



Lawrence M. Walsh

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1 AMENDMENT TO HOUSE BILL 754

2 AMENDMENT NO. _____. Amend House Bill 754 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The School Code is amended by changing Section
5 19-1 as follows:

6 (105 ILCS 5/19-1) (from Ch. 122, par. 19-1)

7 Sec. 19-1. Debt limitations of school districts.

8 (a) School districts shall not be subject to the provisions
9 limiting their indebtedness prescribed in "An Act to limit the
10 indebtedness of counties having a population of less than
11 500,000 and townships, school districts and other municipal
12 corporations having a population of less than 300,000",
13 approved February 15, 1928, as amended.

14 No school districts maintaining grades K through 8 or 9
15 through 12 shall become indebted in any manner or for any
16 purpose to an amount, including existing indebtedness, in the
17 aggregate exceeding 6.9% on the value of the taxable property
18 therein to be ascertained by the last assessment for State and
19 county taxes or, until January 1, 1983, if greater, the sum
20 that is produced by multiplying the school district's 1978
21 equalized assessed valuation by the debt limitation percentage
22 in effect on January 1, 1979, previous to the incurring of such
23 indebtedness.

24 No school districts maintaining grades K through 12 shall

1 become indebted in any manner or for any purpose to an amount,
2 including existing indebtedness, in the aggregate exceeding
3 13.8% on the value of the taxable property therein to be
4 ascertained by the last assessment for State and county taxes
5 or, until January 1, 1983, if greater, the sum that is produced
6 by multiplying the school district's 1978 equalized assessed
7 valuation by the debt limitation percentage in effect on
8 January 1, 1979, previous to the incurring of such
9 indebtedness.

10 Notwithstanding the provisions of any other law to the
11 contrary, in any case in which the voters of a school district
12 have approved a proposition for the issuance of bonds of such
13 school district at an election held prior to January 1, 1979,
14 and all of the bonds approved at such election have not been
15 issued, the debt limitation applicable to such school district
16 during the calendar year 1979 shall be computed by multiplying
17 the value of taxable property therein, including personal
18 property, as ascertained by the last assessment for State and
19 county taxes, previous to the incurring of such indebtedness,
20 by the percentage limitation applicable to such school district
21 under the provisions of this subsection (a).

22 (b) Notwithstanding the debt limitation prescribed in
23 subsection (a) of this Section, additional indebtedness may be
24 incurred in an amount not to exceed the estimated cost of
25 acquiring or improving school sites or constructing and
26 equipping additional building facilities under the following
27 conditions:

28 (1) Whenever the enrollment of students for the next
29 school year is estimated by the board of education to
30 increase over the actual present enrollment by not less
31 than 35% or by not less than 200 students or the actual
32 present enrollment of students has increased over the
33 previous school year by not less than 35% or by not less
34 than 200 students and the board of education determines

1 that additional school sites or building facilities are
2 required as a result of such increase in enrollment; and

3 (2) When the Regional Superintendent of Schools having
4 jurisdiction over the school district and the State
5 Superintendent of Education concur in such enrollment
6 projection or increase and approve the need for such
7 additional school sites or building facilities and the
8 estimated cost thereof; and

9 (3) When the voters in the school district approve a
10 proposition for the issuance of bonds for the purpose of
11 acquiring or improving such needed school sites or
12 constructing and equipping such needed additional building
13 facilities at an election called and held for that purpose.
14 Notice of such an election shall state that the amount of
15 indebtedness proposed to be incurred would exceed the debt
16 limitation otherwise applicable to the school district.
17 The ballot for such proposition shall state what percentage
18 of the equalized assessed valuation will be outstanding in
19 bonds if the proposed issuance of bonds is approved by the
20 voters; or

21 (4) Notwithstanding the provisions of paragraphs (1)
22 through (3) of this subsection (b), if the school board
23 determines that additional facilities are needed to
24 provide a quality educational program and not less than 2/3
25 of those voting in an election called by the school board
26 on the question approve the issuance of bonds for the
27 construction of such facilities, the school district may
28 issue bonds for this purpose; or

