

1 AN ACT concerning schools.

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
5 Section 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
9 provisions limiting their indebtedness prescribed in "An Act
10 to limit the indebtedness of counties having a population of
11 less than 500,000 and townships, school districts and other
12 municipal corporations having a population of less than
13 300,000", 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
19 and county taxes or, until January 1, 1983, if greater, the
20 sum that is produced by multiplying the school district's
21 1978 equalized assessed valuation by the debt limitation
22 percentage in effect on January 1, 1979, previous to the
23 incurring of such indebtedness.

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

1 effect on January 1, 1979, previous to the incurring of such
2 indebtedness.

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

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

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

32 (2) When the Regional Superintendent of Schools
33 having jurisdiction over the school district and the
34 State Superintendent of Education concur in such

1 enrollment projection or increase and approve the need
2 for such additional school sites or building facilities
3 and the estimated cost thereof; and

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

16 (4) Notwithstanding the provisions of paragraphs
17 (1) through (3) of this subsection (b), if the school
18 board determines that additional facilities are needed to
19 provide a quality educational program and not less than
20 2/3 of those voting in an election called by the school
21 board on the question approve the issuance of bonds for
22 the construction of such facilities, the school district
23 may issue bonds for this purpose; or

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

1 school board on the question approve the issuance of
2 bonds for the construction of such facilities, the school
3 district may issue bonds for this purpose.

4 In no event shall the indebtedness incurred pursuant to
5 this subsection (b) and the existing indebtedness of the
6 school district exceed 15% of the value of the taxable
7 property therein to be ascertained by the last assessment for
8 State and county taxes, previous to the incurring of such
9 indebtedness or, until January 1, 1983, if greater, the sum
10 that is produced by multiplying the school district's 1978
11 equalized assessed valuation by the debt limitation
12 percentage in effect on January 1, 1979.

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

16 (c) Notwithstanding the debt limitation prescribed in
17 subsection (a) of this Section, in any case in which a public
18 question for the issuance of bonds of a proposed school
19 district maintaining grades kindergarten through 12 received
20 at least 60% of the valid ballots cast on the question at an
21 election held on or prior to November 8, 1994, and in which
22 the bonds approved at such election have not been issued, the
23 school district pursuant to the requirements of Section
24 11A-10 may issue the total amount of bonds approved at such
25 election for the purpose stated in the question.

26 (d) Notwithstanding the debt limitation prescribed in
27 subsection (a) of this Section, a school district that meets
28 all the criteria set forth in paragraphs (1) and (2) of this
29 subsection (d) may incur an additional indebtedness in an
30 amount not to exceed \$4,500,000, even though the amount of
31 the additional indebtedness authorized by this subsection
32 (d), when incurred and added to the aggregate amount of
33 indebtedness of the district existing immediately prior to
34 the district incurring the additional indebtedness authorized

1 by this subsection (d), causes the aggregate indebtedness of
2 the district to exceed the debt limitation otherwise
3 applicable to that district under subsection (a):

4 (1) The additional indebtedness authorized by this
5 subsection (d) is incurred by the school district through
6 the issuance of bonds under and in accordance with
7 Section 17-2.11a for the purpose of replacing a school
8 building which, because of mine subsidence damage, has
9 been closed as provided in paragraph (2) of this
10 subsection (d) or through the issuance of bonds under and
11 in accordance with Section 19-3 for the purpose of
12 increasing the size of, or providing for additional
13 functions in, such replacement school buildings, or both
14 such purposes.

15 (2) The bonds issued by the school district as
16 provided in paragraph (1) above are issued for the
17 purposes of construction by the school district of a new
18 school building pursuant to Section 17-2.11, to replace
19 an existing school building that, because of mine
20 subsidence damage, is closed as of the end of the 1992-93
21 school year pursuant to action of the regional
22 superintendent of schools of the educational service
23 region in which the district is located under Section
24 3-14.22 or are issued for the purpose of increasing the
25 size of, or providing for additional functions in, the
26 new school building being constructed to replace a school
27 building closed as the result of mine subsidence damage,
28 or both such purposes.

29 (e) Notwithstanding the debt limitation prescribed in
30 subsection (a) of this Section, a school district that meets
31 all the criteria set forth in paragraphs (1) through (5) of
32 this subsection (e) may, without referendum, incur an
33 additional indebtedness in an amount not to exceed the lesser
34 of \$5,000,000 or 1.5% of the value of the taxable property

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

10 (1) The State Board of Education certifies the
11 school district under Section 19-1.5 as a financially
12 distressed district.

13 (2) The additional indebtedness authorized by this
14 subsection (e) is incurred by the financially distressed
15 district during the school year or school years in which
16 the certification of the district as a financially
17 distressed district continues in effect through the
18 issuance of bonds for the lawful school purposes of the
19 district, pursuant to resolution of the school board and
20 without referendum, as provided in paragraph (5) of this
21 subsection.

