

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 Local Government Debt Reform Act is amended  
5 by changing Section 15 as follows:

6 (30 ILCS 350/15) (from Ch. 17, par. 6915)

7 Sec. 15. Double-barrelled bonds. Whenever revenue bonds  
8 have been authorized to be issued pursuant to applicable law or  
9 whenever there exists for a governmental unit a revenue source,  
10 the procedures set forth in this Section may be used by a  
11 governing body. General obligation bonds may be issued in lieu  
12 of such revenue bonds as authorized, and general obligation  
13 bonds may be issued payable from any revenue source. Such  
14 general obligation bonds may be referred to as "alternate  
15 bonds". Alternate bonds may be issued without any referendum or  
16 backdoor referendum except as provided in this Section, upon  
17 the terms provided in Section 10 of this Act without reference  
18 to other provisions of law, but only upon the conditions  
19 provided in this Section. Alternate bonds shall not be regarded  
20 as or included in any computation of indebtedness for the  
21 purpose of any statutory provision or limitation except as  
22 expressly provided in this Section.

23 Such conditions are:

1           (a) Alternate bonds shall be issued for a lawful corporate  
2 purpose. If issued in lieu of revenue bonds, alternate bonds  
3 shall be issued for the purposes for which such revenue bonds  
4 shall have been authorized. If issued payable from a revenue  
5 source in the manner hereinafter provided, which revenue source  
6 is limited in its purposes or applications, then the alternate  
7 bonds shall be issued only for such limited purposes or  
8 applications. Alternate bonds may be issued payable from either  
9 enterprise revenues or revenue sources, or both.

10          (b) Alternate bonds shall be subject to backdoor  
11 referendum. The provisions of Section 5 of this Act shall apply  
12 to such backdoor referendum, together with the provisions  
13 hereof. The authorizing ordinance shall be published in a  
14 newspaper of general circulation in the governmental unit.  
15 Along with or as part of the authorizing ordinance, there shall  
16 be published a notice of (1) the specific number of voters  
17 required to sign a petition requesting that the issuance of the  
18 alternate bonds be submitted to referendum, (2) the time when  
19 such petition must be filed, (3) the date of the prospective  
20 referendum, and (4), with respect to authorizing ordinances  
21 adopted on or after January 1, 1991, a statement that  
22 identifies any revenue source that will be used to pay debt  
23 service on the alternate bonds. The clerk or secretary of the  
24 governmental unit shall make a petition form available to  
25 anyone requesting one. If no petition is filed with the clerk  
26 or secretary within 30 days of publication of the authorizing

1 ordinance and notice, the alternate bonds shall be authorized  
2 to be issued. But if within this 30 days period, a petition is  
3 filed with such clerk or secretary signed by electors numbering  
4 the greater of (i) 7.5% of the registered voters in the  
5 governmental unit or (ii) 200 of those registered voters or 15%  
6 of those registered voters, whichever is less, asking that the  
7 issuance of such alternate bonds be submitted to referendum,  
8 the clerk or secretary shall certify such question for  
9 submission at an election held in accordance with the general  
10 election law. The question on the ballot shall include a  
11 statement of any revenue source that will be used to pay debt  
12 service on the alternate bonds. The alternate bonds shall be  
13 authorized to be issued if a majority of the votes cast on the  
14 question at such election are in favor thereof provided that  
15 notice of the bond referendum, if held before July 1, 1999, has  
16 been given in accordance with the provisions of Section 12-5 of  
17 the Election Code in effect at the time of the bond referendum,  
18 at least 10 and not more than 45 days before the date of the  
19 election, notwithstanding the time for publication otherwise  
20 imposed by Section 12-5. Notices required in connection with  
21 the submission of public questions on or after July 1, 1999  
22 shall be as set forth in Section 12-5 of the Election Code.  
23 Backdoor referendum proceedings for bonds and alternate bonds  
24 to be issued in lieu of such bonds may be conducted at the same  
25 time.

