



Sen. M. Maggie Crotty

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LRB096 20716 NHT 37728 a

1 AMENDMENT TO SENATE BILL 3544

2 AMENDMENT NO. _____. Amend Senate Bill 3544 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The School Code is amended by changing Sections
5 20-1, 20-2, 20-3, 20-4, 20-5, 20-7, 20-8, and 20-9 and by
6 adding Section 20-10 as follows:

7 (105 ILCS 5/20-1) (from Ch. 122, par. 20-1)

8 Sec. 20-1. Authority to create working cash fund. In each
9 school district, whether organized under general law or special
10 charter, having a population of less than 500,000 inhabitants,
11 a fund to be known as a "Working Cash Fund" may be created and
12 maintained consistent with the limitations of ~~and administered~~
13 ~~in the manner prescribed in this Article~~, for the purpose of
14 enabling the district to have in its treasury at all time
15 sufficient money to meet demands thereon for ~~ordinary and~~
16 ~~necessary~~ expenditures for corporate purposes.

1 (Source: P.A. 80-272.)

2 (105 ILCS 5/20-2) (from Ch. 122, par. 20-2)

3 Sec. 20-2. Indebtedness and bonds. For the purpose of
4 creating, re-creating, or increasing a working cash fund, the
5 school board of any such district may incur an indebtedness and
6 issue bonds as evidence thereof in an amount or amounts not
7 exceeding in the aggregate 85% of the taxes permitted to be
8 levied for educational purposes for the then current year to be
9 determined by multiplying the maximum educational tax rate or
10 rates applicable to such school district by the last assessed
11 valuation or assessed valuations as determined at the time of
12 the issue of said bonds plus 85% of the last known entitlement
13 of such district to taxes as by law now or hereafter enacted or
14 amended, imposed by the General Assembly of the State of
15 Illinois to replace revenue lost by units of local government
16 and school districts as a result of the abolition of ad valorem
17 personal property taxes, pursuant to Article IX, Section 5,
18 paragraph (c) of the Constitution of the State of Illinois. The
19 bonds shall bear interest at not more than the maximum rate
20 authorized by law ~~the Bond Authorization Act, as amended at the~~
21 ~~time of the making of the contract, if issued before January 1,~~
22 ~~1972 and not more than the maximum rate authorized by the Bond~~
23 ~~Authorization Act, as amended at the time of the making of the~~
24 ~~contract, if issued after January 1, 1972~~ and shall mature
25 within 20 years from the date thereof. Subject to the foregoing

1 limitations as to amount, the bonds may be issued in an amount
2 including existing indebtedness which will not exceed the
3 constitutional limitation as to debt, notwithstanding any
4 statutory debt limitation to the contrary. The school board
5 shall before or at the time of issuing the bonds provide for
6 the collection of a direct annual tax upon all the taxable
7 property within the district sufficient to pay the principal
8 thereof at maturity and to pay the interest thereon as it falls
9 due, which tax shall be in addition to the maximum amount of
10 all other taxes, either educational; transportation;
11 operations and maintenance; or fire prevention and safety fund
12 taxes, now or hereafter authorized and in addition to any
13 limitations upon the levy of taxes as provided by Sections 17-2
14 through 17-9. ~~The bonds may be issued redeemable at the option~~
15 ~~of the school board of the district issuing them on any~~
16 ~~interest payment date on or after 5 years from date of issue.~~

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 this amendatory Act of 1989, it is and always has been
20 the intention of the General Assembly (i) that the Omnibus Bond
21 Acts are and always have been supplementary grants of power to
22 issue instruments in accordance with the Omnibus Bond Acts,
23 regardless of any provision of this Act that may appear to be
24 or to have been more restrictive than those Acts, (ii) that the
25 provisions of this Section are not a limitation on the
26 supplementary authority granted by the Omnibus Bond Acts, and

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

5 (Source: P.A. 94-234, eff. 7-1-06; 94-1019, eff. 7-10-06.)

6 (105 ILCS 5/20-3) (from Ch. 122, par. 20-3)

7 Sec. 20-3. Tax levy. For the purpose of providing moneys
8 for a working cash fund, the school board of any such school
9 district may also levy annually upon all the taxable property
10 of their district a tax, known as the "working cash fund tax,"
11 not to exceed 0.05% of value, as equalized or assessed by the
12 Department of Revenue; provided that no such tax shall be
13 levied if bonds are issued in amount or amounts equal in the
14 aggregate to the limitation set forth in Section 20-2 for the
15 creation, re-creation, or increase of a working cash fund. The
16 collection of the tax shall not be anticipated by the issuance
17 of any warrants drawn against it. The tax shall be levied and
18 collected, except as otherwise provided in this Section, in
19 like manner as the general taxes of the district, and shall be
20 in addition to the maximum of all other taxes, either
21 educational; transportation; operations and maintenance; or
22 fire prevention and safety fund taxes, now or hereafter to be
23 levied for school purposes. It may be levied by separate
24 resolution by the last Tuesday in December ~~September~~ in each
25 year or it may be included in the certificate of tax levy filed

1 under Section 17-11.

2 (Source: P.A. 94-234, eff. 7-1-06.)

3 (105 ILCS 5/20-4) (from Ch. 122, par. 20-4)

4 Sec. 20-4. Use and reimbursement of fund. This Section
5 shall not apply in any school district which does not operate a
6 working cash fund.

