care facility as defined in Section 15-170 and considered to be a cooperative under Section 15-170, the maximum reduction from the equalized assessed value shall be limited to the increase in the value above the equalized assessed value of the property for 1977, up to the maximum reduction set forth above, multiplied by the number of apartments or units occupied by a person or persons who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. For purposes of this Section, the term "life care facility" has the meaning stated in Section 15-170.

In a cooperative where a homestead exemption has been granted, the cooperative association or its management firm shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor.

Where married persons maintain and reside in separate residences qualifying as homestead property, each residence shall receive 50% of the total reduction in equalized assessed valuation provided by this Section.

In counties with more than 3,000,000 inhabitants, the assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption by application, visual inspection, questionnaire or other reasonable methods. The determination shall be made in accordance with guidelines established by the Department.

In counties with fewer than 3,000,000 inhabitants, in the event of a sale of homestead property the homestead exemption shall remain in effect for the remainder of the assessment year of the sale. The assessor or chief county assessment officer may require the new owner of the property to apply for the homestead exemption for the following assessment year.

(Source: P.A. 90-368, eff. 1-1-98; 90-552, eff. 12-12-97; 90-655, eff. 7-30-98; 91-346, eff. 7-29-99.)

(35 ILCS 200/15-176 new)

Sec. 15-176. General homestead exemption in counties with 3,000,000 or more inhabitants.

(a) In counties with 3,000,000 or more inhabitants, for the assessment years as determined under subsection (j), homestead property is entitled to an annual homestead exemption equal to a reduction in the property's equalized assessed value calculated as provided in this Section.

(b) As used in this Section:

(1) "Assessor" means the elected county assessor.

(2) "Adjusted homestead value" means the lesser of the following values:

(A) The property's base homestead value increased by 7% for each tax year after 2002 through and including the current tax year, or, if the property is sold or ownership is otherwise transferred, the property's base homestead value increased by 7% for each tax year after the year of the sale or transfer

through and including the current tax year. The increase by 7% each year is an increase by 7% over the prior year.

(B) The property's equalized assessed value for the current tax year minus \$4,500.

(3) "Base homestead value".

(A) Except as provided in subdivision (b)(3)(B), "base homestead value" means the equalized assessed value of the property for tax year 2002 prior to exemptions, minus \$4,500, provided that it was assessed for that year as residential property qualified for any of the homestead exemptions under Sections 15-170 through 15-175 of this Code, then in force, and further provided that the property's assessment was not based on a reduced assessed value resulting from a temporary irregularity in the property for that year. Except as provided in subdivision (b)(3)(B), if the property did not have a residential equalized assessed value for tax year 2002, then "base homestead value" means the base homestead value established by the assessor under subsection (c).

(B) If the property is sold or ownership is otherwise transferred, "base homestead value" means the equalized assessed value of the property at the time of the sale or transfer prior to exemptions, minus \$4,500, provided that it was assessed as residential property qualified for any of the homestead exemptions under Sections 15-170 through 15-175 of this Code, then in force, and further provided that the property's assessment was not based on a reduced assessed value resulting from a temporary irregularity in the property.

(4) "Current tax year" means the tax year for which the exemption under this Section is being applied.

(5) "Equalized assessed value" means the property's assessed value as equalized by the Department.

(6) "Homestead" or "homestead property" means:

(A) Residential property that as of January 1 of the tax year is occupied by its owner or owners as his, her, or their principal dwelling place, or that is a leasehold interest on which a single family residence is situated, that is occupied as a residence by a person who has a legal or equitable interest therein evidenced by a written instrument, as an owner or as a lessee, and on which the person is liable for the payment of property taxes. Residential units in an apartment building owned and operated as a cooperative, or as a life care facility, which are occupied by persons who hold a legal or equitable interest in the cooperative apartment building or life care facility as owners or lessees, and who are liable by contract for the payment of property taxes, shall be included within this definition of homestead property. Residential property containing 6 or fewer dwelling units shall also be included in this definition of homestead property provided that at least one such unit is occupied by the property's owner or owners as his, her, or their principal dwelling place.

(B) A homestead includes the dwelling place, appurtenant structures, and so much of the surrounding land constituting the parcel on which the dwelling place is situated as is used for residential purposes. If the assessor has established a specific legal description for a portion of property constituting the homestead, then the homestead shall be limited to the property within that description.

(7) "Life care facility" means a facility as defined in Section 2 of the Life Care Facilities Act.

(c) If the property did not have a residential equalized assessed value for tax year 2002 as provided in subdivision (b)(3)(A) of this Section, then the assessor shall first determine an initial value for the property by comparison with assessed values for tax year 2002 of other properties having physical and economic characteristics similar to those of the subject property, so that the initial value is uniform in relation to assessed values of those other properties for tax year 2002. The product of the initial value multiplied by 2.4689, less \$4,500, is the base homestead value.

For any tax year for which the assessor determines or adjusts an initial value and hence a base homestead value under this subsection (c), the initial value shall be subject to review by the same procedures applicable to assessed values established under this Code for that tax year.

(d) The base homestead value shall remain constant, except that the assessor may revise it under the following circumstances:

(1) If the equalized assessed value of a homestead property for the current tax year is less than the previous base homestead value for that property, then the current equalized assessed value (provided it is not based on a reduced assessed value resulting from a temporary irregularity in the property) shall become the base homestead value in subsequent tax years.

(2) For any year in which new buildings, structures, or other improvements are constructed on the homestead property that would increase its assessed value, the assessor shall adjust the base homestead value as provided in subsection (c) of this Section with due regard to the value added by the new improvements.

(3) If the property is sold or ownership is otherwise transferred, the base homestead value of the

property shall be adjusted as provided in subdivision (b)(3)(B).

(e) The amount of the exemption under this Section is the equalized assessed value of the homestead property for the current tax year, minus the adjusted homestead value, with the following exceptions:

(1) The exemption under this Section shall not exceed \$25,000 for any taxable year.

(2) In the case of homestead property that also qualifies for the exemption under Section 15-172, the property is entitled to the exemption under this Section, limited to the amount of \$4,500.

(f) In the case of an apartment building owned and operated as a cooperative, or as a life care facility, that contains residential units that qualify as homestead property under this Section, the maximum cumulative exemption amount attributed to the entire building or facility shall not exceed the sum of the exemptions calculated for each qualified residential unit. The cooperative association, management firm, or other person or entity that manages or controls the cooperative apartment building or life care facility shall credit the exemption attributable to each residential unit only to the apportioned tax liability of the owner or other person responsible for payment of taxes as to that unit. Any person who willfully refuses to so credit the exemption is guilty of a Class B misdemeanor.

(g) When married persons maintain separate residences, the exemption provided under this Section shall be claimed by only one such person and for only one residence.

(h) In the event of a sale or other transfer in ownership of the homestead property, the exemption under this Section shall remain in effect for the remainder of the tax year in which the sale or transfer occurs, but shall be calculated using the new base homestead value as provided in subdivision (b)(3)(B). The assessor may require the new owner of the property to apply for the exemption in the following year.

(i) The assessor may determine whether property qualifies as a homestead under this Section by application, visual inspection, questionnaire, or other reasonable methods. Each year, at the time the assessment books are certified to the county clerk by the board of review, the assessor shall furnish to the county clerk a list of the properties qualified for the homestead exemption under this Section. The list shall note the base homestead value of each property to be used in the calculation of the exemption for the current tax year.

(j) The provisions of this Section apply as follows:

(1) If the general assessment year for the property is 2003, this Section applies for assessment years 2003, 2004, and 2005. Thereafter, the provisions of Section 15-175 apply.

(2) If the general assessment year for the property is 2004, this Section applies for assessment years 2004, 2005, and 2006. Thereafter, the provisions of Section 15-175 apply.

(3) If the general assessment year for the property is 2005, this Section applies for assessment years 2005, 2006, and 2007. Thereafter, the provisions of Section 15-175 apply.

(k) Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

(35 ILCS 200/20-178)

Sec. 20-178. Certificate of error; refund; interest. When the county collector makes any refunds due on certificates of error issued under Sections 14-15 through 14-25 that have been either certified or adjudicated, the county collector shall pay the taxpayer interest on the amount of the refund at the rate of 0.5% per month.

No interest shall be due under this Section for any time prior to 60 days after the effective date of this amendatory Act of the 91st General Assembly. For certificates of error issued prior to the effective date of this amendatory Act of the 91st General Assembly, the county collector shall pay the taxpayer interest from 60 days after the effective date of this amendatory Act of the 91st General Assembly until the date the refund is paid. For certificates of error issued on or after the effective date of this amendatory Act of the 91st General Assembly, interest shall be paid from 60 days after the certificate of error is issued by the chief county assessment officer to the date the refund is made. To cover the cost of interest, the county collector shall proportionately reduce the distribution of taxes collected for each taxing district in which the property is situated.

This Section shall not apply to any certificate of error granting a homestead exemption under Section 15-170, 15-172, ~~or 15-175~~, or 15-176.

(Source: P.A. 91-393, eff. 7-30-99.)

Section 15. The County Economic Development Project Area Property Tax Allocation Act is amended by changing Section 6 as follows:

(55 ILCS 85/6) (from Ch. 34, par. 7006)

Sec. 6. Filing with county clerk; certification of initial equalized assessed value.

(a) The county shall file a certified copy of any ordinance authorizing property tax allocation financing

for an economic development project area with the county clerk, and the county clerk shall immediately thereafter determine (1) the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code, which value shall be the "initial equalized assessed value" of each such piece of property, and (2) the total equalized assessed value of all taxable real property within the economic development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such economic development project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code. Upon receiving written notice from the Department of its approval and certification of such economic development project area, the county clerk shall immediately certify such amount as the "total initial equalized assessed value" of the taxable property within the economic development project area.

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within that taxing district for the purpose of computing the rate percent of tax to be extended upon taxable property within the taxing district, shall in every year that property tax allocation financing is in effect ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area. The rate percent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate percent of tax is extended to all other taxable property in the taxing district. The method of allocating taxes established under this Section shall terminate when the county adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 88-670, eff. 12-2-94.)

Section 20. The County Economic Development Project Area Tax Increment Allocation Act of 1991 is amended by changing Section 45 as follows:

(55 ILCS 90/45) (from Ch. 34, par. 8045)

Sec. 45. Filing with county clerk; certification of initial equalized assessed value.

(a) A county that has by ordinance approved an economic development plan, established an economic development project area, and adopted tax increment allocation financing for that area shall file certified copies of the ordinance or ordinances with the county clerk. Upon receiving the ordinance or ordinances, the county clerk shall immediately determine (i) the most recently ascertained equalized assessed value of each lot, block, tract, or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code (that value being the "initial equalized assessed value" of each such piece of property) and (ii) the total equalized assessed value of all taxable real property within the economic development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within the economic development project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~ and 15-176 of the Property Tax Code, and shall certify that amount as the "total initial equalized assessed value" of the taxable real property within the economic development project area.

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within the taxing district shall, in every year that tax increment allocation financing is in effect, ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in the area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the county adopts an ordinance dissolving the special tax allocation

fund for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 87-1; 88-670, eff. 12-2-94.)

Section 25. The Illinois Municipal Code is amended by changing Sections 11-74.4-8, 11-74.4-9, and 11-74.6-40 as follows:

(65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

Sec. 11-74.4-8. Tax increment allocation financing. A municipality may not adopt tax increment financing in a redevelopment project area after the effective date of this amendatory Act of 1997 that will encompass an area that is currently included in an enterprise zone created under the Illinois Enterprise Zone Act unless that municipality, pursuant to Section 5.4 of the Illinois Enterprise Zone Act, amends the enterprise zone designating ordinance to limit the eligibility for tax abatements as provided in Section 5.4.1 of the Illinois Enterprise Zone Act. A municipality, at the time a redevelopment project area is designated, may adopt tax increment allocation financing by passing an ordinance providing that the ad valorem taxes, if any, arising from the levies upon 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 each year after the effective date of the ordinance until redevelopment project costs and all municipal obligations financing redevelopment project costs incurred under this Division have been paid shall be divided as follows:

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such 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 in the absence of the adoption of tax increment allocation financing.

(b) Except from a tax levied by a township to retire bonds issued to satisfy court-ordered damages, 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 in the project area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said 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 thereof. 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 (c) of Section 11-74.4-9 by the 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 or before December 31, 1999 to a municipal treasurer shall be made only if each of the following conditions are met:

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

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

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

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

The conditions of paragraphs (1) through (4) do not apply after December 31, 1999 to payments to a municipal treasurer made by a county with 3,000,000 or more inhabitants that has adopted an estimated

billing procedure for collecting taxes. If a county that has adopted the estimated billing procedure makes an erroneous overpayment of tax revenue to the municipal treasurer, then the county may seek a refund of that overpayment. The county shall send the municipal treasurer a notice of liability for the overpayment on or before the mailing date of the next real estate tax bill within the county. The refund shall be limited to the amount of the overpayment.

