

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 19-1 as follows:

6 (105 ILCS 5/19-1) (from Ch. 122, par. 19-1)

7 Sec. 19-1. Debt limitations of school districts.

8 (a) School districts shall not be subject to the provisions
9 limiting their indebtedness prescribed in "An Act to limit the
10 indebtedness of counties having a population of less than
11 500,000 and townships, school districts and other municipal
12 corporations having a population of less than 300,000",
13 approved February 15, 1928, as amended.

14 No school districts maintaining grades K through 8 or 9
15 through 12 shall become indebted in any manner or for any
16 purpose to an amount, including existing indebtedness, in the
17 aggregate exceeding 6.9% on the value of the taxable property
18 therein to be ascertained by the last assessment for State and
19 county taxes or, until January 1, 1983, if greater, the sum
20 that is produced by multiplying the school district's 1978
21 equalized assessed valuation by the debt limitation percentage
22 in effect on January 1, 1979, previous to the incurring of such
23 indebtedness.

24 No school districts maintaining grades K through 12 shall
25 become indebted in any manner or for any purpose to an amount,
26 including existing indebtedness, in the aggregate exceeding
27 13.8% on the value of the taxable property therein to be
28 ascertained by the last assessment for State and county taxes
29 or, until January 1, 1983, if greater, the sum that is produced
30 by multiplying the school district's 1978 equalized assessed
31 valuation by the debt limitation percentage in effect on
32 January 1, 1979, previous to the incurring of such

1 indebtedness.

2 Notwithstanding the provisions of any other law to the
3 contrary, in any case in which the voters of a school district
4 have approved a proposition for the issuance of bonds of such
5 school district at an election held prior to January 1, 1979,
6 and all of the bonds approved at such election have not been
7 issued, the debt limitation applicable to such school district
8 during the calendar year 1979 shall be computed by multiplying
9 the value of taxable property therein, including personal
10 property, as ascertained by the last assessment for State and
11 county taxes, previous to the incurring of such indebtedness,
12 by the percentage limitation applicable to such school district
13 under the provisions of this subsection (a).

14 (b) Notwithstanding the debt limitation prescribed in
15 subsection (a) of this Section, additional indebtedness may be
16 incurred in an amount not to exceed the estimated cost of
17 acquiring or improving school sites or constructing and
18 equipping additional building facilities under the following
19 conditions:

20 (1) Whenever the enrollment of students for the next
21 school year is estimated by the board of education to
22 increase over the actual present enrollment by not less
23 than 35% or by not less than 200 students or the actual
24 present enrollment of students has increased over the
25 previous school year by not less than 35% or by not less
26 than 200 students and the board of education determines
27 that additional school sites or building facilities are
28 required as a result of such increase in enrollment; and

29 (2) When the Regional Superintendent of Schools having
30 jurisdiction over the school district and the State
31 Superintendent of Education concur in such enrollment
32 projection or increase and approve the need for such
33 additional school sites or building facilities and the
34 estimated cost thereof; and

35 (3) When the voters in the school district approve a
36 proposition for the issuance of bonds for the purpose of

1 acquiring or improving such needed school sites or
2 constructing and equipping such needed additional building
3 facilities at an election called and held for that purpose.
4 Notice of such an election shall state that the amount of
5 indebtedness proposed to be incurred would exceed the debt
6 limitation otherwise applicable to the school district.
7 The ballot for such proposition shall state what percentage
8 of the equalized assessed valuation will be outstanding in
9 bonds if the proposed issuance of bonds is approved by the
10 voters; or

11 (4) Notwithstanding the provisions of paragraphs (1)
12 through (3) of this subsection (b), if the school board
13 determines that additional facilities are needed to
14 provide a quality educational program and not less than 2/3
15 of those voting in an election called by the school board
16 on the question approve the issuance of bonds for the
17 construction of such facilities, the school district may
18 issue bonds for this purpose; or

19 (5) Notwithstanding the provisions of paragraphs (1)
20 through (3) of this subsection (b), if (i) the school
21 district has previously availed itself of the provisions of
22 paragraph (4) of this subsection (b) to enable it to issue
23 bonds, (ii) the voters of the school district have not
24 defeated a proposition for the issuance of bonds since the
25 referendum described in paragraph (4) of this subsection
26 (b) was held, (iii) the school board determines that
27 additional facilities are needed to provide a quality
28 educational program, and (iv) a majority of those voting in
29 an election called by the school board on the question
30 approve the issuance of bonds for the construction of such
31 facilities, the school district may issue bonds for this
32 purpose.

