



Rep. Patrick J. Verschoore

**Filed: 3/2/2011**

09700HB2846ham001

LRB097 09014 PJG 51387 a

1 AMENDMENT TO HOUSE BILL 2846

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2846 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Local Government Debt Reform Act is amended  
5 by changing Section 15 as follows:

6 (30 ILCS 350/15) (from Ch. 17, par. 6915)

7 Sec. 15. Double-barrelled bonds. Whenever revenue bonds  
8 have been authorized to be issued pursuant to applicable law or  
9 whenever there exists for a governmental unit a revenue source,  
10 the procedures set forth in this Section may be used by a  
11 governing body. General obligation bonds may be issued in lieu  
12 of such revenue bonds as authorized, and general obligation  
13 bonds may be issued payable from any revenue source. Such  
14 general obligation bonds may be referred to as "alternate  
15 bonds". Alternate bonds may be issued without any referendum or  
16 backdoor referendum except as provided in this Section, upon

1 the terms provided in Section 10 of this Act without reference  
2 to other provisions of law, but only upon the conditions  
3 provided in this Section. Alternate bonds shall not be regarded  
4 as or included in any computation of indebtedness for the  
5 purpose of any statutory provision or limitation except as  
6 expressly provided in this Section.

7 Such conditions are:

8 (a) Alternate bonds shall be issued for a lawful corporate  
9 purpose. If issued in lieu of revenue bonds, alternate bonds  
10 shall be issued for the purposes for which such revenue bonds  
11 shall have been authorized. If issued payable from a revenue  
12 source in the manner hereinafter provided, which revenue source  
13 is limited in its purposes or applications, then the alternate  
14 bonds shall be issued only for such limited purposes or  
15 applications. Alternate bonds may be issued payable from either  
16 enterprise revenues or revenue sources, or both.

17 (b) Alternate bonds shall be subject to backdoor  
18 referendum. The provisions of Section 5 of this Act shall apply  
19 to such backdoor referendum, together with the provisions  
20 hereof. The authorizing ordinance shall be published in a  
21 newspaper of general circulation in the governmental unit.  
22 Along with or as part of the authorizing ordinance, there shall  
23 be published a notice of (1) the specific number of voters  
24 required to sign a petition requesting that the issuance of the  
25 alternate bonds be submitted to referendum, (2) the time when  
26 such petition must be filed, (3) the date of the prospective

1 referendum, and (4), with respect to authorizing ordinances  
2 adopted on or after January 1, 1991, a statement that  
3 identifies any revenue source that will be used to pay debt  
4 service on the alternate bonds. The clerk or secretary of the  
5 governmental unit shall make a petition form available to  
6 anyone requesting one. If no petition is filed with the clerk  
7 or secretary within 30 days of publication of the authorizing  
8 ordinance and notice, the alternate bonds shall be authorized  
9 to be issued. But if within this 30 days period, a petition is  
10 filed with such clerk or secretary signed by electors numbering  
11 the greater of (i) 7.5% of the registered voters in the  
12 governmental unit or (ii) 200 of those registered voters or 15%  
13 of those registered voters, whichever is less, asking that the  
14 issuance of such alternate bonds be submitted to referendum,  
15 the clerk or secretary shall certify such question for  
16 submission at an election held in accordance with the general  
17 election law. The question on the ballot shall include a  
18 statement of any revenue source that will be used to pay debt  
19 service on the alternate bonds. The alternate bonds shall be  
20 authorized to be issued if a majority of the votes cast on the  
21 question at such election are in favor thereof provided that  
22 notice of the bond referendum, if held before July 1, 1999, has  
23 been given in accordance with the provisions of Section 12-5 of  
24 the Election Code in effect at the time of the bond referendum,  
25 at least 10 and not more than 45 days before the date of the  
26 election, notwithstanding the time for publication otherwise

1 imposed by Section 12-5. Notices required in connection with  
2 the submission of public questions on or after July 1, 1999  
3 shall be as set forth in Section 12-5 of the Election Code.  
4 Backdoor referendum proceedings for bonds and alternate bonds  
5 to be issued in lieu of such bonds may be conducted at the same  
6 time.

