



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5887

by Rep. Grant Wehrli - Avery Bourne

SYNOPSIS AS INTRODUCED:

50 ILCS 470/10
55 ILCS 5/5-1006.7
105 ILCS 5/3-14.31
105 ILCS 5/10-20.43
105 ILCS 5/10-22.36 from Ch. 122, par. 10-22.36
105 ILCS 5/17-2.11 from Ch. 122, par. 17-2.11
105 ILCS 230/5-25

Amends the Counties Code. Provides that counties may impose a tax to be used exclusively for school facility purposes, school resources officers, or mental health professionals (rather than exclusively for school facility purposes). Adds referendum language for referendums for school facility and resources occupation tax proposed after the effective date of the amendatory Act. Provides that the county board may reduce or discontinue a school facility and resource occupation tax imposed by referendum after the effective date of the amendatory Act after county board ordinance or resolution and referendum. Amends the Innovation Development and Economy Act, the School Code, and the School Construction Law to make conforming changes. Effective immediately.

LRB100 21966 AWJ 39980 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Innovation Development and Economy Act is
5 amended by changing Section 10 as follows:

6 (50 ILCS 470/10)

7 Sec. 10. Definitions. As used in this Act, the following
8 words and phrases shall have the following meanings unless a
9 different meaning clearly appears from the context:

10 "Base year" means the calendar year immediately prior to
11 the calendar year in which the STAR bond district is
12 established.

13 "Commence work" means the manifest commencement of actual
14 operations on the development site, such as, erecting a
15 building, general on-site and off-site grading and utility
16 installations, commencing design and construction
17 documentation, ordering lead-time materials, excavating the
18 ground to lay a foundation or a basement, or work of like
19 description which a reasonable person would recognize as being
20 done with the intention and purpose to continue work until the
21 project is completed.

22 "County" means the county in which a proposed STAR bond
23 district is located.

1 "De minimis" means an amount less than 15% of the land area
2 within a STAR bond district.

3 "Department of Revenue" means the Department of Revenue of
4 the State of Illinois.

5 "Destination user" means an owner, operator, licensee,
6 co-developer, subdeveloper, or tenant (i) that operates a
7 business within a STAR bond district that is a retail store
8 having at least 150,000 square feet of sales floor area; (ii)
9 that at the time of opening does not have another Illinois
10 location within a 70 mile radius; (iii) that has an annual
11 average of not less than 30% of customers who travel from at
12 least 75 miles away or from out-of-state, as demonstrated by
13 data from a comparable existing store or stores, or, if there
14 is no comparable existing store, as demonstrated by an economic
15 analysis that shows that the proposed retailer will have an
16 annual average of not less than 30% of customers who travel
17 from at least 75 miles away or from out-of-state; and (iv) that
18 makes an initial capital investment, including project costs
19 and other direct costs, of not less than \$30,000,000 for such
20 retail store.

21 "Destination hotel" means a hotel (as that term is defined
22 in Section 2 of the Hotel Operators' Occupation Tax Act)
23 complex having at least 150 guest rooms and which also includes
24 a venue for entertainment attractions, rides, or other
25 activities oriented toward the entertainment and amusement of
26 its guests and other patrons.

1 "Developer" means any individual, corporation, trust,
2 estate, partnership, limited liability partnership, limited
3 liability company, or other entity. The term does not include a
4 not-for-profit entity, political subdivision, or other agency
5 or instrumentality of the State.

6 "Director" means the Director of Revenue, who shall consult
7 with the Director of Commerce and Economic Opportunity in any
8 approvals or decisions required by the Director under this Act.

9 "Economic impact study" means a study conducted by an
10 independent economist to project the financial benefit of the
11 proposed STAR bond project to the local, regional, and State
12 economies, consider the proposed adverse impacts on similar
13 projects and businesses, as well as municipalities within the
14 projected market area, and draw conclusions about the net
15 effect of the proposed STAR bond project on the local,
16 regional, and State economies. A copy of the economic impact
17 study shall be provided to the Director for review.

18 "Eligible area" means any improved or vacant area that (i)
19 is contiguous and is not, in the aggregate, less than 250 acres
20 nor more than 500 acres which must include only parcels of real
21 property directly and substantially benefited by the proposed
22 STAR bond district plan, (ii) is adjacent to a federal
23 interstate highway, (iii) is within one mile of 2 State
24 highways, (iv) is within one mile of an entertainment user, or
25 a major or minor league sports stadium or other similar
26 entertainment venue that had an initial capital investment of

1 at least \$20,000,000, and (v) includes land that was previously
2 surface or strip mined. The area may be bisected by streets,
3 highways, roads, alleys, railways, bike paths, streams,
4 rivers, and other waterways and still be deemed contiguous. In
5 addition, in order to constitute an eligible area one of the
6 following requirements must be satisfied and all of which are
7 subject to the review and approval of the Director as provided
8 in subsection (d) of Section 15:

9 (a) the governing body of the political subdivision
10 shall have determined that the area meets the requirements
11 of a "blighted area" as defined under the Tax Increment
12 Allocation Redevelopment Act; or

13 (b) the governing body of the political subdivision
14 shall have determined that the area is a blighted area as
15 determined under the provisions of Section 11-74.3-5 of the
16 Illinois Municipal Code; or

17 (c) the governing body of the political subdivision
18 shall make the following findings:

19 (i) that the vacant portions of the area have
20 remained vacant for at least one year, or that any
21 building located on a vacant portion of the property
22 was demolished within the last year and that the
23 building would have qualified under item (ii) of this
24 subsection;

25 (ii) if portions of the area are currently
26 developed, that the use, condition, and character of

1 the buildings on the property are not consistent with
2 the purposes set forth in Section 5;

3 (iii) that the STAR bond district is expected to
4 create or retain job opportunities within the
5 political subdivision;

6 (iv) that the STAR bond district will serve to
7 further the development of adjacent areas;

8 (v) that without the availability of STAR bonds,
9 the projects described in the STAR bond district plan
10 would not be possible;

11 (vi) that the master developer meets high
12 standards of creditworthiness and financial strength
13 as demonstrated by one or more of the following: (i)
14 corporate debenture ratings of BBB or higher by
15 Standard & Poor's Corporation or Baa or higher by
16 Moody's Investors Service, Inc.; (ii) a letter from a
17 financial institution with assets of \$10,000,000 or
18 more attesting to the financial strength of the master
19 developer; or (iii) specific evidence of equity
20 financing for not less than 10% of the estimated total
21 STAR bond project costs;

22 (vii) that the STAR bond district will strengthen
23 the commercial sector of the political subdivision;

24 (viii) that the STAR bond district will enhance the
25 tax base of the political subdivision; and

26 (ix) that the formation of a STAR bond district is

1 in the best interest of the political subdivision.