33 In no event shall the indebtedness incurred pursuant to
34 this subsection (b) and the existing indebtedness of the school
35 district exceed 15% of the value of the taxable property
36 therein to be ascertained by the last assessment for State and

1 county taxes, previous to the incurring of such indebtedness
2 or, until January 1, 1983, if greater, the sum that is produced
3 by multiplying the school district's 1978 equalized assessed
4 valuation by the debt limitation percentage in effect on
5 January 1, 1979.

6 The indebtedness provided for by this subsection (b) shall
7 be in addition to and in excess of any other debt limitation.

8 (c) Notwithstanding the debt limitation prescribed in
9 subsection (a) of this Section, in any case in which a public
10 question for the issuance of bonds of a proposed school
11 district maintaining grades kindergarten through 12 received
12 at least 60% of the valid ballots cast on the question at an
13 election held on or prior to November 8, 1994, and in which the
14 bonds approved at such election have not been issued, the
15 school district pursuant to the requirements of Section 11A-10
16 may issue the total amount of bonds approved at such election
17 for the purpose stated in the question.

18 (d) Notwithstanding the debt limitation prescribed in
19 subsection (a) of this Section, a school district that meets
20 all the criteria set forth in paragraphs (1) and (2) of this
21 subsection (d) may incur an additional indebtedness in an
22 amount not to exceed \$4,500,000, even though the amount of the
23 additional indebtedness authorized by this subsection (d),
24 when incurred and added to the aggregate amount of indebtedness
25 of the district existing immediately prior to the district
26 incurring the additional indebtedness authorized by this
27 subsection (d), causes the aggregate indebtedness of the
28 district to exceed the debt limitation otherwise applicable to
29 that district under subsection (a):

30 (1) The additional indebtedness authorized by this
31 subsection (d) is incurred by the school district through
32 the issuance of bonds under and in accordance with Section
33 17-2.11a for the purpose of replacing a school building
34 which, because of mine subsidence damage, has been closed
35 as provided in paragraph (2) of this subsection (d) or
36 through the issuance of bonds under and in accordance with

1 Section 19-3 for the purpose of increasing the size of, or
2 providing for additional functions in, such replacement
3 school buildings, or both such purposes.

4 (2) The bonds issued by the school district as provided
5 in paragraph (1) above are issued for the purposes of
6 construction by the school district of a new school
7 building pursuant to Section 17-2.11, to replace an
8 existing school building that, because of mine subsidence
9 damage, is closed as of the end of the 1992-93 school year
10 pursuant to action of the regional superintendent of
11 schools of the educational service region in which the
12 district is located under Section 3-14.22 or are issued for
13 the purpose of increasing the size of, or providing for
14 additional functions in, the new school building being
15 constructed to replace a school building closed as the
16 result of mine subsidence damage, or both such purposes.

17 (e) Notwithstanding the debt limitation prescribed in
18 subsection (a) of this Section, a school district that meets
19 all the criteria set forth in paragraphs (1) through (5) of
20 this subsection (e) may, without referendum, incur an
21 additional indebtedness in an amount not to exceed the lesser
22 of \$5,000,000 or 1.5% of the value of the taxable property
23 within the district even though the amount of the additional
24 indebtedness authorized by this subsection (e), when incurred
25 and added to the aggregate amount of indebtedness of the
26 district existing immediately prior to the district incurring
27 that additional indebtedness, causes the aggregate
28 indebtedness of the district to exceed or increases the amount
29 by which the aggregate indebtedness of the district already
30 exceeds the debt limitation otherwise applicable to that
31 district under subsection (a):

32 (1) The State Board of Education certifies the school
33 district under Section 19-1.5 as a financially distressed
34 district.

