

1 AN ACT concerning education.

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

4 Section 5. The School Code is amended by changing Sections  
5 20-1, 20-2, 20-3, 20-4, 20-5, 20-7, 20-8, and 20-9 and by  
6 adding Section 20-10 as follows:

7 (105 ILCS 5/20-1) (from Ch. 122, par. 20-1)

8 Sec. 20-1. Authority to create working cash fund. In each  
9 school district, whether organized under general law or special  
10 charter, having a population of less than 500,000 inhabitants,  
11 a fund to be known as a "Working Cash Fund" may be created and  
12 maintained consistent with the limitations of ~~and administered~~  
13 ~~in the manner prescribed in~~ this Article, for the purpose of  
14 enabling the district to have in its treasury at all time  
15 sufficient money to meet demands thereon for ~~ordinary and~~  
16 ~~necessary~~ expenditures for corporate purposes.

17 (Source: P.A. 80-272.)

18 (105 ILCS 5/20-2) (from Ch. 122, par. 20-2)

19 Sec. 20-2. Indebtedness and bonds. For the purpose of  
20 creating, re-creating, or increasing a working cash fund, the  
21 school board of any such district may incur an indebtedness and  
22 issue bonds as evidence thereof in an amount or amounts not

1 exceeding in the aggregate 85% of the taxes permitted to be  
2 levied for educational purposes for the then current year to be  
3 determined by multiplying the maximum educational tax rate or  
4 rates applicable to such school district by the last assessed  
5 valuation or assessed valuations as determined at the time of  
6 the issue of said bonds plus 85% of the last known entitlement  
7 of such district to taxes as by law now or hereafter enacted or  
8 amended, imposed by the General Assembly of the State of  
9 Illinois to replace revenue lost by units of local government  
10 and school districts as a result of the abolition of ad valorem  
11 personal property taxes, pursuant to Article IX, Section 5,  
12 paragraph (c) of the Constitution of the State of Illinois. The  
13 bonds shall bear interest at not more than the maximum rate  
14 authorized by law ~~the Bond Authorization Act, as amended at the~~  
15 ~~time of the making of the contract, if issued before January 1,~~  
16 ~~1972 and not more than the maximum rate authorized by the Bond~~  
17 ~~Authorization Act, as amended at the time of the making of the~~  
18 ~~contract, if issued after January 1, 1972~~ and shall mature  
19 within 20 years from the date thereof. Subject to the foregoing  
20 limitations as to amount, the bonds may be issued in an amount  
21 including existing indebtedness which will not exceed the  
22 constitutional limitation as to debt, notwithstanding any  
23 statutory debt limitation to the contrary. The school board  
24 shall before or at the time of issuing the bonds provide for  
25 the collection of a direct annual tax upon all the taxable  
26 property within the district sufficient to pay the principal

1       thereof at maturity and to pay the interest thereon as it falls  
2       due, which tax shall be in addition to the maximum amount of  
3       all other taxes, either educational; transportation;  
4       operations and maintenance; or fire prevention and safety fund  
5       taxes, now or hereafter authorized and in addition to any  
6       limitations upon the levy of taxes as provided by Sections 17-2  
7       through 17-9. ~~The bonds may be issued redeemable at the option~~  
8       ~~of the school board of the district issuing them on any~~  
9       ~~interest payment date on or after 5 years from date of issue.~~

10       With respect to instruments for the payment of money issued  
11       under this Section either before, on, or after the effective  
12       date of this amendatory Act of 1989, it is and always has been  
13       the intention of the General Assembly (i) that the Omnibus Bond  
14       Acts are and always have been supplementary grants of power to  
15       issue instruments in accordance with the Omnibus Bond Acts,  
16       regardless of any provision of this Act that may appear to be  
17       or to have been more restrictive than those Acts, (ii) that the  
18       provisions of this Section are not a limitation on the  
19       supplementary authority granted by the Omnibus Bond Acts, and  
20       (iii) that instruments issued under this Section within the  
21       supplementary authority granted by the Omnibus Bond Acts are  
22       not invalid because of any provision of this Act that may  
23       appear to be or to have been more restrictive than those Acts.

24       (Source: P.A. 94-234, eff. 7-1-06; 94-1019, eff. 7-10-06.)