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

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

(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 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 provided by Sections 15-170, ~~and 15-175~~, and 15-176 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 increment financing was adopted, minus the total current homestead exemptions pertaining to each piece of property provided by Sections 15-170, ~~and 15-175~~, and 15-176 of the Property Tax Code in the redevelopment project area, shall be allocated to and when collected shall be paid to the municipal Treasurer, who shall deposit said 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 thereof.

The municipality may pledge in the ordinance the funds in and to be deposited in the special tax allocation fund for the payment of such costs and obligations. No part of the current equalized assessed valuation of each property in the redevelopment project area attributable to any increase above the total initial equalized assessed value, or the total initial equalized assessed value as adjusted, of such properties shall be used in calculating the general State school aid formula, provided for in Section 18-8 of the School Code, until such time as all redevelopment project costs have been paid as provided for in this Section.

Whenever a municipality issues bonds for the purpose of financing redevelopment project costs, such municipality may provide by ordinance for the appointment of a trustee, which may be any trust company within the State, and for the establishment of such funds or accounts to be maintained by such trustee as the municipality shall deem necessary to provide for the security and payment of the bonds. If such municipality provides for the appointment of a trustee, such trustee shall be considered the assignee of any payments assigned by the municipality pursuant to such ordinance and this Section. Any amounts paid to such trustee as assignee shall be deposited in the funds or accounts established pursuant to such trust

agreement, and shall be held by such trustee in trust for the benefit of the holders of the bonds, and such holders shall have a lien on and a security interest in such funds 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 municipality for deposit in the special tax allocation fund.

When such redevelopment projects costs, including without limitation all municipal obligations financing redevelopment project costs incurred under this Division, have been paid, all surplus funds then remaining in the special tax allocation fund shall be distributed by being paid by the municipal treasurer to the Department of Revenue, the municipality and the county collector; first to the Department of Revenue and the municipality in direct proportion to the tax incremental revenue received from the State and the municipality, but not to exceed the total incremental revenue received from the State or the municipality less any annual surplus distribution of incremental revenue previously made; with any remaining funds to be paid to the County Collector who shall immediately thereafter pay said funds to the taxing districts in the redevelopment project area in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property in the redevelopment project area.

Upon the payment of all redevelopment project costs, the retirement of obligations, the distribution of any excess monies pursuant to this Section, and final closing of the books and records of the redevelopment project area, the municipality shall adopt an ordinance dissolving the 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 distributed in the manner applicable in the absence of the adoption of tax increment allocation financing.

Nothing in this Section shall be construed as relieving property in such redevelopment project areas from being assessed as provided in the Property Tax Code or as relieving owners of such property from paying a uniform rate of taxes, as required by Section 4 of Article 9 of the Illinois Constitution.

(Source: P.A. 92-16, eff. 6-28-01; 93-298, eff. 7-23-03.)

(65 ILCS 5/11-74.4-9) (from Ch. 24, par. 11-74.4-9)

Sec. 11-74.4-9. Equalized assessed value of property.

(a) If a municipality by ordinance provides for tax increment allocation financing pursuant to Section 11-74.4-8, the county clerk immediately thereafter shall determine (1) the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within such redevelopment project area from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax Code, which value shall be the "initial equalized assessed value" of each such piece of property, and (2) the total equalized assessed value of all taxable real property within such redevelopment project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax Code, and shall certify such amount as the "total initial equalized assessed value" of the taxable real property within such project area.

(b) In reference to any municipality which has adopted tax increment financing after January 1, 1978, and in respect to which the county clerk has certified the "total initial equalized assessed value" of the property in the redevelopment area, the municipality may thereafter request the clerk in writing to adjust the initial equalized value of all taxable real property within the redevelopment project area by deducting therefrom the exemptions provided for by Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax Code applicable to each lot, block, tract or parcel of real property within such redevelopment project area. The county clerk shall immediately after the written request to adjust the total initial equalized value is received determine the total homestead exemptions in the redevelopment project area provided by Sections 15-170, ~~and~~ 15-175, and 15-176 of the Property Tax Code by adding together the homestead exemptions provided by said Sections on each lot, block, tract or parcel of real property within such redevelopment project area and then shall deduct the total of said exemptions from the total initial equalized assessed

value. The county clerk shall then promptly certify such amount as the "total initial equalized assessed value as adjusted" of the taxable real property within such redevelopment project area.

(c) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in such area, then in respect to every taxing district containing a redevelopment project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such district for the purpose of computing the rate per cent of tax to be extended upon taxable property within such district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project area by including in such amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area, except that after he has certified the "total initial equalized assessed value as adjusted" he shall in the year of said certification if tax rates have not been extended and in every year thereafter that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project area by including in such amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value as adjusted" of all taxable real property in such area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the redevelopment project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the redevelopment project area. This Division shall not be construed as relieving property owners within a redevelopment project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 88-670, eff. 12-2-94.)

(65 ILCS 5/11-74.6-40)

Sec. 11-74.6-40. Equalized assessed value determination; property tax extension.

(a) If a municipality by ordinance provides for tax increment allocation financing under Section 11-74.6-35, the county clerk immediately thereafter:

(1) shall determine the initial equalized assessed value of each parcel of real property in the redevelopment project area, which is the most recently established equalized assessed value of each lot, block, tract or parcel of taxable real property within the redevelopment project area, minus the homestead exemptions provided by Sections 15-170, ~~and 15-175~~, and 15-176 of the Property Tax Code; and

(2) shall certify to the municipality the total initial equalized assessed value of all taxable real property within the redevelopment project area.

(b) Any municipality that has established a vacant industrial buildings conservation area may, by ordinance passed after the adoption of tax increment allocation financing, provide that the county clerk immediately thereafter shall again determine:

(1) the updated initial equalized assessed value of each lot, block, tract or parcel of real property, which is the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within the vacant industrial buildings conservation area; and

(2) the total updated initial equalized assessed value of all taxable real property within the redevelopment project area, which is the total of the updated initial equalized assessed value of all taxable real property within the vacant industrial buildings conservation area.

The county clerk shall certify to the municipality the total updated initial equalized assessed value of all taxable real property within the industrial buildings conservation area.

(c) After the county clerk has certified the total initial equalized assessed value or the total updated initial equalized assessed value of the taxable real property in the area, for each taxing district in which a redevelopment project area is situated, the county clerk or any other official required by law to determine the amount of the equalized assessed value of all taxable property within the district for the purpose of computing the percentage rate of tax to be extended upon taxable property within the district, shall in every year that tax increment allocation financing is in effect determine the total equalized assessed value of taxable property in a redevelopment project area by including in that amount the lower of the current equalized assessed value or the certified total initial equalized assessed value or, if the total of updated equalized assessed value has been certified, the total updated initial equalized assessed value of all taxable real property in the redevelopment project area. After he has certified the total initial equalized assessed value he shall in the year of that certification, if tax rates have not been extended, and in every subsequent year that tax increment allocation financing is in effect, determine the amount of equalized assessed value of taxable property in a redevelopment project area by including in that amount the lower of the current

total equalized assessed value or the certified total initial equalized assessed value or, if the total of updated initial equalized assessed values have been certified, the total updated initial equalized assessed value of all taxable real property in the redevelopment project area.

(d) The percentage rate of tax determined shall be extended on the current equalized assessed value of all property in the redevelopment project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the redevelopment project area. This Law shall not be construed as relieving property owners within a redevelopment project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 88-537; 88-670, eff. 12-2-94.)

Section 30. The Economic Development Project Area Tax Increment Allocation Act of 1995 is amended by changing Section 45 as follows:

(65 ILCS 110/45)

Sec. 45. Filing with county clerk; certification of initial equalized assessed value.

(a) A municipality that has by ordinance approved an economic development plan, established an economic development project area, and adopted tax increment allocation financing for that area shall file certified copies of the ordinance or ordinances with the county clerk. Upon receiving the ordinance or ordinances, the county clerk shall immediately determine (i) the most recently ascertained equalized assessed value of each lot, block, tract, or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~, and 15-176 of the Property Tax Code (that value being the "initial equalized assessed value" of each such piece of property) and (ii) the total equalized assessed value of all taxable real property within the economic development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within the economic development project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, ~~and 15-175~~, and 15-176 of the Property Tax Code, and shall certify that amount as the "total initial equalized assessed value" of the taxable real property within the economic development project area.

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within the taxing district shall, in every year that tax increment allocation financing is in effect, ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in the area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving owners or lessees of property within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 89-176, eff. 1-1-96.)

Section 35. The School Code is amended by changing Section 18-8.05 as follows:

(105 ILCS 5/18-8.05)

Sec. 18-8.05. Basis for apportionment of general State financial aid and supplemental general State aid to the common schools for the 1998-1999 and subsequent school years.

(A) General Provisions.

(1) The provisions of this Section apply to the 1998-1999 and subsequent school years. The system of general State financial aid provided for in this Section is designed to assure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of general State financial aid that, when added to Available Local Resources, equals or exceeds the Foundation Level. The amount of per pupil general State financial aid for school districts, in general, varies

in inverse relation to Available Local Resources. Per pupil amounts are based upon each school district's Average Daily Attendance as that term is defined in this Section.

(2) In addition to general State financial aid, school districts with specified levels or concentrations of pupils from low income households are eligible to receive supplemental general State financial aid grants as provided pursuant to subsection (H). The supplemental State aid grants provided for school districts under subsection (H) shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section.

(3) To receive financial assistance under this Section, school districts are required to file claims with the State Board of Education, subject to the following requirements:

(a) Any school district which fails for any given school year to maintain school as required by law, or to maintain a recognized school is not eligible to file for such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion which the Average Daily Attendance in the attendance center or centers bear to the Average Daily Attendance in the school district. A "recognized school" means any public school which meets the standards as established for recognition by the State Board of Education. A school district or attendance center not having recognition status at the end of a school term is entitled to receive State aid payments due upon a legal claim which was filed while it was recognized.

(b) School district claims filed under this Section are subject to Sections 18-9, 18-10, and 18-12, except as otherwise provided in this Section.

(c) If a school district operates a full year school under Section 10-19.1, the general State aid to the school district shall be determined by the State Board of Education in accordance with this Section as near as may be applicable.

(d) (Blank).

(4) Except as provided in subsections (H) and (L), the board of any district receiving any of the grants provided for in this Section may apply those funds to any fund so received for which that board is authorized to make expenditures by law.

School districts are not required to exert a minimum Operating Tax Rate in order to qualify for assistance under this Section.

(5) As used in this Section the following terms, when capitalized, shall have the meaning ascribed herein:

(a) "Average Daily Attendance": A count of pupil attendance in school, averaged as provided for in subsection (C) and utilized in deriving per pupil financial support levels.

(b) "Available Local Resources": A computation of local financial support, calculated on the basis of Average Daily Attendance and derived as provided pursuant to subsection (D).

(c) "Corporate Personal Property Replacement Taxes": Funds paid to local school districts pursuant to "An Act in relation to the abolition of ad valorem personal property tax and the replacement of revenues lost thereby, and amending and repealing certain Acts and parts of Acts in connection therewith", certified August 14, 1979, as amended (Public Act 81-1st S.S.-1).

(d) "Foundation Level": A prescribed level of per pupil financial support as provided for in subsection (B).

(e) "Operating Tax Rate": All school district property taxes extended for all purposes, except Bond and Interest, Summer School, Rent, Capital Improvement, and Vocational Education Building purposes.

(B) Foundation Level.

(1) The Foundation Level is a figure established by the State representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil in Average Daily Attendance. As set forth in this Section, each school district is assumed to exert a sufficient local taxing effort such that, in combination with the aggregate of general State financial aid provided the district, an aggregate of State and local resources are available to meet the basic education needs of pupils in the district.

(2) For the 1998-1999 school year, the Foundation Level of support is \$4,225. For the 1999-2000 school year, the Foundation Level of support is \$4,325. For the 2000-2001 school year, the Foundation Level of support is \$4,425.

(3) For the 2001-2002 school year and 2002-2003 school year, the Foundation Level of support is \$4,560.

(4) For the 2003-2004 school year and each school year thereafter, the Foundation Level of support is

\$4,810 or such greater amount as may be established by law by the General Assembly.

(C) Average Daily Attendance.

