



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**HB4183**

Introduced 1/23/2004, by Patricia Reid Lindner

**SYNOPSIS AS INTRODUCED:**

105 ILCS 5/19-1

from Ch. 122, par. 19-1

Amends the School Code. Provides that for school districts that maintain grades K to 12, inclusive, the debt limit is 20% (instead of 15%) of the value of the taxable property in the district. Effective immediately.

LRB093 14550 NHT 40041 b

1 AN ACT concerning education.

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

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  
25 become indebted in any manner or for any purpose to an amount,  
26 including existing indebtedness, in the aggregate exceeding  
27 13.8% on the value of the taxable property therein to be  
28 ascertained by the last assessment for State and county taxes  
29 or, until January 1, 1983, if greater, the sum that is produced  
30 by multiplying the school district's 1978 equalized assessed  
31 valuation by the debt limitation percentage in effect on  
32 January 1, 1979, previous to the incurring of such

1 indebtedness.

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

14 (b) Notwithstanding the debt limitation prescribed in  
15 subsection (a) of this Section, additional indebtedness may be  
16 incurred in an amount not to exceed the estimated cost of  
17 acquiring or improving school sites or constructing and  
18 equipping additional building facilities under the following  
19 conditions:

20 (1) Whenever the enrollment of students for the next  
21 school year is estimated by the board of education to  
22 increase over the actual present enrollment by not less  
23 than 35% or by not less than 200 students or the actual  
24 present enrollment of students has increased over the  
25 previous school year by not less than 35% or by not less  
26 than 200 students and the board of education determines  
27 that additional school sites or building facilities are  
28 required as a result of such increase in enrollment; and

29 (2) When the Regional Superintendent of Schools having  
30 jurisdiction over the school district and the State  
31 Superintendent of Education concur in such enrollment  
32 projection or increase and approve the need for such  
33 additional school sites or building facilities and the  
34 estimated cost thereof; and

35 (3) When the voters in the school district approve a  
36 proposition for the issuance of bonds for the purpose of

1 acquiring or improving such needed school sites or  
2 constructing and equipping such needed additional building  
3 facilities at an election called and held for that purpose.  
4 Notice of such an election shall state that the amount of  
5 indebtedness proposed to be incurred would exceed the debt  
6 limitation otherwise applicable to the school district.  
7 The ballot for such proposition shall state what percentage  
8 of the equalized assessed valuation will be outstanding in  
9 bonds if the proposed issuance of bonds is approved by the  
10 voters; or

11 (4) Notwithstanding the provisions of paragraphs (1)  
12 through (3) of this subsection (b), if the school board  
13 determines that additional facilities are needed to  
14 provide a quality educational program and not less than 2/3  
15 of those voting in an election called by the school board  
16 on the question approve the issuance of bonds for the  
17 construction of such facilities, the school district may  
18 issue bonds for this purpose; or

19 (5) Notwithstanding the provisions of paragraphs (1)  
20 through (3) of this subsection (b), if (i) the school  
21 district has previously availed itself of the provisions of  
22 paragraph (4) of this subsection (b) to enable it to issue  
23 bonds, (ii) the voters of the school district have not  
24 defeated a proposition for the issuance of bonds since the  
25 referendum described in paragraph (4) of this subsection  
26 (b) was held, (iii) the school board determines that  
27 additional facilities are needed to provide a quality  
28 educational program, and (iv) a majority of those voting in  
29 an election called by the school board on the question  
30 approve the issuance of bonds for the construction of such  
31 facilities, the school district may issue bonds for this  
32 purpose.

