

1 AN ACT concerning education.

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

4 Section 5. The School Code is amended by changing Section  
5 11E-105 as follows:

6 (105 ILCS 5/11E-105)

7 Sec. 11E-105. Assets, liabilities and bonded indebtedness;  
8 tax rate.

9 (a) Subject to the terms and provisions of subsections (b)  
10 and (c) of this Section, whenever a new district is created  
11 under any of the provisions of this Article, the outstanding  
12 bonded indebtedness shall be treated as provided in this  
13 subsection (a) and in Section 19-29 of this Code. The tax rate  
14 for bonded indebtedness shall be determined in the manner  
15 provided in Section 19-7 of this Code, and, notwithstanding the  
16 creation of any such district, the county clerk or clerks shall  
17 annually extend taxes, for each outstanding bond issue against  
18 all of the taxable property that was situated within the  
19 boundaries of the district, as those boundaries existed at the  
20 time of the issuance of the bond issue, regardless of whether  
21 the property is still contained in that same district at the  
22 time of the extension of the taxes by the county clerk or  
23 clerks; provided that, notwithstanding the provisions of

1 Section 19-18 of this Code, upon resolution of the school  
2 board, the county clerk must extend taxes to pay the principal  
3 of and interest on any general obligation bonds issued by the  
4 new district exclusively to refund any bonded indebtedness of a  
5 district organized into the new district against all of the  
6 taxable property that was situated within the boundaries of the  
7 previously existing district as the boundaries existed at the  
8 time of the issuance of the bonded indebtedness being refunded;  
9 however, (i) the net interest rate on the refunding bonds may  
10 not exceed the net interest rate on the refunded bonds, (ii)  
11 the final maturity date of the refunding bonds may not extend  
12 beyond the final maturity date of the refunded bonds, and (iii)  
13 the tax levy to pay the refunding bonds in any levy year may  
14 not exceed the tax levy that would have been required to pay  
15 the refunded bonds for that levy year. The terms of the proviso  
16 are applicable to districts that were created pursuant to a  
17 referendum held in November of 2008. The terms of the proviso,  
18 other than this sentence, are inoperative after June 30, 2016.

19 (b) For a unit district formation, whenever a part of a  
20 district is included within the boundaries of a newly created  
21 unit district, the regional superintendent of schools shall  
22 cause an accounting to be had between the districts affected by  
23 the change in boundaries as provided for in Article 11C of this  
24 Code. Whenever the entire territory of 2 or more school  
25 districts is organized into a unit district pursuant to a  
26 petition filed under this Article, the petition may provide

1 that the entire territory of the new unit district shall assume  
2 the bonded indebtedness of the previously existing school  
3 districts. In that case, the tax rate for bonded indebtedness  
4 shall be determined in the manner provided in Section 19-7 of  
5 this Code, except that the county clerk shall annually extend  
6 taxes for each outstanding bond issue against all the taxable  
7 property situated in the new unit district as it exists after  
8 the organization.

9 (c)(1) For a high school-unit conversion, unit to dual  
10 conversion, or multi-unit conversion, upon the effective date  
11 of the change as provided in Section 11E-70 of this Code and  
12 subject to the provisions of paragraph (2) of this subsection  
13 (c), each newly created elementary district shall receive all  
14 of the assets and assume all of the liabilities and obligations  
15 of the dissolved unit district forming the boundary of the  
16 newly created elementary district.

17 (2) Notwithstanding the provisions of paragraph (1) of this  
18 subsection (c), upon the stipulation of the school board of the  
19 school district serving a newly created elementary district for  
20 high school purposes and either (i) the school board of the  
21 unit district prior to the effective date of its dissolution or  
22 (ii) thereafter the school board of the newly created  
23 elementary district and with the approval in either case of the  
24 regional superintendent of schools of the educational service  
25 region in which the territory described in the petition filed  
26 under this Article or the greater percentage of equalized

1 assessed valuation of the territory is situated, the assets,  
2 liabilities, and obligations of the dissolved unit district may  
3 be divided and assumed between and by the newly created  
4 elementary district and the school district serving the newly  
5 created elementary district for high school purposes, in  
6 accordance with the terms and provisions of the stipulation and  
7 approval. In this event, the provisions of Section 19-29 shall  
8 be applied to determine the debt incurring power of the newly  
9 created elementary district and of the school district serving  
10 the newly created elementary district for high school purposes.

11 (3) Without regard to whether the receipt of assets and the  
12 assumption of liabilities and obligations of the dissolved unit  
13 district is determined pursuant to paragraph (1) or (2) of this  
14 subsection (c), the tax rate for bonded indebtedness shall be  
15 determined in the manner provided in Section 19-7, and,  
16 notwithstanding the creation of this new elementary district,  
17 the county clerk or clerks shall annually extend taxes for each  
18 outstanding bond issue against all of the taxable property that  
19 was situated within the boundaries of the dissolved unit  
20 district as those boundaries existed at the time of the  
21 issuance of the bond issue, regardless of whether the property  
22 was still contained in that unit district at the time of its  
23 dissolution and regardless of whether the property is contained  
24 in the newly created elementary district at the time of the  
25 extension of the taxes by the county clerk or clerks.

26 (Source: P.A. 94-1019, eff. 7-10-06.)