1           Sec. 20-3. Tax levy. For the purpose of providing moneys  
2 for a working cash fund, the school board of any such school  
3 district may also levy annually upon all the taxable property  
4 of their district a tax, known as the "working cash fund tax,"  
5 not to exceed 0.05% of value, as equalized or assessed by the  
6 Department of Revenue; provided that no such tax shall be  
7 levied if bonds are issued in amount or amounts equal in the  
8 aggregate to the limitation set forth in Section 20-2 for the  
9 creation, re-creation, or increase of a working cash fund. The  
10 collection of the tax shall not be anticipated by the issuance  
11 of any warrants drawn against it. The tax shall be levied and  
12 collected, except as otherwise provided in this Section, in  
13 like manner as the general taxes of the district, and shall be  
14 in addition to the maximum of all other taxes, either  
15 educational; transportation; operations and maintenance; or  
16 fire prevention and safety fund taxes, now or hereafter to be  
17 levied for school purposes. It may be levied by separate  
18 resolution by the last Tuesday in December ~~September~~ in each  
19 year or it may be included in the certificate of tax levy filed  
20 under Section 17-11.

21       (Source: P.A. 94-234, eff. 7-1-06.)

22           (105 ILCS 5/20-4) (from Ch. 122, par. 20-4)

23           Sec. 20-4. Use and reimbursement of fund. This Section  
24 shall not apply in any school district which does not operate a  
25 working cash fund.

1 Moneys derived from the issuance of bonds as authorized by  
2 Section 20-2, or from any tax levied pursuant to Section 20-3,  
3 shall be used only for the purposes and in the manner  
4 ~~hereinafter~~ provided in this Article. Moneys in the fund shall  
5 not be regarded as current assets available for school  
6 purposes. The school board may appropriate moneys to the  
7 working cash fund up to the maximum amount allowable in the  
8 fund, and the working cash fund may receive such appropriations  
9 and any other contributions. Moneys in the fund may ~~shall not~~  
10 be used by the school board for any and all ~~in any manner other~~  
11 ~~than to provide moneys with which to meet ordinary and~~  
12 ~~necessary disbursements for salaries and other~~ school purposes  
13 and may be transferred in whole or in part to the general funds  
14 or both of the school district and disbursed therefrom in  
15 anticipation of the collection of taxes lawfully levied for any  
16 or all purposes, or in anticipation of such taxes as by law now  
17 or hereafter enacted or amended are imposed by the General  
18 Assembly of the State of Illinois to replace revenue lost by  
19 units of local government and school districts as a result of  
20 the abolition of ad valorem personal property taxes, pursuant  
21 to Article IX, Section 5(c) of the Constitution of the State of  
22 Illinois. Moneys so transferred to any other fund shall be  
23 deemed to be transferred in anticipation of the collection of  
24 that part of the taxes so levied or to be received which is in  
25 excess of the amount thereof required to pay any warrants or  
26 notes and the interest thereon theretofore and thereafter

1 issued in anticipation of the collection thereof and such taxes  
2 when collected shall be applied to the payment of any such  
3 warrants and the interest thereon, the amount estimated to be  
4 required to satisfy debt service and pension or retirement  
5 obligations, as set forth in Section 12 of the State Revenue  
6 Sharing Act and then to the reimbursement of such working cash  
7 fund as hereinafter provided.

8       Upon receipt by the school district of any taxes in  
9 anticipation of the collection whereof moneys of the working  
10 cash fund have been so transferred for disbursement, the fund  
11 shall immediately be reimbursed therefrom until the full amount  
12 so transferred has been retransferred to the fund. Unless the  
13 taxes so received and applied to the reimbursement of the  
14 working cash fund prior to the first day of the eighth month  
15 following the month in which due and unpaid real property taxes  
16 begin to bear interest are sufficient to effect a complete  
17 reimbursement of such fund for any moneys transferred therefrom  
18 in anticipation of the collection of such taxes, the working  
19 cash fund shall be reimbursed for the amount of the deficiency  
20 therein from any other revenues accruing to the educational  
21 fund, and the school board shall make provisions for the  
22 immediate reimbursement of the amount of any such deficiency in  
23 its next annual tax levy.

24 (Source: P.A. 87-984; 87-1168; 88-45.)