26 (c) To the extent payable from enterprise revenues, such

1 revenues shall have been determined by the governing body to be  
2 sufficient to provide for or pay in each year to final maturity  
3 of such alternate bonds all of the following: (1) costs of  
4 operation and maintenance of the utility or enterprise, but not  
5 including depreciation, (2) debt service on all outstanding  
6 revenue bonds payable from such enterprise revenues, (3) all  
7 amounts required to meet any fund or account requirements with  
8 respect to such outstanding revenue bonds, (4) other  
9 contractual or tort liability obligations, if any, payable from  
10 such enterprise revenues, and (5) in each year, an amount not  
11 less than 1.25 times debt service of all (i) alternate bonds  
12 payable from such enterprise revenues previously issued and  
13 outstanding and (ii) alternate bonds proposed to be issued. To  
14 the extent payable from one or more revenue sources, such  
15 sources shall have been determined by the governing body to  
16 provide in each year, an amount not less than 1.25 times debt  
17 service of all alternate bonds payable from such revenue  
18 sources previously issued and outstanding and alternate bonds  
19 proposed to be issued. The 1.25 figure in the preceding  
20 sentence shall be reduced to 1.10 if the revenue source is a  
21 governmental revenue source. The conditions enumerated in this  
22 subsection (c) need not be met for that amount of debt service  
23 provided for by the setting aside of proceeds of bonds or other  
24 moneys at the time of the delivery of such bonds.  
25 Notwithstanding any other provision of this Section, a backdoor  
26 referendum is not required if the proceeds backing the debt are

1 realized from revenues obtained from the County School Facility  
2 Occupation Tax Law under Section 5-1006.7 of the Counties Code.

3 (c-1) In the case of alternate bonds issued as variable  
4 rate bonds (including refunding bonds), debt service shall be  
5 projected based on the rate for the most recent date shown in  
6 the 20 G.O. Bond Index of average municipal bond yields as  
7 published in the most recent edition of The Bond Buyer  
8 published in New York, New York (or any successor publication  
9 or index, or if such publication or index is no longer  
10 published, then any index of long-term municipal tax-exempt  
11 bond yields selected by the governmental unit), as of the date  
12 of determination referred to in subsection (c) of this Section.  
13 Any interest or fees that may be payable to the provider of a  
14 letter of credit, line of credit, surety bond, bond insurance,  
15 or other credit enhancement relating to such alternate bonds  
16 and any fees that may be payable to any remarketing agent need  
17 not be taken into account for purposes of such projection. If  
18 the governmental unit enters into an agreement in connection  
19 with such alternate bonds at the time of issuance thereof  
20 pursuant to which the governmental unit agrees for a specified  
21 period of time to pay an amount calculated at an agreed-upon  
22 rate or index based on a notional amount and the other party  
23 agrees to pay the governmental unit an amount calculated at an  
24 agreed-upon rate or index based on such notional amount,  
25 interest shall be projected for such specified period of time  
26 on the basis of the agreed-upon rate payable by the

1 governmental unit.

2 (d) The determination of the sufficiency of enterprise  
3 revenues or a revenue source, as applicable, shall be supported  
4 by reference to the most recent audit of the governmental unit,  
5 which shall be for a fiscal year ending not earlier than 18  
6 months previous to the time of issuance of the alternate bonds.  
7 If such audit does not adequately show such enterprise revenues  
8 or revenue source, as applicable, or if such enterprise  
9 revenues or revenue source, as applicable, are shown to be  
10 insufficient, then the determination of sufficiency shall be  
11 supported by the report of an independent accountant or  
12 feasibility analyst, the latter having a national reputation  
13 for expertise in such matters, demonstrating the sufficiency of  
14 such revenues and explaining, if appropriate, by what means the  
15 revenues will be greater than as shown in the audit. Whenever  
16 such sufficiency is demonstrated by reference to a schedule of  
17 higher rates or charges for enterprise revenues or a higher tax  
18 imposition for a revenue source, such higher rates, charges or  
19 taxes shall have been properly imposed by an ordinance adopted  
20 prior to the time of delivery of alternate bonds. The reference  
21 to and acceptance of an audit or report, as the case may be,  
22 and the determination of the governing body as to sufficiency  
23 of enterprise revenues or a revenue source shall be conclusive  
24 evidence that the conditions of this Section have been met and  
25 that the alternate bonds are valid.