35 (2) The additional indebtedness authorized by this
36 subsection (e) is incurred by the financially distressed

1 district during the school year or school years in which
2 the certification of the district as a financially
3 distressed district continues in effect through the
4 issuance of bonds for the lawful school purposes of the
5 district, pursuant to resolution of the school board and
6 without referendum, as provided in paragraph (5) of this
7 subsection.

8 (3) The aggregate amount of bonds issued by the
9 financially distressed district during a fiscal year in
10 which it is authorized to issue bonds under this subsection
11 does not exceed the amount by which the aggregate
12 expenditures of the district for operational purposes
13 during the immediately preceding fiscal year exceeds the
14 amount appropriated for the operational purposes of the
15 district in the annual school budget adopted by the school
16 board of the district for the fiscal year in which the
17 bonds are issued.

18 (4) Throughout each fiscal year in which certification
19 of the district as a financially distressed district
20 continues in effect, the district maintains in effect a
21 gross salary expense and gross wage expense freeze policy
22 under which the district expenditures for total employee
23 salaries and wages do not exceed such expenditures for the
24 immediately preceding fiscal year. Nothing in this
25 paragraph, however, shall be deemed to impair or to require
26 impairment of the contractual obligations, including
27 collective bargaining agreements, of the district or to
28 impair or require the impairment of the vested rights of
29 any employee of the district under the terms of any
30 contract or agreement in effect on the effective date of
31 this amendatory Act of 1994.

32 (5) Bonds issued by the financially distressed
33 district under this subsection shall bear interest at a
34 rate not to exceed the maximum rate authorized by law at
35 the time of the making of the contract, shall mature within
36 40 years from their date of issue, and shall be signed by

1 the president of the school board and treasurer of the
2 school district. In order to issue bonds under this
3 subsection, the school board shall adopt a resolution
4 fixing the amount of the bonds, the date of the bonds, the
5 maturities of the bonds, the rates of interest of the
6 bonds, and their place of payment and denomination, and
7 shall provide for the levy and collection of a direct
8 annual tax upon all the taxable property in the district
9 sufficient to pay the principal and interest on the bonds
10 to maturity. Upon the filing in the office of the county
11 clerk of the county in which the financially distressed
12 district is located of a certified copy of the resolution,
13 it is the duty of the county clerk to extend the tax
14 therefor in addition to and in excess of all other taxes at
15 any time authorized to be levied by the district. If bond
16 proceeds from the sale of bonds include a premium or if the
17 proceeds of the bonds are invested as authorized by law,
18 the school board shall determine by resolution whether the
19 interest earned on the investment of bond proceeds or the
20 premium realized on the sale of the bonds is to be used for
21 any of the lawful school purposes for which the bonds were
22 issued or for the payment of the principal indebtedness and
23 interest on the bonds. The proceeds of the bond sale shall
24 be deposited in the educational purposes fund of the
25 district and shall be used to pay operational expenses of
26 the district. This subsection is cumulative and
27 constitutes complete authority for the issuance of bonds as
28 provided in this subsection, notwithstanding any other law
29 to the contrary.

30 (f) Notwithstanding the provisions of subsection (a) of
31 this Section or of any other law, bonds in not to exceed the
32 aggregate amount of \$5,500,000 and issued by a school district
33 meeting the following criteria shall not be considered
34 indebtedness for purposes of any statutory limitation and may
35 be issued in an amount or amounts, including existing
36 indebtedness, in excess of any heretofore or hereafter imposed

1 statutory limitation as to indebtedness:

2 (1) At the time of the sale of such bonds, the board of
3 education of the district shall have determined by
4 resolution that the enrollment of students in the district
5 is projected to increase by not less than 7% during each of
6 the next succeeding 2 school years.

7 (2) The board of education shall also determine by
8 resolution that the improvements to be financed with the
9 proceeds of the bonds are needed because of the projected
10 enrollment increases.