33 For school districts maintaining grades K to 8, inclusive,  
34 or 9 to 12, inclusive, in no event shall the indebtedness  
35 incurred pursuant to this subsection (b) and the existing  
36 indebtedness of the school district exceed 15% of the value of

1 the taxable property therein to be ascertained by the last  
2 assessment for State and county taxes, previous to the  
3 incurring of such indebtedness or, until January 1, 1983, if  
4 greater, the sum that is produced by multiplying the school  
5 district's 1978 equalized assessed valuation by the debt  
6 limitation percentage in effect on January 1, 1979. For school  
7 districts maintaining grades K to 12, inclusive, in no event  
8 shall the indebtedness incurred pursuant to this subsection (b)  
9 and the existing indebtedness of the school district exceed 20%  
10 of the value of the taxable property therein to be ascertained  
11 by the last assessment for State and county taxes, previous to  
12 the incurring of such indebtedness.

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

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

25 (d) Notwithstanding the debt limitation prescribed in  
26 subsection (a) of this Section, a school district that meets  
27 all the criteria set forth in paragraphs (1) and (2) of this  
28 subsection (d) may incur an additional indebtedness in an  
29 amount not to exceed \$4,500,000, even though the amount of the  
30 additional indebtedness authorized by this subsection (d),  
31 when incurred and added to the aggregate amount of indebtedness  
32 of the district existing immediately prior to the district  
33 incurring the additional indebtedness authorized by this  
34 subsection (d), causes the aggregate indebtedness of the  
35 district to exceed the debt limitation otherwise applicable to  
36 that district under subsection (a):

1           (1) The additional indebtedness authorized by this  
2 subsection (d) is incurred by the school district through  
3 the issuance of bonds under and in accordance with Section  
4 17-2.11a for the purpose of replacing a school building  
5 which, because of mine subsidence damage, has been closed  
6 as provided in paragraph (2) of this subsection (d) or  
7 through the issuance of bonds under and in accordance with  
8 Section 19-3 for the purpose of increasing the size of, or  
9 providing for additional functions in, such replacement  
10 school buildings, or both such purposes.

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

24           (e) Notwithstanding the debt limitation prescribed in  
25 subsection (a) of this Section, a school district that meets  
26 all the criteria set forth in paragraphs (1) through (5) of  
27 this subsection (e) may, without referendum, incur an  
28 additional indebtedness in an amount not to exceed the lesser  
29 of \$5,000,000 or 1.5% of the value of the taxable property  
30 within the district even though the amount of the additional  
31 indebtedness authorized by this subsection (e), when incurred  
32 and added to the aggregate amount of indebtedness of the  
33 district existing immediately prior to the district incurring  
34 that additional indebtedness, causes the aggregate  
35 indebtedness of the district to exceed or increases the amount  
36 by which the aggregate indebtedness of the district already

1 exceeds the debt limitation otherwise applicable to that  
2 district under subsection (a):

3 (1) The State Board of Education certifies the school  
4 district under Section 19-1.5 as a financially distressed  
5 district.

6 (2) The additional indebtedness authorized by this  
7 subsection (e) is incurred by the financially distressed  
8 district during the school year or school years in which  
9 the certification of the district as a financially  
10 distressed district continues in effect through the  
11 issuance of bonds for the lawful school purposes of the  
12 district, pursuant to resolution of the school board and  
13 without referendum, as provided in paragraph (5) of this  
14 subsection.

15 (3) The aggregate amount of bonds issued by the  
16 financially distressed district during a fiscal year in  
17 which it is authorized to issue bonds under this subsection  
18 does not exceed the amount by which the aggregate  
19 expenditures of the district for operational purposes  
20 during the immediately preceding fiscal year exceeds the  
21 amount appropriated for the operational purposes of the  
22 district in the annual school budget adopted by the school  
23 board of the district for the fiscal year in which the  
24 bonds are issued.

25 (4) Throughout each fiscal year in which certification  
26 of the district as a financially distressed district  
27 continues in effect, the district maintains in effect a  
28 gross salary expense and gross wage expense freeze policy  
29 under which the district expenditures for total employee  
30 salaries and wages do not exceed such expenditures for the  
31 immediately preceding fiscal year. Nothing in this  
32 paragraph, however, shall be deemed to impair or to require  
33 impairment of the contractual obligations, including  
34 collective bargaining agreements, of the district or to  
35 impair or require the impairment of the vested rights of  
36 any employee of the district under the terms of any

1 contract or agreement in effect on the effective date of  
2 this amendatory Act of 1994.