26 (e) The enterprise revenues or revenue source, as

1 applicable, shall be in fact pledged to the payment of the  
2 alternate bonds; and the governing body shall covenant, to the  
3 extent it is empowered to do so, to provide for, collect and  
4 apply such enterprise revenues or revenue source, as  
5 applicable, to the payment of the alternate bonds and the  
6 provision of not less than an additional .25 (or .10 for  
7 governmental revenue sources) times debt service. The pledge  
8 and establishment of rates or charges for enterprise revenues,  
9 or the imposition of taxes in a given rate or amount, as  
10 provided in this Section for alternate bonds, shall constitute  
11 a continuing obligation of the governmental unit with respect  
12 to such establishment or imposition and a continuing  
13 appropriation of the amounts received. All covenants relating  
14 to alternate bonds and the conditions and obligations imposed  
15 by this Section are enforceable by any bondholder of alternate  
16 bonds affected, any taxpayer of the governmental unit, and the  
17 People of the State of Illinois acting through the Attorney  
18 General or any designee, and in the event that any such action  
19 results in an order finding that the governmental unit has not  
20 properly set rates or charges or imposed taxes to the extent it  
21 is empowered to do so or collected and applied enterprise  
22 revenues or any revenue source, as applicable, as required by  
23 this Act, the plaintiff in any such action shall be awarded  
24 reasonable attorney's fees. The intent is that such enterprise  
25 revenues or revenue source, as applicable, shall be sufficient  
26 and shall be applied to the payment of debt service on such

1 alternate bonds so that taxes need not be levied, or if levied  
2 need not be extended, for such payment. Nothing in this Section  
3 shall inhibit or restrict the authority of a governing body to  
4 determine the lien priority of any bonds, including alternate  
5 bonds, which may be issued with respect to any enterprise  
6 revenues or revenue source.

7 In the event that alternate bonds shall have been issued  
8 and taxes, other than a designated revenue source, shall have  
9 been extended pursuant to the general obligation, full faith  
10 and credit promise supporting such alternate bonds, then the  
11 amount of such alternate bonds then outstanding shall be  
12 included in the computation of indebtedness of the governmental  
13 unit for purposes of all statutory provisions or limitations  
14 until such time as an audit of the governmental unit shall show  
15 that the alternate bonds have been paid from the enterprise  
16 revenues or revenue source, as applicable, pledged thereto for  
17 a complete fiscal year.

18 Alternate bonds may be issued to refund or advance refund  
19 alternate bonds without meeting any of the conditions set forth  
20 in this Section, except that the term of the refunding bonds  
21 shall not be longer than the term of the refunded bonds and  
22 that the debt service payable in any year on the refunding  
23 bonds shall not exceed the debt service payable in such year on  
24 the refunded bonds.

25 Once issued, alternate bonds shall be and forever remain  
26 until paid or defeased the general obligation of the



1 governmental unit, for the payment of which its full faith and  
2 credit are pledged, and shall be payable from the levy of taxes  
3 as is provided in this Act for general obligation bonds.

4 The changes made by this amendatory Act of 1990 do not  
5 affect the validity of bonds authorized before September 1,  
6 1990.

7 (Source: P.A. 91-57, eff. 6-30-99; 91-493, eff. 8-13-99;  
8 91-868, eff. 6-22-00; 92-879, eff. 1-13-03.)

9 Section 10. The Counties Code is amended by adding Section  
10 5-1006.7 as follows:

11 (55 ILCS 5/5-1006.7 new)

12 Sec. 5-1006.7. School facility occupation taxes.

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

24 This additional tax may not be imposed on the sale of food

1 for human consumption that is to be consumed off the premises  
2 where it is sold (other than alcoholic beverages, soft drinks,  
3 and food that has been prepared for immediate consumption) and  
4 prescription and non-prescription medicines, drugs, medical  
5 appliances and insulin, urine testing materials, syringes and  
6 needles used by diabetics. The Department of Revenue has full  
7 power to administer and enforce this subsection, to collect all  
8 taxes and penalties due under this subsection, to dispose of  
9 taxes and penalties so collected in the manner provided in this  
10 subsection, and to determine all rights to credit memoranda  
11 arising on account of the erroneous payment of a tax or penalty  
12 under this subsection. The Department shall deposit all taxes  
13 and penalties collected under this subsection into a special  
14 fund created for that purpose.