11 (3) The board of education shall also determine by
12 resolution that the projected increases in enrollment are
13 the result of improvements made or expected to be made to
14 passenger rail facilities located in the school district.

15 (g) Notwithstanding the provisions of subsection (a) of
16 this Section or any other law, bonds in not to exceed an
17 aggregate amount of 25% of the equalized assessed value of the
18 taxable property of a school district and issued by a school
19 district meeting the criteria in paragraphs (i) through (iv) of
20 this subsection shall not be considered indebtedness for
21 purposes of any statutory limitation and may be issued pursuant
22 to resolution of the school board in an amount or amounts,
23 including existing indebtedness, in excess of any statutory
24 limitation of indebtedness heretofore or hereafter imposed:

25 (i) The bonds are issued for the purpose of
26 constructing a new high school building to replace two
27 adjacent existing buildings which together house a single
28 high school, each of which is more than 65 years old, and
29 which together are located on more than 10 acres and less
30 than 11 acres of property.

31 (ii) At the time the resolution authorizing the
32 issuance of the bonds is adopted, the cost of constructing
33 a new school building to replace the existing school
34 building is less than 60% of the cost of repairing the
35 existing school building.

36 (iii) The sale of the bonds occurs before July 1, 1997.

1 (iv) The school district issuing the bonds is a unit
2 school district located in a county of less than 70,000 and
3 more than 50,000 inhabitants, which has an average daily
4 attendance of less than 1,500 and an equalized assessed
5 valuation of less than \$29,000,000.

6 (h) Notwithstanding any other provisions of this Section or
7 the provisions of any other law, until January 1, 1998, a
8 community unit school district maintaining grades K through 12
9 may issue bonds up to an amount, including existing
10 indebtedness, not exceeding 27.6% of the equalized assessed
11 value of the taxable property in the district, if all of the
12 following conditions are met:

13 (i) The school district has an equalized assessed
14 valuation for calendar year 1995 of less than \$24,000,000;

15 (ii) The bonds are issued for the capital improvement,
16 renovation, rehabilitation, or replacement of existing
17 school buildings of the district, all of which buildings
18 were originally constructed not less than 40 years ago;

19 (iii) The voters of the district approve a proposition
20 for the issuance of the bonds at a referendum held after
21 March 19, 1996; and

22 (iv) The bonds are issued pursuant to Sections 19-2
23 through 19-7 of this Code.

24 (i) Notwithstanding any other provisions of this Section or
25 the provisions of any other law, until January 1, 1998, a
26 community unit school district maintaining grades K through 12
27 may issue bonds up to an amount, including existing
28 indebtedness, not exceeding 27% of the equalized assessed value
29 of the taxable property in the district, if all of the
30 following conditions are met:

31 (i) The school district has an equalized assessed
32 valuation for calendar year 1995 of less than \$44,600,000;

33 (ii) The bonds are issued for the capital improvement,
34 renovation, rehabilitation, or replacement of existing
35 school buildings of the district, all of which existing
36 buildings were originally constructed not less than 80

1 years ago;

2 (iii) The voters of the district approve a proposition
3 for the issuance of the bonds at a referendum held after
4 December 31, 1996; and

5 (iv) The bonds are issued pursuant to Sections 19-2
6 through 19-7 of this Code.

7 (j) Notwithstanding any other provisions of this Section or
8 the provisions of any other law, until January 1, 1999, a
9 community unit school district maintaining grades K through 12
10 may issue bonds up to an amount, including existing
11 indebtedness, not exceeding 27% of the equalized assessed value
12 of the taxable property in the district if all of the following
13 conditions are met:

14 (i) The school district has an equalized assessed
15 valuation for calendar year 1995 of less than \$140,000,000
16 and a best 3 months average daily attendance for the
17 1995-96 school year of at least 2,800;

18 (ii) The bonds are issued to purchase a site and build
19 and equip a new high school, and the school district's
20 existing high school was originally constructed not less
21 than 35 years prior to the sale of the bonds;

22 (iii) At the time of the sale of the bonds, the board
23 of education determines by resolution that a new high
24 school is needed because of projected enrollment
25 increases;

26 (iv) At least 60% of those voting in an election held
27 after December 31, 1996 approve a proposition for the
28 issuance of the bonds; and

29 (v) The bonds are issued pursuant to Sections 19-2
30 through 19-7 of this Code.

