

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 adding Sections
5 17-17 and 34-23.5 as follows:

6 (105 ILCS 5/17-17 new)

7 Sec. 17-17. Issuance of notes, bonds, or other
8 obligations in lieu of tax anticipation warrants.

9 (a) In lieu of issuing tax anticipation warrants in
10 accordance with Section 17-16 of this Code, the school board
11 of a school district having a population of 500,000 or less
12 inhabitants may issue notes, bonds, or other obligations (and
13 in connection with that issuance, establish a line of credit
14 with a bank) in an amount not to exceed 85% of the amount of
15 property taxes most recently levied for educational and
16 building purposes. Moneys thus borrowed shall be applied to
17 the purposes for which they were obtained and no other
18 purpose. All moneys so borrowed shall be repaid exclusively
19 from property tax revenues within 60 days after the property
20 tax revenues have been received by the board.

21 (b) Borrowing authorized under subsection (a) of this
22 Section shall bear interest at a rate not to exceed the
23 maximum rate authorized by the Bond Authorization Act, from
24 the date of issuance until paid.

25 (c) Prior to the board borrowing or establishing a line
26 of credit under this Section, the board shall authorize, by
27 resolution, the borrowing or line of credit. The resolution
28 shall set forth facts demonstrating the need for the
29 borrowing or line of credit, state the amount to be borrowed,
30 establish a maximum interest rate limit not to exceed that
31 set forth in subsection (b) of this Section, and provide a

1 date by which the borrowed funds shall be repaid. The
 2 resolution shall direct the relevant officials to make
 3 arrangements to set apart and hold the taxes, as received,
 4 that will be used to repay the borrowing. In addition, the
 5 resolution may authorize the relevant officials to make
 6 partial repayments of the borrowing as the taxes become
 7 available and may contain any other terms, restrictions, or
 8 limitations not inconsistent with the provisions of this
 9 Section.

10 (105 ILCS 5/34-23.5 new)

11 Sec. 34-23.5. Issuance of notes, bonds, or other
 12 obligations in lieu of tax anticipation warrants.

13 (a) In lieu of issuing tax anticipation warrants in
 14 accordance with Section 34-23 of this Code, the board may
 15 issue notes, bonds, or other obligations (and in connection
 16 with that issuance, establish a line of credit with a bank)
 17 in an amount not to exceed 85% of the amount of property
 18 taxes most recently levied for educational and building
 19 purposes. Moneys thus borrowed shall be applied to the
 20 purposes for which they were obtained and no other purpose.
 21 All moneys so borrowed shall be repaid exclusively from
 22 property tax revenues within 60 days after the property tax
 23 revenues have been received by the board.

24 (b) Borrowing authorized under subsection (a) of this
 25 Section shall bear interest at a rate not to exceed the
 26 maximum rate authorized by the Bond Authorization Act, from
 27 the date of issuance until paid.

28 (c) Prior to the board borrowing or establishing a line
 29 of credit under this Section, the board shall authorize, by
 30 resolution, the borrowing or line of credit. The resolution
 31 shall set forth facts demonstrating the need for the
 32 borrowing or line of credit, state the amount to be borrowed,
 33 establish a maximum interest rate limit not to exceed that

1 set forth in subsection (b) of this Section, and provide a
2 date by which the borrowed funds shall be repaid. The
3 resolution shall direct the relevant officials to make
4 arrangements to set apart and hold the taxes, as received,
5 that will be used to repay the borrowing. In addition, the
6 resolution may authorize the relevant officials to make
7 partial repayments of the borrowing as the taxes become
8 available and may contain any other terms, restrictions, or
9 limitations not inconsistent with the provisions of this
10 Section.

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