2 "Entertainment user" means an owner, operator, licensee,
3 co-developer, subdeveloper, or tenant that operates a business
4 within a STAR bond district that has a primary use of providing
5 a venue for entertainment attractions, rides, or other
6 activities oriented toward the entertainment and amusement of
7 its patrons, occupies at least 20 acres of land in the STAR
8 bond district, and makes an initial capital investment,
9 including project costs and other direct and indirect costs, of
10 not less than \$25,000,000 for that venue.

11 "Feasibility study" means a feasibility study as defined in
12 subsection (b) of Section 20.

13 "Infrastructure" means the public improvements and private
14 improvements that serve the public purposes set forth in
15 Section 5 of this Act and that benefit the STAR bond district
16 or any STAR bond projects, including, but not limited to,
17 streets, drives and driveways, traffic and directional signs
18 and signals, parking lots and parking facilities,
19 interchanges, highways, sidewalks, bridges, underpasses and
20 overpasses, bike and walking trails, sanitary storm sewers and
21 lift stations, drainage conduits, channels, levees, canals,
22 storm water detention and retention facilities, utilities and
23 utility connections, water mains and extensions, and street and
24 parking lot lighting and connections.

25 "Local sales taxes" means any locally imposed taxes
26 received by a municipality, county, or other local governmental

1 entity arising from sales by retailers and servicemen within a
2 STAR bond district, including business district sales taxes and
3 STAR bond occupation taxes, and that portion of the net revenue
4 realized under the Retailers' Occupation Tax Act, the Use Tax
5 Act, the Service Use Tax Act, and the Service Occupation Tax
6 Act from transactions at places of business located within a
7 STAR bond district that is deposited into the Local Government
8 Tax Fund and the County and Mass Transit District Fund. For the
9 purpose of this Act, "local sales taxes" does not include (i)
10 any taxes authorized pursuant to the Local Mass Transit
11 District Act or the Metro-East Park and Recreation District Act
12 for so long as the applicable taxing district does not impose a
13 tax on real property, (ii) county school facility and resources
14 occupation taxes imposed pursuant to Section 5-1006.7 of the
15 Counties Code, or (iii) any taxes authorized under the Flood
16 Prevention District Act.

17 "Local sales tax increment" means, with respect to local
18 sales taxes administered by the Illinois Department of Revenue,
19 (i) all of the local sales tax paid by destination users,
20 destination hotels, and entertainment users that is in excess
21 of the local sales tax paid by destination users, destination
22 hotels, and entertainment users for the same month in the base
23 year, as determined by the Illinois Department of Revenue, (ii)
24 in the case of a municipality forming a STAR bond district that
25 is wholly within the corporate boundaries of the municipality
26 and in the case of a municipality and county forming a STAR

1 bond district that is only partially within such municipality,
2 that portion of the local sales tax paid by taxpayers that are
3 not destination users, destination hotels, or entertainment
4 users that is in excess of the local sales tax paid by
5 taxpayers that are not destination users, destination hotels,
6 or entertainment users for the same month in the base year, as
7 determined by the Illinois Department of Revenue, and (iii) in
8 the case of a county in which a STAR bond district is formed
9 that is wholly within a municipality, that portion of the local
10 sales tax paid by taxpayers that are not destination users,
11 destination hotels, or entertainment users that is in excess of
12 the local sales tax paid by taxpayers that are not destination
13 users, destination hotels, or entertainment users for the same
14 month in the base year, as determined by the Illinois
15 Department of Revenue, but only if the corporate authorities of
16 the county adopts an ordinance, and files a copy with the
17 Department within the same time frames as required for STAR
18 bond occupation taxes under Section 31, that designates the
19 taxes referenced in this clause (iii) as part of the local
20 sales tax increment under this Act. "Local sales tax increment"
21 means, with respect to local sales taxes administered by a
22 municipality, county, or other unit of local government, that
23 portion of the local sales tax that is in excess of the local
24 sales tax for the same month in the base year, as determined by
25 the respective municipality, county, or other unit of local
26 government. If any portion of local sales taxes are, at the

1 time of formation of a STAR bond district, already subject to
2 tax increment financing under the Tax Increment Allocation
3 Redevelopment Act, then the local sales tax increment for such
4 portion shall be frozen at the base year established in
5 accordance with this Act, and all future incremental increases
6 shall be included in the "local sales tax increment" under this
7 Act. Any party otherwise entitled to receipt of incremental
8 local sales tax revenues through an existing tax increment
9 financing district shall be entitled to continue to receive
10 such revenues up to the amount frozen in the base year. Nothing
11 in this Act shall affect the prior qualification of existing
12 redevelopment project costs incurred that are eligible for
13 reimbursement under the Tax Increment Allocation Redevelopment
14 Act. In such event, prior to approving a STAR bond district,
15 the political subdivision forming the STAR bond district shall
16 take such action as is necessary, including amending the
17 existing tax increment financing district redevelopment plan,
18 to carry out the provisions of this Act. The Illinois
19 Department of Revenue shall allocate the local sales tax
20 increment only if the local sales tax is administered by the
21 Department.

22 "Market study" means a study to determine the ability of
23 the proposed STAR bond project to gain market share locally and
24 regionally and to remain profitable past the term of repayment
25 of STAR bonds.

26 "Master developer" means a developer cooperating with a

1 political subdivision to plan, develop, and implement a STAR
2 bond project plan for a STAR bond district. Subject to the
3 limitations of Section 25, the master developer may work with
4 and transfer certain development rights to other developers for
5 the purpose of implementing STAR bond project plans and
6 achieving the purposes of this Act. A master developer for a
7 STAR bond district shall be appointed by a political
8 subdivision in the resolution establishing the STAR bond
9 district, and the master developer must, at the time of
10 appointment, own or have control of, through purchase
11 agreements, option contracts, or other means, not less than 50%
12 of the acreage within the STAR bond district and the master
13 developer or its affiliate must have ownership or control on
14 June 1, 2010.

15 "Master development agreement" means an agreement between
16 the master developer and the political subdivision to govern a
17 STAR bond district and any STAR bond projects.

18 "Municipality" means the city, village, or incorporated
19 town in which a proposed STAR bond district is located.

20 "Pledged STAR revenues" means those sales tax and revenues
21 and other sources of funds pledged to pay debt service on STAR
22 bonds or to pay project costs pursuant to Section 30.
23 Notwithstanding any provision to the contrary, the following
24 revenues shall not constitute pledged STAR revenues or be
25 available to pay principal and interest on STAR bonds: any
26 State sales tax increment or local sales tax increment from a

1 retail entity initiating operations in a STAR bond district
2 while terminating operations at another Illinois location
3 within 25 miles of the STAR bond district. For purposes of this
4 paragraph, "terminating operations" means a closing of a retail
5 operation that is directly related to the opening of the same
6 operation or like retail entity owned or operated by more than
7 50% of the original ownership in a STAR bond district within
8 one year before or after initiating operations in the STAR bond
9 district, but it does not mean closing an operation for reasons
10 beyond the control of the retail entity, as documented by the
11 retail entity, subject to a reasonable finding by the
12 municipality (or county if such retail operation is not located
13 within a municipality) in which the terminated operations were
14 located that the closed location contained inadequate space,
15 had become economically obsolete, or was no longer a viable
16 location for the retailer or serviceman.