(1) For purposes of calculating general State aid pursuant to subsection (E), an Average Daily Attendance figure shall be utilized. The Average Daily Attendance figure for formula calculation purposes shall be the monthly average of the actual number of pupils in attendance of each school district, as further averaged for the best 3 months of pupil attendance for each school district. In compiling the figures for the number of pupils in attendance, school districts and the State Board of Education shall, for purposes of general State aid funding, conform attendance figures to the requirements of subsection (F).

(2) The Average Daily Attendance figures utilized in subsection (E) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated or the average of the attendance data for the 3 preceding school years, whichever is greater. The Average Daily Attendance figures utilized in subsection (H) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated.

(D) Available Local Resources.

(1) For purposes of calculating general State aid pursuant to subsection (E), a representation of Available Local Resources per pupil, as that term is defined and determined in this subsection, shall be utilized. Available Local Resources per pupil shall include a calculated dollar amount representing local school district revenues from local property taxes and from Corporate Personal Property Replacement Taxes, expressed on the basis of pupils in Average Daily Attendance.

(2) In determining a school district's revenue from local property taxes, the State Board of Education shall utilize the equalized assessed valuation of all taxable property of each school district as of September 30 of the previous year. The equalized assessed valuation utilized shall be obtained and determined as provided in subsection (G).

(3) For school districts maintaining grades kindergarten through 12, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 3.00%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades kindergarten through 8, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 2.30%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades 9 through 12, local property tax revenues per pupil shall be the applicable equalized assessed valuation of the district multiplied by 1.05%, and divided by the district's Average Daily Attendance figure.

(4) The Corporate Personal Property Replacement Taxes paid to each school district during the calendar year 2 years before the calendar year in which a school year begins, divided by the Average Daily Attendance figure for that district, shall be added to the local property tax revenues per pupil as derived by the application of the immediately preceding paragraph (3). The sum of these per pupil figures for each school district shall constitute Available Local Resources as that term is utilized in subsection (E) in the calculation of general State aid.

(E) Computation of General State Aid.

(1) For each school year, the amount of general State aid allotted to a school district shall be computed by the State Board of Education as provided in this subsection.

(2) For any school district for which Available Local Resources per pupil is less than the product of 0.93 times the Foundation Level, general State aid for that district shall be calculated as an amount equal to the Foundation Level minus Available Local Resources, multiplied by the Average Daily Attendance of the school district.

(3) For any school district for which Available Local Resources per pupil is equal to or greater than the product of 0.93 times the Foundation Level and less than the product of 1.75 times the Foundation Level, the general State aid per pupil shall be a decimal proportion of the Foundation Level derived using a linear algorithm. Under this linear algorithm, the calculated general State aid per pupil shall decline in direct linear fashion from 0.07 times the Foundation Level for a school district with Available Local Resources equal to the product of 0.93 times the Foundation Level, to 0.05 times the Foundation Level for a school district with Available Local Resources equal to the product of 1.75 times the Foundation Level. The allocation of general State aid for school districts subject to this paragraph 3 shall be the calculated general State aid per pupil figure multiplied by the Average Daily Attendance of the school district.

(4) For any school district for which Available Local Resources per pupil equals or exceeds the product of 1.75 times the Foundation Level, the general State aid for the school district shall be calculated as the product of \$218 multiplied by the Average Daily Attendance of the school district.

(5) The amount of general State aid allocated to a school district for the 1999-2000 school year meeting

the requirements set forth in paragraph (4) of subsection (G) shall be increased by an amount equal to the general State aid that would have been received by the district for the 1998-1999 school year by utilizing the Extension Limitation Equalized Assessed Valuation as calculated in paragraph (4) of subsection (G) less the general State aid allotted for the 1998-1999 school year. This amount shall be deemed a one time increase, and shall not affect any future general State aid allocations.

(F) Compilation of Average Daily Attendance.

(1) Each school district shall, by July 1 of each year, submit to the State Board of Education, on forms prescribed by the State Board of Education, attendance figures for the school year that began in the preceding calendar year. The attendance information so transmitted shall identify the average daily attendance figures for each month of the school year. Beginning with the general State aid claim form for the 2002-2003 school year, districts shall calculate Average Daily Attendance as provided in subdivisions (a), (b), and (c) of this paragraph (1).

(a) In districts that do not hold year-round classes, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May.

(b) In districts in which all buildings hold year-round classes, days of attendance in July and August shall be added to the month of September and any days of attendance in June shall be added to the month of May.

(c) In districts in which some buildings, but not all, hold year-round classes, for the non-year-round buildings, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May. The average daily attendance for the year-round buildings shall be computed as provided in subdivision (b) of this paragraph (1). To calculate the Average Daily Attendance for the district, the average daily attendance for the year-round buildings shall be multiplied by the days in session for the non-year-round buildings for each month and added to the monthly attendance of the non-year-round buildings.

Except as otherwise provided in this Section, days of attendance by pupils shall be counted only for sessions of not less than 5 clock hours of school work per day under direct supervision of: (i) teachers, or (ii) non-teaching personnel or volunteer personnel when engaging in non-teaching duties and supervising in those instances specified in subsection (a) of Section 10-22.34 and paragraph 10 of Section 34-18, with pupils of legal school age and in kindergarten and grades 1 through 12.

Days of attendance by tuition pupils shall be accredited only to the districts that pay the tuition to a recognized school.

(2) Days of attendance by pupils of less than 5 clock hours of school shall be subject to the following provisions in the compilation of Average Daily Attendance.

(a) Pupils regularly enrolled in a public school for only a part of the school day may be counted on the basis of 1/6 day for every class hour of instruction of 40 minutes or more attended pursuant to such enrollment, unless a pupil is enrolled in a block-schedule format of 80 minutes or more of instruction, in which case the pupil may be counted on the basis of the proportion of minutes of school work completed each day to the minimum number of minutes that school work is required to be held that day.

(b) Days of attendance may be less than 5 clock hours on the opening and closing of the school term, and upon the first day of pupil attendance, if preceded by a day or days utilized as an institute or teachers' workshop.

(c) A session of 4 or more clock hours may be counted as a day of attendance upon certification by the regional superintendent, and approved by the State Superintendent of Education to the extent that the district has been forced to use daily multiple sessions.

(d) A session of 3 or more clock hours may be counted as a day of attendance (1) when the remainder of the school day or at least 2 hours in the evening of that day is utilized for an in-service training program for teachers, up to a maximum of 5 days per school year of which a maximum of 4 days of such 5 days may be used for parent-teacher conferences, provided a district conducts an in-service training program for teachers which has been approved by the State Superintendent of Education; or, in lieu of 4 such days, 2 full days may be used, in which event each such day may be counted as a day of attendance; and (2) when days in addition to those provided in item (1) are scheduled by a school pursuant to its school improvement plan adopted under Article 34 or its revised or amended school improvement plan adopted under Article 2, provided that (i) such sessions of 3 or more clock hours are scheduled to occur at regular intervals, (ii) the remainder of the school days in which such sessions occur are utilized for in-service training programs or other staff development activities for teachers, and (iii) a

sufficient number of minutes of school work under the direct supervision of teachers are added to the school days between such regularly scheduled sessions to accumulate not less than the number of minutes by which such sessions of 3 or more clock hours fall short of 5 clock hours. Any full days used for the purposes of this paragraph shall not be considered for computing average daily attendance. Days scheduled for in-service training programs, staff development activities, or parent-teacher conferences may be scheduled separately for different grade levels and different attendance centers of the district.

(e) A session of not less than one clock hour of teaching hospitalized or homebound pupils on-site or by telephone to the classroom may be counted as 1/2 day of attendance, however these pupils must receive 4 or more clock hours of instruction to be counted for a full day of attendance.

(f) A session of at least 4 clock hours may be counted as a day of attendance for first grade pupils, and pupils in full day kindergartens, and a session of 2 or more hours may be counted as 1/2 day of attendance by pupils in kindergartens which provide only 1/2 day of attendance.

(g) For children with disabilities who are below the age of 6 years and who cannot attend 2 or more clock hours because of their disability or immaturity, a session of not less than one clock hour may be counted as 1/2 day of attendance; however for such children whose educational needs so require a session of 4 or more clock hours may be counted as a full day of attendance.

(h) A recognized kindergarten which provides for only 1/2 day of attendance by each pupil shall not have more than 1/2 day of attendance counted in any one day. However, kindergartens may count 2 1/2 days of attendance in any 5 consecutive school days. When a pupil attends such a kindergarten for 2 half days on any one school day, the pupil shall have the following day as a day absent from school, unless the school district obtains permission in writing from the State Superintendent of Education. Attendance at kindergartens which provide for a full day of attendance by each pupil shall be counted the same as attendance by first grade pupils. Only the first year of attendance in one kindergarten shall be counted, except in case of children who entered the kindergarten in their fifth year whose educational development requires a second year of kindergarten as determined under the rules and regulations of the State Board of Education.

(G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the value as equalized or assessed by the Department of Revenue of all taxable property of every school district, together with (i) the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the previous year and (ii) the limiting rate for all school districts subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law.

The Department of Revenue shall add to the equalized assessed value of all taxable property of each school district situated entirely or partially within a county with 3,000,000 or more inhabitants an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 of the Property Tax Code for real property located in Cook County and situated in that school district exceeds the total amount that would have been allowed in that school district if the maximum reduction under Section 15-176 was \$4,500. The county clerk of any county with 3,000,000 or more inhabitants shall annually calculate and certify to the Department of Revenue for each school district all homestead exemption amounts under Section 15-176. It is the intent of this paragraph that if the general homestead exemption for a parcel of property is determined under Section 15-176 of the Property Tax Code rather than Section 15-175, then the calculation of Available Local Resources shall not be affected by the difference, if any, between the amount of the general homestead exemption allowed for that parcel of property under Section 15-176 of the Property Tax Code and the amount that would have been allowed had the general homestead exemption for that parcel of property been determined under Section 15-175 of the Property Tax Code.

This equalized assessed valuation, as adjusted further by the requirements of this subsection, shall be utilized in the calculation of Available Local Resources.

(2) The equalized assessed valuation in paragraph (1) shall be adjusted, as applicable, in the following manner:

(a) For the purposes of calculating State aid under this Section, with respect to any part of a school district within a redevelopment project area in respect to which a municipality has adopted tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 of the Illinois Municipal Code or the Industrial Jobs Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the Illinois Municipal Code, no part of the current equalized assessed valuation of real property located in any such project area which is attributable to an increase above the total initial equalized assessed valuation of such property shall be

used as part of the equalized assessed valuation of the district, until such time as all redevelopment project costs have been paid, as provided in Section 11-74.4-8 of the Tax Increment Allocation Redevelopment Act or in Section 11-74.6-35 of the Industrial Jobs Recovery Law. For the purpose of the equalized assessed valuation of the district, the total initial equalized assessed valuation or the current equalized assessed valuation, whichever is lower, shall be used until such time as all redevelopment project costs have been paid.

(b) The real property equalized assessed valuation for a school district shall be adjusted by subtracting from the real property value as equalized or assessed by the Department of Revenue for the district an amount computed by dividing the amount of any abatement of taxes under Section 18-170 of the Property Tax Code by 3.00% for a district maintaining grades kindergarten through 12, by 2.30% for a district maintaining grades kindergarten through 8, or by 1.05% for a district maintaining grades 9 through 12 and adjusted by an amount computed by dividing the amount of any abatement of taxes under subsection (a) of Section 18-165 of the Property Tax Code by the same percentage rates for district type as specified in this subparagraph (b).

(3) For the 1999-2000 school year and each school year thereafter, if a school district meets all of the criteria of this subsection (G)(3), the school district's Available Local Resources shall be calculated under subsection (D) using the district's Extension Limitation Equalized Assessed Valuation as calculated under this subsection (G)(3).

For purposes of this subsection (G)(3) the following terms shall have the following meanings:

"Budget Year": The school year for which general State aid is calculated and awarded under subsection (E).

"Base Tax Year": The property tax levy year used to calculate the Budget Year allocation of general State aid.

"Preceding Tax Year": The property tax levy year immediately preceding the Base Tax Year.

"Base Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Base Tax Year multiplied by the limiting rate as calculated by the County Clerk and defined in the Property Tax Extension Limitation Law.

"Preceding Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Preceding Tax Year multiplied by the Operating Tax Rate as defined in subsection (A).

"Extension Limitation Ratio": A numerical ratio, certified by the County Clerk, in which the numerator is the Base Tax Year's Tax Extension and the denominator is the Preceding Tax Year's Tax Extension.

"Operating Tax Rate": The operating tax rate as defined in subsection (A).

If a school district is subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that district. For the 1999-2000 school year, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed Valuation and the district's Extension Limitation Ratio. For the 2000-2001 school year and each school year thereafter, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of a school district as calculated under this subsection (G)(3) is less than the district's equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating the district's general State aid for the Budget Year pursuant to subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources under subsection (D).

