

HB1627



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB1627

by Rep. Allen Skillicorn

SYNOPSIS AS INTRODUCED:

105 ILCS 5/17-2.11
105 ILCS 5/17-2A

from Ch. 122, par. 17-2.11
from Ch. 122, par. 17-2A

Amends the School Code. Provides that authority granted to school boards to transfer certain funds ends after the effective date of the amendatory Act. Effective immediately.

LRB101 06260 AXK 51286 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Sections
5 17-2.11 and 17-2A as follows:

6 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

7 Sec. 17-2.11. School board power to levy a tax or to borrow
8 money and issue bonds for fire prevention, safety, energy
9 conservation, accessibility, school security, and specified
10 repair purposes.

11 (a) Whenever, as a result of any lawful order of any
12 agency, other than a school board, having authority to enforce
13 any school building code applicable to any facility that houses
14 students, or any law or regulation for the protection and
15 safety of the environment, pursuant to the Environmental
16 Protection Act, any school district having a population of less
17 than 500,000 inhabitants is required to alter or reconstruct
18 any school building or permanent, fixed equipment; the district
19 may, by proper resolution, levy a tax for the purpose of making
20 such alteration or reconstruction, based on a survey report by
21 an architect or engineer licensed in this State, upon all of
22 the taxable property of the district at the value as assessed
23 by the Department of Revenue and at a rate not to exceed 0.05%

1 per year for a period sufficient to finance such alteration or
2 reconstruction, upon the following conditions:

3 (1) When there are not sufficient funds available in
4 the operations and maintenance fund of the school district,
5 the school facility occupation tax fund of the district, or
6 the fire prevention and safety fund of the district, as
7 determined by the district on the basis of rules adopted by
8 the State Board of Education, to make such alteration or
9 reconstruction or to purchase and install such permanent,
10 fixed equipment so ordered or determined as necessary.
11 Appropriate school district records must be made available
12 to the State Superintendent of Education, upon request, to
13 confirm this insufficiency.

14 (2) When a certified estimate of an architect or
15 engineer licensed in this State stating the estimated
16 amount necessary to make the alteration or reconstruction
17 or to purchase and install the equipment so ordered has
18 been secured by the school district, and the estimate has
19 been approved by the regional superintendent of schools
20 having jurisdiction over the district and the State
21 Superintendent of Education. Approval must not be granted
22 for any work that has already started without the prior
23 express authorization of the State Superintendent of
24 Education. If the estimate is not approved or is denied
25 approval by the regional superintendent of schools within 3
26 months after the date on which it is submitted to him or

1 her, the school board of the district may submit the
2 estimate directly to the State Superintendent of Education
3 for approval or denial.

4 In the case of an emergency situation, where the estimated
5 cost to effectuate emergency repairs is less than the amount
6 specified in Section 10-20.21 of this Code, the school district
7 may proceed with such repairs prior to approval by the State
8 Superintendent of Education, but shall comply with the
9 provisions of subdivision (2) of this subsection (a) as soon
10 thereafter as may be as well as Section 10-20.21 of this Code.
11 If the estimated cost to effectuate emergency repairs is
12 greater than the amount specified in Section 10-20.21 of this
13 Code, then the school district shall proceed in conformity with
14 Section 10-20.21 of this Code and with rules established by the
15 State Board of Education to address such situations. The rules
16 adopted by the State Board of Education to deal with these
17 situations shall stipulate that emergency situations must be
18 expedited and given priority consideration. For purposes of
19 this paragraph, an emergency is a situation that presents an
20 imminent and continuing threat to the health and safety of
21 students or other occupants of a facility, requires complete or
22 partial evacuation of a building or part of a building, or
23 consumes one or more of the 5 emergency days built into the
24 adopted calendar of the school or schools or would otherwise be
25 expected to cause such school or schools to fall short of the
26 minimum school calendar requirements.

1 (b) Whenever any such district determines that it is
2 necessary for energy conservation purposes that any school
3 building or permanent, fixed equipment should be altered or
4 reconstructed and that such alterations or reconstruction will
5 be made with funds not necessary for the completion of approved
6 and recommended projects contained in any safety survey report
7 or amendments thereto authorized by Section 2-3.12 of this Act;
8 the district may levy a tax or issue bonds as provided in
9 subsection (a) of this Section.

