



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB3244

by Rep. Tom Demmer

#### 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 to levy, reduce, or discontinue the tax. Amends the Innovation Development and Economy Act and the School Construction Law to make conforming changes. Amends the School Code to make conforming changes and to provide that if a school district having a population of less than 500,000 inhabitants determines that it is necessary for school security purposes and the related protection and safety of pupils and school staff to hire a school resource officer, the district may levy a tax or issue bonds as provided under a provision in the Code authorizing a school board to levy a tax or to borrow money and issue bonds for fire prevention, safety, energy conservation, accessibility, school security, and specified repair purposes if funds are not needed for those other purposes. Effective immediately.

LRB101 06203 AXK 51227 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 (i) for  
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 tangible personal  
22 property taxed at the 1% rate under the Retailers' Occupation  
23 Tax Act. The Department of Revenue has full power to administer  
24 and enforce this subsection, to collect all taxes and penalties

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

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

22 The certificate of registration that is issued by the  
23 Department to a retailer under the Retailers' Occupation Tax  
24 Act permits the retailer to engage in a business that is  
25 taxable without registering separately with the Department  
26 under an ordinance or resolution under this subsection.



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

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

14           This tax may not be imposed on tangible personal property  
15 taxed at the 1% rate under the Service Occupation Tax Act.

16           The tax imposed under this subsection and all civil  
17 penalties that may be assessed as an incident thereof shall be  
18 collected and enforced by the Department and deposited into a  
19 special fund created for that purpose. The Department has full  
20 power to administer and enforce this subsection, to collect all  
21 taxes and penalties due under this subsection, to dispose of  
22 taxes and penalties so collected in the manner provided in this  
23 subsection, and to determine all rights to credit memoranda  
24 arising on account of the erroneous payment of a tax or penalty  
25 under this subsection.

26           In the administration of and compliance with this

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

21 Persons subject to any tax imposed under the authority  
22 granted in this subsection may reimburse themselves for their  
23 serviceman's tax liability by separately stating the tax as an  
24 additional charge, which may be stated in combination, in a  
25 single amount, with State tax that servicemen are authorized to  
26 collect under the Service Use Tax Act, pursuant to any

1 bracketed schedules set forth by the Department.

2 (c) The tax under this Section may not be imposed until the  
3 question of imposing the tax has been submitted to the electors  
4 of the county at a regular election and approved by a majority  
5 of the electors voting on the question. For all regular  
6 elections held prior to August 23, 2011 (the effective date of  
7 Public Act 97-542), upon a resolution by the county board or a  
8 resolution by school district boards that represent at least  
9 51% of the student enrollment within the county, the county  
10 board must certify the question to the proper election  
11 authority in accordance with the Election Code.

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

16 Shall (name of county) be authorized to impose a  
17 retailers' occupation tax and a service occupation tax  
18 (commonly referred to as a "sales tax") at a rate of  
19 (insert rate) to be used exclusively for school facility  
20 purposes?

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

22 If a majority of the electors voting on the question vote  
23 in the affirmative, then the county may, thereafter, impose the  
24 tax.

25 For all regular elections held on or after August 23, 2011  
26 (the effective date of Public Act 97-542), the regional

1 superintendent of schools for the county must, upon receipt of  
2 a resolution or resolutions of school district boards that  
3 represent more than 50% of the student enrollment within the  
4 county, certify the question to the proper election authority  
5 for submission to the electors of the county at the next  
6 regular election at which the question lawfully may be  
7 submitted to the electors, all in accordance with the Election  
8 Code.

9 For all regular elections held on or after August 23, 2011  
10 (the effective date of Public Act 97-542) and before the  
11 effective date of this amendatory Act of the 101st General  
12 Assembly, the election authority must submit the question in  
13 substantially the following form:

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

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

19 If a majority of the electors voting on the question vote  
20 in the affirmative, then the tax shall be imposed at the rate  
21 set forth in the question.