17 "Political subdivision" means a municipality or county
18 which undertakes to establish a STAR bond district pursuant to
19 the provisions of this Act.

20 "Project costs" means and includes the sum total of all
21 costs incurred or estimated to be incurred on or following the
22 date of establishment of a STAR bond district that are
23 reasonable or necessary to implement a STAR bond district plan
24 or any STAR bond project plans, or both, including costs
25 incurred for public improvements and private improvements that
26 serve the public purposes set forth in Section 5 of this Act.

1 Such costs include without limitation the following:

2 (a) costs of studies, surveys, development of plans and
3 specifications, formation, implementation, and
4 administration of a STAR bond district, STAR bond district
5 plan, any STAR bond projects, or any STAR bond project
6 plans, including, but not limited to, staff and
7 professional service costs for architectural, engineering,
8 legal, financial, planning, or other services, provided
9 however that no charges for professional services may be
10 based on a percentage of the tax increment collected and no
11 contracts for professional services, excluding
12 architectural and engineering services, may be entered
13 into if the terms of the contract extend beyond a period of
14 3 years;

15 (b) property assembly costs, including, but not
16 limited to, acquisition of land and other real property or
17 rights or interests therein, located within the boundaries
18 of a STAR bond district, demolition of buildings, site
19 preparation, site improvements that serve as an engineered
20 barrier addressing ground level or below ground
21 environmental contamination, including, but not limited
22 to, parking lots and other concrete or asphalt barriers,
23 the clearing and grading of land, and importing additional
24 soil and fill materials, or removal of soil and fill
25 materials from the site;

26 (c) subject to paragraph (d), costs of buildings and

1 other vertical improvements that are located within the
2 boundaries of a STAR bond district and owned by a political
3 subdivision or other public entity, including without
4 limitation police and fire stations, educational
5 facilities, and public restrooms and rest areas;

6 (c-1) costs of buildings and other vertical
7 improvements that are located within the boundaries of a
8 STAR bond district and owned by a destination user or
9 destination hotel; except that only 2 destination users in
10 a STAR bond district and one destination hotel are eligible
11 to include the cost of those vertical improvements as
12 project costs;

13 (c-5) costs of buildings; rides and attractions, which
14 include carousels, slides, roller coasters, displays,
15 models, towers, works of art, and similar theme and
16 amusement park improvements; and other vertical
17 improvements that are located within the boundaries of a
18 STAR bond district and owned by an entertainment user;
19 except that only one entertainment user in a STAR bond
20 district is eligible to include the cost of those vertical
21 improvements as project costs;

22 (d) costs of the design and construction of
23 infrastructure and public works located within the
24 boundaries of a STAR bond district that are reasonable or
25 necessary to implement a STAR bond district plan or any
26 STAR bond project plans, or both, except that project costs

1 shall not include the cost of constructing a new municipal
2 public building principally used to provide offices,
3 storage space, or conference facilities or vehicle
4 storage, maintenance, or repair for administrative, public
5 safety, or public works personnel and that is not intended
6 to replace an existing public building unless the political
7 subdivision makes a reasonable determination in a STAR bond
8 district plan or any STAR bond project plans, supported by
9 information that provides the basis for that
10 determination, that the new municipal building is required
11 to meet an increase in the need for public safety purposes
12 anticipated to result from the implementation of the STAR
13 bond district plan or any STAR bond project plans;

14 (e) costs of the design and construction of the
15 following improvements located outside the boundaries of a
16 STAR bond district, provided that the costs are essential
17 to further the purpose and development of a STAR bond
18 district plan and either (i) part of and connected to
19 sewer, water, or utility service lines that physically
20 connect to the STAR bond district or (ii) significant
21 improvements for adjacent offsite highways, streets,
22 roadways, and interchanges that are approved by the
23 Illinois Department of Transportation. No other cost of
24 infrastructure and public works improvements located
25 outside the boundaries of a STAR bond district may be
26 deemed project costs;

1 (f) costs of job training and retraining projects,
2 including the cost of "welfare to work" programs
3 implemented by businesses located within a STAR bond
4 district;

5 (g) financing costs, including, but not limited to, all
6 necessary and incidental expenses related to the issuance
7 of obligations and which may include payment of interest on
8 any obligations issued hereunder including interest
9 accruing during the estimated period of construction of any
10 improvements in a STAR bond district or any STAR bond
11 projects for which such obligations are issued and for not
12 exceeding 36 months thereafter and including reasonable
13 reserves related thereto;

14 (h) to the extent the political subdivision by written
15 agreement accepts and approves the same, all or a portion
16 of a taxing district's capital costs resulting from a STAR
17 bond district or STAR bond projects necessarily incurred or
18 to be incurred within a taxing district in furtherance of
19 the objectives of a STAR bond district plan or STAR bond
20 project plans;

21 (i) interest cost incurred by a developer for project
22 costs related to the acquisition, formation,
23 implementation, development, construction, and
24 administration of a STAR bond district, STAR bond district
25 plan, STAR bond projects, or any STAR bond project plans
26 provided that:

1 (i) payment of such costs in any one year may not
2 exceed 30% of the annual interest costs incurred by the
3 developer with regard to the STAR bond district or any
4 STAR bond projects during that year; and

5 (ii) the total of such interest payments paid
6 pursuant to this Act may not exceed 30% of the total
7 cost paid or incurred by the developer for a STAR bond
8 district or STAR bond projects, plus project costs,
9 excluding any property assembly costs incurred by a
10 political subdivision pursuant to this Act;

11 (j) costs of common areas located within the boundaries
12 of a STAR bond district;

13 (k) costs of landscaping and plantings, retaining
14 walls and fences, man-made lakes and ponds, shelters,
15 benches, lighting, and similar amenities located within
16 the boundaries of a STAR bond district;

17 (l) costs of mounted building signs, site monument, and
18 pylon signs located within the boundaries of a STAR bond
19 district; or

20 (m) if included in the STAR bond district plan and
21 approved in writing by the Director, salaries or a portion
22 of salaries for local government employees to the extent
23 the same are directly attributable to the work of such
24 employees on the establishment and management of a STAR
25 bond district or any STAR bond projects.

26 Except as specified in items (a) through (m), "project

1 costs" shall not include:

2 (i) the cost of construction of buildings that are
3 privately owned or owned by a municipality and leased to a
4 developer or retail user for non-entertainment retail
5 uses;

6 (ii) moving expenses for employees of the businesses
7 locating within the STAR bond district;

8 (iii) property taxes for property located in the STAR
9 bond district;

10 (iv) lobbying costs; and

11 (v) general overhead or administrative costs of the
12 political subdivision that would still have been incurred
13 by the political subdivision if the political subdivision
14 had not established a STAR bond district.

