



Rep. Gary Hannig

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09500SB2824ham001

LRB095 20016 NHT 53537 a

1 AMENDMENT TO SENATE BILL 2824

2 AMENDMENT NO. _____. Amend Senate Bill 2824 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The School Code is amended by changing Section
5 7-14 as follows:

6 (105 ILCS 5/7-14) (from Ch. 122, par. 7-14)

7 Sec. 7-14. Bonded indebtedness-Tax rate.

8 (a) Except as provided in subsection (b), whenever the
9 boundaries of any school district are changed by the annexation
10 or detachment of territory, each such district as it exists on
11 and after such action shall assume the bonded indebtedness, as
12 well as financial obligations to the Capital Development Board
13 pursuant to Section 35-15 (now repealed) of this Code, of all
14 the territory included therein after such change. The tax rate
15 for bonded indebtedness shall be determined in the manner
16 provided in Section 19-7 of this Act, except the County Clerk

1 shall annually extend taxes against all the taxable property
2 situated in the county and contained in each such district as
3 it exists after the action. Notwithstanding the provisions of
4 this subsection, if the boundaries of a school district are
5 changed by annexation or detachment of territory after June 30,
6 1987, and prior to September 15, 1987, and if the school
7 district to which territory is being annexed has no outstanding
8 bonded indebtedness on the date such annexation occurs, then
9 the annexing school district shall not be liable for any bonded
10 indebtedness of the district from which the territory is
11 detached, and the school district from which the territory is
12 detached shall remain liable for all of its bonded
13 indebtedness.

14 (b) Whenever a school district with bonded indebtedness has
15 become dissolved under this Article and its territory annexed
16 to another district, the annexing district or districts shall
17 not, except by action pursuant to resolution of the school
18 board of the annexing district prior to the effective date of
19 the annexation, assume the bonded indebtedness of the dissolved
20 district; nor, except by action pursuant to resolution of the
21 school board of the dissolving district, shall the territory of
22 the dissolved district assume the bonded indebtedness of the
23 annexing district or districts. If the annexing district or
24 districts do not assume the bonded indebtedness of the
25 dissolved district, a tax rate for the bonded indebtedness
26 shall be determined in the manner provided in Section 19-7, and

1 the county clerk or clerks shall annually extend taxes for each
2 outstanding bond issue against all the taxable property that
3 was situated within the boundaries of the district as the
4 boundaries existed at the time of the issuance of each bond
5 issue regardless of whether the property is still contained in
6 that same district at the time of the extension of the taxes by
7 the county clerk or clerks.

8 (c) Notwithstanding the provisions of Section 19-18 of this
9 Code, upon resolution of the school board, the county clerk
10 must extend taxes to pay the principal of and interest on any
11 bonds issued exclusively to refund any bonded indebtedness of
12 the annexing school district against all of the taxable
13 property that was situated within the boundaries of the
14 annexing district as the boundaries existed at the time of the
15 issuance of the bonded indebtedness being refunded and not
16 against any of the taxable property in the dissolved school
17 district, provided that (i) the net interest rate on the
18 refunding bonds may not exceed the net interest rate on the
19 refunded bonds, (ii) the final maturity date of the refunding
20 bonds may not extend beyond the final maturity date of the
21 refunded bonds, and (iii) the tax levy to pay the refunding
22 bonds in any levy year may not exceed the tax levy that would
23 have been required to pay the refunded bonds for that levy
24 year. The provisions of this subsection (c), other than this
25 sentence, are inoperative 2 years after the effective date of
26 this amendatory Act of the 95th General Assembly.

1 (Source: P.A. 94-1105, eff. 6-1-07.)

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