

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 20-2, 20-4, and 20-5 as follows:

6 (105 ILCS 5/20-2) (from Ch. 122, par. 20-2)

7 Sec. 20-2. Indebtedness and bonds. For the purpose of  
8 creating, re-creating, or increasing a working cash fund, the  
9 school board of any such district may incur an indebtedness and  
10 issue bonds as evidence thereof in an amount or amounts not  
11 exceeding in the aggregate 85% of the taxes permitted to be  
12 levied for educational purposes for the then current year to be  
13 determined by multiplying the maximum educational tax rate or  
14 rates applicable to such school district by the last assessed  
15 valuation or assessed valuations as determined at the time of  
16 the issue of said bonds, plus 85% of the last known entitlement  
17 of such district to taxes as by law now or hereafter enacted or  
18 amended, imposed by the General Assembly of the State of  
19 Illinois to replace revenue lost by units of local government  
20 and school districts as a result of the abolition of ad valorem  
21 personal property taxes, pursuant to Article IX, Section 5,  
22 paragraph (c) of the Constitution of the State of Illinois,  
23 plus 85% of the most recent amount of funding received by the

1 school district under Section 18-8.15. The bonds shall bear  
2 interest at not more than the maximum rate authorized by law  
3 and shall mature within 20 years from the date thereof. Subject  
4 to the foregoing limitations as to amount, the bonds may be  
5 issued in an amount including existing indebtedness which will  
6 not exceed the constitutional limitation as to debt,  
7 notwithstanding any statutory debt limitation to the contrary.  
8 The school board shall before or at the time of issuing the  
9 bonds provide for the collection of a direct annual tax upon  
10 all the taxable property within the district sufficient to pay  
11 the principal thereof at maturity and to pay the interest  
12 thereon as it falls due, which tax shall be in addition to the  
13 maximum amount of all other taxes, either educational;  
14 transportation; operations and maintenance; or fire prevention  
15 and safety fund taxes, now or hereafter authorized and in  
16 addition to any limitations upon the levy of taxes as provided  
17 by Sections 17-2 through 17-9.

18 With respect to instruments for the payment of money issued  
19 under this Section either before, on, or after the effective  
20 date of this amendatory Act of 1989, it is and always has been  
21 the intention of the General Assembly (i) that the Omnibus Bond  
22 Acts are and always have been supplementary grants of power to  
23 issue instruments in accordance with the Omnibus Bond Acts,  
24 regardless of any provision of this Act that may appear to be  
25 or to have been more restrictive than those Acts, (ii) that the  
26 provisions of this Section are not a limitation on the

1 supplementary authority granted by the Omnibus Bond Acts, and  
2 (iii) that instruments issued under this Section within the  
3 supplementary authority granted by the Omnibus Bond Acts are  
4 not invalid because of any provision of this Act that may  
5 appear to be or to have been more restrictive than those Acts.

6 (Source: P.A. 96-1277, eff. 7-26-10.)

7 (105 ILCS 5/20-4) (from Ch. 122, par. 20-4)

8 Sec. 20-4. Use and reimbursement of fund. This Section  
9 shall not apply in any school district which does not operate a  
10 working cash fund.

11 Moneys derived from the issuance of bonds as authorized by  
12 Section 20-2, or from any tax levied pursuant to Section 20-3,  
13 shall be used only for the purposes and in the manner provided  
14 in this Article. Moneys in the fund shall not be regarded as  
15 current assets available for school purposes. The school board  
16 may appropriate moneys to the working cash fund up to the  
17 maximum amount allowable in the fund, and the working cash fund  
18 may receive such appropriations and any other contributions.  
19 Moneys in the fund may be used by the school board for any and  
20 all school purposes and may be transferred in whole or in part  
21 to the general funds or both of the school district and  
22 disbursed therefrom in anticipation of the collection of taxes  
23 lawfully levied for any or all purposes, ~~or~~ in anticipation of  
24 such taxes as by law now or hereafter enacted or amended are  
25 imposed by the General Assembly of the State of Illinois to

1 replace revenue lost by units of local government and school  
2 districts as a result of the abolition of ad valorem personal  
3 property taxes, pursuant to Article IX, Section 5(c) of the  
4 Constitution of the State of Illinois, or in anticipation of  
5 funding received by the school district under Section 18-8.15.