15 "Project development agreement" means any one or more
16 agreements, including any amendments thereto, between a master
17 developer and any co-developer or subdeveloper in connection
18 with a STAR bond project, which project development agreement
19 may include the political subdivision as a party.

20 "Projected market area" means any area within the State in
21 which a STAR bond district or STAR bond project is projected to
22 have a significant fiscal or market impact as determined by the
23 Director.

24 "Resolution" means a resolution, order, ordinance, or
25 other appropriate form of legislative action of a political
26 subdivision or other applicable public entity approved by a

1 vote of a majority of a quorum at a meeting of the governing
2 body of the political subdivision or applicable public entity.

3 "STAR bond" means a sales tax and revenue bond, note, or
4 other obligation payable from pledged STAR revenues and issued
5 by a political subdivision, the proceeds of which shall be used
6 only to pay project costs as defined in this Act.

7 "STAR bond district" means the specific area declared to be
8 an eligible area as determined by the political subdivision,
9 and approved by the Director, in which the political
10 subdivision may develop one or more STAR bond projects.

11 "STAR bond district plan" means the preliminary or
12 conceptual plan that generally identifies the proposed STAR
13 bond project areas and identifies in a general manner the
14 buildings, facilities, and improvements to be constructed or
15 improved in each STAR bond project area.

16 "STAR bond project" means a project within a STAR bond
17 district which is approved pursuant to Section 20.

18 "STAR bond project area" means the geographic area within a
19 STAR bond district in which there may be one or more STAR bond
20 projects.

21 "STAR bond project plan" means the written plan adopted by
22 a political subdivision for the development of a STAR bond
23 project in a STAR bond district; the plan may include, but is
24 not limited to, (i) project costs incurred prior to the date of
25 the STAR bond project plan and estimated future STAR bond
26 project costs, (ii) proposed sources of funds to pay those

1 costs, (iii) the nature and estimated term of any obligations
2 to be issued by the political subdivision to pay those costs,
3 (iv) the most recent equalized assessed valuation of the STAR
4 bond project area, (v) an estimate of the equalized assessed
5 valuation of the STAR bond district or applicable project area
6 after completion of a STAR bond project, (vi) a general
7 description of the types of any known or proposed developers,
8 users, or tenants of the STAR bond project or projects included
9 in the plan, (vii) a general description of the type,
10 structure, and character of the property or facilities to be
11 developed or improved, (viii) a description of the general land
12 uses to apply to the STAR bond project, and (ix) a general
13 description or an estimate of the type, class, and number of
14 employees to be employed in the operation of the STAR bond
15 project.

16 "State sales tax" means all of the net revenue realized
17 under the Retailers' Occupation Tax Act, the Use Tax Act, the
18 Service Use Tax Act, and the Service Occupation Tax Act from
19 transactions at places of business located within a STAR bond
20 district, excluding that portion of the net revenue realized
21 under the Retailers' Occupation Tax Act, the Use Tax Act, the
22 Service Use Tax Act, and the Service Occupation Tax Act from
23 transactions at places of business located within a STAR bond
24 district that is deposited into the Local Government Tax Fund
25 and the County and Mass Transit District Fund.

26 "State sales tax increment" means (i) 100% of that portion

1 of the State sales tax that is in excess of the State sales tax
2 for the same month in the base year, as determined by the
3 Department of Revenue, from transactions at up to 2 destination
4 users, one destination hotel, and one entertainment user
5 located within a STAR bond district, which destination users,
6 destination hotel, and entertainment user shall be designated
7 by the master developer and approved by the political
8 subdivision and the Director in conjunction with the applicable
9 STAR bond project approval, and (ii) 25% of that portion of the
10 State sales tax that is in excess of the State sales tax for
11 the same month in the base year, as determined by the
12 Department of Revenue, from all other transactions within a
13 STAR bond district. If any portion of State sales taxes are, at
14 the time of formation of a STAR bond district, already subject
15 to tax increment financing under the Tax Increment Allocation
16 Redevelopment Act, then the State sales tax increment for such
17 portion shall be frozen at the base year established in
18 accordance with this Act, and all future incremental increases
19 shall be included in the State sales tax increment under this
20 Act. Any party otherwise entitled to receipt of incremental
21 State sales tax revenues through an existing tax increment
22 financing district shall be entitled to continue to receive
23 such revenues up to the amount frozen in the base year. Nothing
24 in this Act shall affect the prior qualification of existing
25 redevelopment project costs incurred that are eligible for
26 reimbursement under the Tax Increment Allocation Redevelopment

1 Act. In such event, prior to approving a STAR bond district,
2 the political subdivision forming the STAR bond district shall
3 take such action as is necessary, including amending the
4 existing tax increment financing district redevelopment plan,
5 to carry out the provisions of this Act.

6 "Substantial change" means a change wherein the proposed
7 STAR bond project plan differs substantially in size, scope, or
8 use from the approved STAR bond district plan or STAR bond
9 project plan.

10 "Taxpayer" means an individual, partnership, corporation,
11 limited liability company, trust, estate, or other entity that
12 is subject to the Illinois Income Tax Act.

13 "Total development costs" means the aggregate public and
14 private investment in a STAR bond district, including project
15 costs and other direct and indirect costs related to the
16 development of the STAR bond district.

17 "Traditional retail use" means the operation of a business
18 that derives at least 90% of its annual gross revenue from
19 sales at retail, as that phrase is defined by Section 1 of the
20 Retailers' Occupation Tax Act, but does not include the
21 operations of destination users, entertainment users,
22 restaurants, hotels, retail uses within hotels, or any other
23 non-retail uses.

24 "Vacant" means that portion of the land in a proposed STAR
25 bond district that is not occupied by a building, facility, or
26 other vertical improvement.

1 (Source: P.A. 99-642, eff. 7-28-16.)

2 Section 10. The Counties Code is amended by changing
3 Section 5-1006.7 as follows:

4 (55 ILCS 5/5-1006.7)

5 Sec. 5-1006.7. School facility and resources occupation
6 taxes.

7 (a) In any county, a tax shall be imposed upon all persons
8 engaged in the business of selling tangible personal property,
9 other than personal property titled or registered with an
10 agency of this State's government, at retail in the county on
11 the gross receipts from the sales made in the course of
12 business to provide revenue to be used exclusively for (i)
13 school facility purposes, (ii) school resource officers and
14 mental health professionals, or (iii) school facility
15 purposes, school resource officers, and mental health
16 professionals, if a proposition for the tax has been submitted
17 to the electors of that county and approved by a majority of
18 those voting on the question as provided in subsection (c). The
19 tax under this Section shall be imposed only in one-quarter
20 percent increments and may not exceed 1%.

