



Sen. Christopher Belt

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10100SB1746sam001

LRB101 10338 AXK 58391 a

1 AMENDMENT TO SENATE BILL 1746

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1746 by replacing  
3 everything after the enacting clause with the following:

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

1 of such district to taxes as by law now or hereafter enacted or  
2 amended, imposed by the General Assembly of the State of  
3 Illinois to replace revenue lost by units of local government  
4 and school districts as a result of the abolition of ad valorem  
5 personal property taxes, pursuant to Article IX, Section 5,  
6 paragraph (c) of the Constitution of the State of Illinois,  
7 plus 85% of the most recent amount of funding received by the  
8 school district under Section 18-8.15. The bonds shall bear  
9 interest at not more than the maximum rate authorized by law  
10 and shall mature within 20 years from the date thereof. Subject  
11 to the foregoing limitations as to amount, the bonds may be  
12 issued in an amount including existing indebtedness which will  
13 not exceed the constitutional limitation as to debt,  
14 notwithstanding any statutory debt limitation to the contrary.  
15 The school board shall before or at the time of issuing the  
16 bonds provide for the collection of a direct annual tax upon  
17 all the taxable property within the district sufficient to pay  
18 the principal thereof at maturity and to pay the interest  
19 thereon as it falls due, which tax shall be in addition to the  
20 maximum amount of all other taxes, either educational;  
21 transportation; operations and maintenance; or fire prevention  
22 and safety fund taxes, now or hereafter authorized and in  
23 addition to any limitations upon the levy of taxes as provided  
24 by Sections 17-2 through 17-9.

25 With respect to instruments for the payment of money issued  
26 under this Section either before, on, or after the effective

1 date of this amendatory Act of 1989, it is and always has been  
2 the intention of the General Assembly (i) that the Omnibus Bond  
3 Acts are and always have been supplementary grants of power to  
4 issue instruments in accordance with the Omnibus Bond Acts,  
5 regardless of any provision of this Act that may appear to be  
6 or to have been more restrictive than those Acts, (ii) that the  
7 provisions of this Section are not a limitation on the  
8 supplementary authority granted by the Omnibus Bond Acts, and  
9 (iii) that instruments issued under this Section within the  
10 supplementary authority granted by the Omnibus Bond Acts are  
11 not invalid because of any provision of this Act that may  
12 appear to be or to have been more restrictive than those Acts.  
13 (Source: P.A. 96-1277, eff. 7-26-10.)

14 (105 ILCS 5/20-4) (from Ch. 122, par. 20-4)

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

18 Moneys derived from the issuance of bonds as authorized by  
19 Section 20-2, or from any tax levied pursuant to Section 20-3,  
20 shall be used only for the purposes and in the manner provided  
21 in this Article. Moneys in the fund shall not be regarded as  
22 current assets available for school purposes. The school board  
23 may appropriate moneys to the working cash fund up to the  
24 maximum amount allowable in the fund, and the working cash fund  
25 may receive such appropriations and any other contributions.

1 Moneys in the fund may be used by the school board for any and  
2 all school purposes and may be transferred in whole or in part  
3 to the general funds or both of the school district and  
4 disbursed therefrom in anticipation of the collection of taxes  
5 lawfully levied for any or all purposes, ~~or~~ in anticipation of  
6 such taxes as by law now or hereafter enacted or amended are  
7 imposed by the General Assembly of the State of Illinois to  
8 replace revenue lost by units of local government and school  
9 districts as a result of the abolition of ad valorem personal  
10 property taxes, pursuant to Article IX, Section 5(c) of the  
11 Constitution of the State of Illinois, or in anticipation of  
12 funding received by the school district under Section 18-8.15.

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

25       Upon receipt by the school district of any taxes or State  
26 funding in anticipation of the collection whereof moneys of the

1 working cash fund have been so transferred for disbursement,  
2 the fund shall immediately be reimbursed therefrom until the  
3 full amount so transferred has been retransferred to the fund.  
4 Unless the taxes so received and applied to the reimbursement  
5 of the working cash fund prior to the first day of the eighth  
6 month following the month in which due and unpaid real property  
7 taxes begin to bear interest are sufficient to effect a  
8 complete reimbursement of such fund for any moneys transferred  
9 therefrom in anticipation of the collection of such taxes, the  
10 working cash fund shall be reimbursed for the amount of the  
11 deficiency therein from any other revenues accruing to the  
12 educational fund, and the school board shall make provisions  
13 for the immediate reimbursement of the amount of any such  
14 deficiency in its next annual tax levy.

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

16 (105 ILCS 5/20-5) (from Ch. 122, par. 20-5)

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

20 Moneys in the working cash fund shall be transferred from  
21 the working cash fund to another fund of the district only upon  
22 the authority of the school board which shall from time to time  
23 by separate resolution direct the school treasurer to make  
24 transfers of such sums as may be required for the purposes  
25 herein authorized.

1           The resolution shall set forth (a) the taxes and State  
2 funding in anticipation of which such transfer is to be made  
3 and from which the working cash fund is to be reimbursed; (b)  
4 the entire amount of taxes extended, or which the school board  
5 estimates will be extended or received, for any year in  
6 anticipation of the collection of all or part of which such  
7 transfer is to be made; (c) the aggregate amount of warrants or  
8 notes theretofore issued in anticipation of the collection of  
9 such taxes together with the amount of interest accrued and  
10 which the school board estimates will accrue thereon; (d) the  
11 aggregate amount of receipts from taxes imposed to replace  
12 revenue lost by units of local government and school districts  
13 as a result of the abolition of ad valorem personal property  
14 taxes, pursuant to Article IX, Section 5(c) of the Constitution  
15 of the State of Illinois, which the corporate authorities  
16 estimate will be set aside for the payment of the proportionate  
17 amount of debt service and pension or retirement obligations,  
18 as required by Section 12 of the State Revenue Sharing Act; ~~and~~  
19 (e) the aggregate amount of money theretofore transferred from  
20 the working cash fund to the other fund in anticipation of the  
21 collection of such taxes and State funding; and (f) the  
22 aggregate amount of funding received by the school district  
23 under Section 18-8.15. The amount which any such resolution  
24 shall direct the treasurer so to transfer, in anticipation of  
25 the collection of taxes levied or to be received for any year,  
26 together with the aggregate amount of such anticipation tax

1 warrants or notes theretofore drawn against such taxes and the  
2 amount of interest accrued and estimated to accrue thereon and  
3 the aggregate amount of such transfers to be made in  
4 anticipation of the collection of such taxes and the amount  
5 estimated to be required to satisfy debt service and pension or  
6 retirement obligations, as set forth in Section 12 of the State  
7 Revenue Sharing Act, shall not exceed 85% of the actual or  
8 estimated amount of such taxes extended or to be extended or to  
9 be received as set forth in such resolution. At any time moneys  
10 are available in the working cash fund they shall be  
11 transferred to such other funds of the district and used for  
12 any and all school purposes so as to avoid, whenever possible,  
13 the issuance of anticipation tax warrants or notes.

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

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

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law."