



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1361

Introduced 2/9/2007, by Sen. M. Maggie Crotty

SYNOPSIS AS INTRODUCED:

105 ILCS 5/19-7.5 new	
105 ILCS 5/19-8	from Ch. 122, par. 19-8
105 ILCS 5/19-9	from Ch. 122, par. 19-9
105 ILCS 5/19-11	from Ch. 122, par. 19-11
105 ILCS 5/19-13	from Ch. 122, par. 19-13

Amends the School Code. In a provision authorizing a school district, other than the Chicago school district, to issue bonds for paying orders issued for the wages of teachers or for the payment of claims against the district, adds that the bonds may also be used for reimbursing the district for property tax refunds. Makes related changes concerning a resolution to issue the bonds, submission of the proposition to voters, the amount of indebtedness, interest, and maturity, the provision of a tax levy, and the sale of the bonds.

LRB095 10946 NHT 31242 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 adding Section
5 19-7.5 and by changing Sections 19-8, 19-9, 19-11, and 19-13 as
6 follows:

7 (105 ILCS 5/19-7.5 new)

8 Sec. 19-7.5. Definition of property tax refunds. For the
9 purposes of Sections 19-8, 19-9, 19-11, and 19-13 of this Code,
10 "property tax refunds" means property tax revenues collected on
11 behalf of a school district but not received by the district
12 due to the payment of refunds by the county collector within
13 the preceding 6 years pursuant to Section 23-20 of the Property
14 Tax Code.

15 (105 ILCS 5/19-8) (from Ch. 122, par. 19-8)

16 Sec. 19-8. Bonds to pay claims. Any school district or
17 non-high district operating under general law or special
18 charter having a population of 500,000 or less is authorized to
19 issue bonds for the following purposes:

20 (1) ~~the purpose of~~ paying orders issued for the wages
21 of teachers;

22 (2) ~~, or for~~ the payment of claims against any such

1 district; ~~and-~~

2 (3) reimbursing the district for property tax refunds.

3 Such bonds may be issued in an amount, including existing
4 indebtedness, in excess of any statutory limitation as to debt.
5 (Source: P.A. 94-234, eff. 7-1-06.)

6 (105 ILCS 5/19-9) (from Ch. 122, par. 19-9)

7 Sec. 19-9. Resolution to issue bonds - Submission to
8 voters. Before any district as described in Section 19-8 shall
9 avail itself of the provisions of that Section, ~~section~~ the
10 governing body thereof shall examine and consider the several
11 teachers' orders or claims, or both, proposed to be paid or the
12 amount needed to reimburse the district for property tax
13 refunds and thereupon ~~and if it appears that they were~~
14 ~~authorized and allowed for proper school purposes it shall~~
15 adopt a resolution setting ~~so declaring and set~~ forth and
16 describing ~~describe~~ in detail such teachers' orders and claims
17 or the amount needed to reimburse the district for property tax
18 refunds, and the adoption of the resolution shall establish the
19 validity thereof, notwithstanding the amount of such orders,
20 ~~and~~ claims, or reimbursement may exceed in whole or in part any
21 applicable statutory debt limit in force at the time the
22 indebtedness evidenced by such orders, ~~and~~ claims, or
23 reimbursement was incurred. The resolution shall also declare
24 the intention of the district to issue bonds for the purpose of
25 paying such teachers' orders or claims, or both, or the amount

1 needed to reimburse the district for property tax refunds and
2 direct that notice of such intention be published at least once
3 in a newspaper published within the district and if there be no
4 newspaper published within the district then notice shall be
5 published in a newspaper having general circulation within the
6 district. The notice shall set forth (1) the time within which
7 a petition may be filed requesting the submission of the
8 proposition to issue the bonds as hereinafter in this Section
9 provided; (2) the specific number of voters required to sign
10 the petition; and the date of the prospective referendum. The
11 recording officer of the district shall provide a petition form
12 to any individual requesting one. If within 30 days after such
13 publication of such notice a petition is filed with the
14 recording officer of the district, signed by the voters of the
15 district equal to 10% or more of the registered voters of the
16 district requesting that the proposition to issue bonds as
17 authorized by Section 19-8 be submitted to the voters thereof,
18 then the district shall not be authorized to issue bonds as
19 provided by Section 19-8 until the proposition has been
20 submitted to and approved by a majority of the voters voting on
21 the proposition at a regular scheduled election. The board
22 shall certify the proposition to the proper election
23 authorities for submission in accordance with the general
24 election law. If no such petition with the requisite number of
25 signatures is filed within said 30 days, or if any and all
26 petitions filed are invalid, then the district shall thereafter

1 be authorized to issue bonds for the purposes and as provided
2 in Section 19-8.

3 (Source: P.A. 87-767.)

4 (105 ILCS 5/19-11) (from Ch. 122, par. 19-11)

5 Sec. 19-11. Amount of indebtedness - Interest and maturity.
6 Any district which has complied with Section 19-9 and which is
7 authorized to issue bonds under Sections 19-8, 19-9 and 19-10
8 shall adopt a resolution specifying the amount of indebtedness
9 to be incurred ~~funded~~, whether for the purpose of paying
10 claims, ~~or~~ for paying teachers' orders, for reimbursing the
11 district for property tax refunds, or for paying liabilities or
12 obligations imposed on any district resulting from the division
13 of assets as provided by Article 7 of this Act ~~or Article 5 of~~
14 ~~this Act as it existed prior to July 1, 1952~~. The resolution
15 shall set forth the date, denomination, rate of interest and
16 maturities of the bonds, fix all details with respect to the
17 issue and execution thereof, and provide for the levy of a tax
18 sufficient to pay both principal and interest of the bonds as
19 they mature. The bonds shall bear interest at a rate not to
20 exceed the maximum rate authorized by the Bond Authorization
21 Act, as amended at the time of the making of the contract,
22 payable annually or semi-annually, as the governing body may
23 determine, and mature in not more than 20 years from date
24 thereof.

25 With respect to instruments for the payment of money issued

1 under this Section either before, on, or after the effective
2 date of this amendatory Act of 1989, it is and always has been
3 the intention of the General Assembly (i) that the Omnibus Bond
4 Acts are and always have been supplementary grants of power to
5 issue instruments in accordance with the Omnibus Bond Acts,
6 regardless of any provision of this Act that may appear to be
7 or to have been more restrictive than those Acts, (ii) that the
8 provisions of this Section are not a limitation on the
9 supplementary authority granted by the Omnibus Bond Acts, and
10 (iii) that instruments issued under this Section within the
11 supplementary authority granted by the Omnibus Bond Acts are
12 not invalid because of any provision of this Act that may
13 appear to be or to have been more restrictive than those Acts.
14 (Source: P.A. 86-4.)

15 (105 ILCS 5/19-13) (from Ch. 122, par. 19-13)
16 Sec. 19-13. Sale or exchange of bonds. Any bonds issued
17 under Sections 19-8 to 19-11, inclusive, may be exchanged par
18 for par for claims or unpaid orders for wages of teachers, or
19 both, or may be sold and the proceeds received used to pay such
20 claims or orders or to reimburse the school district for
21 property tax refunds.
22 (Source: Laws 1961, p. 31.)