21 This additional tax may not be imposed on the sale of food
22 for human consumption that is to be consumed off the premises
23 where it is sold (other than alcoholic beverages, soft drinks,
24 and food that has been prepared for immediate consumption) and

1 prescription and non-prescription medicines, drugs, medical
2 appliances and insulin, urine testing materials, syringes and
3 needles used by diabetics. The Department of Revenue has full
4 power to administer and enforce this subsection, to collect all
5 taxes and penalties due under this subsection, to dispose of
6 taxes and penalties so collected in the manner provided in this
7 subsection, and to determine all rights to credit memoranda
8 arising on account of the erroneous payment of a tax or penalty
9 under this subsection. The Department shall deposit all taxes
10 and penalties collected under this subsection into a special
11 fund created for that purpose.

12 In the administration of and compliance with this
13 subsection, the Department and persons who are subject to this
14 subsection (i) have the same rights, remedies, privileges,
15 immunities, powers, and duties, (ii) are subject to the same
16 conditions, restrictions, limitations, penalties, and
17 definitions of terms, and (iii) shall employ the same modes of
18 procedure as are set forth in Sections 1 through 10, 2 through
19 2-70 (in respect to all provisions contained in those Sections
20 other than the State rate of tax), 2a through 2h, 3 (except as
21 to the disposition of taxes and penalties collected), 4, 5, 5a,
22 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d,
23 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation
24 Tax Act and all provisions of the Uniform Penalty and Interest
25 Act as if those provisions were set forth in this subsection.

26 The certificate of registration that is issued by the

1 Department to a retailer under the Retailers' Occupation Tax
2 Act permits the retailer to engage in a business that is
3 taxable without registering separately with the Department
4 under an ordinance or resolution under this subsection.

5 Persons subject to any tax imposed under the authority
6 granted in this subsection may reimburse themselves for their
7 seller's tax liability by separately stating that tax as an
8 additional charge, which may be stated in combination, in a
9 single amount, with State tax that sellers are required to
10 collect under the Use Tax Act, pursuant to any bracketed
11 schedules set forth by the Department.

12 (b) If a tax has been imposed under subsection (a), then a
13 service occupation tax must also be imposed at the same rate
14 upon all persons engaged, in the county, in the business of
15 making sales of service, who, as an incident to making those
16 sales of service, transfer tangible personal property within
17 the county as an incident to a sale of service.

18 This tax may not be imposed on sales of food for human
19 consumption that is to be consumed off the premises where it is
20 sold (other than alcoholic beverages, soft drinks, and food
21 prepared for immediate consumption) and prescription and
22 non-prescription medicines, drugs, medical appliances and
23 insulin, urine testing materials, syringes, and needles used by
24 diabetics.

25 The tax imposed under this subsection and all civil
26 penalties that may be assessed as an incident thereof shall be

1 collected and enforced by the Department and deposited into a
2 special fund created for that purpose. The Department has full
3 power to administer and enforce this subsection, to collect all
4 taxes and penalties due under this subsection, to dispose of
5 taxes and penalties so collected in the manner provided in this
6 subsection, and to determine all rights to credit memoranda
7 arising on account of the erroneous payment of a tax or penalty
8 under this subsection.

9 In the administration of and compliance with this
10 subsection, the Department and persons who are subject to this
11 subsection shall (i) have the same rights, remedies,
12 privileges, immunities, powers and duties, (ii) be subject to
13 the same conditions, restrictions, limitations, penalties and
14 definition of terms, and (iii) employ the same modes of
15 procedure as are set forth in Sections 2 (except that that
16 reference to State in the definition of supplier maintaining a
17 place of business in this State means the county), 2a through
18 2d, 3 through 3-50 (in respect to all provisions contained in
19 those Sections other than the State rate of tax), 4 (except
20 that the reference to the State shall be to the county), 5, 7,
21 8 (except that the jurisdiction to which the tax is a debt to
22 the extent indicated in that Section 8 is the county), 9
23 (except as to the disposition of taxes and penalties
24 collected), 10, 11, 12 (except the reference therein to Section
25 2b of the Retailers' Occupation Tax Act), 13 (except that any
26 reference to the State means the county), Section 15, 16, 17,

1 18, 19, and 20 of the Service Occupation Tax Act and all
2 provisions of the Uniform Penalty and Interest Act, as fully as
3 if those provisions were set forth herein.

4 Persons subject to any tax imposed under the authority
5 granted in this subsection may reimburse themselves for their
6 serviceman's tax liability by separately stating the tax as an
7 additional charge, which may be stated in combination, in a
8 single amount, with State tax that servicemen are authorized to
9 collect under the Service Use Tax Act, pursuant to any
10 bracketed schedules set forth by the Department.

11 (c) The tax under this Section may not be imposed until the
12 question of imposing the tax has been submitted to the electors
13 of the county at a regular election and approved by a majority
14 of the electors voting on the question. For all regular
15 elections held prior to August 23, 2011 (the effective date of
16 Public Act 97-542), upon a resolution by the county board or a
17 resolution by school district boards that represent at least
18 51% of the student enrollment within the county, the county
19 board must certify the question to the proper election
20 authority in accordance with the Election Code.

21 For all regular elections held prior to August 23, 2011
22 (the effective date of Public Act 97-542), the election
23 authority must submit the question in substantially the
24 following form:

25 Shall (name of county) be authorized to impose a
26 retailers' occupation tax and a service occupation tax

1 (commonly referred to as a "sales tax") at a rate of
2 (insert rate) to be used exclusively for school facility
3 purposes?

4 The election authority must record the votes as "Yes" or "No".

5 If a majority of the electors voting on the question vote
6 in the affirmative, then the county may, thereafter, impose the
7 tax.

8 For all regular elections held on or after August 23, 2011
9 (the effective date of Public Act 97-542), the regional
10 superintendent of schools for the county must, upon receipt of
11 a resolution or resolutions of school district boards that
12 represent more than 50% of the student enrollment within the
13 county, certify the question to the proper election authority
14 for submission to the electors of the county at the next
15 regular election at which the question lawfully may be
16 submitted to the electors, all in accordance with the Election
17 Code.

18 For all regular elections held on or after August 23, 2011
19 (the effective date of Public Act 97-542) and before the
20 effective date of this amendatory Act of the 100th General
21 Assembly, the election authority must submit the question in
22 substantially the following form:

23 Shall a retailers' occupation tax and a service
24 occupation tax (commonly referred to as a "sales tax") be
25 imposed in (name of county) at a rate of (insert rate) to
26 be used exclusively for school facility purposes?

1 The election authority must record the votes as "Yes" or "No".

2 If a majority of the electors voting on the question vote
3 in the affirmative, then the tax shall be imposed at the rate
4 set forth in the question.

5 For all regular elections held on or after the effective
6 date of this amendatory Act of the 100th General Assembly, the
7 election authority must submit the question as follows:

8 (1) If the referendum is to expand the use of revenues
9 from a currently imposed tax exclusively for school
10 facility purposes to include school resource officers and
11 mental health professionals, the question shall be in
12 substantially the following form:

13 In addition to school facility purposes, shall
14 (name of county) school districts be authorized to use
15 revenues from the tax commonly referred to as the
16 school facility sales tax that is currently imposed in
17 (name of county) at a rate of (insert rate) for school
18 resource officers and mental health professionals?