15 In the administration of and compliance with this  
16 subsection, the Department and persons who are subject to this  
17 subsection (i) have the same rights, remedies, privileges,  
18 immunities, powers, and duties, (ii) are subject to the same  
19 conditions, restrictions, limitations, penalties, and  
20 definitions of terms, and (iii) shall employ the same modes of  
21 procedure as are set forth in Sections 1 through 1o, 2 through  
22 2-70 (in respect to all provisions contained in those Sections  
23 other than the State rate of tax), 2a through 2h, 3 (except as  
24 to the disposition of taxes and penalties collected), 4, 5, 5a,  
25 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,  
26 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act

1 and all provisions of the Uniform Penalty and Interest Act as  
2 if those provisions were set forth in this subsection.

3 The certificate of registration that is issued by the  
4 Department to a retailer under the Retailers' Occupation Tax  
5 Act permits the retailer to engage in a business that is  
6 taxable without registering separately with the Department  
7 under an ordinance or resolution under this subsection.

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

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

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

1 diabetics.

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

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

1 (except the reference therein to Section 2b of the Retailers'  
2 Occupation Tax Act), 13, (except that any reference to the  
3 State means the county), Sections 15, 16, 17, 18, 19, and 20 of  
4 the Service Occupation Tax Act and all provisions of the  
5 Uniform Penalty and Interest Act, as fully as if those  
6 provisions were set forth herein.

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

14 (c) The tax under this Section may not be imposed until, by  
15 ordinance or resolution of the county board, the question of  
16 imposing the tax has been submitted to the electors of the  
17 county at a regular election and approved by a majority of the  
18 electors voting on the question. Upon a resolution by the  
19 county board or a resolution by school district boards that  
20 represent at least 51% of the student enrollment within the  
21 county, the county board must certify the question to the  
22 proper election authority in accordance with the Election Code.

23 The election authority must submit the question in  
24 substantially the following form:

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

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

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

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

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

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

18 On or before the 25th day of each calendar month, the  
19 Department shall prepare and certify to the Comptroller the  
20 disbursement of stated sums of money to the regional  
21 superintendents of schools in counties from which retailers or  
22 servicemen have paid taxes or penalties to the Department  
23 during the second preceding calendar month. The amount to be  
24 paid to each regional superintendent of schools and disbursed  
25 to him or her in accordance with 3-14.31 of the School Code, is  
26 equal to the amount (not including credit memoranda) collected

1 from the county under this Section during the second preceding  
2 calendar month by the Department; (i) less 2% of that amount,  
3 which shall be deposited into the Tax Compliance and  
4 Administration Fund and shall be used by the Department,  
5 subject to appropriation, to cover the costs of the Department  
6 in administering and enforcing the provisions of this Section,  
7 on behalf of the county; (ii) plus an amount that the  
8 Department determines is necessary to offset any amounts that  
9 were erroneously paid to a different taxing body; (iii) less an  
10 amount equal to the amount of refunds made during the second  
11 preceding calendar month by the Department on behalf of the  
12 county; and (iv) less any amount that the Department determines  
13 is necessary to offset any amounts that were payable to a  
14 different taxing body but were erroneously paid to the county.

15 When certifying the amount of a monthly disbursement to a  
16 regional superintendent of schools under this Section, the  
17 Department shall increase or decrease the amounts by an amount  
18 necessary to offset any miscalculation of previous  
19 disbursements within the previous 6 months from the time a  
20 miscalculation is discovered.

21 Within 10 days after receipt by the Comptroller from the  
22 Department of the disbursement certification to the regional  
23 superintendents of the schools provided for in this Section,  
24 the Comptroller shall cause the orders to be drawn for the  
25 respective amounts in accordance with directions contained in  
26 the certification.

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

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

17       (f) Nothing in this Section may be construed to authorize a  
18 county board to impose a tax upon the privilege of engaging in  
19 any business that under the Constitution of the United States  
20 may not be made the subject of taxation by this State.