25 (105 ILCS 5/20-5) (from Ch. 122, par. 20-5)

1           Sec. 20-5. Transfer to other fund. This Section shall not  
2 apply in any school district which does not operate a working  
3 cash fund.

4           Moneys in, ~~including interest earned from investment of the~~  
5 working cash fund ~~as in this Section provided,~~ shall be  
6 transferred from the working cash fund to another fund of the  
7 district only upon the authority of the school board which  
8 shall from time to time by separate resolution direct the  
9 school treasurer to make transfers of such sums as may be  
10 required for the purposes herein authorized.

11           The resolution shall set forth (a) the taxes in  
12 anticipation of which such transfer is to be made and from  
13 which the working cash fund is to be reimbursed; (b) the entire  
14 amount of taxes extended, or which the school board estimates  
15 will be extended or received, for any year in anticipation of  
16 the collection of all or part of which such transfer is to be  
17 made; (c) the aggregate amount of warrants or notes theretofore  
18 issued in anticipation of the collection of such taxes together  
19 with the amount of interest accrued and which the school board  
20 estimates will accrue thereon; (d) the aggregate amount of  
21 receipts from taxes imposed to replace revenue lost by units of  
22 local government and school districts as a result of the  
23 abolition of ad valorem personal property taxes, pursuant to  
24 Article IX, Section 5(c) of the Constitution of the State of  
25 Illinois, which the corporate authorities estimate will be set  
26 aside for the payment of the proportionate amount of debt

1 service and pension or retirement obligations, as required by  
2 Section 12 of the State Revenue Sharing Act; and (e) the  
3 aggregate amount of money theretofore transferred from the  
4 working cash fund to the other fund in anticipation of the  
5 collection of such taxes. The amount which any such resolution  
6 shall direct the treasurer so to transfer, in anticipation of  
7 the collection of taxes levied or to be received for any year,  
8 together with the aggregate amount of such anticipation tax  
9 warrants or notes theretofore drawn against such taxes and the  
10 amount of interest accrued and estimated to accrue thereon and  
11 the aggregate amount of such transfers to be made in  
12 anticipation of the collection of such taxes and the amount  
13 estimated to be required to satisfy debt service and pension or  
14 retirement obligations, as set forth in Section 12 of the State  
15 Revenue Sharing Act, shall not exceed 85% of the actual or  
16 estimated amount of such taxes extended or to be extended or to  
17 be received as set forth in such resolution. At any time moneys  
18 are available in the working cash fund they shall be  
19 transferred to such other funds of the district ~~the educational~~  
20 ~~fund~~ and used for any and all ~~disbursed for the payment of~~  
21 ~~salaries and other~~ school purposes ~~expenses~~ so as to avoid,  
22 whenever possible, the issuance of anticipation tax warrants or  
23 notes.

24 Moneys earned as interest from the investment of the  
25 working cash fund, or any portion thereof, may be transferred  
26 from the working cash fund to another fund of the district that

1 is most in need of the interest without any requirement of  
2 repayment to the working cash fund, upon the authority of the  
3 school board by separate resolution directing the school  
4 treasurer to make such transfer and stating the purpose in  
5 accordance with subsection (c) of Section 9 of the Local  
6 Government Debt Reform Act ~~therefore as one herein authorized.~~

7 (Source: P.A. 94-234, eff. 7-1-06.)

8 (105 ILCS 5/20-7) (from Ch. 122, par. 20-7)

9 Sec. 20-7. Resolution for issuance of bonds - Submission to  
10 voters - Ballot. No school district may issue bonds under this  
11 Article unless it adopts a resolution declaring its intention  
12 to issue bonds for the purpose therein provided and directs  
13 that notice of such intention be published at least once in a  
14 newspaper ~~published and having a general circulation in the~~  
15 ~~district, if there be one, but if there is no newspaper~~  
16 ~~published in such district then by publishing such notice in a~~  
17 ~~newspaper~~ having a general circulation in the district. The  
18 notice shall set forth (1) the intention of the district to  
19 issue bonds in accordance with this Article; (2) the time  
20 within which a petition may be filed requesting the submission  
21 of the proposition to issue the bonds; (3) the specific number  
22 of voters required to sign the petition; and (4) the date of  
23 the prospective referendum. At the time of publication of the  
24 notice and for 30 days thereafter, the recording officer of the  
25 district shall provide a petition form to any individual