7 (c) To the extent payable from enterprise revenues, such  
8 revenues shall have been determined by the governing body to be  
9 sufficient to provide for or pay in each year to final maturity  
10 of such alternate bonds all of the following: (1) costs of  
11 operation and maintenance of the utility or enterprise, but not  
12 including depreciation, (2) debt service on all outstanding  
13 revenue bonds payable from such enterprise revenues, (3) all  
14 amounts required to meet any fund or account requirements with  
15 respect to such outstanding revenue bonds, (4) other  
16 contractual or tort liability obligations, if any, payable from  
17 such enterprise revenues, and (5) in each year, an amount not  
18 less than 1.25 times debt service of all (i) alternate bonds  
19 payable from such enterprise revenues previously issued and  
20 outstanding and (ii) alternate bonds proposed to be issued. To  
21 the extent payable from one or more revenue sources, such  
22 sources shall have been determined by the governing body to  
23 provide in each year, an amount not less than 1.25 times debt  
24 service of all alternate bonds payable from such revenue  
25 sources previously issued and outstanding and alternate bonds  
26 proposed to be issued. The 1.25 figure in the preceding

1 sentence shall be reduced to 1.10 if the revenue source is a  
2 governmental revenue source. The conditions enumerated in this  
3 subsection (c) need not be met for that amount of debt service  
4 provided for by the setting aside of proceeds of bonds or other  
5 moneys at the time of the delivery of such bonds. Until January  
6 1, 2012, and notwithstanding ~~Notwithstanding~~ any other  
7 provision of this Section, a backdoor referendum is not  
8 required if the proceeds backing the debt are realized from  
9 revenues obtained from the County School Facility Occupation  
10 Tax Law under Section 5-1006.7 of the Counties Code.

11 (c-1) In the case of alternate bonds issued as variable  
12 rate bonds (including refunding bonds), debt service shall be  
13 projected based on the rate for the most recent date shown in  
14 the 20 G.O. Bond Index of average municipal bond yields as  
15 published in the most recent edition of The Bond Buyer  
16 published in New York, New York (or any successor publication  
17 or index, or if such publication or index is no longer  
18 published, then any index of long-term municipal tax-exempt  
19 bond yields selected by the governmental unit), as of the date  
20 of determination referred to in subsection (c) of this Section.  
21 Any interest or fees that may be payable to the provider of a  
22 letter of credit, line of credit, surety bond, bond insurance,  
23 or other credit enhancement relating to such alternate bonds  
24 and any fees that may be payable to any remarketing agent need  
25 not be taken into account for purposes of such projection. If  
26 the governmental unit enters into an agreement in connection

1 with such alternate bonds at the time of issuance thereof  
2 pursuant to which the governmental unit agrees for a specified  
3 period of time to pay an amount calculated at an agreed-upon  
4 rate or index based on a notional amount and the other party  
5 agrees to pay the governmental unit an amount calculated at an  
6 agreed-upon rate or index based on such notional amount,  
7 interest shall be projected for such specified period of time  
8 on the basis of the agreed-upon rate payable by the  
9 governmental unit.

10 (d) The determination of the sufficiency of enterprise  
11 revenues or a revenue source, as applicable, shall be supported  
12 by reference to the most recent audit of the governmental unit,  
13 which shall be for a fiscal year ending not earlier than 18  
14 months previous to the time of issuance of the alternate bonds.  
15 If such audit does not adequately show such enterprise revenues  
16 or revenue source, as applicable, or if such enterprise  
17 revenues or revenue source, as applicable, are shown to be  
18 insufficient, then the determination of sufficiency shall be  
19 supported by the report of an independent accountant or  
20 feasibility analyst, the latter having a national reputation  
21 for expertise in such matters, demonstrating the sufficiency of  
22 such revenues and explaining, if appropriate, by what means the  
23 revenues will be greater than as shown in the audit. Whenever  
24 such sufficiency is demonstrated by reference to a schedule of  
25 higher rates or charges for enterprise revenues or a higher tax  
26 imposition for a revenue source, such higher rates, charges or

1 taxes shall have been properly imposed by an ordinance adopted  
2 prior to the time of delivery of alternate bonds. The reference  
3 to and acceptance of an audit or report, as the case may be,  
4 and the determination of the governing body as to sufficiency  
5 of enterprise revenues or a revenue source shall be conclusive  
6 evidence that the conditions of this Section have been met and  
7 that the alternate bonds are valid.