22 For all regular elections held on or after the effective  
23 date of this amendatory Act of the 101st General Assembly, the  
24 election authority must submit the question as follows:

25 (1) If the referendum is to expand the use of revenues  
26 from a currently imposed tax exclusively for school

1 facility purposes to include school resource officers and  
2 mental health professionals, the question shall be in  
3 substantially the following form:

4 In addition to school facility purposes, shall  
5 (name of county) school districts be authorized to use  
6 revenues from the tax commonly referred to as the  
7 school facility sales tax that is currently imposed in  
8 (name of county) at a rate of (insert rate) for school  
9 resource officers and mental health professionals?

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

15 Shall the tax commonly referred to as the school  
16 facility sales tax that is currently imposed in (name  
17 of county) at the rate of (insert rate) be increased to  
18 a rate of (insert rate) with the additional revenues  
19 used exclusively for school resource officers and  
20 mental health professionals?

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

25 Shall a retailers' occupation tax and a service  
26 occupation tax (commonly referred to as a sales tax) be

1 imposed in (name of county) at a rate of (insert rate)  
2 to be used exclusively for school facility purposes?

3 (4) If the referendum is to impose a tax in a county  
4 that has not previously imposed a tax under this Section  
5 exclusively for school resource officers and mental health  
6 professionals, the question shall be in substantially the  
7 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 resource officers and  
12 mental health professionals?

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

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

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

26 If a majority of the electors voting on the question vote

1 in the affirmative, then the tax shall be imposed at the rate  
2 set forth in the question.

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

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

13 On or before the 25th day of each calendar month, the  
14 Department shall prepare and certify to the Comptroller the  
15 disbursement of stated sums of money to the regional  
16 superintendents of schools in counties from which retailers or  
17 servicemen have paid taxes or penalties to the Department  
18 during the second preceding calendar month. The amount to be  
19 paid to each regional superintendent of schools and disbursed  
20 to him or her in accordance with Section 3-14.31 of the School  
21 Code, is equal to the amount (not including credit memoranda)  
22 collected from the county under this Section during the second  
23 preceding calendar month by the Department, (i) less 2% of that  
24 amount, which shall be deposited into the Tax Compliance and  
25 Administration Fund and shall be used by the Department,  
26 subject to appropriation, to cover the costs of the Department

1 in administering and enforcing the provisions of this Section,  
2 on behalf of the county, (ii) plus an amount that the  
3 Department determines is necessary to offset any amounts that  
4 were erroneously paid to a different taxing body; (iii) less an  
5 amount equal to the amount of refunds made during the second  
6 preceding calendar month by the Department on behalf of the  
7 county; and (iv) less any amount that the Department determines  
8 is necessary to offset any amounts that were payable to a  
9 different taxing body but were erroneously paid to the county.  
10 When certifying the amount of a monthly disbursement to a  
11 regional superintendent of schools under this Section, the  
12 Department shall increase or decrease the amounts by an amount  
13 necessary to offset any miscalculation of previous  
14 disbursements within the previous 6 months from the time a  
15 miscalculation is discovered.

16 Within 10 days after receipt by the Comptroller from the  
17 Department of the disbursement certification to the regional  
18 superintendents of the schools provided for in this Section,  
19 the Comptroller shall cause the orders to be drawn for the  
20 respective amounts in accordance with directions contained in  
21 the certification.

22 If the Department determines that a refund should be made  
23 under this Section to a claimant instead of issuing a credit  
24 memorandum, then the Department shall notify the Comptroller,  
25 who shall cause the order to be drawn for the amount specified  
26 and to the person named in the notification from the



1 Department. The refund shall be paid by the Treasurer out of  
2 the School Facility Occupation Tax Fund.

3 (e) For the purposes of determining the local governmental  
4 unit whose tax is applicable, a retail sale by a producer of  
5 coal or another mineral mined in Illinois is a sale at retail  
6 at the place where the coal or other mineral mined in Illinois  
7 is extracted from the earth. This subsection does not apply to  
8 coal or another mineral when it is delivered or shipped by the  
9 seller to the purchaser at a point outside Illinois so that the  
10 sale is exempt under the United States Constitution as a sale  
11 in interstate or foreign commerce.