22 (3) The aggregate amount of bonds issued by the
23 financially distressed district during a fiscal year in
24 which it is authorized to issue bonds under this
25 subsection does not exceed the amount by which the
26 aggregate expenditures of the district for operational
27 purposes during the immediately preceding fiscal year
28 exceeds the amount appropriated for the operational
29 purposes of the district in the annual school budget
30 adopted by the school board of the district for the
31 fiscal year in which the bonds are issued.

32 (4) Throughout each fiscal year in which
33 certification of the district as a financially distressed
34 district continues in effect, the district maintains in

1 effect a gross salary expense and gross wage expense
2 freeze policy under which the district expenditures for
3 total employee salaries and wages do not exceed such
4 expenditures for the immediately preceding fiscal year.
5 Nothing in this paragraph, however, shall be deemed to
6 impair or to require impairment of the contractual
7 obligations, including collective bargaining agreements,
8 of the district or to impair or require the impairment of
9 the vested rights of any employee of the district under
10 the terms of any contract or agreement in effect on the
11 effective date of this amendatory Act of 1994.

12 (5) Bonds issued by the financially distressed
13 district under this subsection shall bear interest at a
14 rate not to exceed the maximum rate authorized by law at
15 the time of the making of the contract, shall mature
16 within 40 years from their date of issue, and shall be
17 signed by the president of the school board and treasurer
18 of the school district. In order to issue bonds under
19 this subsection, the school board shall adopt a
20 resolution fixing the amount of the bonds, the date of
21 the bonds, the maturities of the bonds, the rates of
22 interest of the bonds, and their place of payment and
23 denomination, and shall provide for the levy and
24 collection of a direct annual tax upon all the taxable
25 property in the district sufficient to pay the principal
26 and interest on the bonds to maturity. Upon the filing
27 in the office of the county clerk of the county in which
28 the financially distressed district is located of a
29 certified copy of the resolution, it is the duty of the
30 county clerk to extend the tax therefor in addition to
31 and in excess of all other taxes at any time authorized
32 to be levied by the district. If bond proceeds from the
33 sale of bonds include a premium or if the proceeds of the
34 bonds are invested as authorized by law, the school board

1 shall determine by resolution whether the interest earned
2 on the investment of bond proceeds or the premium
3 realized on the sale of the bonds is to be used for any
4 of the lawful school purposes for which the bonds were
5 issued or for the payment of the principal indebtedness
6 and interest on the bonds. The proceeds of the bond sale
7 shall be deposited in the educational purposes fund of
8 the district and shall be used to pay operational
9 expenses of the district. This subsection is cumulative
10 and constitutes complete authority for the issuance of
11 bonds as provided in this subsection, notwithstanding any
12 other law to the contrary.

13 (f) Notwithstanding the provisions of subsection (a) of
14 this Section or of any other law, bonds in not to exceed the
15 aggregate amount of \$5,500,000 and issued by a school
16 district meeting the following criteria shall not be
17 considered indebtedness for purposes of any statutory
18 limitation and may be issued in an amount or amounts,
19 including existing indebtedness, in excess of any heretofore
20 or hereafter imposed statutory limitation as to indebtedness:

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

26 (2) The board of education shall also determine by
27 resolution that the improvements to be financed with the
28 proceeds of the bonds are needed because of the projected
29 enrollment increases.

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

34 (g) Notwithstanding the provisions of subsection (a) of

1 this Section or any other law, bonds in not to exceed an
2 aggregate amount of 25% of the equalized assessed value of
3 the taxable property of a school district and issued by a
4 school district meeting the criteria in paragraphs (i)
5 through (iv) of this subsection shall not be considered
6 indebtedness for purposes of any statutory limitation and may
7 be issued pursuant to resolution of the school board in an
8 amount or amounts, including existing indebtedness, in excess
9 of any statutory limitation of indebtedness heretofore or
10 hereafter imposed:

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

17 (ii) At the time the resolution authorizing the
18 issuance of the bonds is adopted, the cost of
19 constructing a new school building to replace the
20 existing school building is less than 60% of the cost of
21 repairing the existing school building.

22 (iii) The sale of the bonds occurs before July 1,
23 1997.

24 (iv) The school district issuing the bonds is a
25 unit school district located in a county of less than
26 70,000 and more than 50,000 inhabitants, which has an
27 average daily attendance of less than 1,500 and an
28 equalized assessed valuation of less than \$29,000,000.