3 (5) Bonds issued by the financially distressed  
4 district under this subsection shall bear interest at a  
5 rate not to exceed the maximum rate authorized by law at  
6 the time of the making of the contract, shall mature within  
7 40 years from their date of issue, and shall be signed by  
8 the president of the school board and treasurer of the  
9 school district. In order to issue bonds under this  
10 subsection, the school board shall adopt a resolution  
11 fixing the amount of the bonds, the date of the bonds, the  
12 maturities of the bonds, the rates of interest of the  
13 bonds, and their place of payment and denomination, and  
14 shall provide for the levy and collection of a direct  
15 annual tax upon all the taxable property in the district  
16 sufficient to pay the principal and interest on the bonds  
17 to maturity. Upon the filing in the office of the county  
18 clerk of the county in which the financially distressed  
19 district is located of a certified copy of the resolution,  
20 it is the duty of the county clerk to extend the tax  
21 therefor in addition to and in excess of all other taxes at  
22 any time authorized to be levied by the district. If bond  
23 proceeds from the sale of bonds include a premium or if the  
24 proceeds of the bonds are invested as authorized by law,  
25 the school board shall determine by resolution whether the  
26 interest earned on the investment of bond proceeds or the  
27 premium realized on the sale of the bonds is to be used for  
28 any of the lawful school purposes for which the bonds were  
29 issued or for the payment of the principal indebtedness and  
30 interest on the bonds. The proceeds of the bond sale shall  
31 be deposited in the educational purposes fund of the  
32 district and shall be used to pay operational expenses of  
33 the district. This subsection is cumulative and  
34 constitutes complete authority for the issuance of bonds as  
35 provided in this subsection, notwithstanding any other law  
36 to the contrary.



1 (f) Notwithstanding the provisions of subsection (a) of  
2 this Section or of any other law, bonds in not to exceed the  
3 aggregate amount of \$5,500,000 and issued by a school district  
4 meeting the following criteria shall not be considered  
5 indebtedness for purposes of any statutory limitation and may  
6 be issued in an amount or amounts, including existing  
7 indebtedness, in excess of any heretofore or hereafter imposed  
8 statutory limitation as to indebtedness:

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

14 (2) The board of education shall also determine by  
15 resolution that the improvements to be financed with the  
16 proceeds of the bonds are needed because of the projected  
17 enrollment increases.

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

22 (g) Notwithstanding the provisions of subsection (a) of  
23 this Section or any other law, bonds in not to exceed an  
24 aggregate amount of 25% of the equalized assessed value of the  
25 taxable property of a school district and issued by a school  
26 district meeting the criteria in paragraphs (i) through (iv) of  
27 this subsection shall not be considered indebtedness for  
28 purposes of any statutory limitation and may be issued pursuant  
29 to resolution of the school board in an amount or amounts,  
30 including existing indebtedness, in excess of any statutory  
31 limitation of indebtedness heretofore or hereafter imposed:

32 (i) The bonds are issued for the purpose of  
33 constructing a new high school building to replace two  
34 adjacent existing buildings which together house a single  
35 high school, each of which is more than 65 years old, and  
36 which together are located on more than 10 acres and less

1 than 11 acres of property.

2 (ii) At the time the resolution authorizing the  
3 issuance of the bonds is adopted, the cost of constructing  
4 a new school building to replace the existing school  
5 building is less than 60% of the cost of repairing the  
6 existing school building.

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

8 (iv) The school district issuing the bonds is a unit  
9 school district located in a county of less than 70,000 and  
10 more than 50,000 inhabitants, which has an average daily  
11 attendance of less than 1,500 and an equalized assessed  
12 valuation of less than \$29,000,000.