8 (e) The enterprise revenues or revenue source, as  
9 applicable, shall be in fact pledged to the payment of the  
10 alternate bonds; and the governing body shall covenant, to the  
11 extent it is empowered to do so, to provide for, collect and  
12 apply such enterprise revenues or revenue source, as  
13 applicable, to the payment of the alternate bonds and the  
14 provision of not less than an additional .25 (or .10 for  
15 governmental revenue sources) times debt service. The pledge  
16 and establishment of rates or charges for enterprise revenues,  
17 or the imposition of taxes in a given rate or amount, as  
18 provided in this Section for alternate bonds, shall constitute  
19 a continuing obligation of the governmental unit with respect  
20 to such establishment or imposition and a continuing  
21 appropriation of the amounts received. All covenants relating  
22 to alternate bonds and the conditions and obligations imposed  
23 by this Section are enforceable by any bondholder of alternate  
24 bonds affected, any taxpayer of the governmental unit, and the  
25 People of the State of Illinois acting through the Attorney  
26 General or any designee, and in the event that any such action

1 results in an order finding that the governmental unit has not  
2 properly set rates or charges or imposed taxes to the extent it  
3 is empowered to do so or collected and applied enterprise  
4 revenues or any revenue source, as applicable, as required by  
5 this Act, the plaintiff in any such action shall be awarded  
6 reasonable attorney's fees. The intent is that such enterprise  
7 revenues or revenue source, as applicable, shall be sufficient  
8 and shall be applied to the payment of debt service on such  
9 alternate bonds so that taxes need not be levied, or if levied  
10 need not be extended, for such payment. Nothing in this Section  
11 shall inhibit or restrict the authority of a governing body to  
12 determine the lien priority of any bonds, including alternate  
13 bonds, which may be issued with respect to any enterprise  
14 revenues or revenue source.

15 In the event that alternate bonds shall have been issued  
16 and taxes, other than a designated revenue source, shall have  
17 been extended pursuant to the general obligation, full faith  
18 and credit promise supporting such alternate bonds, then the  
19 amount of such alternate bonds then outstanding shall be  
20 included in the computation of indebtedness of the governmental  
21 unit for purposes of all statutory provisions or limitations  
22 until such time as an audit of the governmental unit shall show  
23 that the alternate bonds have been paid from the enterprise  
24 revenues or revenue source, as applicable, pledged thereto for  
25 a complete fiscal year.

26 Alternate bonds may be issued to refund or advance refund



1 alternate bonds without meeting any of the conditions set forth  
2 in this Section, except that the term of the refunding bonds  
3 shall not be longer than the term of the refunded bonds and  
4 that the debt service payable in any year on the refunding  
5 bonds shall not exceed the debt service payable in such year on  
6 the refunded bonds.

7 Once issued, alternate bonds shall be and forever remain  
8 until paid or defeased the general obligation of the  
9 governmental unit, for the payment of which its full faith and  
10 credit are pledged, and shall be payable from the levy of taxes  
11 as is provided in this Act for general obligation bonds.

12 The changes made by this amendatory Act of 1990 do not  
13 affect the validity of bonds authorized before September 1,  
14 1990.

15 (Source: P.A. 95-675, eff. 10-11-07.)

16 Section 10. The Counties Code is amended by changing  
17 Section 5-1006.7 as follows:

18 (55 ILCS 5/5-1006.7)

19 Sec. 5-1006.7. School facility occupation taxes.

20 (a) In ~~The county board of~~ any county ~~may impose~~ a tax  
21 shall be imposed upon all persons engaged in the business of  
22 selling tangible personal property, other than personal  
23 property titled or registered with an agency of this State's  
24 government, at retail in the county on the gross receipts from

1 the sales made in the course of business to provide revenue to  
2 be used exclusively for school facility purposes if a  
3 proposition for the tax has been submitted to the electors of  
4 that county and approved by a majority of those voting on the  
5 question as provided in subsection (c). The tax under this  
6 Section shall ~~may~~ be imposed only in one-quarter percent  
7 increments and may not exceed 1%.