29 (5) Notwithstanding the provisions of paragraphs (1)
30 through (3) of this subsection (b), if (i) the school
31 district has previously availed itself of the provisions of
32 paragraph (4) of this subsection (b) to enable it to issue
33 bonds, (ii) the voters of the school district have not
34 defeated a proposition for the issuance of bonds since the

1 referendum described in paragraph (4) of this subsection
2 (b) was held, (iii) the school board determines that
3 additional facilities are needed to provide a quality
4 educational program, and (iv) a majority of those voting in
5 an election called by the school board on the question
6 approve the issuance of bonds for the construction of such
7 facilities, the school district may issue bonds for this
8 purpose.

9 In no event shall the indebtedness incurred pursuant to
10 this subsection (b) and the existing indebtedness of the school
11 district exceed 15% of the value of the taxable property
12 therein to be ascertained by the last assessment for State and
13 county taxes, previous to the incurring of such indebtedness
14 or, until January 1, 1983, if greater, the sum that is produced
15 by multiplying the school district's 1978 equalized assessed
16 valuation by the debt limitation percentage in effect on
17 January 1, 1979.

18 The indebtedness provided for by this subsection (b) shall
19 be in addition to and in excess of any other debt limitation.

20 (c) Notwithstanding the debt limitation prescribed in
21 subsection (a) of this Section, in any case in which a public
22 question for the issuance of bonds of a proposed school
23 district maintaining grades kindergarten through 12 received
24 at least 60% of the valid ballots cast on the question at an
25 election held on or prior to November 8, 1994, and in which the
26 bonds approved at such election have not been issued, the
27 school district pursuant to the requirements of Section 11A-10
28 may issue the total amount of bonds approved at such election
29 for the purpose stated in the question.

30 (d) Notwithstanding the debt limitation prescribed in
31 subsection (a) of this Section, a school district that meets
32 all the criteria set forth in paragraphs (1) and (2) of this
33 subsection (d) may incur an additional indebtedness in an
34 amount not to exceed \$4,500,000, even though the amount of the

1 additional indebtedness authorized by this subsection (d),
2 when incurred and added to the aggregate amount of indebtedness
3 of the district existing immediately prior to the district
4 incurring the additional indebtedness authorized by this
5 subsection (d), causes the aggregate indebtedness of the
6 district to exceed the debt limitation otherwise applicable to
7 that district under subsection (a):

8 (1) The additional indebtedness authorized by this
9 subsection (d) is incurred by the school district through
10 the issuance of bonds under and in accordance with Section
11 17-2.11a for the purpose of replacing a school building
12 which, because of mine subsidence damage, has been closed
13 as provided in paragraph (2) of this subsection (d) or
14 through the issuance of bonds under and in accordance with
15 Section 19-3 for the purpose of increasing the size of, or
16 providing for additional functions in, such replacement
17 school buildings, or both such purposes.

18 (2) The bonds issued by the school district as provided
19 in paragraph (1) above are issued for the purposes of
20 construction by the school district of a new school
21 building pursuant to Section 17-2.11, to replace an
22 existing school building that, because of mine subsidence
23 damage, is closed as of the end of the 1992-93 school year
24 pursuant to action of the regional superintendent of
25 schools of the educational service region in which the
26 district is located under Section 3-14.22 or are issued for
27 the purpose of increasing the size of, or providing for
28 additional functions in, the new school building being
29 constructed to replace a school building closed as the
30 result of mine subsidence damage, or both such purposes.

