

AN ACT concerning education.

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

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

(105 ILCS 5/11E-105)

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

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

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

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

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

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

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

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

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

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