8 This additional tax may not be imposed on the sale of food  
9 for human consumption that is to be consumed off the premises  
10 where it is sold (other than alcoholic beverages, soft drinks,  
11 and food that has been prepared for immediate consumption) and  
12 prescription and non-prescription medicines, drugs, medical  
13 appliances and insulin, urine testing materials, syringes and  
14 needles used by diabetics. The Department of Revenue has full  
15 power to administer and enforce this subsection, to collect all  
16 taxes and penalties due under this subsection, to dispose of  
17 taxes and penalties so collected in the manner provided in this  
18 subsection, and to determine all rights to credit memoranda  
19 arising on account of the erroneous payment of a tax or penalty  
20 under this subsection. The Department shall deposit all taxes  
21 and penalties collected under this subsection into a special  
22 fund created for that purpose.

23 In the administration of and compliance with this  
24 subsection, the Department and persons who are subject to this  
25 subsection (i) have the same rights, remedies, privileges,  
26 immunities, powers, and duties, (ii) are subject to the same

1 conditions, restrictions, limitations, penalties, and  
2 definitions of terms, and (iii) shall employ the same modes of  
3 procedure as are set forth in Sections 1 through 10, 2 through  
4 2-70 (in respect to all provisions contained in those Sections  
5 other than the State rate of tax), 2a through 2h, 3 (except as  
6 to the disposition of taxes and penalties collected), 4, 5, 5a,  
7 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,  
8 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act  
9 and all provisions of the Uniform Penalty and Interest Act as  
10 if those provisions were set forth in this subsection.

11 The certificate of registration that is issued by the  
12 Department to a retailer under the Retailers' Occupation Tax  
13 Act permits the retailer to engage in a business that is  
14 taxable without registering separately with the Department  
15 under an ordinance or resolution under this subsection.

16 Persons subject to any tax imposed under the authority  
17 granted in this subsection may reimburse themselves for their  
18 seller's tax liability by separately stating that tax as an  
19 additional charge, which may be stated in combination, in a  
20 single amount, with State tax that sellers are required to  
21 collect under the Use Tax Act, pursuant to any bracketed  
22 schedules set forth by the Department.

23 (b) If a tax has been imposed under subsection (a), then a  
24 service occupation tax must also be imposed at the same rate  
25 upon all persons engaged, in the county, in the business of  
26 making sales of service, who, as an incident to making those

1 sales of service, transfer tangible personal property within  
2 the county as an incident to a sale of service.

3 This tax may not be imposed on sales of food for human  
4 consumption that is to be consumed off the premises where it is  
5 sold (other than alcoholic beverages, soft drinks, and food  
6 prepared for immediate consumption) and prescription and  
7 non-prescription medicines, drugs, medical appliances and  
8 insulin, urine testing materials, syringes, and needles used by  
9 diabetics.

10 The tax imposed under this subsection and all civil  
11 penalties that may be assessed as an incident thereof shall be  
12 collected and enforced by the Department and deposited into a  
13 special fund created for that purpose. The Department has full  
14 power to administer and enforce this subsection, to collect all  
15 taxes and penalties due under this subsection, to dispose of  
16 taxes and penalties so collected in the manner provided in this  
17 subsection, and to determine all rights to credit memoranda  
18 arising on account of the erroneous payment of a tax or penalty  
19 under this subsection.

20 In the administration of and compliance with this  
21 subsection, the Department and persons who are subject to this  
22 subsection shall (i) have the same rights, remedies,  
23 privileges, immunities, powers and duties, (ii) be subject to  
24 the same conditions, restrictions, limitations, penalties and  
25 definition of terms, and (iii) employ the same modes of  
26 procedure as are set forth in Sections 2 (except that that

1 reference to State in the definition of supplier maintaining a  
2 place of business in this State means the county), 2a through  
3 2d, 3 through 3-50 (in respect to all provisions contained in  
4 those Sections other than the State rate of tax), 4 (except  
5 that the reference to the State shall be to the county), 5, 7,  
6 8 (except that the jurisdiction to which the tax is a debt to  
7 the extent indicated in that Section 8 is the county), 9  
8 (except as to the disposition of taxes and penalties  
9 collected), 10, 11, 12 (except the reference therein to Section  
10 2b of the Retailers' Occupation Tax Act), 13 (except that any  
11 reference to the State means the county), Section 15, 16, 17,  
12 18, 19, and 20 of the Service Occupation Tax Act and all  
13 provisions of the Uniform Penalty and Interest Act, as fully as  
14 if those provisions were set forth herein.