10 (c) Whenever any such district determines that it is
11 necessary for accessibility purposes and to comply with the
12 school building code that any school building or equipment
13 should be altered or reconstructed and that such alterations or
14 reconstruction will be made with funds not necessary for the
15 completion of approved and recommended projects contained in
16 any safety survey report or amendments thereto authorized under
17 Section 2-3.12 of this Act, the district may levy a tax or
18 issue bonds as provided in subsection (a) of this Section.

19 (d) Whenever any such district determines that it is
20 necessary for school security purposes and the related
21 protection and safety of pupils and school personnel that any
22 school building or property should be altered or reconstructed
23 or that security systems and equipment (including but not
24 limited to intercom, early detection and warning, access
25 control and television monitoring systems) should be purchased
26 and installed, and that such alterations, reconstruction or

1 purchase and installation of equipment will be made with funds
2 not necessary for the completion of approved and recommended
3 projects contained in any safety survey report or amendment
4 thereto authorized by Section 2-3.12 of this Act and will deter
5 and prevent unauthorized entry or activities upon school
6 property by unknown or dangerous persons, assure early
7 detection and advance warning of any such actual or attempted
8 unauthorized entry or activities and help assure the continued
9 safety of pupils and school staff if any such unauthorized
10 entry or activity is attempted or occurs; the district may levy
11 a tax or issue bonds as provided in subsection (a) of this
12 Section.

13 (e) If a school district does not need funds for other fire
14 prevention and safety projects, including the completion of
15 approved and recommended projects contained in any safety
16 survey report or amendments thereto authorized by Section
17 2-3.12 of this Act, and it is determined after a public hearing
18 (which is preceded by at least one published notice (i)
19 occurring at least 7 days prior to the hearing in a newspaper
20 of general circulation within the school district and (ii)
21 setting forth the time, date, place, and general subject matter
22 of the hearing) that there is a substantial, immediate, and
23 otherwise unavoidable threat to the health, safety, or welfare
24 of pupils due to disrepair of school sidewalks, playgrounds,
25 parking lots, or school bus turnarounds and repairs must be
26 made; then the district may levy a tax or issue bonds as

1 provided in subsection (a) of this Section.

2 (f) For purposes of this Section a school district may
3 replace a school building or build additions to replace
4 portions of a building when it is determined that the
5 effectuation of the recommendations for the existing building
6 will cost more than the replacement costs. Such determination
7 shall be based on a comparison of estimated costs made by an
8 architect or engineer licensed in the State of Illinois. The
9 new building or addition shall be equivalent in area (square
10 feet) and comparable in purpose and grades served and may be on
11 the same site or another site. Such replacement may only be
12 done upon order of the regional superintendent of schools and
13 the approval of the State Superintendent of Education.

14 (g) The filing of a certified copy of the resolution
15 levying the tax when accompanied by the certificates of the
16 regional superintendent of schools and State Superintendent of
17 Education shall be the authority of the county clerk to extend
18 such tax.

19 (h) The county clerk of the county in which any school
20 district levying a tax under the authority of this Section is
21 located, in reducing raised levies, shall not consider any such
22 tax as a part of the general levy for school purposes and shall
23 not include the same in the limitation of any other tax rate
24 which may be extended.

25 Such tax shall be levied and collected in like manner as
26 all other taxes of school districts, subject to the provisions

1 contained in this Section.

2 (i) The tax rate limit specified in this Section may be
3 increased to .10% upon the approval of a proposition to effect
4 such increase by a majority of the electors voting on that
5 proposition at a regular scheduled election. Such proposition
6 may be initiated by resolution of the school board and shall be
7 certified by the secretary to the proper election authorities
8 for submission in accordance with the general election law.

9 (j) When taxes are levied by any school district for fire
10 prevention, safety, energy conservation, and school security
11 purposes as specified in this Section, and the purposes for
12 which the taxes have been levied are accomplished and paid in
13 full, and there remain funds on hand in the Fire Prevention and
14 Safety Fund from the proceeds of the taxes levied, including
15 interest earnings thereon, the school board by resolution shall
16 use such excess and other board restricted funds, excluding
17 bond proceeds and earnings from such proceeds, as follows:

18 (1) for other authorized fire prevention, safety,
19 energy conservation, required safety inspections, school
20 security purposes, sampling for lead in drinking water in
21 schools, and for repair and mitigation due to lead levels
22 in the drinking water supply; or

23 (2) for transfer to the Operations and Maintenance Fund
24 for the purpose of abating an equal amount of operations
25 and maintenance purposes taxes.

