

1 AN ACT concerning local government.

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

4 Section 5. The School Code is amended by changing Section  
5 7-14 as follows:

6 (105 ILCS 5/7-14) (from Ch. 122, par. 7-14)

7 Sec. 7-14. Bonded indebtedness-Tax rate.

8 (a) Except as provided in subsection (b), whenever the  
9 boundaries of any school district are changed by the annexation  
10 or detachment of territory, each such district as it exists on  
11 and after such action shall assume the bonded indebtedness, as  
12 well as financial obligations to the Capital Development Board  
13 pursuant to Section 35-15 (now repealed) of this Code, of all  
14 the territory included therein after such change. The tax rate  
15 for bonded indebtedness shall be determined in the manner  
16 provided in Section 19-7 of this Act, except the County Clerk  
17 shall annually extend taxes against all the taxable property  
18 situated in the county and contained in each such district as  
19 it exists after the action. Notwithstanding the provisions of  
20 this subsection, if the boundaries of a school district are  
21 changed by annexation or detachment of territory after June 30,  
22 1987, and prior to September 15, 1987, and if the school  
23 district to which territory is being annexed has no outstanding

1 bonded indebtedness on the date such annexation occurs, then  
2 the annexing school district shall not be liable for any bonded  
3 indebtedness of the district from which the territory is  
4 detached, and the school district from which the territory is  
5 detached shall remain liable for all of its bonded  
6 indebtedness.

7 (b) Whenever a school district with bonded indebtedness has  
8 become dissolved under this Article and its territory annexed  
9 to another district, the annexing district or districts shall  
10 not, except by action pursuant to resolution of the school  
11 board of the annexing district prior to the effective date of  
12 the annexation, assume the bonded indebtedness of the dissolved  
13 district; nor, except by action pursuant to resolution of the  
14 school board of the dissolving district, shall the territory of  
15 the dissolved district assume the bonded indebtedness of the  
16 annexing district or districts. If the annexing district or  
17 districts do not assume the bonded indebtedness of the  
18 dissolved district, a tax rate for the bonded indebtedness  
19 shall be determined in the manner provided in Section 19-7, and  
20 the county clerk or clerks shall annually extend taxes for each  
21 outstanding bond issue against all the taxable property that  
22 was situated within the boundaries of the district as the  
23 boundaries existed at the time of the issuance of each bond  
24 issue regardless of whether the property is still contained in  
25 that same district at the time of the extension of the taxes by  
26 the county clerk or clerks.

1       (c) Notwithstanding the provisions of Section 19-18 of this  
2 Code, upon resolution of the school board, the county clerk  
3 must extend taxes to pay the principal of and interest on any  
4 bonds issued exclusively to refund any bonded indebtedness of  
5 the annexing school district against all of the taxable  
6 property that was situated within the boundaries of the  
7 annexing district as the boundaries existed at the time of the  
8 issuance of the bonded indebtedness being refunded and not  
9 against any of the taxable property in the dissolved school  
10 district, provided that (i) the net interest rate on the  
11 refunding bonds may not exceed the net interest rate on the  
12 refunded bonds, (ii) the final maturity date of the refunding  
13 bonds may not extend beyond the final maturity date of the  
14 refunded bonds, and (iii) the tax levy to pay the refunding  
15 bonds in any levy year may not exceed the tax levy that would  
16 have been required to pay the refunded bonds for that levy  
17 year. The provisions of this subsection (c) are applicable to  
18 school districts that were dissolved and their territory  
19 annexed to another school district pursuant to a referendum  
20 held in April of 2003. The provisions of this subsection (c),  
21 other than this sentence, are inoperative 2 years after the  
22 effective date of this amendatory Act of the 95th General  
23 Assembly.

24       (Source: P.A. 94-1105, eff. 6-1-07.)

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