13 (h) Notwithstanding any other provisions of this Section or  
14 the provisions of any other law, until January 1, 1998, a  
15 community unit school district maintaining grades K through 12  
16 may issue bonds up to an amount, including existing  
17 indebtedness, not exceeding 27.6% of the equalized assessed  
18 value of the taxable property in the district, if all of the  
19 following conditions are met:

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

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

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

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

31 (i) Notwithstanding any other provisions of this Section or  
32 the provisions of any other law, until January 1, 1998, a  
33 community unit school district maintaining grades K through 12  
34 may issue bonds up to an amount, including existing  
35 indebtedness, not exceeding 27% of the equalized assessed value  
36 of the taxable property in the district, if all of the

1 following conditions are met:

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

4 (ii) The bonds are issued for the capital improvement,  
5 renovation, rehabilitation, or replacement of existing  
6 school buildings of the district, all of which existing  
7 buildings were originally constructed not less than 80  
8 years ago;

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

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

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

21 (i) The school district has an equalized assessed  
22 valuation for calendar year 1995 of less than \$140,000,000  
23 and a best 3 months average daily attendance for the  
24 1995-96 school year of at least 2,800;

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

29 (iii) At the time of the sale of the bonds, the board  
30 of education determines by resolution that a new high  
31 school is needed because of projected enrollment  
32 increases;

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

36 (v) The bonds are issued pursuant to Sections 19-2

1 through 19-7 of this Code.

2 (k) Notwithstanding the debt limitation prescribed in  
3 subsection (a) of this Section, a school district that meets  
4 all the criteria set forth in paragraphs (1) through (4) of  
5 this subsection (k) may issue bonds to incur an additional  
6 indebtedness in an amount not to exceed \$4,000,000 even though  
7 the amount of the additional indebtedness authorized by this  
8 subsection (k), when incurred and added to the aggregate amount  
9 of indebtedness of the school district existing immediately  
10 prior to the school district incurring such additional  
11 indebtedness, causes the aggregate indebtedness of the school  
12 district to exceed or increases the amount by which the  
13 aggregate indebtedness of the district already exceeds the debt  
14 limitation otherwise applicable to that school district under  
15 subsection (a):

16 (1) the school district is located in 2 counties, and a  
17 referendum to authorize the additional indebtedness was  
18 approved by a majority of the voters of the school district  
19 voting on the proposition to authorize that indebtedness;

20 (2) the additional indebtedness is for the purpose of  
21 financing a multi-purpose room addition to the existing  
22 high school;

23 (3) the additional indebtedness, together with the  
24 existing indebtedness of the school district, shall not  
25 exceed 17.4% of the value of the taxable property in the  
26 school district, to be ascertained by the last assessment  
27 for State and county taxes; and

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

31 (l) Notwithstanding any other provisions of this Section or  
32 the provisions of any other law, until January 1, 2000, a  
33 school district maintaining grades kindergarten through 8 may  
34 issue bonds up to an amount, including existing indebtedness,  
35 not exceeding 15% of the equalized assessed value of the  
36 taxable property in the district if all of the following

1 conditions are met:

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

4 (ii) the bonds are issued for capital improvement,  
5 renovation, rehabilitation, or replacement of one or more  
6 school buildings of the district, which buildings were  
7 originally constructed not less than 70 years ago;

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

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

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

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

22 (ii) The school district operates 2 elementary  
23 attendance centers that until 1976 were operated as the  
24 attendance centers of 2 separate and distinct school  
25 districts;

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

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

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

36 (n) Notwithstanding the debt limitation prescribed in

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

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

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

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

34 (iv) The bonds are issued for a "school construction  
35 project", as that term is defined in Section 5-5 of the  
36 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  
35 through 19-7 of this Code.

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

1           Section 99. Effective date. This Act takes effect upon  
2    becoming law.