(4) For the purposes of calculating general State aid for the 1999-2000 school year only, if a school district experienced a triennial reassessment on the equalized assessed valuation used in calculating its general State financial aid apportionment for the 1998-1999 school year, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. This amount shall equal the product of the equalized assessed valuation used to calculate general State aid for the 1997-1998 school year and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of the school district as calculated under this paragraph (4) is less than the district's equalized assessed valuation utilized in calculating the district's 1998-1999 general State aid allocation, then for purposes of calculating the

district's general State aid pursuant to paragraph (5) of subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources.

(5) For school districts having a majority of their equalized assessed valuation in any county except Cook, DuPage, Kane, Lake, McHenry, or Will, if the amount of general State aid allocated to the school district for the 1999-2000 school year under the provisions of subsection (E), (H), and (J) of this Section is less than the amount of general State aid allocated to the district for the 1998-1999 school year under these subsections, then the general State aid of the district for the 1999-2000 school year only shall be increased by the difference between these amounts. The total payments made under this paragraph (5) shall not exceed \$14,000,000. Claims shall be prorated if they exceed \$14,000,000.

(H) Supplemental General State Aid.

(1) In addition to the general State aid a school district is allotted pursuant to subsection (E), qualifying school districts shall receive a grant, paid in conjunction with a district's payments of general State aid, for supplemental general State aid based upon the concentration level of children from low-income households within the school district. Supplemental State aid grants provided for school districts under this subsection shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section. If the appropriation in any fiscal year for general State aid and supplemental general State aid is insufficient to pay the amounts required under the general State aid and supplemental general State aid calculations, then the State Board of Education shall ensure that each school district receives the full amount due for general State aid and the remainder of the appropriation shall be used for supplemental general State aid, which the State Board of Education shall calculate and pay to eligible districts on a prorated basis.

(1.5) This paragraph (1.5) applies only to those school years preceding the 2003-2004 school year. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall be the low-income eligible pupil count from the most recently available federal census divided by the Average Daily Attendance of the school district. If, however, (i) the percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count of a high school district with fewer than 400 students exceeds by 75% or more the percentage change in the total low-income eligible pupil count of contiguous elementary school districts, whose boundaries are coterminous with the high school district, or (ii) a high school district within 2 counties and serving 5 elementary school districts, whose boundaries are coterminous with the high school district, has a percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count and there is a percentage increase in the total low-income eligible pupil count of a majority of the elementary school districts in excess of 50% from the 2 most recent federal censuses, then the high school district's low-income eligible pupil count from the earlier federal census shall be the number used as the low-income eligible pupil count for the high school district, for purposes of this subsection (H). The changes made to this paragraph (1) by Public Act 92-28 shall apply to supplemental general State aid grants for school years preceding the 2003-2004 school year that are paid in fiscal year 1999 or thereafter and to any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 of this Code (which was repealed on July 1, 1998), and any high school district that is affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in any of those fiscal years. This recomputation shall not be affected by any other funding.

(1.10) This paragraph (1.10) applies to the 2003-2004 school year and each school year thereafter. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall, for each fiscal year, be the low-income eligible pupil count as of July 1 of the immediately preceding fiscal year (as determined by the Department of Human Services based on the number of pupils who are eligible for at least one of the following low income programs: Medicaid, KidCare, TANF, or Food Stamps, excluding pupils who are eligible for services provided by the Department of Children and Family Services, averaged over the 2 immediately preceding fiscal years for fiscal year 2004 and over the 3 immediately preceding fiscal years for each fiscal year thereafter) divided by the Average Daily Attendance of the school district.

(2) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 1998-1999, 1999-2000, and 2000-2001 school years only:

(a) For any school district with a Low Income Concentration Level of at least 20% and less than 35%, the grant for any school year shall be \$800 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for the 1998-1999 school year shall be \$1,100 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for the 1998-99 school year shall be \$1,500 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of 60% or more, the grant for the 1998-99 school year shall be \$1,900 multiplied by the low income eligible pupil count.

(e) For the 1999-2000 school year, the per pupil amount specified in subparagraphs (b), (c), and (d) immediately above shall be increased to \$1,243, \$1,600, and \$2,000, respectively.

(f) For the 2000-2001 school year, the per pupil amounts specified in subparagraphs (b), (c), and (d) immediately above shall be \$1,273, \$1,640, and \$2,050, respectively.

(2.5) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2002-2003 school year:

(a) For any school district with a Low Income Concentration Level of less than 10%, the grant for each school year shall be \$355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 10% and less than 20%, the grant for each school year shall be \$675 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 20% and less than 35%, the grant for each school year shall be \$1,330 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for each school year shall be \$1,362 multiplied by the low income eligible pupil count.

(e) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for each school year shall be \$1,680 multiplied by the low income eligible pupil count.

(f) For any school district with a Low Income Concentration Level of 60% or more, the grant for each school year shall be \$2,080 multiplied by the low income eligible pupil count.

(2.10) Except as otherwise provided, supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2003-2004 school year and each school year thereafter:

(a) For any school district with a Low Income Concentration Level of 15% or less, the grant for each school year shall be \$355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level greater than 15%, the grant for each school year shall be \$294.25 added to the product of \$2,700 and the square of the Low Income Concentration Level, all multiplied by the low income eligible pupil count.

For the 2003-2004 school year only, the grant shall be no less than the grant for the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.66. For the 2005-2006 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.33.

For the 2003-2004 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.25 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.50 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.75 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year.

(3) School districts with an Average Daily Attendance of more than 1,000 and less than 50,000 that qualify for supplemental general State aid pursuant to this subsection shall submit a plan to the State Board of Education prior to October 30 of each year for the use of the funds resulting from this grant of supplemental general State aid for the improvement of instruction in which priority is given to meeting the education needs of disadvantaged children. Such plan shall be submitted in accordance with rules and regulations promulgated by the State Board of Education.

(4) School districts with an Average Daily Attendance of 50,000 or more that qualify for supplemental general State aid pursuant to this subsection shall be required to distribute from funds available pursuant to

this Section, no less than \$261,000,000 in accordance with the following requirements:

(a) The required amounts shall be distributed to the attendance centers within the district in proportion to the number of pupils enrolled at each attendance center who are eligible to receive free or reduced-price lunches or breakfasts under the federal Child Nutrition Act of 1966 and under the National School Lunch Act during the immediately preceding school year.

(b) The distribution of these portions of supplemental and general State aid among attendance centers according to these requirements shall not be compensated for or contravened by adjustments of the total of other funds appropriated to any attendance centers, and the Board of Education shall utilize funding from one or several sources in order to fully implement this provision annually prior to the opening of school.

(c) Each attendance center shall be provided by the school district a distribution of noncategorical funds and other categorical funds to which an attendance center is entitled under law in order that the general State aid and supplemental general State aid provided by application of this subsection supplements rather than supplants the noncategorical funds and other categorical funds provided by the school district to the attendance centers.

(d) Any funds made available under this subsection that by reason of the provisions of this subsection are not required to be allocated and provided to attendance centers may be used and appropriated by the board of the district for any lawful school purpose.

(e) Funds received by an attendance center pursuant to this subsection shall be used by the attendance center at the discretion of the principal and local school council for programs to improve educational opportunities at qualifying schools through the following programs and services: early childhood education, reduced class size or improved adult to student classroom ratio, enrichment programs, remedial assistance, attendance improvement, and other educationally beneficial expenditures which supplement the regular and basic programs as determined by the State Board of Education. Funds provided shall not be expended for any political or lobbying purposes as defined by board rule.

(f) Each district subject to the provisions of this subdivision (H)(4) shall submit an acceptable plan to meet the educational needs of disadvantaged children, in compliance with the requirements of this paragraph, to the State Board of Education prior to July 15 of each year. This plan shall be consistent with the decisions of local school councils concerning the school expenditure plans developed in accordance with part 4 of Section 34-2.3. The State Board shall approve or reject the plan within 60 days after its submission. If the plan is rejected, the district shall give written notice of intent to modify the plan within 15 days of the notification of rejection and then submit a modified plan within 30 days after the date of the written notice of intent to modify. Districts may amend approved plans pursuant to rules promulgated by the State Board of Education.

Upon notification by the State Board of Education that the district has not submitted a plan prior to July 15 or a modified plan within the time period specified herein, the State aid funds affected by that plan or modified plan shall be withheld by the State Board of Education until a plan or modified plan is submitted.

If the district fails to distribute State aid to attendance centers in accordance with an approved plan, the plan for the following year shall allocate funds, in addition to the funds otherwise required by this subsection, to those attendance centers which were underfunded during the previous year in amounts equal to such underfunding.

For purposes of determining compliance with this subsection in relation to the requirements of attendance center funding, each district subject to the provisions of this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for the prior year in addition to any modification of its current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days of receipt of the report, notify the district and any affected local school council. The district shall within 45 days of receipt of that notification inform the State Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a timely manner shall result in a withholding of the affected funds.

The State Board of Education shall promulgate rules and regulations to implement the provisions of this subsection. No funds shall be released under this subdivision (H)(4) to any district that has not submitted a plan that has been approved by the State Board of Education.

(I) General State Aid for Newly Configured School Districts.

(1) For a new school district formed by combining property included totally within 2 or more previously existing school districts, for its first year of existence the general State aid and supplemental general State aid calculated under this Section shall be computed for the new district and for the previously existing districts for which property is totally included within the new district. If the computation on the basis of the previously existing districts is greater, a supplementary payment equal to the difference shall be made for the first 4 years of existence of the new district.

(2) For a school district which annexes all of the territory of one or more entire other school districts, for the first year during which the change of boundaries attributable to such annexation becomes effective for all purposes as determined under Section 7-9 or 7A-8, the general State aid and supplemental general State aid calculated under this Section shall be computed for the annexing district as constituted after the annexation and for the annexing and each annexed district as constituted prior to the annexation; and if the computation on the basis of the annexing and annexed districts as constituted prior to the annexation is greater, a supplementary payment equal to the difference shall be made for the first 4 years of existence of the annexing school district as constituted upon such annexation.

(3) For 2 or more school districts which annex all of the territory of one or more entire other school districts, and for 2 or more community unit districts which result upon the division (pursuant to petition under Section 11A-2) of one or more other unit school districts into 2 or more parts and which together include all of the parts into which such other unit school district or districts are so divided, for the first year during which the change of boundaries attributable to such annexation or division becomes effective for all purposes as determined under Section 7-9 or 11A-10, as the case may be, the general State aid and supplemental general State aid calculated under this Section shall be computed for each annexing or resulting district as constituted after the annexation or division and for each annexing and annexed district, or for each resulting and divided district, as constituted prior to the annexation or division; and if the aggregate of the general State aid and supplemental general State aid as so computed for the annexing or resulting districts as constituted after the annexation or division is less than the aggregate of the general State aid and supplemental general State aid as so computed for the annexing and annexed districts, or for the resulting and divided districts, as constituted prior to the annexation or division, then a supplementary payment equal to the difference shall be made and allocated between or among the annexing or resulting districts, as constituted upon such annexation or division, for the first 4 years of their existence. The total difference payment shall be allocated between or among the annexing or resulting districts in the same ratio as the pupil enrollment from that portion of the annexed or divided district or districts which is annexed to or included in each such annexing or resulting district bears to the total pupil enrollment from the entire annexed or divided district or districts, as such pupil enrollment is determined for the school year last ending prior to the date when the change of boundaries attributable to the annexation or division becomes effective for all purposes. The amount of the total difference payment and the amount thereof to be allocated to the annexing or resulting districts shall be computed by the State Board of Education on the basis of pupil enrollment and other data which shall be certified to the State Board of Education, on forms which it shall provide for that purpose, by the regional superintendent of schools for each educational service region in which the annexing and annexed districts, or resulting and divided districts are located.

(3.5) Claims for financial assistance under this subsection (I) shall not be recomputed except as expressly provided under this Section.

(4) Any supplementary payment made under this subsection (I) shall be treated as separate from all other payments made pursuant to this Section.

(J) Supplementary Grants in Aid.

(1) Notwithstanding any other provisions of this Section, the amount of the aggregate general State aid in combination with supplemental general State aid under this Section for which each school district is eligible shall be no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-98 school year, pursuant to the provisions of that Section as it was then in effect. If a school district qualifies to receive a supplementary payment made under this subsection (J), the amount of the aggregate general State aid in combination with supplemental general State aid under this Section which that district is eligible to receive for each school year shall be no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-1998 school year, pursuant to the provisions of that Section as it was then in effect.