29 (h) Notwithstanding any other provisions of this Section
30 or the provisions of any other law, until January 1, 1998, a
31 community unit school district maintaining grades K through
32 12 may issue bonds up to an amount, including existing
33 indebtedness, not exceeding 27.6% of the equalized assessed
34 value of the taxable property in the district, if all of the

1 following conditions are met:

2 (i) The school district has an equalized assessed
3 valuation for calendar year 1995 of less than
4 \$24,000,000;

5 (ii) The bonds are issued for the capital
6 improvement, renovation, rehabilitation, or replacement
7 of existing school buildings of the district, all of
8 which buildings were originally constructed not less than
9 40 years ago;

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

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

15 (i) Notwithstanding any other provisions of this Section
16 or the provisions of any other law, until January 1, 1998, a
17 community unit school district maintaining grades K through
18 12 may issue bonds up to an amount, including existing
19 indebtedness, not exceeding 27% of the equalized assessed
20 value of the taxable property in the district, if all of the
21 following conditions are met:

22 (i) The school district has an equalized assessed
23 valuation for calendar year 1995 of less than
24 \$44,600,000;

25 (ii) The bonds are issued for the capital
26 improvement, renovation, rehabilitation, or replacement
27 of existing school buildings of the district, all of
28 which existing buildings were originally constructed not
29 less than 80 years ago;

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

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

1 (j) Notwithstanding any other provisions of this Section
2 or the provisions of any other law, until January 1, 1999, a
3 community unit school district maintaining grades K through
4 12 may issue bonds up to an amount, including existing
5 indebtedness, not exceeding 27% of the equalized assessed
6 value of the taxable property in the district if all of the
7 following conditions are met:

8 (i) The school district has an equalized assessed
9 valuation for calendar year 1995 of less than
10 \$140,000,000 and a best 3 months average daily attendance
11 for the 1995-96 school year of at least 2,800;

12 (ii) The bonds are issued to purchase a site and
13 build and equip a new high school, and the school
14 district's existing high school was originally
15 constructed not less than 35 years prior to the sale of
16 the bonds;

17 (iii) At the time of the sale of the bonds, the
18 board of education determines by resolution that a new
19 high school is needed because of projected enrollment
20 increases;

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

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

26 (k) Notwithstanding the debt limitation prescribed in
27 subsection (a) of this Section, a school district that meets
28 all the criteria set forth in paragraphs (1) through (4) of
29 this subsection (k) may issue bonds to incur an additional
30 indebtedness in an amount not to exceed \$4,000,000 even
31 though the amount of the additional indebtedness authorized
32 by this subsection (k), when incurred and added to the
33 aggregate amount of indebtedness of the school district
34 existing immediately prior to the school district incurring

1 such additional indebtedness, causes the aggregate
 2 indebtedness of the school district to exceed or increases
 3 the amount by which the aggregate indebtedness of the
 4 district already exceeds the debt limitation otherwise
 5 applicable to that school district under subsection (a):

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

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

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

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

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

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

32 (ii) the bonds are issued for capital improvement,
 33 renovation, rehabilitation, or replacement of one or more
 34 school buildings of the district, which buildings were

1 originally constructed not less than 70 years ago;

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

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

7 (m) Notwithstanding any other provisions of this Section
8 or the provisions of any other law, until January 1, 1999, an
9 elementary school district maintaining grades K through 8 may
10 issue bonds up to an amount, excluding existing indebtedness,
11 not exceeding 18% of the equalized assessed value of the
12 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 or less than \$7,700,000;

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

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

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

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

31 (n) Notwithstanding the debt limitation prescribed in
32 subsection (a) of this Section or any other provisions of
33 this Section or of any other law, a school district that
34 meets all of the criteria set forth in paragraphs (i) through

1 (vi) of this subsection (n) may incur additional indebtedness
2 by the issuance of bonds in an amount not exceeding the
3 amount certified by the Capital Development Board to the
4 school district as provided in paragraph (iii) of this
5 subsection (n), even though the amount of the additional
6 indebtedness so authorized, when incurred and added to the
7 aggregate amount of indebtedness of the district existing
8 immediately prior to the district incurring the additional
9 indebtedness authorized by this subsection (n), causes the
10 aggregate indebtedness of the district to exceed the debt
11 limitation otherwise applicable by law to that district:

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

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

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

31 (iv) The bonds are issued for a "school
32 construction project", as that term is defined in Section
33 5-5 of the School Construction Law, in an amount that
34 does not exceed the dollar amount certified, as provided

1 in paragraph (iii) of this subsection (n), by the Capital
2 Development Board to the school district under Section
3 5-15 of the School Construction Law.

4 (v) The voters of the district approve a
5 proposition for the issuance of the bonds at a referendum
6 held after the criteria specified in paragraphs (i) and
7 (ii) ~~(iii)~~ of this subsection (n) are met.

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

10 (Source: P.A. 90-570, eff. 1-28-98; 90-757, eff. 8-14-98;
11 91-55, eff. 6-30-99.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.