19 (2) If the referendum is to increase the rate of a tax
20 currently imposed exclusively for school facility purposes
21 at less than 1% and dedicate the additional revenues for
22 school resource officers and mental health professionals,
23 the question shall be in substantially the following form:

24 Shall the tax commonly referred to as the school
25 facility sales tax that is currently imposed in (name
26 of county) at the rate of (insert rate) be increased to

1 a rate of (insert rate) with the additional revenues
2 used exclusively for school resource officers and
3 mental health professionals?

4 (3) If the referendum is to impose a tax in a county
5 that has not previously imposed a tax under this Section
6 exclusively for school facility purposes, the question
7 shall be in substantially the following form:

8 Shall a retailers' occupation tax and a service
9 occupation tax (commonly referred to as a sales tax) be
10 imposed in (name of county) at a rate of (insert rate)
11 to be used exclusively for school facility purposes?

12 (4) If the referendum is to impose a tax in a county
13 that has not previously imposed a tax under this Section
14 exclusively for school resource officers and mental health
15 professionals, the question shall be in substantially the
16 following form:

17 Shall a retailers' occupation tax and a service
18 occupation tax (commonly referred to as a sales tax) be
19 imposed in (name of county) at a rate of (insert rate)
20 to be used exclusively for school resource officers and
21 mental health professionals?

22 (5) If the referendum is to impose a tax in a county
23 that has not previously imposed a tax under this Section
24 exclusively for school facility purposes, school resource
25 officers, and mental health professionals, the question
26 shall be in substantially the following form:

1 Shall a retailers' occupation tax and a service
2 occupation tax (commonly referred to as a sales tax) be
3 imposed in (name of county) at a rate of (insert rate)
4 to be used exclusively for school facility purposes,
5 school resource officers, and mental health
6 professionals?

7 The election authority must record the votes as "Yes" or
8 "No".

9 If a majority of the electors voting on the question vote
10 in the affirmative, then the tax shall be imposed at the rate
11 set forth in the question.

12 For the purposes of this subsection (c), "enrollment" means
13 the head count of the students residing in the county on the
14 last school day of September of each year, which must be
15 reported on the Illinois State Board of Education Public School
16 Fall Enrollment/Housing Report.

17 (d) The Department shall immediately pay over to the State
18 Treasurer, ex officio, as trustee, all taxes and penalties
19 collected under this Section to be deposited into the School
20 Facility Occupation Tax Fund, which shall be an unappropriated
21 trust fund held outside the State treasury.

22 On or before the 25th day of each calendar month, the
23 Department shall prepare and certify to the Comptroller the
24 disbursement of stated sums of money to the regional
25 superintendents of schools in counties from which retailers or
26 servicemen have paid taxes or penalties to the Department

1 during the second preceding calendar month. The amount to be
2 paid to each regional superintendent of schools and disbursed
3 to him or her in accordance with Section 3-14.31 of the School
4 Code, is equal to the amount (not including credit memoranda)
5 collected from the county under this Section during the second
6 preceding calendar month by the Department, (i) less 2% of that
7 amount, which shall be deposited into the Tax Compliance and
8 Administration Fund and shall be used by the Department,
9 subject to appropriation, to cover the costs of the Department
10 in administering and enforcing the provisions of this Section,
11 on behalf of the county, (ii) plus an amount that the
12 Department determines is necessary to offset any amounts that
13 were erroneously paid to a different taxing body; (iii) less an
14 amount equal to the amount of refunds made during the second
15 preceding calendar month by the Department on behalf of the
16 county; and (iv) less any amount that the Department determines
17 is necessary to offset any amounts that were payable to a
18 different taxing body but were erroneously paid to the county.
19 When certifying the amount of a monthly disbursement to a
20 regional superintendent of schools under this Section, the
21 Department shall increase or decrease the amounts by an amount
22 necessary to offset any miscalculation of previous
23 disbursements within the previous 6 months from the time a
24 miscalculation is discovered.

25 Within 10 days after receipt by the Comptroller from the
26 Department of the disbursement certification to the regional

1 superintendents of the schools provided for in this Section,
2 the Comptroller shall cause the orders to be drawn for the
3 respective amounts in accordance with directions contained in
4 the certification.

5 If the Department determines that a refund should be made
6 under this Section to a claimant instead of issuing a credit
7 memorandum, then the Department shall notify the Comptroller,
8 who shall cause the order to be drawn for the amount specified
9 and to the person named in the notification from the
10 Department. The refund shall be paid by the Treasurer out of
11 the School Facility Occupation Tax Fund.

12 (e) For the purposes of determining the local governmental
13 unit whose tax is applicable, a retail sale by a producer of
14 coal or another mineral mined in Illinois is a sale at retail
15 at the place where the coal or other mineral mined in Illinois
16 is extracted from the earth. This subsection does not apply to
17 coal or another mineral when it is delivered or shipped by the
18 seller to the purchaser at a point outside Illinois so that the
19 sale is exempt under the United States Constitution as a sale
20 in interstate or foreign commerce.

21 (f) Nothing in this Section may be construed to authorize a
22 tax to be imposed upon the privilege of engaging in any
23 business that under the Constitution of the United States may
24 not be made the subject of taxation by this State.

25 (g) If a county board imposes a tax under this Section
26 pursuant to a referendum held before August 23, 2011 (the

1 effective date of Public Act 97-542) at a rate below the rate
2 set forth in the question approved by a majority of electors of
3 that county voting on the question as provided in subsection
4 (c), then the county board may, by ordinance, increase the rate
5 of the tax up to the rate set forth in the question approved by
6 a majority of electors of that county voting on the question as
7 provided in subsection (c). If a county board imposes a tax
8 under this Section pursuant to a referendum held before August
9 23, 2011 (the effective date of Public Act 97-542), then the
10 board may, by ordinance, discontinue or reduce the rate of the
11 tax. If a tax is imposed under this Section pursuant to a
12 referendum held on or after August 23, 2011 (the effective date
13 of Public Act 97-542) and before the effective date of this
14 amendatory Act of the 100th General Assembly, then the county
15 board may reduce or discontinue the tax, but only in accordance
16 with subsection (h-5) of this Section. If a tax is imposed
17 under this Section pursuant to a referendum held on or after
18 the effective date of this amendatory Act of the 100th General
19 Assembly, then the county board may reduce or discontinue the
20 tax, but only in accordance with subsection (h-10). If,
21 however, a school board issues bonds that are secured by the
22 proceeds of the tax under this Section, then the county board
23 may not reduce the tax rate or discontinue the tax if that rate
24 reduction or discontinuance would adversely affect the school
25 board's ability to pay the principal and interest on those
26 bonds as they become due or necessitate the extension of

1 additional property taxes to pay the principal and interest on
2 those bonds. If the county board reduces the tax rate or
3 discontinues the tax, then a referendum must be held in
4 accordance with subsection (c) of this Section in order to
5 increase the rate of the tax or to reimpose the discontinued
6 tax.