26 Notwithstanding subdivision (2) of this subsection (j) and

1 subsection (k) of this Section, through the effective date of
2 this amendatory Act of the 101st General Assembly ~~June 30,~~
3 ~~2020~~, the school board may, by proper resolution following a
4 public hearing set by the school board or the president of the
5 school board (that is preceded (i) by at least one published
6 notice over the name of the clerk or secretary of the board,
7 occurring at least 7 days and not more than 30 days prior to
8 the hearing, in a newspaper of general circulation within the
9 school district and (ii) by posted notice over the name of the
10 clerk or secretary of the board, at least 48 hours before the
11 hearing, at the principal office of the school board or at the
12 building where the hearing is to be held if a principal office
13 does not exist, with both notices setting forth the time, date,
14 place, and subject matter of the hearing), transfer surplus
15 life safety taxes and interest earnings thereon to the
16 Operations and Maintenance Fund for building repair work.

17 (k) If any transfer is made to the Operation and
18 Maintenance Fund, the secretary of the school board shall
19 within 30 days notify the county clerk of the amount of that
20 transfer and direct the clerk to abate the taxes to be extended
21 for the purposes of operations and maintenance authorized under
22 Section 17-2 of this Act by an amount equal to such transfer.

23 (l) If the proceeds from the tax levy authorized by this
24 Section are insufficient to complete the work approved under
25 this Section, the school board is authorized to sell bonds
26 without referendum under the provisions of this Section in an

1 amount that, when added to the proceeds of the tax levy
2 authorized by this Section, will allow completion of the
3 approved work.

4 (m) Any bonds issued pursuant to this Section shall bear
5 interest at a rate not to exceed the maximum rate authorized by
6 law at the time of the making of the contract, shall mature
7 within 20 years from date, and shall be signed by the president
8 of the school board and the treasurer of the school district.

9 (n) In order to authorize and issue such bonds, the school
10 board shall adopt a resolution fixing the amount of bonds, the
11 date thereof, the maturities thereof, rates of interest
12 thereof, place of payment and denomination, which shall be in
13 denominations of not less than \$100 and not more than \$5,000,
14 and provide for the levy and collection of a direct annual tax
15 upon all the taxable property in the school district sufficient
16 to pay the principal and interest on such bonds to maturity.
17 Upon the filing in the office of the county clerk of the county
18 in which the school district is located of a certified copy of
19 the resolution, it is the duty of the county clerk to extend
20 the tax therefor in addition to and in excess of all other
21 taxes heretofore or hereafter authorized to be levied by such
22 school district.

23 (o) After the time such bonds are issued as provided for by
24 this Section, if additional alterations or reconstructions are
25 required to be made because of surveys conducted by an
26 architect or engineer licensed in the State of Illinois, the

1 district may levy a tax at a rate not to exceed .05% per year
2 upon all the taxable property of the district or issue
3 additional bonds, whichever action shall be the most feasible.

4 (p) This Section is cumulative and constitutes complete
5 authority for the issuance of bonds as provided in this Section
6 notwithstanding any other statute or law to the contrary.

7 (q) With respect to instruments for the payment of money
8 issued under this Section either before, on, or after the
9 effective date of Public Act 86-004 (June 6, 1989), it is, and
10 always has been, the intention of the General Assembly (i) that
11 the Omnibus Bond Acts are, and always have been, supplementary
12 grants of power to issue instruments in accordance with the
13 Omnibus Bond Acts, regardless of any provision of this Act that
14 may appear to be or to have been more restrictive than those
15 Acts, (ii) that the provisions of this Section are not a
16 limitation on the supplementary authority granted by the
17 Omnibus Bond Acts, and (iii) that instruments issued under this
18 Section within the supplementary authority granted by the
19 Omnibus Bond Acts are not invalid because of any provision of
20 this Act that may appear to be or to have been more restrictive
21 than those Acts.

22 (r) When the purposes for which the bonds are issued have
23 been accomplished and paid for in full and there remain funds
24 on hand from the proceeds of the bond sale and interest
25 earnings therefrom, the board shall, by resolution, use such
26 excess funds in accordance with the provisions of Section

1 10-22.14 of this Act.

2 (s) Whenever any tax is levied or bonds issued for fire
3 prevention, safety, energy conservation, and school security
4 purposes, such proceeds shall be deposited and accounted for
5 separately within the Fire Prevention and Safety Fund.