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

16 (g) If a county board imposes a tax under this Section  
17 pursuant to a referendum held before August 23, 2011 (the  
18 effective date of Public Act 97-542) at a rate below the rate  
19 set forth in the question approved by a majority of electors of  
20 that county voting on the question as provided in subsection  
21 (c), then the county board may, by ordinance, increase the rate  
22 of the tax up to the rate set forth in the question approved by  
23 a majority of electors of that county voting on the question as  
24 provided in subsection (c). If a county board imposes a tax  
25 under this Section pursuant to a referendum held before August  
26 23, 2011 (the effective date of Public Act 97-542), then the

1 board may, by ordinance, discontinue or reduce the rate of the  
2 tax. If a tax is imposed under this Section pursuant to a  
3 referendum held on or after August 23, 2011 (the effective date  
4 of Public Act 97-542) and before the effective date of this  
5 amendatory Act of the 101st General Assembly, then the county  
6 board may reduce or discontinue the tax, but only in accordance  
7 with subsection (h-5) of this Section. If a tax is imposed  
8 under this Section pursuant to a referendum held on or after  
9 the effective date of this amendatory Act of the 101st General  
10 Assembly, then the county board may reduce or discontinue the  
11 tax, but only in accordance with subsection (h-10). If,  
12 however, a school board issues bonds that are secured by the  
13 proceeds of the tax under this Section, then the county board  
14 may not reduce the tax rate or discontinue the tax if that rate  
15 reduction or discontinuance would adversely affect the school  
16 board's ability to pay the principal and interest on those  
17 bonds as they become due or necessitate the extension of  
18 additional property taxes to pay the principal and interest on  
19 those bonds. If the county board reduces the tax rate or  
20 discontinues the tax, then a referendum must be held in  
21 accordance with subsection (c) of this Section in order to  
22 increase the rate of the tax or to reimpose the discontinued  
23 tax.

24       Until January 1, 2014, the results of any election that  
25 imposes, reduces, or discontinues a tax under this Section must  
26 be certified by the election authority, and any ordinance that

1 increases or lowers the rate or discontinues the tax must be  
2 certified by the county clerk and, in each case, filed with the  
3 Illinois Department of Revenue either (i) on or before the  
4 first day of April, whereupon the Department shall proceed to  
5 administer and enforce the tax or change in the rate as of the  
6 first day of July next following the filing; or (ii) on or  
7 before the first day of October, whereupon the Department shall  
8 proceed to administer and enforce the tax or change in the rate  
9 as of the first day of January next following the filing.

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

22 (h) For purposes of this Section, "school facility  
23 purposes" means (i) the acquisition, development,  
24 construction, reconstruction, rehabilitation, improvement,  
25 financing, architectural planning, and installation of capital  
26 facilities consisting of buildings, structures, and durable

1 equipment and for the acquisition and improvement of real  
2 property and interest in real property required, or expected to  
3 be required, in connection with the capital facilities and (ii)  
4 the payment of bonds or other obligations heretofore or  
5 hereafter issued, including bonds or other obligations  
6 heretofore or hereafter issued to refund or to continue to  
7 refund bonds or other obligations issued, for school facility  
8 purposes, provided that the taxes levied to pay those bonds are  
9 abated by the amount of the taxes imposed under this Section  
10 that are used to pay those bonds. "School-facility purposes"  
11 also includes fire prevention, safety, energy conservation,  
12 accessibility, school security, and specified repair purposes  
13 set forth under Section 17-2.11 of the School Code.

14 (h-5) A county board in a county where a tax has been  
15 imposed under this Section pursuant to a referendum held on or  
16 after August 23, 2011 (the effective date of Public Act 97-542)  
17 and before the effective date of this amendatory Act of the  
18 101st General Assembly may, by ordinance or resolution, submit  
19 to the voters of the county the question of reducing or  
20 discontinuing the tax. In the ordinance or resolution, the  
21 county board shall certify the question to the proper election  
22 authority in accordance with the Election Code. The election  
23 authority must submit the question in substantially the  
24 following form:

25 Shall the school facility retailers' occupation tax  
26 and service occupation tax (commonly referred to as the

1 "school facility sales tax") currently imposed in (name of  
2 county) at a rate of (insert rate) be (reduced to (insert  
3 rate)) (discontinued)?