(2) If, as provided in paragraph (1) of this subsection (J), a school district is to receive aggregate general State aid in combination with supplemental general State aid under this Section for the 1998-99 school year

and any subsequent school year that in any such school year is less than the amount of the aggregate general State aid entitlement that the district received for the 1997-98 school year, the school district shall also receive, from a separate appropriation made for purposes of this subsection (J), a supplementary payment that is equal to the amount of the difference in the aggregate State aid figures as described in paragraph (1).

(3) (Blank).

(K) Grants to Laboratory and Alternative Schools.

In calculating the amount to be paid to the governing board of a public university that operates a laboratory school under this Section or to any alternative school that is operated by a regional superintendent of schools, the State Board of Education shall require by rule such reporting requirements as it deems necessary.

As used in this Section, "laboratory school" means a public school which is created and operated by a public university and approved by the State Board of Education. The governing board of a public university which receives funds from the State Board under this subsection (K) may not increase the number of students enrolled in its laboratory school from a single district, if that district is already sending 50 or more students, except under a mutual agreement between the school board of a student's district of residence and the university which operates the laboratory school. A laboratory school may not have more than 1,000 students, excluding students with disabilities in a special education program.

As used in this Section, "alternative school" means a public school which is created and operated by a Regional Superintendent of Schools and approved by the State Board of Education. Such alternative schools may offer courses of instruction for which credit is given in regular school programs, courses to prepare students for the high school equivalency testing program or vocational and occupational training. A regional superintendent of schools may contract with a school district or a public community college district to operate an alternative school. An alternative school serving more than one educational service region may be established by the regional superintendents of schools of the affected educational service regions. An alternative school serving more than one educational service region may be operated under such terms as the regional superintendents of schools of those educational service regions may agree.

Each laboratory and alternative school shall file, on forms provided by the State Superintendent of Education, an annual State aid claim which states the Average Daily Attendance of the school's students by month. The best 3 months' Average Daily Attendance shall be computed for each school. The general State aid entitlement shall be computed by multiplying the applicable Average Daily Attendance by the Foundation Level as determined under this Section.

(L) Payments, Additional Grants in Aid and Other Requirements.

(1) For a school district operating under the financial supervision of an Authority created under Article 34A, the general State aid otherwise payable to that district under this Section, but not the supplemental general State aid, shall be reduced by an amount equal to the budget for the operations of the Authority as certified by the Authority to the State Board of Education, and an amount equal to such reduction shall be paid to the Authority created for such district for its operating expenses in the manner provided in Section 18-11. The remainder of general State school aid for any such district shall be paid in accordance with Article 34A when that Article provides for a disposition other than that provided by this Article.

(2) (Blank).

(3) Summer school. Summer school payments shall be made as provided in Section 18-4.3.

(M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this subsection (M) referred to as the "Board", is hereby created. The Board shall consist of 5 members who are appointed by the Governor, by and with the advice and consent of the Senate. The members appointed shall include representatives of education, business, and the general public. One of the members so appointed shall be designated by the Governor at the time the appointment is made as the chairperson of the Board. The initial members of the Board may be appointed any time after the effective date of this amendatory Act of 1997. The regular term of each member of the Board shall be for 4 years from the third Monday of January of the year in which the term of the member's appointment is to commence, except that of the 5 initial members appointed to serve on the Board, the member who is appointed as the chairperson shall serve for a term that commences on the date of his or her appointment and expires on the third Monday of January, 2002, and the remaining 4 members, by lots drawn at the first meeting of the Board that is held after all 5 members are appointed, shall determine 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2000. All members

appointed to serve on the Board shall serve until their respective successors are appointed and confirmed. Vacancies shall be filled in the same manner as original appointments. If a vacancy in membership occurs at a time when the Senate is not in session, the Governor shall make a temporary appointment until the next meeting of the Senate, when he or she shall appoint, by and with the advice and consent of the Senate, a person to fill that membership for the unexpired term. If the Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of vacancies.

The Education Funding Advisory Board shall be deemed established, and the initial members appointed by the Governor to serve as members of the Board shall take office, on the date that the Governor makes his or her appointment of the fifth initial member of the Board, whether those initial members are then serving pursuant to appointment and confirmation or pursuant to temporary appointments that are made by the Governor as in the case of vacancies.

The State Board of Education shall provide such staff assistance to the Education Funding Advisory Board as is reasonably required for the proper performance by the Board of its responsibilities.

For school years after the 2000-2001 school year, the Education Funding Advisory Board, in consultation with the State Board of Education, shall make recommendations as provided in this subsection (M) to the General Assembly for the foundation level under subdivision (B)(3) of this Section and for the supplemental general State aid grant level under subsection (H) of this Section for districts with high concentrations of children from poverty. The recommended foundation level shall be determined based on a methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance. The Education Funding Advisory Board shall make such recommendations to the General Assembly on January 1 of odd numbered years, beginning January 1, 2001.

(N) (Blank).

(O) References.

(1) References in other laws to the various subdivisions of Section 18-8 as that Section existed before its repeal and replacement by this Section 18-8.05 shall be deemed to refer to the corresponding provisions of this Section 18-8.05, to the extent that those references remain applicable.

(2) References in other laws to State Chapter 1 funds shall be deemed to refer to the supplemental general State aid provided under subsection (H) of this Section.

(Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29, eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 92-636, eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 7-1-03.)

Section 40. The Criminal Code of 1961 is amended by changing Section 17A-1 as follows:

(720 ILCS 5/17A-1) (from Ch. 38, par. 17A-1)

Sec. 17A-1. Persons under deportation order; ineligible for benefits. An individual against whom a United States Immigration Judge has issued an order of deportation which has been affirmed by the Board of Immigration Review, as well as an individual who appeals such an order pending appeal, under paragraph 19 of Section 241(a) of the Immigration and Nationality Act relating to persecution of others on account of race, religion, national origin or political opinion under the direction of or in association with the Nazi government of Germany or its allies, shall be ineligible for the following benefits authorized by State law:

(a) The homestead ~~exemptions~~ ~~exemption~~ and homestead improvement exemption under Sections 15-170, 15-175, 15-176, and 15-180 of the Property Tax Code.

(b) Grants under the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act.

(c) The double income tax exemption conferred upon persons 65 years of age or older by Section 204 of the Illinois Income Tax Act.

(d) Grants provided by the Department on Aging.

(e) Reductions in vehicle registration fees under Section 3-806.3 of the Illinois Vehicle Code.

(f) Free fishing and reduced fishing license fees under Sections 20-5 and 20-40 of the Fish and Aquatic Life Code.

(g) Tuition free courses for senior citizens under the Senior Citizen Courses Act.

(h) Any benefits under the Illinois Public Aid Code.

(Source: P.A. 87-895; 88-670, eff. 12-2-94.)

Section 90. The State Mandates Act is amended by adding Section 8.28 as follows:

(30 ILCS 805/8.28 new)

Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by the General Homestead Exemption under Section 15-176 of the Property Tax Code.

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

The motion prevailed and the amendment was adopted and ordered printed.

Floor Amendment No. 6 remained in the Committee on Rules.

There being no further amendments, the foregoing Amendment No. 5 was ordered engrossed; and the bill, as amended, was advanced to the order of Third Reading.

HOUSE BILL ON THIRD READING

The following bill and any amendments adopted thereto were printed and laid upon the Member's desks. These bills have been examined, any amendments thereto engrossed and any errors corrected. Any amendments pending were tabled pursuant to Rule 40(a).

On motion of Representative Lang, HOUSE BILL 1498 was taken up and read by title a third time.

And the question being, "Shall this bill pass?"

Pending the vote on said bill, on motion of Representative Lang, further consideration of HOUSE BILL 1498 was postponed.

SENATE BILLS ON SECOND READING

SENATE BILL 1913. Having been read by title a second time on May 29, 2003, and held on the order of Second Reading, the same was again taken up.

Representative Hannig offered the following amendment and moved its adoption.

AMENDMENT NO. 1 . Amend Senate Bill 1913 by replacing everything after the enacting clause with the following:

"Section 5. The State Budget Law of the Civil Administrative Code of Illinois is amended by changing Sections 50-5 and 50-10 as follows:

(15 ILCS 20/50-5) (was 15 ILCS 20/38)

Sec. 50-5. Governor to submit State budget. The Governor shall, as soon as possible and not later than the second Wednesday in April in 2003 and the third Wednesday in February of each year beginning in 2004, except as otherwise provided in this Section, submit a State budget, embracing therein the amounts recommended by the Governor to be appropriated to the respective departments, offices, and institutions, and for all other public purposes, the estimated revenues from taxation, the estimated revenues from sources other than taxation, and an estimate of the amount required to be raised by taxation. In 2004 only, the Governor shall submit the capital development section of the State budget not later than the fourth Tuesday of March (March 23, 2004). The amounts recommended by the Governor for appropriation to the respective departments, offices and institutions shall be formulated according to the various functions and activities for which the respective department, office or institution of the State government (including the elective officers in the executive department and including the University of Illinois and the judicial department) is responsible. The amounts relating to particular functions and activities shall be further formulated in accordance with the object classification specified in Section 13 of the State Finance Act.

The Governor shall not propose expenditures and the General Assembly shall not enact appropriations that exceed the resources estimated to be available, as provided in this Section.

For the purposes of Article VIII, Section 2 of the 1970 Illinois Constitution, the State budget for the following funds shall be prepared on the basis of revenue and expenditure measurement concepts that are in concert with generally accepted accounting principles for governments:

- (1) General Revenue Fund.
- (2) Common School Fund.
- (3) Educational Assistance Fund.
- (4) Road Fund.
- (5) Motor Fuel Tax Fund.
- (6) Agricultural Premium Fund.

These funds shall be known as the "budgeted funds". The revenue estimates used in the State budget for the budgeted funds shall include the estimated beginning fund balance, plus revenues estimated to be received during the budgeted year, plus the estimated receipts due the State as of June 30 of the budgeted year that are expected to be collected during the lapse period following the budgeted year, minus the receipts collected during the first 2 months of the budgeted year that became due to the State in the year before the budgeted year. Revenues shall also include estimated federal reimbursements associated with the recognition of Section 25 of the State Finance Act liabilities. For any budgeted fund for which current year revenues are anticipated to exceed expenditures, the surplus shall be considered to be a resource available for expenditure in the budgeted fiscal year.

Expenditure estimates for the budgeted funds included in the State budget shall include the costs to be incurred by the State for the budgeted year, to be paid in the next fiscal year, excluding costs paid in the budgeted year which were carried over from the prior year, where the payment is authorized by Section 25 of the State Finance Act. For any budgeted fund for which expenditures are expected to exceed revenues in the current fiscal year, the deficit shall be considered as a use of funds in the budgeted fiscal year.

Revenues and expenditures shall also include transfers between funds that are based on revenues received or costs incurred during the budget year.

By March 15 of each year, the Economic and Fiscal Commission shall prepare revenue and fund transfer estimates in accordance with the requirements of this Section and report those estimates to the General Assembly and the Governor.

For all funds other than the budgeted funds, the proposed expenditures shall not exceed funds estimated to be available for the fiscal year as shown in the budget. Appropriation for a fiscal year shall not exceed funds estimated by the General Assembly to be available during that year.

(Source: P.A. 93-1, eff. 2-6-03.)

(15 ILCS 20/50-10) (was 15 ILCS 20/38.1)

Sec. 50-10. Budget contents. The budget shall be submitted by the Governor with line item and program data. The budget shall also contain performance data presenting an estimate for the current fiscal year, projections for the budget year, and information for the 3 prior fiscal years comparing department objectives with actual accomplishments, formulated according to the various functions and activities, and, wherever the nature of the work admits, according to the work units, for which the respective departments, offices, and institutions of the State government (including the elective officers in the executive department and including the University of Illinois and the judicial department) are responsible.

For the fiscal year beginning July 1, 1992 and for each fiscal year thereafter, the budget shall include the performance measures of each department's accountability report.

For the fiscal year beginning July 1, 1997 and for each fiscal year thereafter, the budget shall include one or more line items appropriating moneys to the Department of Human Services to fund participation in the Home-Based Support Services Program for Mentally Disabled Adults under the Developmental Disability and Mental Disability Services Act by persons described in Section 2-17 of that Act.

The budget shall contain a capital development section in which the Governor will present (1) information on the capital projects and capital programs for which appropriations are requested, (2) the capital spending plans, which shall document the first and subsequent years cash requirements by fund for the proposed bonded program, and (3) a statement that shall identify by year the principal and interest costs until retirement of the State's general obligation debt. In addition, the principal and interest costs of the budget year program shall be presented separately, to indicate the marginal cost of principal and interest payments necessary to retire the additional bonds needed to finance the budget year's capital program. In 2004 only, the capital development section of the State budget shall be submitted by the Governor not later than the fourth Tuesday of March (March 23, 2004).