31 (e) Notwithstanding the debt limitation prescribed in
32 subsection (a) of this Section, a school district that meets
33 all the criteria set forth in paragraphs (1) through (5) of
34 this subsection (e) may, without referendum, incur an

1 additional indebtedness in an amount not to exceed the lesser
2 of \$5,000,000 or 1.5% of the value of the taxable property
3 within the district even though the amount of the additional
4 indebtedness authorized by this subsection (e), when incurred
5 and added to the aggregate amount of indebtedness of the
6 district existing immediately prior to the district incurring
7 that additional indebtedness, causes the aggregate
8 indebtedness of the district to exceed or increases the amount
9 by which the aggregate indebtedness of the district already
10 exceeds the debt limitation otherwise applicable to that
11 district under subsection (a):

12 (1) The State Board of Education certifies the school
13 district under Section 19-1.5 as a financially distressed
14 district.

15 (2) The additional indebtedness authorized by this
16 subsection (e) is incurred by the financially distressed
17 district during the school year or school years in which
18 the certification of the district as a financially
19 distressed district continues in effect through the
20 issuance of bonds for the lawful school purposes of the
21 district, pursuant to resolution of the school board and
22 without referendum, as provided in paragraph (5) of this
23 subsection.

24 (3) The aggregate amount of bonds issued by the
25 financially distressed district during a fiscal year in
26 which it is authorized to issue bonds under this subsection
27 does not exceed the amount by which the aggregate
28 expenditures of the district for operational purposes
29 during the immediately preceding fiscal year exceeds the
30 amount appropriated for the operational purposes of the
31 district in the annual school budget adopted by the school
32 board of the district for the fiscal year in which the
33 bonds are issued.

34 (4) Throughout each fiscal year in which certification

1 of the district as a financially distressed district
2 continues in effect, the district maintains in effect a
3 gross salary expense and gross wage expense freeze policy
4 under which the district expenditures for total employee
5 salaries and wages do not exceed such expenditures for the
6 immediately preceding fiscal year. Nothing in this
7 paragraph, however, shall be deemed to impair or to require
8 impairment of the contractual obligations, including
9 collective bargaining agreements, of the district or to
10 impair or require the impairment of the vested rights of
11 any employee of the district under the terms of any
12 contract or agreement in effect on the effective date of
13 this amendatory Act of 1994.

14 (5) Bonds issued by the financially distressed
15 district under this subsection shall bear interest at a
16 rate not to exceed the maximum rate authorized by law at
17 the time of the making of the contract, shall mature within
18 40 years from their date of issue, and shall be signed by
19 the president of the school board and treasurer of the
20 school district. In order to issue bonds under this
21 subsection, the school board shall adopt a resolution
22 fixing the amount of the bonds, the date of the bonds, the
23 maturities of the bonds, the rates of interest of the
24 bonds, and their place of payment and denomination, and
25 shall provide for the levy and collection of a direct
26 annual tax upon all the taxable property in the district
27 sufficient to pay the principal and interest on the bonds
28 to maturity. Upon the filing in the office of the county
29 clerk of the county in which the financially distressed
30 district is located of a certified copy of the resolution,
31 it is the duty of the county clerk to extend the tax
32 therefor in addition to and in excess of all other taxes at
33 any time authorized to be levied by the district. If bond
34 proceeds from the sale of bonds include a premium or if the

1 proceeds of the bonds are invested as authorized by law,
2 the school board shall determine by resolution whether the
3 interest earned on the investment of bond proceeds or the
4 premium realized on the sale of the bonds is to be used for
5 any of the lawful school purposes for which the bonds were
6 issued or for the payment of the principal indebtedness and
7 interest on the bonds. The proceeds of the bond sale shall
8 be deposited in the educational purposes fund of the
9 district and shall be used to pay operational expenses of
10 the district. This subsection is cumulative and
11 constitutes complete authority for the issuance of bonds as
12 provided in this subsection, notwithstanding any other law
13 to the contrary.

14 (f) Notwithstanding the provisions of subsection (a) of
15 this Section or of any other law, bonds in not to exceed the
16 aggregate amount of \$5,500,000 and issued by a school district
17 meeting the following criteria shall not be considered
18 indebtedness for purposes of any statutory limitation and may
19 be issued in an amount or amounts, including existing
20 indebtedness, in excess of any heretofore or hereafter imposed
21 statutory limitation as to indebtedness:

22 (1) At the time of the sale of such bonds, the board of
23 education of the district shall have determined by
24 resolution that the enrollment of students in the district
25 is projected to increase by not less than 7% during each of
26 the next succeeding 2 school years.