21       (g) If a county board imposes a tax under this Section,  
22 then the board may, by ordinance, discontinue or reduce the  
23 rate of the tax. If, however, a school board issues bonds that  
24 are backed by the proceeds of the tax under this Section, then  
25 the county board may not reduce the tax rate or discontinue the  
26 tax if that rate reduction or discontinuance would inhibit the



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

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

19 (h) For purposes of this Section, "school-facility  
20 purposes" means the acquisition, development, construction,  
21 reconstruction, rehabilitation, improvement, financing,  
22 architectural planning, and installation of capital facilities  
23 consisting of buildings, structures, and durable equipment and  
24 for the acquisition and improvement of real property and  
25 interest in real property required, or expected to be required,  
26 in connection with the capital facilities. "School-facility

1 purposes" also includes fire prevention, safety, energy  
2 conservation, disabled accessibility, school security, and  
3 specified repair purposes set forth under Section 17-2.11 of  
4 the School Code.

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

6 (j) This Section may be cited as the County School Facility  
7 Occupation Tax Law.

8 Section 15. The School Code is amended by changing Sections  
9 10-22.36 and 17-2.11 and by adding Sections 3-14.31 and  
10 10-20.40 as follows:

11 (105 ILCS 5/3-14.31 new)

12 Sec. 3-14.31. School facility occupation tax proceeds.

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

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

23 (105 ILCS 5/10-20.40 new)

1       Sec. 10-20.40. School facility occupation tax fund. All  
2 proceeds received by a school district from a distribution  
3 under Section 3-14.31 must be maintained in a special fund  
4 known as the school facility occupation tax fund. The district  
5 may use moneys in that fund only for school-facility purposes,  
6 as that term is defined under Section 5-1006.7 of the Counties  
7 Code.

8           (105 ILCS 5/10-22.36) (from Ch. 122, par. 10-22.36)

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

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

24       Before erecting, or purchasing or remodeling such a  
25 building the board shall submit the plans and specifications

1 respecting heating, ventilating, lighting, seating, water  
2 supply, toilets and safety against fire to the regional  
3 superintendent of schools having supervision and control over  
4 the district, for approval in accordance with Section 2-3.12.

5 Notwithstanding any of the foregoing, no referendum shall  
6 be required if the purchase, construction, or building of any  
7 such building is completed (1) while the building is being  
8 leased by the school district or (2) with the expenditure of  
9 (A) funds derived from the sale or disposition of other  
10 buildings, land, or structures of the school district or (B)  
11 funds received (i) as a grant under the School Construction  
12 Law, ~~or~~ (ii) as gifts or donations, provided that no funds to  
13 complete such building, other than lease payments, are derived  
14 from the district's bonded indebtedness or the tax levy of the  
15 district, or (iii) from the County School Facility Occupation  
16 Tax Law under Section 5-1006.7 of the Counties Code.

17 (Source: P.A. 92-127, eff. 1-1-02.)

18 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

19 Sec. 17-2.11. School board power to levy a tax or to borrow  
20 money and issue bonds for fire prevention, safety, energy  
21 conservation, disabled accessibility, school security, and  
22 specified repair purposes. Whenever, as a result of any lawful  
23 order of any agency, other than a school board, having  
24 authority to enforce any school building code applicable to any  
25 facility that houses students, or any law or regulation for the

1 protection and safety of the environment, pursuant to the  
2 Environmental Protection Act, any school district having a  
3 population of less than 500,000 inhabitants is required to  
4 alter or reconstruct any school building or permanent, fixed  
5 equipment; or whenever any such district determines that it is  
6 necessary for energy conservation purposes that any school  
7 building or permanent, fixed equipment should be altered or  
8 reconstructed and that such alterations or reconstruction will  
9 be made with funds not necessary for the completion of approved  
10 and recommended projects contained in any safety survey report  
11 or amendments thereto authorized by Section 2-3.12 of this Act;  
12 or whenever any such district determines that it is necessary  
13 for disabled accessibility purposes and to comply with the  
14 school building code that any school building or equipment  
15 should be altered or reconstructed and that such alterations or  
16 reconstruction will be made with funds not necessary for the  
17 completion of approved and recommended projects contained in  
18 any safety survey report or amendments thereto authorized under  
19 Section 2-3.12 of this Act; or whenever any such district  
20 determines that it is necessary for school security purposes  
21 and the related protection and safety of pupils and school  
22 personnel that any school building or property should be  
23 altered or reconstructed or that security systems and equipment  
24 (including but not limited to intercom, early detection and  
25 warning, access control and television monitoring systems)  
26 should be purchased and installed, and that such alterations,

