**Section 50.110 General Standards and Guidelines for the Appropriate Utilization of Bond Proceeds**

a) General. The general uses of Capital Development Bond, School Construction Bond, General Obligation Bond and Build Illinois Bond proceeds appropriated to the Board shall always be and remain consistent with the provisions expressed in Article VIII, Section 1 and Article IX, Section 9 of the 1970 Constitution of the State of Illinois, and with the provisions of the Capital Development Bond Act of 1972 [30 ILCS 420], the School Construction Bond Act [30 ILCS 390], General Obligation Bond Act [30 ILCS 330] and the Build Illinois Bond Act [30 ILCS 425].

b) Bondable Capital Improvements. Bondable capital improvements and related expenditure purposes generally include, but are not limited to, the following:

1) Planning expenses for architectural and engineering design;

2) Real property;

3) Buildings, additions, and/or structures (including required site development or preparation and associated fixed equipment that is required for functional effectiveness);

4) Utilities;

5) Initial durable movable equipment as defined in Section 50.120(e), Durable Movable Equipment;

6) Site improvements;

7) Remodeling and/or Rehabilitation;

8) Direct costs associated with the issuance of State General Obligation Bonds.

c) General Obligation Bond Proceeds.

1) In general, any expenditure purpose shall be considered appropriate for financing from proceeds provided that such expenditure purposes:

A) are not recurring. In this context, recurring expenses are defined as those costs that are incurred at frequent or regular intervals within the initial term of financing, and that would cause pyramiding accumulation of costs for the same expenditure purpose before the expenses initially incurred for such purpose are completely amortized;

B) can be characterized as durable or not readily consumed in use;

C) reflect an extended useful life or longevity that confers long-term (non-transitory) benefits on the citizens of the State of Illinois;

D) are not subject to inherent risk of failure or rapid technological obsolescence, or primarily intended to fulfill temporary requirements;

E) reflect a direct interest of the State of Illinois, including its legally constituted subdivisions, in any real property to be improved, as evidenced by valid title to the real property on which the proposed improvement is to be made, or an easement interest of record that at least encompasses the proposed term of bond financing;

F) appreciably increase, improve, or enhance the equitable interests of the State of Illinois in capital facilities, land, permanent improvements, and related assets;

G) are considered as internal components of a project, which if considered separately may not reflect an extended useful life, but will be bondable provided that such components are initially required for and appreciably contribute to effective functioning, or are otherwise incapable of separation from a more complex unit that in itself is bondable.

2) All seven factors must be present in order for an expenditure purpose to be bondable.

3) Notwithstanding the above prescribed purposes, a nonconforming expenditure may yet be considered bondable if it is deemed to be in the public interest as evidenced by a substantive enactment of the General Assembly. Only Public Acts specifying a project shall be deemed a substantive enactment.