For the budget year, the current year, and 3 prior fiscal years, the Governor shall also include in the budget estimates of or actual values for the assets and liabilities for General Assembly Retirement System, State Employees' Retirement System of Illinois, State Universities Retirement System, Teachers' Retirement System of the State of Illinois, and Judges Retirement System of Illinois.

The budget submitted by the Governor shall contain, in addition, in a separate book, a tabulation of all position and employment titles in each such department, office, and institution, the number of each, and the salaries for each, formulated according to divisions, bureaus, sections, offices, departments, boards, and similar subdivisions, which shall correspond as nearly as practicable to the functions and activities for which the department, office, or institution is responsible.

Together with the budget, the Governor shall transmit the estimates of receipts and expenditures, as received by the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~, of the

elective officers in the executive and judicial departments and of the University of Illinois.
(Source: P.A. 91-239, eff. 1-1-00; revised 8-23-03.)

Section 10. The Governor's Office of Management and Budget Act is amended by changing Section 2.5 as follows:

(20 ILCS 3005/2.5) (from Ch. 127, par. 412.5)

Sec. 2.5. Effective January 1, 1980, to require the preparation and submission of an annual long-range capital expenditure plan for all State agencies. Such Capital Plan shall detail each project for each of the following 3 fiscal years, including the project cost in current dollar amounts, the future maintenance costs for the completed project, the anticipated life expectancy of the project and the impact the project will have on the annual operating budget for the agency. Each State agency's annual capital plan shall include energy conservation projects intended to reduce energy costs to the greatest extent possible in those agency's buildings and facilities included in the capital plan. Each State agency's annual capital plan shall be submitted to the Office no later than January 15th of each year. A summary of all capital plans and future needs assessments shall be included in the Governor's Budget Request and the detail of the capital plans shall be delivered to the Chairmen and Minority Spokesmen of the House and Senate Appropriations Committees and the Illinois Economic and Fiscal Commission on the date of the Governor's Budget Address to the General Assembly; except that, in 2004 only, the summary and detail shall be delivered not later than the fourth Tuesday in March (March 23, 2004).

(Source: P.A. 93-25, eff. 6-20-03.)

Section 15. The State Finance Act is amended by changing Section 13.4 as follows:

(30 ILCS 105/13.4) (from Ch. 127, par. 149.4)

Sec. 13.4. All appropriations recommended to the General Assembly by the Governor in the State Budget submitted pursuant to Section 50-5 of the State Budget Law (15 ILCS 20/50-5) shall be incorporated into and prepared as one or more appropriation bills which shall either be introduced in the General Assembly or submitted to the legislative leaders of both the Senate and the House of Representatives not later than 2 session days after the submission of the Governor's budget recommendations, as provided in Section 50-5 of the State Budget Law of the Civil Administrative Code of Illinois, immediately preceding the start of the fiscal year for which the Budget is recommended.

(Source: P.A. 91-239, eff. 1-1-00.)

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

The motion prevailed and the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was adopted and the bill, as amended, was advanced to the order of Third Reading.

HOUSE BILL ON SECOND READING

HOUSE BILL 412. Having been printed, was taken up and read by title a second time.
The following amendment was offered in the Committee on Revenue, adopted and printed:

AMENDMENT NO. 1. Amend House Bill 412 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Income Tax Act is amended by changing Section 215 as follows:

(35 ILCS 5/215)

Sec. 215. Transportation Employee Credit.

(a) For each taxable year beginning on or after January 1, 2004 and on or before the effective date of this amendatory Act of the 93rd General Assembly, a qualified employer shall be allowed a credit against the tax imposed by subsections (a) and (b) of Section 201 of this Act in the amount of \$50 for each eligible employee employed by the taxpayer as of the last day of the taxable year.

(a-5) A qualified employer who receives a refund of the commercial distribution fee paid under Section 3-815.1 of the Illinois Vehicle Code is not eligible for the tax credit under this Section.

(b) For purposes of this Section, "qualified employer" means:

- (1) any employer who pays a commercial distribution fee under Section 3-815.1 of the Illinois Vehicle Code during the taxable year; or
- (2) any employer who, as of the end of the taxable year, has one or more employees

whose compensation is subject to tax only by the employee's state of residence pursuant to 49 U.S.C. 14503(a)(1).

(c) For purposes of this Section, "employee" includes an individual who is treated as an employee of the taxpayer under Section 401(c) of the Internal Revenue Code and whose actual assigned duties are such that, if the individual were a common-law employee performing such duties in 2 or more states, the individual's compensation would be subject to tax only by the individual's state of residence pursuant to 49 U.S.C. 14503(a)(1).

(d) An employee is an "eligible employee" only if all of the following criteria are met:

- (1) The employee is an operator of a motor vehicle;
- (2) The employee's compensation, pursuant to 49 U.S.C. 14503(a)(1), is subject to tax only by the employee's state of residence, or would be subject to tax only by the employee's state of residence if the employee's actual duties were performed in 2 or more states;
- (3) As of the end of the taxable year for which the credit is claimed, the employee is a resident of this State for purposes of this Act and 49 U.S.C. 14503(a)(1); and
- (4) The employee is a full-time employee working 30 or more hours per week for 180 consecutive days; provided that such 180-day period may be completed after the end of the taxable year for which the credit under this Section is claimed.

(e) For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the limited liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

(f) Any credit allowed under this Section which is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first computed until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this Section from more than one tax year that is available to offset a liability, the earliest credit arising under this Section shall be applied first.

(g) ~~(Blank) This Section is exempt from the provisions of Section 250 of this Act.~~

(h) The Department of Revenue shall promulgate such rules and regulations as may be deemed necessary to carry out the purposes of this Section.

(Source: P.A. 93-23, eff. 6-20-03.)

Section 10. The Use Tax Act is amended by changing Sections 3-5 and 3-61 as follows:

(35 ILCS 105/3-5) (from Ch. 120, par. 439.3-5)

Sec. 3-5. Exemptions. Use of the following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property purchased from a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after the effective date of this amendatory Act of the 92nd General Assembly, however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Personal property purchased by a governmental body, by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or by a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption

shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

(5) Until July 1, 2003, a passenger car that is a replacement vehicle to the extent that the purchase price of the car is subject to the Replacement Vehicle Tax.

(6) Until July 1, 2003, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order, certified by the purchaser to be used primarily for graphic arts production, and including machinery and equipment purchased for lease. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product.

(7) Farm chemicals.

(8) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(9) Personal property purchased from a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(10) A motor vehicle of the first division, a motor vehicle of the second division that is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through to the living quarters from the driver's seat, or a motor vehicle of the second division that is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers, as defined in Section 1-146 of the Illinois Vehicle Code, that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act.

(11) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (11). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (11) is exempt from the provisions of Section 3-90.

(12) Fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

(13) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages purchased at retail from a retailer, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(14) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(15) Photoprocessing machinery and equipment, including repair and replacement parts, both new and

used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(16) Until July 1, 2003, coal exploration, mining, offhighway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(17) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(18) Manufacturing and assembling machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether that sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether that sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser.

(19) Personal property delivered to a purchaser or purchaser's donee inside Illinois when the purchase order for that personal property was received by a florist located outside Illinois who has a florist located inside Illinois deliver the personal property.

(20) Semen used for artificial insemination of livestock for direct agricultural production.

(21) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes.

(22) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(23) Personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(24) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(25) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure

repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(26) Beginning July 1, 1999, game or game birds purchased at a "game breeding and hunting preserve area" or an "exotic game hunting area" as those terms are used in the Wildlife Code or at a hunting enclosure approved through rules adopted by the Department of Natural Resources. This paragraph is exempt from the provisions of Section 3-90.

(27) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(28) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-90.

(29) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-90.

(30) Food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article 5 of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act.

(31) Beginning on the effective date of this amendatory Act of the 92nd General Assembly, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(32) Beginning on the effective date of this amendatory Act of the 92nd General Assembly, personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in

effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(33) On and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General Assembly, the use in this State of motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds and that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. This exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act.

(Source: P.A. 92-35, eff. 7-1-01; 92-227, eff. 8-2-01; 92-337, eff. 8-10-01; 92-484, eff. 8-23-01; 92-651, eff. 7-11-02; 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; revised 9-11-03.)

(35 ILCS 105/3-61)

Sec. 3-61. Motor vehicles; use as rolling stock definition. Through June 30, 2003 and beginning again on the effective date of this amendatory Act of the 93rd General Assembly, "use as rolling stock moving in interstate commerce" in subsections (b) and (c) of Section 3-55 means for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, and trailers, as defined in Section 1-209 of the Illinois Vehicle Code, when on 15 or more occasions in a 12-month period the motor vehicle and trailer has carried persons or property for hire in interstate commerce, even just between points in Illinois, if the motor vehicle and trailer transports persons whose journeys or property whose shipments originate or terminate outside Illinois. This definition applies to all property purchased for the purpose of being attached to those motor vehicles or trailers as a part thereof.

On and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General Assembly, "use as rolling stock moving in interstate commerce" in paragraphs (b) and (c) of Section 3-55 occurs for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, when during a 12-month period the rolling stock has carried persons or property for hire in interstate commerce for 51% of its total trips and transports persons whose journeys or property whose shipments originate or terminate outside Illinois. On and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General Assembly, trips that are only between points in Illinois shall not be counted as interstate trips when calculating whether the tangible personal property qualifies for the exemption but such trips shall be included in total trips taken.

(Source: P.A. 93-23, eff. 6-20-03.)

Section 15. The Service Use Tax Act is amended by changing Sections 2 and 3-51 as follows:

(35 ILCS 110/2) (from Ch. 120, par. 439.32)

Sec. 2. "Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, but does not include the sale or use for demonstration by him of that property in any form as tangible personal property in the regular course of business. "Use" does not mean the interim use of tangible personal property nor the physical incorporation of tangible personal property, as an ingredient or constituent, into other tangible personal property, (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois.

"Purchased from a serviceman" means the acquisition of the ownership of, or title to, tangible personal property through a sale of service.

"Purchaser" means any person who, through a sale of service, acquires the ownership of, or title to, any tangible personal property.

"Cost price" means the consideration paid by the serviceman for a purchase valued in money, whether paid in money or otherwise, including cash, credits and services, and shall be determined without any deduction on account of the supplier's cost of the property sold or on account of any other expense incurred by the supplier. When a serviceman contracts out part or all of the services required in his sale of service, it

shall be presumed that the cost price to the serviceman of the property transferred to him or her by his or her subcontractor is equal to 50% of the subcontractor's charges to the serviceman in the absence of proof of the consideration paid by the subcontractor for the purchase of such property.

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits and service, and shall be determined without any deduction on account of the serviceman's cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, limited liability company, and any receiver, executor, trustee, guardian or other representative appointed by order of any court.

"Sale of service" means any transaction except:

(1) a retail sale of tangible personal property taxable under the Retailers' Occupation Tax Act or under the Use Tax Act.

(2) a sale of tangible personal property for the purpose of resale made in compliance with Section 2c of the Retailers' Occupation Tax Act.

(3) except as hereinafter provided, a sale or transfer of tangible personal property as an incident to the rendering of service for or by any governmental body, or for or by any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes.

(4) a sale or transfer of tangible personal property as an incident to the rendering of service for interstate carriers for hire for use as rolling stock moving in interstate commerce or by lessors under a lease of one year or longer, executed or in effect at the time of purchase of personal property, to interstate carriers for hire for use as rolling stock moving in interstate commerce so long as so used by such interstate carriers for hire, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(4a) a sale or transfer of tangible personal property as an incident to the rendering of service for owners, lessors, or shippers of tangible personal property which is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce so long as so used by interstate carriers for hire, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(4a-5) on and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General Assembly, a sale or transfer of a motor vehicle of the second

division with a gross vehicle weight in excess of 8,000 pounds as an incident to the rendering of service if that motor vehicle is subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. This exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act.

(5) a sale or transfer of machinery and equipment used primarily in the process of the manufacturing or assembling, either in an existing, an expanded or a new manufacturing facility, of tangible personal property for wholesale or retail sale or lease, whether such sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether such sale or lease is made apart from or as an incident to the seller's engaging in a service occupation and the applicable tax is a Service Use Tax or Service Occupation Tax, rather than Use Tax or Retailers' Occupation Tax.

(5a) the repairing, reconditioning or remodeling, for a common carrier by rail, of tangible personal property which belongs to such carrier for hire, and as to which such carrier receives the physical possession of the repaired, reconditioned or remodeled item of tangible personal property in Illinois, and which such carrier transports, or shares with another common carrier in the transportation of

such property, out of Illinois on a standard uniform bill of lading showing the person who repaired, reconditioned or remodeled the property to a destination outside Illinois, for use outside Illinois.