15 Persons subject to any tax imposed under the authority  
16 granted in this subsection may reimburse themselves for their  
17 serviceman's tax liability by separately stating the tax as an  
18 additional charge, which may be stated in combination, in a  
19 single amount, with State tax that servicemen are authorized to  
20 collect under the Service Use Tax Act, pursuant to any  
21 bracketed schedules set forth by the Department.

22 (c) The tax under this Section may not be imposed until, ~~by~~  
23 ~~ordinance or resolution of the county board,~~ the question of  
24 imposing the tax has been submitted to the electors of the  
25 county at a regular election and approved by a majority of the  
26 electors voting on the question. Upon receipt of a resolution

1 ~~by the county board or~~ a resolution or resolutions by school  
2 district boards that represent more than 50% ~~at least 51%~~ of  
3 the student enrollment within the county, the regional  
4 superintendent of schools for the county or the county board,  
5 as the case may be, must certify the question to the proper  
6 election authority for submission to the electors of the county  
7 at the next regular election at which the question lawfully may  
8 be submitted to said electors, all in accordance with the  
9 Election Code.

10 If the county board certifies the question to the election  
11 authority, the ~~The~~ election authority must submit the question  
12 in substantially the following form:

13 Shall (name of county) be authorized to impose a  
14 retailers' occupation tax and a service occupation tax  
15 (commonly referred to as a "sales tax") at a rate of  
16 (insert rate) to be used exclusively for school facility  
17 purposes?

18 If the regional superintendent of schools for the county  
19 certifies the question to the election authority, the election  
20 authority must submit the question in substantially the  
21 following form:

22 Shall a retailers' occupation tax and a service  
23 occupation tax (commonly referred to as a "sales tax") be  
24 imposed in (name or county) at a rate of (interest rate) to  
25 be used exclusively for school facility purposes?

26 The election authority must record the votes as "Yes" or "No".

1           If a majority of the electors voting on the question vote  
2 in the affirmative, then the tax shall be imposed at the rate  
3 set forth in the question ~~the county may, thereafter, impose~~  
4 ~~the tax.~~

5           For the purposes of this subsection (c), "enrollment" means  
6 the head count of the students residing in the county on the  
7 last school day of September of each year, which must be  
8 reported on the Illinois State Board of Education Public School  
9 Fall Enrollment/Housing Report.

10           (d) The Department shall immediately pay over to the State  
11 Treasurer, ex officio, as trustee, all taxes and penalties  
12 collected under this Section to be deposited into the School  
13 Facility Occupation Tax Fund, which shall be an unappropriated  
14 trust fund held outside the State treasury.

15           On or before the 25th day of each calendar month, the  
16 Department shall prepare and certify to the Comptroller the  
17 disbursement of stated sums of money to the regional  
18 superintendents of schools in counties from which retailers or  
19 servicemen have paid taxes or penalties to the Department  
20 during the second preceding calendar month. The amount to be  
21 paid to each regional superintendent of schools and disbursed  
22 to him or her in accordance with 3-14.31 of the School Code, is  
23 equal to the amount (not including credit memoranda) collected  
24 from the county under this Section during the second preceding  
25 calendar month by the Department, (i) less 2% of that amount,  
26 which shall be deposited into the Tax Compliance and

1 Administration Fund and shall be used by the Department,  
2 subject to appropriation, to cover the costs of the Department  
3 in administering and enforcing the provisions of this Section,  
4 on behalf of the county, (ii) plus an amount that the  
5 Department determines is necessary to offset any amounts that  
6 were erroneously paid to a different taxing body; (iii) less an  
7 amount equal to the amount of refunds made during the second  
8 preceding calendar month by the Department on behalf of the  
9 county; and (iv) less any amount that the Department determines  
10 is necessary to offset any amounts that were payable to a  
11 different taxing body but were erroneously paid to the county.  
12 When certifying the amount of a monthly disbursement to a  
13 regional superintendent of schools under this Section, the  
14 Department shall increase or decrease the amounts by an amount  
15 necessary to offset any miscalculation of previous  
16 disbursements within the previous 6 months from the time a  
17 miscalculation is discovered.

18 Within 10 days after receipt by the Comptroller from the  
19 Department of the disbursement certification to the regional  
20 superintendents of the schools provided for in this Section,  
21 the Comptroller shall cause the orders to be drawn for the  
22 respective amounts in accordance with directions contained in  
23 the certification.