27 (2) The board of education shall also determine by
28 resolution that the improvements to be financed with the
29 proceeds of the bonds are needed because of the projected
30 enrollment increases.

31 (3) The board of education shall also determine by
32 resolution that the projected increases in enrollment are
33 the result of improvements made or expected to be made to
34 passenger rail facilities located in the school district.

1 Notwithstanding the provisions of subsection (a) of this
2 Section or of any other law, a school district that has availed
3 itself of the provisions of this subsection (f) prior to the
4 effective date of this amendatory Act of the 93rd General
5 Assembly may also issue bonds approved by referendum up to an
6 amount, including existing indebtedness, not exceeding 25% of
7 the equalized assessed value of the taxable property in the
8 district if all of the conditions set forth in items (1), (2),
9 and (3) of this subsection (f) are met.

10 (g) Notwithstanding the provisions of subsection (a) of
11 this Section or any other law, bonds in not to exceed an
12 aggregate amount of 25% of the equalized assessed value of the
13 taxable property of a school district and issued by a school
14 district meeting the criteria in paragraphs (i) through (iv) of
15 this subsection shall not be considered indebtedness for
16 purposes of any statutory limitation and may be issued pursuant
17 to resolution of the school board in an amount or amounts,
18 including existing indebtedness, in excess of any statutory
19 limitation of indebtedness heretofore or hereafter imposed:

20 (i) The bonds are issued for the purpose of
21 constructing a new high school building to replace two
22 adjacent existing buildings which together house a single
23 high school, each of which is more than 65 years old, and
24 which together are located on more than 10 acres and less
25 than 11 acres of property.

26 (ii) At the time the resolution authorizing the
27 issuance of the bonds is adopted, the cost of constructing
28 a new school building to replace the existing school
29 building is less than 60% of the cost of repairing the
30 existing school building.

31 (iii) The sale of the bonds occurs before July 1, 1997.

32 (iv) The school district issuing the bonds is a unit
33 school district located in a county of less than 70,000 and
34 more than 50,000 inhabitants, which has an average daily

1 attendance of less than 1,500 and an equalized assessed
2 valuation of less than \$29,000,000.

3 (h) Notwithstanding any other provisions of this Section or
4 the provisions of any other law, until January 1, 1998, a
5 community unit school district maintaining grades K through 12
6 may issue bonds up to an amount, including existing
7 indebtedness, not exceeding 27.6% of the equalized assessed
8 value of the taxable property in the district, if all of the
9 following conditions are met:

10 (i) The school district has an equalized assessed
11 valuation for calendar year 1995 of less than \$24,000,000;

12 (ii) The bonds are issued for the capital improvement,
13 renovation, rehabilitation, or replacement of existing
14 school buildings of the district, all of which buildings
15 were originally constructed not less than 40 years ago;

16 (iii) The voters of the district approve a proposition
17 for the issuance of the bonds at a referendum held after
18 March 19, 1996; and

19 (iv) The bonds are issued pursuant to Sections 19-2
20 through 19-7 of this Code.

21 (i) Notwithstanding any other provisions of this Section or
22 the provisions of any other law, until January 1, 1998, a
23 community unit school district maintaining grades K through 12
24 may issue bonds up to an amount, including existing
25 indebtedness, not exceeding 27% of the equalized assessed value
26 of the taxable property in the district, if all of the
27 following conditions are met:

28 (i) The school district has an equalized assessed
29 valuation for calendar year 1995 of less than \$44,600,000;

30 (ii) The bonds are issued for the capital improvement,
31 renovation, rehabilitation, or replacement of existing
32 school buildings of the district, all of which existing
33 buildings were originally constructed not less than 80
34 years ago;

1 (iii) The voters of the district approve a proposition
2 for the issuance of the bonds at a referendum held after
3 December 31, 1996; and

4 (iv) The bonds are issued pursuant to Sections 19-2
5 through 19-7 of this Code.