31 (k) Notwithstanding the debt limitation prescribed in
32 subsection (a) of this Section, a school district that meets
33 all the criteria set forth in paragraphs (1) through (4) of
34 this subsection (k) may issue bonds to incur an additional
35 indebtedness in an amount not to exceed \$4,000,000 even though
36 the amount of the additional indebtedness authorized by this

1 subsection (k), when incurred and added to the aggregate amount
2 of indebtedness of the school district existing immediately
3 prior to the school district incurring such additional
4 indebtedness, causes the aggregate indebtedness of the school
5 district to exceed or increases the amount by which the
6 aggregate indebtedness of the district already exceeds the debt
7 limitation otherwise applicable to that school district under
8 subsection (a):

9 (1) the school district is located in 2 counties, and a
10 referendum to authorize the additional indebtedness was
11 approved by a majority of the voters of the school district
12 voting on the proposition to authorize that indebtedness;

13 (2) the additional indebtedness is for the purpose of
14 financing a multi-purpose room addition to the existing
15 high school;

16 (3) the additional indebtedness, together with the
17 existing indebtedness of the school district, shall not
18 exceed 17.4% of the value of the taxable property in the
19 school district, to be ascertained by the last assessment
20 for State and county taxes; and

21 (4) the bonds evidencing the additional indebtedness
22 are issued, if at all, within 120 days of the effective
23 date of this amendatory Act of 1998.

24 (1) Notwithstanding any other provisions of this Section or
25 the provisions of any other law, until January 1, 2000, a
26 school district maintaining grades kindergarten through 8 may
27 issue bonds up to an amount, including existing indebtedness,
28 not exceeding 15% of the equalized assessed value of the
29 taxable property in the district if all of the following
30 conditions are met:

31 (i) the district has an equalized assessed valuation
32 for calendar year 1996 of less than \$10,000,000;

33 (ii) the bonds are issued for capital improvement,
34 renovation, rehabilitation, or replacement of one or more
35 school buildings of the district, which buildings were
36 originally constructed not less than 70 years ago;

1 (iii) the voters of the district approve a proposition
2 for the issuance of the bonds at a referendum held on or
3 after March 17, 1998; and

4 (iv) the bonds are issued pursuant to Sections 19-2
5 through 19-7 of this Code.

6 (m) Notwithstanding any other provisions of this Section or
7 the provisions of any other law, until January 1, 1999, an
8 elementary school district maintaining grades K through 8 may
9 issue bonds up to an amount, excluding existing indebtedness,
10 not exceeding 18% of the equalized assessed value of the
11 taxable property in the district, if all of the following
12 conditions are met:

13 (i) The school district has an equalized assessed
14 valuation for calendar year 1995 or less than \$7,700,000;

15 (ii) The school district operates 2 elementary
16 attendance centers that until 1976 were operated as the
17 attendance centers of 2 separate and distinct school
18 districts;

19 (iii) The bonds are issued for the construction of a
20 new elementary school building to replace an existing
21 multi-level elementary school building of the school
22 district that is not handicapped accessible at all levels
23 and parts of which were constructed more than 75 years ago;

24 (iv) The voters of the school district approve a
25 proposition for the issuance of the bonds at a referendum
26 held after July 1, 1998; and

27 (v) The bonds are issued pursuant to Sections 19-2
28 through 19-7 of this Code.