24 If the Department determines that a refund should be made  
25 under this Section to a claimant instead of issuing a credit  
26 memorandum, then the Department shall notify the Comptroller,



1 who shall cause the order to be drawn for the amount specified  
2 and to the person named in the notification from the  
3 Department. The refund shall be paid by the Treasurer out of  
4 the School Facility Occupation Tax Fund.

5 (e) For the purposes of determining the local governmental  
6 unit whose tax is applicable, a retail sale by a producer of  
7 coal or another mineral mined in Illinois is a sale at retail  
8 at the place where the coal or other mineral mined in Illinois  
9 is extracted from the earth. This subsection does not apply to  
10 coal or another mineral when it is delivered or shipped by the  
11 seller to the purchaser at a point outside Illinois so that the  
12 sale is exempt under the United States Constitution as a sale  
13 in interstate or foreign commerce.

14 (f) Nothing in this Section may be construed to authorize a  
15 ~~county board to impose~~ a tax to be imposed upon the privilege  
16 of engaging in any business that under the Constitution of the  
17 United States may not be made the subject of taxation by this  
18 State.

19 (g) If a county board imposes a tax under this Section  
20 before the effective date of this amendatory Act of the 97th  
21 General Assembly at a rate below the rate set forth in the  
22 question approved by a majority of electors of that county  
23 voting on the question as provided in subsection (c), then the  
24 county board may, by ordinance, increase the rate of the tax up  
25 to the rate set forth in the question approved by a majority of  
26 electors of that county voting on the question as provided in

1 subsection (c). If a county board imposes a tax under this  
2 Section before the effective date of this amendatory Act of the  
3 97th General Assembly, then the board may, by ordinance,  
4 discontinue or reduce the rate of the tax. If a tax is imposed  
5 under this Section on or after the effective date of this  
6 amendatory Act of the 97th General Assembly, then the county  
7 board may reduce or discontinue the tax, but only in accordance  
8 with subsection (h-5) of this Section. If, however, a school  
9 board issues bonds that are secured ~~backed~~ by the proceeds of  
10 the tax under this Section, then the county board may not  
11 reduce the tax rate or discontinue the tax if that rate  
12 reduction or discontinuance would adversely affect ~~inhibit~~ the  
13 school board's ability to pay the principal and interest on  
14 those bonds as they become due. If the county board reduces the  
15 tax rate or discontinues the tax, then a referendum must be  
16 held in accordance with subsection (c) of this Section in order  
17 to increase the rate of the tax or to reimpose the discontinued  
18 tax. The State of Illinois pledges to and agrees with the  
19 holders of bonds secured by proceeds of the tax imposed under  
20 this Section that the State will not limit or alter the rights  
21 and powers set forth in this Section so as to impair the terms  
22 of any contract made by school districts with such holders or  
23 in any way impair the rights and remedies of such holders until  
24 such bonds, together with interest thereon, with interest on  
25 any unpaid installments of interest, and all costs and expenses  
26 in connection with any action or proceedings by or on behalf of

1 such holders, are fully met and discharged.

2 The results of any election that imposes, reduces, or  
3 discontinues ~~authorizes a proposition to impose~~ a tax under  
4 this Section must be certified by the election authority, and  
5 ~~or to change the rate of the tax along with an ordinance~~  
6 ~~imposing the tax, or~~ any ordinance that increases or lowers the  
7 rate or discontinues the tax, must be certified by the county  
8 clerk and, in each case, filed with the Illinois Department of  
9 Revenue either (i) on or before the first day of April,  
10 whereupon the Department shall proceed to administer and  
11 enforce the tax or change in the rate as of the first day of  
12 July next following the filing; or (ii) on or before the first  
13 day of October, whereupon the Department shall proceed to  
14 administer and enforce the tax or change in the rate as of the  
15 first day of January next following the filing.

16 (h) For purposes of this Section, "school facility  
17 purposes" means (i) the acquisition, development,  
18 construction, reconstruction, rehabilitation, improvement,  
19 financing, architectural planning, and installation of capital  
20 facilities consisting of buildings, structures, and durable  
21 equipment and for the acquisition and improvement of real  
22 property and interest in real property required, or expected to  
23 be required, in connection with the capital facilities and (ii)  
24 the payment of bonds or other obligations heretofore or  
25 hereafter issued, including bonds or other obligations  
26 heretofore or hereafter issued to refund or to continue to

1 refund bonds or other obligations issued, for school facility  
2 purposes, provided that the taxes levied to pay said bonds are  
3 abated by the amount of the taxes imposed under this Section  
4 that are used to pay said bonds. "School-facility purposes"  
5 also includes fire prevention, safety, energy conservation,  
6 disabled accessibility, school security, and specified repair  
7 purposes set forth under Section 17-2.11 of the School Code.