(5b) a sale or transfer of tangible personal property which is produced by the seller thereof on special order in such a way as to have made the applicable tax the Service Occupation Tax or the Service Use Tax, rather than the Retailers' Occupation Tax or the Use Tax, for an interstate carrier by rail which receives the physical possession of such property in Illinois, and which transports such property, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(6) until July 1, 2003, a sale or transfer of distillation machinery and equipment, sold as a unit or kit and assembled or installed by the retailer, which machinery and equipment is certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of such user and not subject to sale or resale.

(7) at the election of any serviceman not required to be otherwise registered as a retailer under Section 2a of the Retailers' Occupation Tax Act, made for each fiscal year sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service. The purchase of such tangible personal property by the serviceman shall be subject to tax under the Retailers' Occupation Tax Act and the Use Tax Act. However, if a primary serviceman who has made the election described in this paragraph subcontracts service work to a secondary serviceman who has also made the election described in this paragraph, the primary serviceman does not incur a Use Tax liability if the secondary serviceman (i) has paid or will pay Use Tax on his or her cost price of any tangible personal property transferred to the primary serviceman and (ii) certifies that fact in writing to the primary serviceman.

Tangible personal property transferred incident to the completion of a maintenance agreement is exempt from the tax imposed pursuant to this Act.

Exemption (5) also includes machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. For the purposes of exemption (5), each of these terms shall have the following meanings: (1) "manufacturing process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating, or refining which changes some existing material or materials into a material with a different form, use or name. In relation to a recognized integrated business composed of a series of operations which collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process shall be deemed to commence with the first operation or stage of production in the series, and shall not be deemed to end until the completion of the final product in the last operation or stage of production in the series; and further, for purposes of exemption (5), photoprocessing is deemed to be a manufacturing process of tangible personal property for wholesale or retail sale; (2) "assembling process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name; (3) "machinery" shall mean major mechanical machines or major components of such machines contributing to a manufacturing or assembling process; and (4) "equipment" shall include any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a component of any machinery or auxiliary, adjunct or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds; or any parts which require periodic replacement in the course of normal operation; but shall not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease. The purchaser of such machinery and equipment who has an active resale registration number shall furnish such number to the seller at the time of purchase. The user of such machinery and equipment and tools without an active resale registration number shall prepare a certificate of exemption for each

transaction stating facts establishing the exemption for that transaction, which certificate shall be available to the Department for inspection or audit. The Department shall prescribe the form of the certificate.

Any informal rulings, opinions or letters issued by the Department in response to an inquiry or request for any opinion from any person regarding the coverage and applicability of exemption (5) to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion or letter contains trade secrets or other confidential information, where possible the Department shall delete such information prior to publication. Whenever such informal rulings, opinions, or letters contain any policy of general applicability, the Department shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act.

On and after July 1, 1987, no entity otherwise eligible under exemption (3) of this Section shall make tax free purchases unless it has an active exemption identification number issued by the Department.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of service or of tangible personal property within the meaning of this Act.

"Serviceman" means any person who is engaged in the occupation of making sales of service.

"Sale at retail" means "sale at retail" as defined in the Retailers' Occupation Tax Act.

"Supplier" means any person who makes sales of tangible personal property to servicemen for the purpose of resale as an incident to a sale of service.

"Serviceman maintaining a place of business in this State", or any like term, means and includes any serviceman:

1. having or maintaining within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the serviceman or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such serviceman or subsidiary is licensed to do business in this State;
2. soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this State;
3. pursuant to a contract with a broadcaster or publisher located in this State, soliciting orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this State and only secondarily to bordering jurisdictions;
4. soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this State or benefits from the location in this State of authorized installation, servicing, or repair facilities;
5. being owned or controlled by the same interests which own or control any retailer engaging in business in the same or similar line of business in this State;
6. having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this Section;
7. pursuant to a contract with a cable television operator located in this State, soliciting orders for tangible personal property by means of advertising which is transmitted or distributed over a cable television system in this State; or
8. engaging in activities in Illinois, which activities in the state in which the supply business engaging in such activities is located would constitute maintaining a place of business in that state.

(Source: P.A. 92-484, eff. 8-23-01; 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; revised 8-21-03.)

(35 ILCS 110/3-51)

Sec. 3-51. Motor vehicles; use as rolling stock definition. Through June 30, 2003 and beginning again on the effective date of this amendatory Act of the 93rd General Assembly, "use as rolling stock moving in interstate commerce" in subsection (b) of Section 3-45 means for motor vehicles, as defined in Section 1-46 of the Illinois Vehicle Code, and trailers, as defined in Section 1-209 of the Illinois Vehicle Code, when on 15 or more occasions in a 12-month period the motor vehicle and trailer has carried persons or property for hire in interstate commerce, even just between points in Illinois, if the motor vehicle and trailer transports persons whose journeys or property whose shipments originate or terminate outside Illinois. This definition applies to all property purchased for the purpose of being attached to those motor vehicles or trailers as a part thereof.

On and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General

Assembly, "use as rolling stock moving in interstate commerce" in paragraphs (4) and (4a) of the definition of "sale of service" in Section 2 and subsection (b) of Section 3-45 occurs for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, when during a 12-month period the rolling stock has carried persons or property for hire in interstate commerce for 51% of its total trips and transports persons whose journeys or property whose shipments originate or terminate outside Illinois. On and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General Assembly, trips that are only between points in Illinois shall not be counted as interstate trips when calculating whether the tangible personal property qualifies for the exemption but such trips shall be included in total trips taken.

(Source: P.A. 93-23, eff. 6-20-03.)

Section 20. The Service Occupation Tax Act is amended by changing Sections 2 and 2d as follows:
(35 ILCS 115/2) (from Ch. 120, par. 439.102)

Sec. 2. "Transfer" means any transfer of the title to property or of the ownership of property whether or not the transferor retains title as security for the payment of amounts due him from the transferee.

"Cost Price" means the consideration paid by the serviceman for a purchase valued in money, whether paid in money or otherwise, including cash, credits and services, and shall be determined without any deduction on account of the supplier's cost of the property sold or on account of any other expense incurred by the supplier. When a serviceman contracts out part or all of the services required in his sale of service, it shall be presumed that the cost price to the serviceman of the property transferred to him by his or her subcontractor is equal to 50% of the subcontractor's charges to the serviceman in the absence of proof of the consideration paid by the subcontractor for the purchase of such property.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, limited liability company, and any receiver, executor, trustee, guardian or other representative appointed by order of any court.

"Sale of Service" means any transaction except:

(a) A retail sale of tangible personal property taxable under the Retailers' Occupation Tax Act or under the Use Tax Act.

(b) A sale of tangible personal property for the purpose of resale made in compliance with Section 2c of the Retailers' Occupation Tax Act.

(c) Except as hereinafter provided, a sale or transfer of tangible personal property as an incident to the rendering of service for or by any governmental body or for or by any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes.

(d) A sale or transfer of tangible personal property as an incident to the rendering of service for interstate carriers for hire for use as rolling stock moving in interstate commerce or lessors under leases of one year or longer, executed or in effect at the time of purchase, to interstate carriers for hire for use as rolling stock moving in interstate commerce, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(d-1) A sale or transfer of tangible personal property as an incident to the rendering of service for owners, lessors or shippers of tangible personal property which is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(d-1.1) On and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General Assembly, a sale or transfer of a motor vehicle of the second division with a gross vehicle weight in excess of 8,000 pounds as an incident to the rendering of service if that motor vehicle is subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. This exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act.

(d-2) The repairing, reconditioning or remodeling, for a common carrier by rail, of tangible personal property which belongs to such carrier for hire, and as to which such carrier receives the physical possession of the repaired, reconditioned or remodeled item of tangible personal property in Illinois, and

which such carrier transports, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the person who repaired, reconditioned or remodeled the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(d-3) A sale or transfer of tangible personal property which is produced by the seller thereof on special order in such a way as to have made the applicable tax the Service Occupation Tax or the Service Use Tax, rather than the Retailers' Occupation Tax or the Use Tax, for an interstate carrier by rail which receives the physical possession of such property in Illinois, and which transports such property, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(d-4) Until January 1, 1997, a sale, by a registered serviceman paying tax under this Act to the Department, of special order printed materials delivered outside Illinois and which are not returned to this State, if delivery is made by the seller or agent of the seller, including an agent who causes the product to be delivered outside Illinois by a common carrier or the U.S. postal service.

(e) A sale or transfer of machinery and equipment used primarily in the process of the manufacturing or assembling, either in an existing, an expanded or a new manufacturing facility, of tangible personal property for wholesale or retail sale or lease, whether such sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether such sale or lease is made apart from or as an incident to the seller's engaging in a service occupation and the applicable tax is a Service Occupation Tax or Service Use Tax, rather than Retailers' Occupation Tax or Use Tax.

(f) Until July 1, 2003, the sale or transfer of distillation machinery and equipment, sold as a unit or kit and assembled or installed by the retailer, which machinery and equipment is certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of such user and not subject to sale or resale.

(g) At the election of any serviceman not required to be otherwise registered as a retailer under Section 2a of the Retailers' Occupation Tax Act, made for each fiscal year sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35% (75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production) of the aggregate annual total gross receipts from all sales of service. The purchase of such tangible personal property by the serviceman shall be subject to tax under the Retailers' Occupation Tax Act and the Use Tax Act. However, if a primary serviceman who has made the election described in this paragraph subcontracts service work to a secondary serviceman who has also made the election described in this paragraph, the primary serviceman does not incur a Use Tax liability if the secondary serviceman (i) has paid or will pay Use Tax on his or her cost price of any tangible personal property transferred to the primary serviceman and (ii) certifies that fact in writing to the primary serviceman.

Tangible personal property transferred incident to the completion of a maintenance agreement is exempt from the tax imposed pursuant to this Act.

Exemption (e) also includes machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. For the purposes of exemption (e), each of these terms shall have the following meanings: (1) "manufacturing process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating, or refining which changes some existing material or materials into a material with a different form, use or name. In relation to a recognized integrated business composed of a series of operations which collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process shall be deemed to commence with the first operation or stage of production in the series, and shall not be deemed to end until the completion of the final product in the last operation or stage of production in the series; and further for purposes of exemption (e), photoprocessing is deemed to be a manufacturing process of tangible personal property for wholesale or retail sale; (2) "assembling process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name; (3) "machinery" shall mean major mechanical machines or major components of such machines contributing to a manufacturing or assembling process;

and (4) "equipment" shall include any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a component of any machinery or auxiliary, adjunct or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds; or any parts which require periodic replacement in the course of normal operation; but shall not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease. The purchaser of such machinery and equipment who has an active resale registration number shall furnish such number to the seller at the time of purchase. The purchaser of such machinery and equipment and tools without an active resale registration number shall furnish to the seller a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, which certificate shall be available to the Department for inspection or audit.

Except as provided in Section 2d of this Act, the rolling stock exemption applies to rolling stock used by an interstate carrier for hire, even just between points in Illinois, if such rolling stock transports, for hire, persons whose journeys or property whose shipments originate or terminate outside Illinois.

Any informal rulings, opinions or letters issued by the Department in response to an inquiry or request for any opinion from any person regarding the coverage and applicability of exemption (e) to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion or letter contains trade secrets or other confidential information, where possible the Department shall delete such information prior to publication. Whenever such informal rulings, opinions, or letters contain any policy of general applicability, the Department shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act.

On and after July 1, 1987, no entity otherwise eligible under exemption (c) of this Section shall make tax free purchases unless it has an active exemption identification number issued by the Department.

"Serviceman" means any person who is engaged in the occupation of making sales of service.

"Sale at Retail" means "sale at retail" as defined in the Retailers' Occupation Tax Act.

"Supplier" means any person who makes sales of tangible personal property to servicemen for the purpose of resale as an incident to a sale of service.

(Source: P.A. 92-484, eff. 8-23-01; 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; revised 8-21-03.)

(35 ILCS 115/2d)

Sec. 2d. Motor vehicles; use as rolling stock definition. Through June 30, 2003 and beginning again on the effective date of this amendatory Act of the 93rd General Assembly, "use as rolling stock moving in interstate commerce" in subsections (d) and (d-1) of the definition of "sale of service" in Section 2 means for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, and trailers, as defined in Section 1-209 of the Illinois Vehicle Code, when on 15 or more occasions in a 12-month period the motor vehicle and trailer has carried persons or property for hire in interstate commerce, even just between points in Illinois, if the motor vehicle and trailer transports persons whose journeys or property whose shipments originate or terminate outside Illinois. This definition applies to all property purchased for the purpose of being attached to those motor vehicles or trailers as a part thereof.