1 requesting one. If within 30 days after the publication a  
 2 petition is filed with the recording officer of the district,  
 3 signed by the voters of the district equal to 10% or more of  
 4 the registered voters of the district requesting that the  
 5 proposition to issue bonds as authorized by this Article be  
 6 submitted to the voters thereof, then the district shall not be  
 7 authorized to issue such bonds until the proposition has been  
 8 certified to the proper election authorities and has been  
 9 submitted to and approved by a majority of the voters voting on  
 10 the proposition at a regular scheduled election in accordance  
 11 with the general election law. If no such petition is so filed,  
 12 or if any and all petitions filed are invalid, the district may  
 13 issue the bonds. In addition to the requirements of the general  
 14 election law the notice of the election shall set forth the  
 15 intention of the district to issue bonds under this Article.  
 16 The proposition shall be in substantially the following form:

OFFICIAL BALLOT

18 -----  
 19 Shall the Board ~~board~~ of....  
 20 of School District ~~district~~ number.... YES  
 21 County, Illinois, be authorized  
 22 to issue bonds for a working -----  
 23 cash fund as provided for  
 24 by Article 20 of the NO  
 25 School Code?  
 26 -----

1 (Source: P.A. 87-767.)

2 (105 ILCS 5/20-8) (from Ch. 122, par. 20-8)

3 Sec. 20-8. Abolishment of working cash fund. Any school  
4 district may abolish its working cash fund, upon the adoption  
5 of a resolution so providing, and direct the transfer of any  
6 balance in such fund to the educational fund at the close of  
7 the then current school year. Any outstanding loans to other  
8 funds of the district ~~the transportation, operations and~~  
9 ~~maintenance, or fire prevention and safety fund~~ shall be paid  
10 or become payable to the educational fund at the close of the  
11 then current school year. Thereafter, all outstanding taxes of  
12 such school district levied pursuant to Section 20-3 shall be  
13 collected and paid into the educational fund.

14 Any balance in any working cash fund that is created in any  
15 school district on or after the effective date of this  
16 amendatory Act of 1991 (including all outstanding loans from  
17 any such working cash fund to other funds ~~the educational,~~  
18 ~~transportation, operations and maintenance, or fire prevention~~  
19 ~~and safety fund~~ of the district and all outstanding taxes  
20 levied by the district under Section 20-3 to provide moneys for  
21 any such working cash fund) may, when such working cash fund is  
22 abolished, be used and applied for the purpose of reducing, by  
23 the balance in that working cash fund at the close of the  
24 school year in which the fund so created is abolished, the  
25 amount of the taxes that the school board of the school

1 district otherwise would be authorized or required to levy for  
2 educational purposes for the immediately succeeding school  
3 year.

4 Any obligation incurred by any school district pursuant to  
5 Section 20-2 shall be discharged as therein provided.

6 (Source: P.A. 86-970; 87-643; 87-984.)

7 (105 ILCS 5/20-9) (from Ch. 122, par. 20-9)

8 Sec. 20-9. ~~A Nothing in this Article prevents a school~~  
9 district which has abolished or abated its working cash fund  
10 has the authority to again create ~~from again creating~~ a working  
11 cash fund at any time in the manner provided in this Article.

12 (Source: Laws 1967, p. 642.)

13 (105 ILCS 5/20-10 new)

14 Sec. 20-10. Abatement of working cash fund. Any school  
15 district may abate its working cash fund at any time, upon the  
16 adoption of a resolution so providing, and direct the transfer  
17 at any time of moneys in that fund to any fund or funds of the  
18 district most in need of the money, provided that the district  
19 maintains an amount to the credit of the working cash fund,  
20 including taxes levied pursuant to Section 20-3 and not yet  
21 collected and amounts transferred pursuant to Section 20-4 and  
22 to be reimbursed to the working cash fund, at least equal to  
23 0.05% of the then current value, as equalized or assessed by  
24 the Department of Revenue, of the taxable property in the

1 district. If necessary to effectuate the abatement, any  
2 outstanding loans to other funds of the district may be paid or  
3 become payable to the fund or funds to which the abatement is  
4 made. Any abatement of a school district's working cash fund  
5 prior to the effective date of this amendatory Act of the 96th  
6 General Assembly that would have complied with the provisions  
7 of this Section is hereby validated.

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