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

8 (h-10) A county board in a county where a tax has been  
9 imposed under this Section pursuant to a referendum held on or  
10 after the effective date of this amendatory Act of the 101st  
11 General Assembly may, by ordinance or resolution, submit to the  
12 voters of the county the question of reducing or discontinuing  
13 the tax. In the ordinance or resolution, the county board shall  
14 certify the question to the proper election authority in  
15 accordance with the Election Code. The election authority must  
16 submit the question in substantially the following form:

17 Shall the school facility and resources retailers'  
18 occupation tax and service occupation tax (commonly  
19 referred to as the school facility and resources sales tax)  
20 currently imposed in (name of county) at a rate of (insert  
21 rate) be (reduced to (insert rate)) (discontinued)?

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

24 If a majority of the electors voting on the question vote  
25 in the affirmative, then, subject to the provisions of  
26 subsection (g) of this Section, the tax shall be reduced or

1 discontinued as set forth in the question.

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

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

5 (Source: P.A. 99-143, eff. 7-27-15; 99-217, eff. 7-31-15;  
6 99-642, eff. 7-28-16; 100-1171, eff. 1-4-19.)

7 Section 15. The School Code is amended by changing Sections  
8 3-14.31, 10-20.43, 10-22.36, and 17-2.11 as follows:

9 (105 ILCS 5/3-14.31)

10 Sec. 3-14.31. School facility and resources occupation tax  
11 proceeds.

12 (a) Within 30 days after receiving any proceeds of a school  
13 facility and resources occupation tax under Section 5-1006.7 of  
14 the Counties Code, each regional superintendent must disburse  
15 those proceeds to each school district that is located in the  
16 county in which the tax was collected.

17 (b) The proceeds must be disbursed on an enrollment basis  
18 and allocated based upon the number of each school district's  
19 resident pupils that reside within the county collecting the  
20 tax divided by the total number of resident students within the  
21 county.

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

23 (105 ILCS 5/10-20.43)

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

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

9           (105 ILCS 5/10-22.36) (from Ch. 122, par. 10-22.36)

10          Sec. 10-22.36. Buildings for school purposes. To build or  
11 purchase a building for school classroom or instructional  
12 purposes upon the approval of a majority of the voters upon the  
13 proposition at a referendum held for such purpose or in  
14 accordance with Section 17-2.11, 19-3.5, or 19-3.10. The board  
15 may initiate such referendum by resolution. The board shall  
16 certify the resolution and proposition to the proper election  
17 authority for submission in accordance with the general  
18 election law.

19          The questions of building one or more new buildings for  
20 school purposes or office facilities, and issuing bonds for the  
21 purpose of borrowing money to purchase one or more buildings or  
22 sites for such buildings or office sites, to build one or more  
23 new buildings for school purposes or office facilities or to  
24 make additions and improvements to existing school buildings,  
25 may be combined into one or more propositions on the ballot.

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

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

18 Notwithstanding any of the foregoing, no referendum shall  
19 be required if the purchase, construction, or building of any  
20 such building is paid with funds received from the County  
21 School Facility and Resources Occupation Tax Law under Section  
22 5-1006.7 of the Counties Code or from the proceeds of bonds or  
23 other debt obligations secured by revenues obtained from that  
24 Law.

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



1 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

2 Sec. 17-2.11. School board power to levy a tax or to borrow  
3 money and issue bonds for fire prevention, safety, energy  
4 conservation, accessibility, school security, and specified  
5 repair purposes.

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

21 (1) When there are not sufficient funds available in  
22 the operations and maintenance fund of the school district,  
23 the school facility and resources occupation tax fund of  
24 the district, or the fire prevention and safety fund of the  
25 district, as determined by the district on the basis of  
26 rules adopted by the State Board of Education, to make such

1 alteration or reconstruction or to purchase and install  
2 such permanent, fixed equipment so ordered or determined as  
3 necessary. Appropriate school district records must be  
4 made available to the State Superintendent of Education,  
5 upon request, to confirm this insufficiency.