7 Until January 1, 2014, the results of any election that
8 imposes, reduces, or discontinues a tax under this Section must
9 be certified by the election authority, and any ordinance that
10 increases or lowers the rate or discontinues the tax must be
11 certified by the county clerk and, in each case, filed with the
12 Illinois Department of Revenue either (i) on or before the
13 first day of April, whereupon the Department shall proceed to
14 administer and enforce the tax or change in the rate as of the
15 first day of July next following the filing; or (ii) on or
16 before the first day of October, whereupon the Department shall
17 proceed to administer and enforce the tax or change in the rate
18 as of the first day of January next following the filing.

19 Beginning January 1, 2014, the results of any election that
20 imposes, reduces, or discontinues a tax under this Section must
21 be certified by the election authority, and any ordinance that
22 increases or lowers the rate or discontinues the tax must be
23 certified by the county clerk and, in each case, filed with the
24 Illinois Department of Revenue either (i) on or before the
25 first day of May, whereupon the Department shall proceed to
26 administer and enforce the tax or change in the rate as of the

1 first day of July next following the filing; or (ii) on or
2 before the first day of October, whereupon the Department shall
3 proceed to administer and enforce the tax or change in the rate
4 as of the first day of January next following the filing.

5 (h) For purposes of this Section, "school facility
6 purposes" means (i) the acquisition, development,
7 construction, reconstruction, rehabilitation, improvement,
8 financing, architectural planning, and installation of capital
9 facilities consisting of buildings, structures, and durable
10 equipment and for the acquisition and improvement of real
11 property and interest in real property required, or expected to
12 be required, in connection with the capital facilities and (ii)
13 the payment of bonds or other obligations heretofore or
14 hereafter issued, including bonds or other obligations
15 heretofore or hereafter issued to refund or to continue to
16 refund bonds or other obligations issued, for school facility
17 purposes, provided that the taxes levied to pay those bonds are
18 abated by the amount of the taxes imposed under this Section
19 that are used to pay those bonds. "School-facility purposes"
20 also includes fire prevention, safety, energy conservation,
21 accessibility, school security, and specified repair purposes
22 set forth under Section 17-2.11 of the School Code.

23 (h-5) A county board in a county where a tax has been
24 imposed under this Section pursuant to a referendum held on or
25 after August 23, 2011 (the effective date of Public Act 97-542)
26 and before the effective date of this amendatory Act of the

1 100th General Assembly may, by ordinance or resolution, submit
2 to the voters of the county the question of reducing or
3 discontinuing the tax. In the ordinance or resolution, the
4 county board shall certify the question to the proper election
5 authority in accordance with the Election Code. The election
6 authority must submit the question in substantially the
7 following form:

8 Shall the school facility retailers' occupation tax
9 and service occupation tax (commonly referred to as the
10 "school facility sales tax") currently imposed in (name of
11 county) at a rate of (insert rate) be (reduced to (insert
12 rate)) (discontinued)?

13 If a majority of the electors voting on the question vote in
14 the affirmative, then, subject to the provisions of subsection
15 (g) of this Section, the tax shall be reduced or discontinued
16 as set forth in the question.

17 (h-10) A county board in a county where a tax has been
18 imposed under this Section pursuant to a referendum held on or
19 after the effective date of this amendatory Act of the 100th
20 General Assembly may, by ordinance or resolution, submit to the
21 voters of the county the question of reducing or discontinuing
22 the tax. In the ordinance or resolution, the county board shall
23 certify the question to the proper election authority in
24 accordance with the Election Code. The election authority must
25 submit the question in substantially the following form:

26 Shall the school facility and resources retailers'

1 occupation tax and service occupation tax (commonly
2 referred to as the school facility and resources sales tax)
3 currently imposed in (name of county) at a rate of (insert
4 rate) be (reduced to (insert rate)) (discontinued)?

5 The election authority must record the votes as "Yes" or
6 "No".

7 If a majority of the electors voting on the question vote
8 in the affirmative, then, subject to the provisions of
9 subsection (g) of this Section, the tax shall be reduced or
10 discontinued as set forth in the question.

11 (i) This Section does not apply to Cook County.

12 (j) This Section may be cited as the County School Facility
13 and Resources Occupation Tax Law.

14 (Source: P.A. 98-584, eff. 8-27-13; 99-143, eff. 7-27-15;
15 99-217, eff. 7-31-15; 99-642, eff. 7-28-16.)

16 Section 15. The School Code is amended by changing Sections
17 3-14.31, 10-20.43, 10-22.36, and 17-2.11 as follows:

18 (105 ILCS 5/3-14.31)

19 Sec. 3-14.31. School facility and resources occupation tax
20 proceeds.

21 (a) Within 30 days after receiving any proceeds of a school
22 facility and resources occupation tax under Section 5-1006.7 of
23 the Counties Code, each regional superintendent must disburse
24 those proceeds to each school district that is located in the

1 county in which the tax was collected.

2 (b) The proceeds must be disbursed on an enrollment basis
3 and allocated based upon the number of each school district's
4 resident pupils that reside within the county collecting the
5 tax divided by the total number of resident students within the
6 county.

7 (Source: P.A. 95-675, eff. 10-11-07; 95-850, eff. 1-1-09.)

8 (105 ILCS 5/10-20.43)

9 Sec. 10-20.43. School facility and resources occupation
10 tax fund. All proceeds received by a school district from a
11 distribution under Section 3-14.31 must be maintained in a
12 special fund known as the school facility and resources
13 occupation tax fund. The district may use moneys in that fund
14 only for school facility purposes, as that term is defined
15 under Section 5-1006.7 of the Counties Code.

16 (Source: P.A. 97-813, eff. 7-13-12.)

17 (105 ILCS 5/10-22.36) (from Ch. 122, par. 10-22.36)

18 Sec. 10-22.36. Buildings for school purposes. To build or
19 purchase a building for school classroom or instructional
20 purposes upon the approval of a majority of the voters upon the
21 proposition at a referendum held for such purpose or in
22 accordance with Section 17-2.11, 19-3.5, or 19-3.10. The board
23 may initiate such referendum by resolution. The board shall
24 certify the resolution and proposition to the proper election

1 authority for submission in accordance with the general
2 election law.

3 The questions of building one or more new buildings for
4 school purposes or office facilities, and issuing bonds for the
5 purpose of borrowing money to purchase one or more buildings or
6 sites for such buildings or office sites, to build one or more
7 new buildings for school purposes or office facilities or to
8 make additions and improvements to existing school buildings,
9 may be combined into one or more propositions on the ballot.

10 Before erecting, or purchasing or remodeling such a
11 building the board shall submit the plans and specifications
12 respecting heating, ventilating, lighting, seating, water
13 supply, toilets and safety against fire to the regional
14 superintendent of schools having supervision and control over
15 the district, for approval in accordance with Section 2-3.12.