1 reconstruction or purchase and installation of equipment will  
2 be made with funds not necessary for the completion of approved  
3 and recommended projects contained in any safety survey report  
4 or amendment thereto authorized by Section 2-3.12 of this Act  
5 and will deter and prevent unauthorized entry or activities  
6 upon school property by unknown or dangerous persons, assure  
7 early detection and advance warning of any such actual or  
8 attempted unauthorized entry or activities and help assure the  
9 continued safety of pupils and school staff if any such  
10 unauthorized entry or activity is attempted or occurs; or if a  
11 school district does not need funds for other fire prevention  
12 and safety projects, including the completion of approved and  
13 recommended projects contained in any safety survey report or  
14 amendments thereto authorized by Section 2-3.12 of this Act,  
15 and it is determined after a public hearing (which is preceded  
16 by at least one published notice (i) occurring at least 7 days  
17 prior to the hearing in a newspaper of general circulation  
18 within the school district and (ii) setting forth the time,  
19 date, place, and general subject matter of the hearing) that  
20 there is a substantial, immediate, and otherwise unavoidable  
21 threat to the health, safety, or welfare of pupils due to  
22 disrepair of school sidewalks, playgrounds, parking lots, or  
23 school bus turnarounds and repairs must be made: then in any  
24 such event, such district may, by proper resolution, levy a tax  
25 for the purpose of making such alteration or reconstruction,  
26 based on a survey report by an architect or engineer licensed

1 in the State of Illinois, upon all the taxable property of the  
2 district at the value as assessed by the Department of Revenue  
3 at a rate not to exceed .05% per year for a period sufficient  
4 to finance such alterations, repairs, or reconstruction, upon  
5 the following conditions:

6 (a) When there are not sufficient funds available in  
7 ~~either~~ the operations and maintenance fund of the district,  
8 the school facility occupation tax fund of the district, or  
9 the fire prevention and safety fund of the district as  
10 determined by the district on the basis of regulations  
11 adopted by the State Board of Education to make such  
12 alterations, repairs, or reconstruction, or to purchase  
13 and install such permanent fixed equipment so ordered or  
14 determined as necessary. Appropriate school district  
15 records shall be made available to the State Superintendent  
16 of Education upon request to confirm such insufficiency.

17 (b) When a certified estimate of an architect or  
18 engineer licensed in the State of Illinois stating the  
19 estimated amount necessary to make the alterations or  
20 repairs, or to purchase and install such equipment so  
21 ordered has been secured by the district, and the estimate  
22 has been approved by the regional superintendent of  
23 schools, having jurisdiction of the district, and the State  
24 Superintendent of Education. Approval shall not be granted  
25 for any work that has already started without the prior  
26 express authorization of the State Superintendent of

1 Education. If such estimate is not approved or denied  
2 approval by the regional superintendent of schools within 3  
3 months after the date on which it is submitted to him or  
4 her, the school board of the district may submit such  
5 estimate directly to the State Superintendent of Education  
6 for approval or denial.

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

19 The filing of a certified copy of the resolution levying  
20 the tax when accompanied by the certificates of the regional  
21 superintendent of schools and State Superintendent of  
22 Education shall be the authority of the county clerk to extend  
23 such tax.

24 The county clerk of the county in which any school district  
25 levying a tax under the authority of this Section is located,  
26 in reducing raised levies, shall not consider any such tax as a



1 part of the general levy for school purposes and shall not  
2 include the same in the limitation of any other tax rate which  
3 may be extended.