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

22 In the case of an emergency situation, where the estimated  
23 cost to effectuate emergency repairs is less than the amount  
24 specified in Section 10-20.21 of this Code, the school district  
25 may proceed with such repairs prior to approval by the State  
26 Superintendent of Education, but shall comply with the

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

19 (b) Whenever any such district determines that it is  
20 necessary for energy conservation purposes that any school  
21 building or permanent, fixed equipment should be altered or  
22 reconstructed and that such alterations or reconstruction will  
23 be made with funds not necessary for the completion of approved  
24 and recommended projects contained in any safety survey report  
25 or amendments thereto authorized by Section 2-3.12 of this Act;  
26 the district may levy a tax or issue bonds as provided in

1 subsection (a) of this Section.

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

11 (d) Whenever any such district determines that it is  
12 necessary for school security purposes and the related  
13 protection and safety of pupils and school personnel that any  
14 school building or property should be altered or reconstructed  
15 or that security systems and equipment (including but not  
16 limited to intercom, early detection and warning, access  
17 control and television monitoring systems) should be purchased  
18 and installed, and that such alterations, reconstruction or  
19 purchase and installation of equipment will be made with funds  
20 not necessary for the completion of approved and recommended  
21 projects contained in any safety survey report or amendment  
22 thereto authorized by Section 2-3.12 of this Act and will deter  
23 and prevent unauthorized entry or activities upon school  
24 property by unknown or dangerous persons, assure early  
25 detection and advance warning of any such actual or attempted  
26 unauthorized entry or activities and help assure the continued

1 safety of pupils and school staff if any such unauthorized  
2 entry or activity is attempted or occurs; the district may levy  
3 a tax or issue bonds as provided in subsection (a) of this  
4 Section.

5 If such a school district determines that it is necessary  
6 for school security purposes and the related protection and  
7 safety of pupils and school staff to hire a school resource  
8 officer and the district determines that it does not need funds  
9 for any of the other purposes set forth in this Section, then  
10 the district may levy a tax or issue bonds as provided in  
11 subsection (a).

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

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

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

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

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

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

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

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

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

25 Notwithstanding subdivision (2) of this subsection (j) and  
26 subsection (k) of this Section, through June 30, 2020, the

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

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

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



1 approved work.

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

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

21 (o) After the time such bonds are issued as provided for by  
22 this Section, if additional alterations or reconstructions are  
23 required to be made because of surveys conducted by an  
24 architect or engineer licensed in the State of Illinois, the  
25 district may levy a tax at a rate not to exceed .05% per year  
26 upon all the taxable property of the district or issue

1 additional bonds, whichever action shall be the most feasible.

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

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

20 (r) When the purposes for which the bonds are issued have  
21 been accomplished and paid for in full and there remain funds  
22 on hand from the proceeds of the bond sale and interest  
23 earnings therefrom, the board shall, by resolution, use such  
24 excess funds in accordance with the provisions of Section  
25 10-22.14 of this Act.

26 (s) Whenever any tax is levied or bonds issued for fire

1 prevention, safety, energy conservation, and school security  
2 purposes, such proceeds shall be deposited and accounted for  
3 separately within the Fire Prevention and Safety Fund.

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

6 Section 20. The School Construction Law is amended by  
7 changing Section 5-25 as follows:

8 (105 ILCS 230/5-25)

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

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

23 For purposes only of determining a Type 40 area vocational  
24 center's eligibility for an entity included in a school

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

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

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

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

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

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

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

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

23 A new elementary district formed from a school district  
24 conversion, as defined in Section 11E-15 of the School Code,  
25 may use only the application of the dissolved district whose  
26 territory is now included in the new elementary district and

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

14 (Source: P.A. 96-37, eff. 7-13-09; 96-731, eff. 8-25-09;  
15 96-1000, eff. 7-2-10; 96-1381, eff. 1-1-11; 96-1467, eff.  
16 8-20-10; 97-232, eff. 7-28-11; 97-333, eff. 8-12-11.)

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