6 (Source: P.A. 99-143, eff. 7-27-15; 99-713, eff. 8-5-16;
7 99-922, eff. 1-17-17; 100-465, eff. 8-31-17.)

8 (105 ILCS 5/17-2A) (from Ch. 122, par. 17-2A)

9 Sec. 17-2A. Interfund transfers.

10 (a) The school board of any district having a population of
11 less than 500,000 inhabitants may, by proper resolution
12 following a public hearing set by the school board or the
13 president of the school board (that is preceded (i) by at least
14 one published notice over the name of the clerk or secretary of
15 the board, occurring at least 7 days and not more than 30 days
16 prior to the hearing, in a newspaper of general circulation
17 within the school district and (ii) by posted notice over the
18 name of the clerk or secretary of the board, at least 48 hours
19 before the hearing, at the principal office of the school board
20 or at the building where the hearing is to be held if a
21 principal office does not exist, with both notices setting
22 forth the time, date, place, and subject matter of the
23 hearing), transfer money from (1) the Educational Fund to the
24 Operations and Maintenance Fund or the Transportation Fund, (2)
25 the Operations and Maintenance Fund to the Educational Fund or

1 the Transportation Fund, (3) the Transportation Fund to the
2 Educational Fund or the Operations and Maintenance Fund, or (4)
3 the Tort Immunity Fund to the Operations and Maintenance Fund
4 of said district, provided that, except during the period from
5 July 1, 2003 through the effective date of this amendatory Act
6 of the 101st General Assembly ~~June 30, 2020~~, such transfer is
7 made solely for the purpose of meeting one-time, non-recurring
8 expenses. Except during the period from July 1, 2003 through
9 the effective date of this amendatory Act of the 101st General
10 Assembly ~~June 30, 2020~~ and except as otherwise provided in
11 subsection (b) of this Section, any other permanent interfund
12 transfers authorized by any provision or judicial
13 interpretation of this Code for which the transferee fund is
14 not precisely and specifically set forth in the provision of
15 this Code authorizing such transfer shall be made to the fund
16 of the school district most in need of the funds being
17 transferred, as determined by resolution of the school board.

18 (b) (Blank).

19 (c) Notwithstanding subsection (a) of this Section or any
20 other provision of this Code to the contrary, the school board
21 of any school district (i) that is subject to the Property Tax
22 Extension Limitation Law, (ii) that is an elementary district
23 servicing students in grades K through 8, (iii) whose territory
24 is in one county, (iv) that is eligible for Section 7002
25 Federal Impact Aid, and (v) that has no more than \$81,000 in
26 funds remaining from refinancing bonds that were refinanced a

1 minimum of 5 years prior to January 20, 2017 (the effective
2 date of Public Act 99-926) may make a one-time transfer of the
3 funds remaining from the refinancing bonds to the Operations
4 and Maintenance Fund of the district by proper resolution
5 following a public hearing set by the school board or the
6 president of the school board, with notice as provided in
7 subsection (a) of this Section, so long as the district meets
8 the qualifications set forth in this subsection (c) on January
9 20, 2017 (the effective date of Public Act 99-926).

10 (d) Notwithstanding subsection (a) of this Section or any
11 other provision of this Code to the contrary, the school board
12 of any school district (i) that is subject to the Property Tax
13 Extension Limitation Law, (ii) that is a community unit school
14 district servicing students in grades K through 12, (iii) whose
15 territory is in one county, (iv) that owns property designated
16 by the United States as a Superfund site pursuant to the
17 federal Comprehensive Environmental Response, Compensation and
18 Liability Act of 1980 (42 U.S.C. 9601 et seq.), and (v) that
19 has an excess accumulation of funds in its bond fund, including
20 funds accumulated prior to July 1, 2000, may make a one-time
21 transfer of those excess funds accumulated prior to July 1,
22 2000 to the Operations and Maintenance Fund of the district by
23 proper resolution following a public hearing set by the school
24 board or the president of the school board, with notice as
25 provided in subsection (a) of this Section, so long as the
26 district meets the qualifications set forth in this subsection

1 (d) on August 4, 2017 (the effective date of Public Act
2 100-32).

3 (Source: P.A. 99-713, eff. 8-5-16; 99-922, eff. 1-17-17;
4 99-926, eff. 1-20-17; 100-32, eff. 8-4-17; 100-465, eff.
5 8-31-17; 100-863, eff. 8-14-18.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.