8 (h-5) A county board in a county where a tax has been  
9 imposed under this Section on or after the effective date of  
10 this amendatory Act of the 97th General Assembly may, by  
11 ordinance or resolution, submit to the voters of the county the  
12 question of reducing or discontinuing the tax. In the ordinance  
13 or resolution, the county board shall certify the question to  
14 the proper election authority in accordance with the Election  
15 Code. The election authority must submit the question in  
16 substantially the following form:

17 "Shall the school facility retailers' occupation tax  
18 and service occupation tax (commonly referred to as the  
19 "school facility sales tax") currently imposed in (name of  
20 county) at a rate of (insert rate) be (reduced to (insert  
21 rate)) (discontinued)?"

22 If a majority of the electors voting on the question vote in  
23 the affirmative, then, subject to the provisions of subsection  
24 (g) of this Section, the tax shall be reduced or discontinued  
25 as set forth in the question.

26 (i) This Section does not apply to Cook County.

1           (j) This Section may be cited as the County School Facility  
2 Occupation Tax Law.

3           (Source: P.A. 95-675, eff. 10-11-07.)

4           Section 15. The School Code is amended by changing Section  
5 10-22.36 as follows:

6           (105 ILCS 5/10-22.36) (from Ch. 122, par. 10-22.36)

7           Sec. 10-22.36. Buildings for school purposes. To build or  
8 purchase a building for school classroom or instructional  
9 purposes upon the approval of a majority of the voters upon the  
10 proposition at a referendum held for such purpose or in  
11 accordance with Section 17-2.11, 19-3.5, or 19-3.10. The board  
12 may initiate such referendum by resolution. The board shall  
13 certify the resolution and proposition to the proper election  
14 authority for submission in accordance with the general  
15 election law.

16           The questions of building one or more new buildings for  
17 school purposes or office facilities, and issuing bonds for the  
18 purpose of borrowing money to purchase one or more buildings or  
19 sites for such buildings or office sites, to build one or more  
20 new buildings for school purposes or office facilities or to  
21 make additions and improvements to existing school buildings,  
22 may be combined into one or more propositions on the ballot.

23           Before erecting, or purchasing or remodeling such a  
24 building the board shall submit the plans and specifications

1 respecting heating, ventilating, lighting, seating, water  
2 supply, toilets and safety against fire to the regional  
3 superintendent of schools having supervision and control over  
4 the district, for approval in accordance with Section 2-3.12.

5 Notwithstanding any of the foregoing, no referendum shall  
6 be required if the purchase, construction, or building of any  
7 such building ~~is completed~~ (1) occurs while the building is  
8 being leased by the school district or (2) is paid with ~~with~~  
9 ~~the expenditure of~~ (A) funds derived from the sale or  
10 disposition of other buildings, land, or structures of the  
11 school district or (B) funds received (i) as a grant under the  
12 School Construction Law<sup>7</sup> or (ii) as gifts or donations,  
13 provided that no funds to purchase, construct, or build  
14 ~~complete~~ such building, other than lease payments, are derived  
15 from the district's bonded indebtedness or the tax levy of the  
16 district, ~~or (iii) from the County School Facility Occupation~~  
17 ~~Tax Law under Section 5-1006.7 of the Counties Code.~~

18 Notwithstanding any of the foregoing, no referendum shall  
19 be required if the purchase, construction, or building of any  
20 such building is paid with funds received from the County  
21 School Facility Occupation Tax Law under Section 5-1006.7 of  
22 the Counties Code or from the proceeds of bonds or other debt  
23 obligations secured by revenues obtained from that Law.

24 (Source: P.A. 95-675, eff. 10-11-07; 96-517, eff. 8-14-09.)

25 Section 97. Severability. The provisions of this Act are

1 severable under Section 1.31 of the Statute on Statutes.

2 Section 99. Effective date. This Act takes effect upon  
3 becoming law.".