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

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

14 When taxes are levied by any school district for fire  
15 prevention, safety, energy conservation, and school security  
16 purposes as specified in this Section, and the purposes for  
17 which the taxes have been levied are accomplished and paid in  
18 full, and there remain funds on hand in the Fire Prevention and  
19 Safety Fund from the proceeds of the taxes levied, including  
20 interest earnings thereon, the school board by resolution shall  
21 use such excess and other board restricted funds excluding bond  
22 proceeds and earnings from such proceeds (1) for other  
23 authorized fire prevention, safety, energy conservation, and  
24 school security purposes or (2) for transfer to the Operations  
25 and Maintenance Fund for the purpose of abating an equal amount  
26 of operations and maintenance purposes taxes. If any transfer

1 is made to the Operation and Maintenance Fund, the secretary of  
2 the school board shall within 30 days notify the county clerk  
3 of the amount of that transfer and direct the clerk to abate  
4 the taxes to be extended for the purposes of operations and  
5 maintenance authorized under Section 17-2 of this Act by an  
6 amount equal to such transfer.

7 If the proceeds from the tax levy authorized by this  
8 Section are insufficient to complete the work approved under  
9 this Section, the school board is authorized to sell bonds  
10 without referendum under the provisions of this Section in an  
11 amount that, when added to the proceeds of the tax levy  
12 authorized by this Section, will allow completion of the  
13 approved work.

14 Such bonds shall bear interest at a rate not to exceed the  
15 maximum rate authorized by law at the time of the making of the  
16 contract, shall mature within 20 years from date, and shall be  
17 signed by the president of the school board and the treasurer  
18 of the school district.

19 In order to authorize and issue such bonds, the school  
20 board shall adopt a resolution fixing the amount of bonds, the  
21 date thereof, the maturities thereof, rates of interest  
22 thereof, place of payment and denomination, which shall be in  
23 denominations of not less than \$100 and not more than \$5,000,  
24 and provide for the levy and collection of a direct annual tax  
25 upon all the taxable property in the school district sufficient  
26 to pay the principal and interest on such bonds to maturity.

1 Upon the filing in the office of the county clerk of the county  
2 in which the school district is located of a certified copy of  
3 the resolution, it is the duty of the county clerk to extend  
4 the tax therefor in addition to and in excess of all other  
5 taxes heretofore or hereafter authorized to be levied by such  
6 school district.

7 After the time such bonds are issued as provided for by  
8 this Section, if additional alterations or reconstructions are  
9 required to be made because of surveys conducted by an  
10 architect or engineer licensed in the State of Illinois, the  
11 district may levy a tax at a rate not to exceed .05% per year  
12 upon all the taxable property of the district or issue  
13 additional bonds, whichever action shall be the most feasible.

14 This Section is cumulative and constitutes complete  
15 authority for the issuance of bonds as provided in this Section  
16 notwithstanding any other statute or law to the contrary.

17 With respect to instruments for the payment of money issued  
18 under this Section either before, on, or after the effective  
19 date of Public Act 86-004 (June 6, 1989), it is, and always has  
20 been, the intention of the General Assembly (i) that the  
21 Omnibus Bond Acts are, and always have been, supplementary  
22 grants of power to issue instruments in accordance with the  
23 Omnibus Bond Acts, regardless of any provision of this Act that  
24 may appear to be or to have been more restrictive than those  
25 Acts, (ii) that the provisions of this Section are not a  
26 limitation on the supplementary authority granted by the

1 Omnibus Bond Acts, and (iii) that instruments issued under this  
2 Section within the supplementary authority granted by the  
3 Omnibus Bond Acts are not invalid because of any provision of  
4 this Act that may appear to be or to have been more restrictive  
5 than those Acts.

6 When the purposes for which the bonds are issued have been  
7 accomplished and paid for in full and there remain funds on  
8 hand from the proceeds of the bond sale and interest earnings  
9 therefrom, the board shall, by resolution, use such excess  
10 funds in accordance with the provisions of Section 10-22.14 of  
11 this Act.

12 Whenever any tax is levied or bonds issued for fire  
13 prevention, safety, energy conservation, and school security  
14 purposes, such proceeds shall be deposited and accounted for  
15 separately within the Fire Prevention and Safety Fund.

16 (Source: P.A. 88-251; 88-508; 88-628, eff. 9-9-94; 88-670, eff.  
17 12-2-94; 89-235, eff. 8-4-95; 89-397, eff. 8-20-95.)

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