On and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General Assembly, "use as rolling stock moving in interstate commerce" in paragraphs (d) and (d-1) of the definition of "sale of service" in Section 2 occurs for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, when during a 12-month period the rolling stock has carried persons or property for hire in interstate commerce for 51% of its total trips and transports persons whose journeys or property whose shipments originate or terminate outside Illinois. On and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General Assembly, trips that are only between points in Illinois will not be counted as interstate trips when calculating whether the tangible personal property qualifies for the exemption but such trips will be included in total trips taken.

(Source: P.A. 93-23, eff. 6-20-03.)

Section 25. The Retailers' Occupation Tax Act is amended by changing Sections 2-5 and 2-51 as follows:

(35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

Sec. 2-5. Exemptions. Gross receipts from proceeds from the sale of the following tangible personal property are exempt from the tax imposed by this Act:

(1) Farm chemicals.

(2) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural

programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (2). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed, if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (7) is exempt from the provisions of Section 2-70.

(3) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(4) Until July 1, 2003, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product.

(5) A motor vehicle of the first division, a motor vehicle of the second division that is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through access to the living quarters from the driver's seat, or a motor vehicle of the second division that is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers, as defined in Section 1-146 of the Illinois Vehicle Code, that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act.

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Until July 1, 2003, proceeds of that portion of the selling price of a passenger car the sale of which is subject to the Replacement Vehicle Tax.

(8) Personal property sold to an Illinois county fair association for use in conducting, operating, or promoting the county fair.

(9) Personal property sold to a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after the effective date of this amendatory Act of the 92nd General Assembly, however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(10) Personal property sold by a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(11) Personal property sold to a governmental body, to a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or to a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of

persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active identification number issued by the Department.

(12) Tangible personal property sold to interstate carriers for hire for use as rolling stock moving in interstate commerce or to lessors under leases of one year or longer executed or in effect at the time of purchase by interstate carriers for hire for use as rolling stock moving in interstate commerce and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(12-5) On and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General Assembly, motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. This exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act.

(13) Proceeds from sales to owners, lessors, or shippers of tangible personal property that is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(14) Machinery and equipment that will be used by the purchaser, or a lessee of the purchaser, primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether the sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether the sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser.

(15) Proceeds of mandatory service charges separately stated on customers' bills for purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(16) Petroleum products sold to a purchaser if the seller is prohibited by federal law from charging tax to the purchaser.

(17) Tangible personal property sold to a common carrier by rail or motor that receives the physical possession of the property in Illinois and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois.

(18) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(19) Until July 1 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(20) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(21) Until July 1, 2003, coal exploration, mining, offhighway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(22) Fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

(23) A transaction in which the purchase order is received by a florist who is located outside Illinois, but

who has a florist located in Illinois deliver the property to the purchaser or the purchaser's donee in Illinois.

(24) Fuel consumed or used in the operation of ships, barges, or vessels that are used primarily in or for the transportation of property or the conveyance of persons for hire on rivers bordering on this State if the fuel is delivered by the seller to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river.

(25) A motor vehicle sold in this State to a nonresident even though the motor vehicle is delivered to the nonresident in this State, if the motor vehicle is not to be titled in this State, and if a drive-away permit is issued to the motor vehicle as provided in Section 3-603 of the Illinois Vehicle Code or if the nonresident purchaser has vehicle registration plates to transfer to the motor vehicle upon returning to his or her home state. The issuance of the drive-away permit or having the out-of-state registration plates to be transferred is prima facie evidence that the motor vehicle will not be titled in this State.

(26) Semen used for artificial insemination of livestock for direct agricultural production.

(27) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes.

(28) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(29) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(30) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(31) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(32) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" or an "exotic game hunting area" as those terms are used in the Wildlife Code or at a hunting enclosure approved through rules adopted by the Department of Natural Resources. This paragraph is exempt from the provisions of Section 2-70.

(33) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(34) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the

property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 2-70.

(35) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 2-70.

(35-5) Food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article 5 of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act.

(36) Beginning August 2, 2001, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(37) Beginning August 2, 2001, personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(38) Beginning on January 1, 2002, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (38). The permit issued under this paragraph (38) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(Source: P.A. 92-16, eff. 6-28-01; 92-35, eff. 7-1-01; 92-227, eff. 8-2-01; 92-337, eff. 8-10-01; 92-484, eff. 8-23-01; 92-488, eff. 8-23-01; 92-651, eff. 7-11-02; 92-680, eff. 7-16-02; 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; revised 9-11-03.)

(35 ILCS 120/2-51)

Sec. 2-51. Motor vehicles; use as rolling stock definition. Through June 30, 2003 and beginning again on the effective date of this amendatory Act of the 93rd General Assembly, "use as rolling stock moving in interstate commerce" in paragraphs (12) and (13) of Section 2-5 means for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, and trailers, as defined in Section 1-209 of the Illinois Vehicle Code, when on 15 or more occasions in a 12-month period the motor vehicle and trailer has carried persons or property for hire in interstate commerce, even just between points in Illinois, if the motor vehicle and trailer transports persons whose journeys or property whose shipments originate or terminate outside Illinois. This definition applies to all property purchased for the purpose of being attached to those motor vehicles or trailers as a part thereof.

On and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General Assembly, "use as rolling stock moving in interstate commerce" in paragraphs (12) and (13) of Section 2-5 occurs for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, when during a 12-month period the rolling stock has carried persons or property for hire in interstate commerce for 51% of its total trips and transports persons whose journeys or property whose shipments originate or terminate outside Illinois. On and after July 1, 2003 and until the effective date of this amendatory Act of the 93rd General Assembly, trips that are only between points in Illinois shall not be counted as interstate trips when calculating whether the tangible personal property qualifies for the exemption but such trips shall be

included in total trips taken.

(Source: P.A. 93-23, eff. 6-20-03.)

Section 30. The Illinois Vehicle Code is amended by changing Section 3-815.1 as follows:

(625 ILCS 5/3-815.1)

Sec. 3-815.1. Commercial distribution fee. Beginning July 1, 2003 and ending on the effective date of this amendatory Act of the 93rd General Assembly, in addition to any tax or fee imposed under this Code:

(a) Vehicles of the second division with a gross vehicle weight that exceeds 8,000 pounds and that incur any tax or fee under subsection (a) of Section 3-815 of this Code or subsection (a) of Section 3-818 of this Code, as applicable, ~~and~~ shall pay to the Secretary of State a commercial distribution fee, for each registration year, for the use of the public highways, State infrastructure, and State services, in an amount equal to 36% of the taxes and fees incurred under subsection (a) of Section 3-815 of this Code, or subsection (a) of Section 3-818 of this Code, as applicable, rounded up to the nearest whole dollar.

(b) Vehicles of the second division with a gross vehicle weight of 8,000 pounds or less and that incur any tax or fee under subsection (a) of Section 3-815 of this Code or subsection (a) of Section 3-818 of this Code, as applicable, and have claimed the rolling stock exemption under the Retailers' Occupation Tax Act, Use Tax Act, Service Occupation Tax Act, or Service Use Tax Act shall pay to the Illinois Department of Revenue (or the Secretary of State under an intergovernmental agreement) a commercial distribution fee, for each registration year, for the use of the public highways, State infrastructure, and State services, in an amount equal to 36% of the taxes and fees incurred under subsection (a) of Section 3-815 of this Code or subsection (a) of Section 3-818 of this Code, as applicable, rounded up to the nearest whole dollar.

The fees paid under this Section shall be deposited by the Secretary of State into the General Revenue Fund.

Any person who has paid the fee imposed under this Section is entitled to a refund of the amount paid. The Secretary of State shall establish a procedure by which a person who has paid the fee imposed under this Section may apply for and receive a refund of the amount paid.

(Source: P.A. 93-23, eff. 6-20-03; revised 10-9-03.)

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

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was advanced to the order of Third Reading

AGREED RESOLUTION

HOUSE RESOLUTION 636 was taken up for consideration.

Representative Daniels moved the adoption of the agreed resolution.

The motion prevailed and the Agreed Resolution was adopted.

At the hour of 4:20 o'clock p.m., Representative Currie moved that the House do now adjourn until Thursday, February 5, 2004, at 11:00 o'clock a.m.

The motion prevailed.

And the House stood adjourned.

NO. 1

STATE OF ILLINOIS
NINETY-THIRD
GENERAL ASSEMBLY
HOUSE ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE

February 04, 2004

0 YEAS

0 NAYS

112 PRESENT

P Acevedo	E Delgado	P Kurtz	P Phelps
P Aguilar	P Dugan	P Lang	P Pihos
P Bailey	P Dunkin	P Leitch	P Poe
P Bassi	P Dunn	P Lindner	P Pritchard
P Beaubien	P Eddy	P Lyons, Eileen	P Reitz
P Bellock	P Feigenholtz	P Lyons, Joseph	P Rita
P Berrios	P Flider	P Mathias	P Rose
P Biggins	P Flowers	P Mautino	P Ryg
P Black	P Franks	P May	P Sacia
P Boland	P Fritchey	P McAuliffe	P Saviano
P Bost	P Froehlich	P McCarthy	P Schmitz
P Bradley, John	P Giles	P McGuire	P Scully
P Bradley, Richard	P Gordon	P McKeon	P Slone
P Brady	P Graham	P Mendoza	P Smith
P Brauer	P Granberg	P Meyer	P Sommer
P Brosnahan	P Grunloh	P Miller	P Soto
E Burke	P Hamos	P Millner	P Stephens
P Capparelli	P Hannig	P Mitchell, Bill	P Sullivan
P Chapa LaVia	P Hassert	P Mitchell, Jerry	P Tenhouse
P Churchill	P Hoffman	P Moffitt	P Turner
P Collins	E Holbrook	A Molaro	P Verschoore
P Colvin	P Howard	P Morrow	P Wait
P Coulson	P Hultgren	P Mulligan	P Washington
P Cross	P Jakobsson	P Munson	P Watson
P Cultra	P Jefferson	P Myers	P Winters
P Currie	E Jones	P Nekritz	P Yarbrough
P Daniels	P Joyce	P Osmond	P Younge
P Davis, Monique	P Kelly	P Osterman	P Mr. Speaker
P Davis, Steve	P Kosel	P Pankau	
P Davis, William	P Krause	E Parke	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-THIRD
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 HOUSE BILL 378
 PEN CD-CHGO FIRE-SALARY
 THIRD READING
 PASSED

February 04, 2004

104 YEAS

7 NAYS

1 PRESENT

Y Acevedo	E Delgado	Y Kurtz	Y Phelps
Y Aguilar	Y Dugan	Y Lang	N Pihos
Y Bailey	Y Dunkin	Y Leitch	Y Poe
Y Bassi	Y Dunn	Y Lindner	Y Pritchard
Y Beaubien	Y Eddy	Y Lyons, Eileen	Y Reitz
Y Bellock	Y Feigenholtz	Y Lyons, Joseph	Y Rita
Y Berrios	Y Flider	Y Mathias	Y Rose
Y Biggins	Y Flowers	Y Mautino	Y Ryg
Y Black	Y Franks	Y May	Y Sacia
Y Boland	Y Fritchey	Y McAuliffe	Y Saviano
Y Bost	Y Froehlich	Y McCarthy	Y Schmitz
Y Bradley, John	Y Giles	Y McGuire	Y Scully
Y Bradley, Richard	Y Gordon	Y McKeon	Y Slone
Y Brady	Y Graham	Y Mendoza	Y Smith
Y Brauer	Y Granberg	Y Meyer	N Sommer
Y Brosnahan	Y Grunloh	Y Miller	Y Soto
E Burke	Y Hamos	Y Millner	N Stephens
Y Capparelli	Y Hannig	N Mitchell, Bill	N Sullivan
Y Chapa LaVia	Y Hassert	Y Mitchell, Jerry	N Tenhouse
Y Churchill	Y Hoffman	Y Moffitt	Y Turner
Y Collins	E Holbrook	A Molaro	P Verschoore
Y Colvin	Y Howard	Y Morrow	Y Wait
Y Coulson	Y Hultgren	Y Mulligan	Y Washington
Y Cross	Y Jakobsson	Y Munson	Y Watson
Y Cultra	Y Jefferson	N Myers	Y Winters
Y Currie	E Jones	Y Nekritz	Y Yarbrough
Y Daniels	Y Joyce	Y Osmond	Y Younge
Y Davis, Monique	Y Kelly	Y Osterman	Y Mr. Speaker
Y Davis, Steve	Y Kosel	Y Pankau	
Y Davis, William	Y Krause	E Parke	

E - Denotes Excused Absence