29 (n) Notwithstanding the debt limitation prescribed in
30 subsection (a) of this Section or any other provisions of this
31 Section or of any other law, a school district that meets all
32 of the criteria set forth in paragraphs (i) through (vi) of
33 this subsection (n) may incur additional indebtedness by the
34 issuance of bonds in an amount not exceeding the amount
35 certified by the Capital Development Board to the school
36 district as provided in paragraph (iii) of this subsection (n),

1 even though the amount of the additional indebtedness so
2 authorized, when incurred and added to the aggregate amount of
3 indebtedness of the district existing immediately prior to the
4 district incurring the additional indebtedness authorized by
5 this subsection (n), causes the aggregate indebtedness of the
6 district to exceed the debt limitation otherwise applicable by
7 law to that district:

8 (i) The school district applies to the State Board of
9 Education for a school construction project grant and
10 submits a district facilities plan in support of its
11 application pursuant to Section 5-20 of the School
12 Construction Law.

13 (ii) The school district's application and facilities
14 plan are approved by, and the district receives a grant
15 entitlement for a school construction project issued by,
16 the State Board of Education under the School Construction
17 Law.

18 (iii) The school district has exhausted its bonding
19 capacity or the unused bonding capacity of the district is
20 less than the amount certified by the Capital Development
21 Board to the district under Section 5-15 of the School
22 Construction Law as the dollar amount of the school
23 construction project's cost that the district will be
24 required to finance with non-grant funds in order to
25 receive a school construction project grant under the
26 School Construction Law.

27 (iv) The bonds are issued for a "school construction
28 project", as that term is defined in Section 5-5 of the
29 School Construction Law, in an amount that does not exceed
30 the dollar amount certified, as provided in paragraph (iii)
31 of this subsection (n), by the Capital Development Board to
32 the school district under Section 5-15 of the School
33 Construction Law.

34 (v) The voters of the district approve a proposition
35 for the issuance of the bonds at a referendum held after
36 the criteria specified in paragraphs (i) and (iii) of this

1 subsection (n) are met.

2 (vi) The bonds are issued pursuant to Sections 19-2
3 through 19-7 of the School Code.

4 (o) Notwithstanding any other provisions of this Section or
5 the provisions of any other law, until November 1, 2007, a
6 community unit school district maintaining grades K through 12
7 may issue bonds up to an amount, including existing
8 indebtedness, not exceeding 20% of the equalized assessed value
9 of the taxable property in the district if all of the following
10 conditions are met:

11 (i) the school district has an equalized assessed
12 valuation for calendar year 2001 of at least \$737,000,000
13 and an enrollment for the 2002-2003 school year of at least
14 8,500;

15 (ii) the bonds are issued to purchase school sites,
16 build and equip a new high school, build and equip a new
17 junior high school, build and equip 5 new elementary
18 schools, and make technology and other improvements and
19 additions to existing schools;

20 (iii) at the time of the sale of the bonds, the board
21 of education determines by resolution that the sites and
22 new or improved facilities are needed because of projected
23 enrollment increases;

24 (iv) at least 57% of those voting in a general election
25 held prior to January 1, 2003 approved a proposition for
26 the issuance of the bonds; and

27 (v) the bonds are issued pursuant to Sections 19-2
28 through 19-7 of this Code.

29 (p) Notwithstanding any other provisions of this Section or
30 the provisions of any other law, a community unit school
31 district maintaining grades K through 12 may issue bonds up to
32 an amount, including indebtedness, not exceeding 27% of the
33 equalized assessed value of the taxable property in the
34 district if all of the following conditions are met:

35 (i) The school district has an equalized assessed
36 valuation for calendar year 2001 of at least \$295,741,187

1 and a best 3 months' average daily attendance for the
2 2002-2003 school year of at least 2,394.

3 (ii) The bonds are issued to build and equip 3
4 elementary school buildings; build and equip one middle
5 school building; and alter, repair, improve, and equip all
6 existing school buildings in the district.

7 (iii) At the time of the sale of the bonds, the board
8 of education determines by resolution that the project is
9 needed because of expanding growth in the school district
10 and a projected enrollment increase.

11 (iv) The bonds are issued pursuant to Sections 19-2
12 through 19-7 of this Code.

13 (Source: P.A. 93-13, eff. 6-9-03.)

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