16 Notwithstanding any of the foregoing, no referendum shall
17 be required if the purchase, construction, or building of any
18 such building (1) occurs while the building is being leased by
19 the school district or (2) is paid with (A) funds derived from
20 the sale or disposition of other buildings, land, or structures
21 of the school district or (B) funds received (i) as a grant
22 under the School Construction Law or (ii) as gifts or
23 donations, provided that no funds to purchase, construct, or
24 build such building, other than lease payments, are derived
25 from the district's bonded indebtedness or the tax levy of the
26 district.

1 Notwithstanding any of the foregoing, no referendum shall
2 be required if the purchase, construction, or building of any
3 such building is paid with funds received from the County
4 School Facility and Resources Occupation Tax Law under Section
5 5-1006.7 of the Counties Code or from the proceeds of bonds or
6 other debt obligations secured by revenues obtained from that
7 Law.

8 (Source: P.A. 96-517, eff. 8-14-09; 97-542, eff. 8-23-11.)

9 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

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

14 (a) Whenever, as a result of any lawful order of any
15 agency, other than a school board, having authority to enforce
16 any school building code applicable to any facility that houses
17 students, or any law or regulation for the protection and
18 safety of the environment, pursuant to the Environmental
19 Protection Act, any school district having a population of less
20 than 500,000 inhabitants is required to alter or reconstruct
21 any school building or permanent, fixed equipment; the district
22 may, by proper resolution, levy a tax for the purpose of making
23 such alteration or reconstruction, based on a survey report by
24 an architect or engineer licensed in this State, upon all of
25 the taxable property of the district at the value as assessed

1 by the Department of Revenue and at a rate not to exceed 0.05%
2 per year for a period sufficient to finance such alteration or
3 reconstruction, upon the following conditions:

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

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

1 months after the date on which it is submitted to him or
2 her, the school board of the district may submit the
3 estimate directly to the State Superintendent of Education
4 for approval or denial.

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

1 minimum school calendar requirements.

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

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

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

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

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

1 made; then the district may levy a tax or issue bonds as
2 provided in subsection (a) of this Section.

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

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

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

26 Such tax shall be levied and collected in like manner as

1 all other taxes of school districts, subject to the provisions
2 contained in this Section.

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

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

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

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

1 Notwithstanding subdivision (2) of this subsection (j) and
2 subsection (k) of this Section, through June 30, 2020, the
3 school board may, by proper resolution following a public
4 hearing set by the school board or the president of the school
5 board (that is preceded (i) by at least one published notice
6 over the name of the clerk or secretary of the board, occurring
7 at least 7 days and not more than 30 days prior to the hearing,
8 in a newspaper of general circulation within the school
9 district and (ii) by posted notice over the name of the clerk
10 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 Section 20. The School Construction Law is amended by
9 changing Section 5-25 as follows:

10 (105 ILCS 230/5-25)

11 Sec. 5-25. Eligibility and project standards.

12 (a) The State Board of Education shall establish
13 eligibility standards for school construction project grants
14 and debt service grants. These standards shall include minimum
15 enrollment requirements for eligibility for school
16 construction project grants of 200 students for elementary
17 districts, 200 students for high school districts, and 400
18 students for unit districts. The total enrollment of member
19 districts forming a cooperative high school in accordance with
20 subsection (c) of Section 10-22.22 of the School Code shall
21 meet the minimum enrollment requirements specified in this
22 subsection (a). The State Board of Education shall approve a
23 district's eligibility for a school construction project grant
24 or a debt service grant pursuant to the established standards.

1 For purposes only of determining a Type 40 area vocational
2 center's eligibility for an entity included in a school
3 construction project grant or a school maintenance project
4 grant, an area vocational center shall be deemed eligible if
5 one or more of its member school districts satisfy the grant
6 index criteria set forth in this Law. A Type 40 area vocational
7 center that makes application for school construction funds
8 after August 25, 2009 (the effective date of Public Act 96-731)
9 shall be placed on the respective application cycle list. Type
10 40 area vocational centers must be placed last on the priority
11 listing of eligible entities for the applicable fiscal year.

12 (b) The Capital Development Board shall establish project
13 standards for all school construction project grants provided
14 pursuant to this Article. These standards shall include space
15 and capacity standards as well as the determination of
16 recognized project costs that shall be eligible for State
17 financial assistance and enrichment costs that shall not be
18 eligible for State financial assistance.

19 (c) The State Board of Education and the Capital
20 Development Board shall not establish standards that
21 disapprove or otherwise establish limitations that restrict
22 the eligibility of (i) a school district with a population
23 exceeding 500,000 for a school construction project grant based
24 on the fact that any or all of the school construction project
25 grant will be used to pay debt service or to make lease
26 payments, as authorized by subsection (b) of Section 5-35 of

1 this Law, (ii) a school district located in whole or in part in
2 a county that imposes a tax for school facility or resources
3 purposes pursuant to Section 5-1006.7 of the Counties Code, or
4 (iii) a school district that (1) was organized prior to 1860
5 and (2) is located in part in a city originally incorporated
6 prior to 1840, based on the fact that all or a part of the
7 school construction project is owned by a public building
8 commission and leased to the school district or the fact that
9 any or all of the school construction project grant will be
10 used to pay debt service or to make lease payments.

11 (d) A reorganized school district or cooperative high
12 school may use a school construction application that was
13 submitted by a school district that formed the reorganized
14 school district or cooperative high school if that application
15 has not been entitled for a project by the State Board of
16 Education and any one or more of the following happen within
17 the current or prior 4 fiscal years:

18 (1) a new school district is created in accordance with
19 Article 11E of the School Code;

20 (2) an existing school district annexes all of the
21 territory of one or more other school districts in
22 accordance with Article 7 of the School Code; or

23 (3) a cooperative high school is formed in accordance
24 with subsection (c) of Section 10-22.22 of the School Code.

25 A new elementary district formed from a school district
26 conversion, as defined in Section 11E-15 of the School Code,

1 may use only the application of the dissolved district whose
2 territory is now included in the new elementary district and
3 must obtain the written approval of the local school board of
4 any other school district that includes territory from that
5 dissolved district. A new high school district formed from a
6 school district conversion, as defined in Section 11E-15 of the
7 School Code, may use only the application of any dissolved
8 district whose territory is now included in the new high school
9 district, but only after obtaining the written approval of the
10 local school board of any other school district that includes
11 territory from that dissolved district. A cooperative high
12 school using this Section must obtain the written approval of
13 the local school board of the member school district whose
14 application it is using. All other eligibility and project
15 standards apply to this Section.

16 (Source: P.A. 96-37, eff. 7-13-09; 96-731, eff. 8-25-09;
17 96-1000, eff. 7-2-10; 96-1381, eff. 1-1-11; 96-1467, eff.
18 8-20-10; 97-232, eff. 7-28-11; 97-333, eff. 8-12-11.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.