6 (j) Notwithstanding any other provisions of this Section or
7 the provisions of any other law, until January 1, 1999, a
8 community unit school district maintaining grades K through 12
9 may issue bonds up to an amount, including existing
10 indebtedness, not exceeding 27% of the equalized assessed value
11 of the taxable property in the district if all of the following
12 conditions are met:

13 (i) The school district has an equalized assessed
14 valuation for calendar year 1995 of less than \$140,000,000
15 and a best 3 months average daily attendance for the
16 1995-96 school year of at least 2,800;

17 (ii) The bonds are issued to purchase a site and build
18 and equip a new high school, and the school district's
19 existing high school was originally constructed not less
20 than 35 years prior to the sale of the bonds;

21 (iii) At the time of the sale of the bonds, the board
22 of education determines by resolution that a new high
23 school is needed because of projected enrollment
24 increases;

25 (iv) At least 60% of those voting in an election held
26 after December 31, 1996 approve a proposition for the
27 issuance of the bonds; and

28 (v) The bonds are issued pursuant to Sections 19-2
29 through 19-7 of this Code.

30 (k) Notwithstanding the debt limitation prescribed in
31 subsection (a) of this Section, a school district that meets
32 all the criteria set forth in paragraphs (1) through (4) of
33 this subsection (k) may issue bonds to incur an additional
34 indebtedness in an amount not to exceed \$4,000,000 even though

1 the amount of the additional indebtedness authorized by this
2 subsection (k), when incurred and added to the aggregate amount
3 of indebtedness of the school district existing immediately
4 prior to the school district incurring such additional
5 indebtedness, causes the aggregate indebtedness of the school
6 district to exceed or increases the amount by which the
7 aggregate indebtedness of the district already exceeds the debt
8 limitation otherwise applicable to that school district under
9 subsection (a):

10 (1) the school district is located in 2 counties, and a
11 referendum to authorize the additional indebtedness was
12 approved by a majority of the voters of the school district
13 voting on the proposition to authorize that indebtedness;

14 (2) the additional indebtedness is for the purpose of
15 financing a multi-purpose room addition to the existing
16 high school;

17 (3) the additional indebtedness, together with the
18 existing indebtedness of the school district, shall not
19 exceed 17.4% of the value of the taxable property in the
20 school district, to be ascertained by the last assessment
21 for State and county taxes; and

22 (4) the bonds evidencing the additional indebtedness
23 are issued, if at all, within 120 days of the effective
24 date of this amendatory Act of 1998.

25 (1) Notwithstanding any other provisions of this Section or
26 the provisions of any other law, until January 1, 2000, a
27 school district maintaining grades kindergarten through 8 may
28 issue bonds up to an amount, including existing indebtedness,
29 not exceeding 15% of the equalized assessed value of the
30 taxable property in the district if all of the following
31 conditions are met:

32 (i) the district has an equalized assessed valuation
33 for calendar year 1996 of less than \$10,000,000;

34 (ii) the bonds are issued for capital improvement,

1 renovation, rehabilitation, or replacement of one or more
2 school buildings of the district, which buildings were
3 originally constructed not less than 70 years ago;

4 (iii) the voters of the district approve a proposition
5 for the issuance of the bonds at a referendum held on or
6 after March 17, 1998; and

7 (iv) the bonds are issued pursuant to Sections 19-2
8 through 19-7 of this Code.