6 Moneys so transferred to any other fund shall be deemed to be  
7 transferred in anticipation of the collection of that part of  
8 the taxes so levied or to be received which is in excess of the  
9 amount thereof required to pay any warrants or notes and the  
10 interest thereon theretofore and thereafter issued in  
11 anticipation of the collection thereof and such taxes when  
12 collected shall be applied to the payment of any such warrants  
13 and the interest thereon, the amount estimated to be required  
14 to satisfy debt service and pension or retirement obligations,  
15 as set forth in Section 12 of the State Revenue Sharing Act and  
16 then to the reimbursement of such working cash fund as  
17 hereinafter provided.

18 Upon receipt by the school district of any taxes or State  
19 funding in anticipation of the collection whereof moneys of the  
20 working cash fund have been so transferred for disbursement,  
21 the fund shall immediately be reimbursed therefrom until the  
22 full amount so transferred has been retransferred to the fund.  
23 Unless the taxes so received and applied to the reimbursement  
24 of the working cash fund prior to the first day of the eighth  
25 month following the month in which due and unpaid real property  
26 taxes begin to bear interest are sufficient to effect a

1 complete reimbursement of such fund for any moneys transferred  
2 therefrom in anticipation of the collection of such taxes, the  
3 working cash fund shall be reimbursed for the amount of the  
4 deficiency therein from any other revenues accruing to the  
5 educational fund, and the school board shall make provisions  
6 for the immediate reimbursement of the amount of any such  
7 deficiency in its next annual tax levy.

8 (Source: P.A. 96-1277, eff. 7-26-10.)

9 (105 ILCS 5/20-5) (from Ch. 122, par. 20-5)

10 Sec. 20-5. Transfer to other fund. This Section shall not  
11 apply in any school district which does not operate a working  
12 cash fund.

13 Moneys in the working cash fund shall be transferred from  
14 the working cash fund to another fund of the district only upon  
15 the authority of the school board which shall from time to time  
16 by separate resolution direct the school treasurer to make  
17 transfers of such sums as may be required for the purposes  
18 herein authorized.

19 The resolution shall set forth (a) the taxes and State  
20 funding in anticipation of which such transfer is to be made  
21 and from which the working cash fund is to be reimbursed; (b)  
22 the entire amount of taxes extended, or which the school board  
23 estimates will be extended or received, for any year in  
24 anticipation of the collection of all or part of which such  
25 transfer is to be made; (c) the aggregate amount of warrants or

1 notes theretofore issued in anticipation of the collection of  
2 such taxes together with the amount of interest accrued and  
3 which the school board estimates will accrue thereon; (d) the  
4 aggregate amount of receipts from taxes imposed to replace  
5 revenue lost by units of local government and school districts  
6 as a result of the abolition of ad valorem personal property  
7 taxes, pursuant to Article IX, Section 5(c) of the Constitution  
8 of the State of Illinois, which the corporate authorities  
9 estimate will be set aside for the payment of the proportionate  
10 amount of debt service and pension or retirement obligations,  
11 as required by Section 12 of the State Revenue Sharing Act; ~~and~~  
12 (e) the aggregate amount of money theretofore transferred from  
13 the working cash fund to the other fund in anticipation of the  
14 collection of such taxes and State funding; and (f) the  
15 aggregate amount of funding received by the school district  
16 under Section 18-8.15. The amount which any such resolution  
17 shall direct the treasurer so to transfer, in anticipation of  
18 the collection of taxes levied or to be received for any year,  
19 together with the aggregate amount of such anticipation tax  
20 warrants or notes theretofore drawn against such taxes and the  
21 amount of interest accrued and estimated to accrue thereon and  
22 the aggregate amount of such transfers to be made in  
23 anticipation of the collection of such taxes and the amount  
24 estimated to be required to satisfy debt service and pension or  
25 retirement obligations, as set forth in Section 12 of the State  
26 Revenue Sharing Act, shall not exceed 85% of the actual or

1 estimated amount of such taxes extended or to be extended or to  
2 be received as set forth in such resolution. At any time moneys  
3 are available in the working cash fund they shall be  
4 transferred to such other funds of the district and used for  
5 any and all school purposes so as to avoid, whenever possible,  
6 the issuance of anticipation tax warrants or notes.

7 Moneys earned as interest from the investment of the  
8 working cash fund, or any portion thereof, may be transferred  
9 from the working cash fund to another fund of the district that  
10 is most in need of the interest without any requirement of  
11 repayment to the working cash fund, upon the authority of the  
12 school board by separate resolution directing the school  
13 treasurer to make such transfer and stating the purpose in  
14 accordance with subsection (c) of Section 9 of the Local  
15 Government Debt Reform Act.

16 (Source: P.A. 96-1277, eff. 7-26-10.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.