9 (m) Notwithstanding any other provisions of this Section or
10 the provisions of any other law, until January 1, 1999, an
11 elementary school district maintaining grades K through 8 may
12 issue bonds up to an amount, excluding existing indebtedness,
13 not exceeding 18% of the equalized assessed value of the
14 taxable property in the district, if all of the following
15 conditions are met:

16 (i) The school district has an equalized assessed
17 valuation for calendar year 1995 or less than \$7,700,000;

18 (ii) The school district operates 2 elementary
19 attendance centers that until 1976 were operated as the
20 attendance centers of 2 separate and distinct school
21 districts;

22 (iii) The bonds are issued for the construction of a
23 new elementary school building to replace an existing
24 multi-level elementary school building of the school
25 district that is not handicapped accessible at all levels
26 and parts of which were constructed more than 75 years ago;

27 (iv) The voters of the school district approve a
28 proposition for the issuance of the bonds at a referendum
29 held after July 1, 1998; and

30 (v) The bonds are issued pursuant to Sections 19-2
31 through 19-7 of this Code.

32 (n) Notwithstanding the debt limitation prescribed in
33 subsection (a) of this Section or any other provisions of this
34 Section or of any other law, a school district that meets all

1 of the criteria set forth in paragraphs (i) through (vi) of
2 this subsection (n) may incur additional indebtedness by the
3 issuance of bonds in an amount not exceeding the amount
4 certified by the Capital Development Board to the school
5 district as provided in paragraph (iii) of this subsection (n),
6 even though the amount of the additional indebtedness so
7 authorized, when incurred and added to the aggregate amount of
8 indebtedness of the district existing immediately prior to the
9 district incurring the additional indebtedness authorized by
10 this subsection (n), causes the aggregate indebtedness of the
11 district to exceed the debt limitation otherwise applicable by
12 law to that district:

13 (i) The school district applies to the State Board of
14 Education for a school construction project grant and
15 submits a district facilities plan in support of its
16 application pursuant to Section 5-20 of the School
17 Construction Law.

18 (ii) The school district's application and facilities
19 plan are approved by, and the district receives a grant
20 entitlement for a school construction project issued by,
21 the State Board of Education under the School Construction
22 Law.

23 (iii) The school district has exhausted its bonding
24 capacity or the unused bonding capacity of the district is
25 less than the amount certified by the Capital Development
26 Board to the district under Section 5-15 of the School
27 Construction Law as the dollar amount of the school
28 construction project's cost that the district will be
29 required to finance with non-grant funds in order to
30 receive a school construction project grant under the
31 School Construction Law.

32 (iv) The bonds are issued for a "school construction
33 project", as that term is defined in Section 5-5 of the
34 School Construction Law, in an amount that does not exceed

1 the dollar amount certified, as provided in paragraph (iii)
2 of this subsection (n), by the Capital Development Board to
3 the school district under Section 5-15 of the School
4 Construction Law.

5 (v) The voters of the district approve a proposition
6 for the issuance of the bonds at a referendum held after
7 the criteria specified in paragraphs (i) and (iii) of this
8 subsection (n) are met.

9 (vi) The bonds are issued pursuant to Sections 19-2
10 through 19-7 of the School Code.

11 (o) Notwithstanding any other provisions of this Section or
12 the provisions of any other law, until November 1, 2007, a
13 community unit school district maintaining grades K through 12
14 may issue bonds up to an amount, including existing
15 indebtedness, not exceeding 20% of the equalized assessed value
16 of the taxable property in the district if all of the following
17 conditions are met:

18 (i) the school district has an equalized assessed
19 valuation for calendar year 2001 of at least \$737,000,000
20 and an enrollment for the 2002-2003 school year of at least
21 8,500;

22 (ii) the bonds are issued to purchase school sites,
23 build and equip a new high school, build and equip a new
24 junior high school, build and equip 5 new elementary
25 schools, and make technology and other improvements and
26 additions to existing schools;

27 (iii) at the time of the sale of the bonds, the board
28 of education determines by resolution that the sites and
29 new or improved facilities are needed because of projected
30 enrollment increases;

31 (iv) at least 57% of those voting in a general election
32 held prior to January 1, 2003 approved a proposition for
33 the issuance of the bonds; and

34 (v) the bonds are issued pursuant to Sections 19-2

1 through 19-7 of this Code.

2 (Source: P.A. 93-13, eff. 6-9-03.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.".