7 Moneys derived from the issuance of bonds as authorized by
8 Section 20-2, or from any tax levied pursuant to Section 20-3,
9 shall be used only for the purposes and in the manner
10 ~~hereinafter~~ provided in this Article. Moneys in the fund shall
11 not be regarded as current assets available for school
12 purposes. The school board may appropriate moneys to the
13 working cash fund up to the maximum amount allowable in the
14 fund, and the working cash fund may receive such appropriations
15 and any other contributions. Moneys in the fund may ~~shall not~~
16 be used by the school board for any and all ~~in any manner other~~
17 ~~than to provide moneys with which to meet ordinary and~~
18 ~~necessary disbursements for salaries and other~~ school purposes
19 and may be transferred in whole or in part to the general funds
20 or both of the school district and disbursed therefrom in
21 anticipation of the collection of taxes lawfully levied for any
22 or all purposes, or in anticipation of such taxes as by law now
23 or hereafter enacted or amended are imposed by the General
24 Assembly of the State of Illinois to replace revenue lost by
25 units of local government and school districts as a result of

1 the abolition of ad valorem personal property taxes, pursuant
2 to Article IX, Section 5(c) of the Constitution of the State of
3 Illinois. Moneys so transferred to any other fund shall be
4 deemed to be transferred in anticipation of the collection of
5 that part of the taxes so levied or to be received which is in
6 excess of the amount thereof required to pay any warrants or
7 notes and the interest thereon theretofore and thereafter
8 issued in anticipation of the collection thereof and such taxes
9 when collected shall be applied to the payment of any such
10 warrants and the interest thereon, the amount estimated to be
11 required to satisfy debt service and pension or retirement
12 obligations, as set forth in Section 12 of the State Revenue
13 Sharing Act and then to the reimbursement of such working cash
14 fund as hereinafter provided.

15 Upon receipt by the school district of any taxes in
16 anticipation of the collection whereof moneys of the working
17 cash fund have been so transferred for disbursement, the fund
18 shall immediately be reimbursed therefrom until the full amount
19 so transferred has been retransferred to the fund. Unless the
20 taxes so received and applied to the reimbursement of the
21 working cash fund prior to the first day of the eighth month
22 following the month in which due and unpaid real property taxes
23 begin to bear interest are sufficient to effect a complete
24 reimbursement of such fund for any moneys transferred therefrom
25 in anticipation of the collection of such taxes, the working
26 cash fund shall be reimbursed for the amount of the deficiency

1 therein from any other revenues accruing to the educational
2 fund, and the school board shall make provisions for the
3 immediate reimbursement of the amount of any such deficiency in
4 its next annual tax levy.

5 (Source: P.A. 87-984; 87-1168; 88-45.)

6 (105 ILCS 5/20-5) (from Ch. 122, par. 20-5)

7 Sec. 20-5. Transfer to other fund. This Section shall not
8 apply in any school district which does not operate a working
9 cash fund.

10 Moneys in, ~~including interest earned from investment of~~ the
11 working cash fund ~~as in this Section provided,~~ shall be
12 transferred from the working cash fund to another fund of the
13 district only upon the authority of the school board which
14 shall from time to time by separate resolution direct the
15 school treasurer to make transfers of such sums as may be
16 required for the purposes herein authorized.

17 The resolution shall set forth (a) the taxes in
18 anticipation of which such transfer is to be made and from
19 which the working cash fund is to be reimbursed; (b) the entire
20 amount of taxes extended, or which the school board estimates
21 will be extended or received, for any year in anticipation of
22 the collection of all or part of which such transfer is to be
23 made; (c) the aggregate amount of warrants or notes theretofore
24 issued in anticipation of the collection of such taxes together
25 with the amount of interest accrued and which the school board

1 estimates will accrue thereon; (d) the aggregate amount of
2 receipts from taxes imposed to replace revenue lost by units of
3 local government and school districts as a result of the
4 abolition of ad valorem personal property taxes, pursuant to
5 Article IX, Section 5(c) of the Constitution of the State of
6 Illinois, which the corporate authorities estimate will be set
7 aside for the payment of the proportionate amount of debt
8 service and pension or retirement obligations, as required by
9 Section 12 of the State Revenue Sharing Act; and (e) the
10 aggregate amount of money theretofore transferred from the
11 working cash fund to the other fund in anticipation of the
12 collection of such taxes. The amount which any such resolution
13 shall direct the treasurer so to transfer, in anticipation of
14 the collection of taxes levied or to be received for any year,
15 together with the aggregate amount of such anticipation tax
16 warrants or notes theretofore drawn against such taxes and the
17 amount of interest accrued and estimated to accrue thereon and
18 the aggregate amount of such transfers to be made in
19 anticipation of the collection of such taxes and the amount
20 estimated to be required to satisfy debt service and pension or
21 retirement obligations, as set forth in Section 12 of the State
22 Revenue Sharing Act, shall not exceed 85% of the actual or
23 estimated amount of such taxes extended or to be extended or to
24 be received as set forth in such resolution. At any time moneys
25 are available in the working cash fund they shall be
26 transferred to such other funds of the district ~~the educational~~

1 ~~fund~~ and used for any and all ~~disbursed for the payment of~~
2 ~~salaries and other~~ school purposes ~~expenses~~ so as to avoid,
3 whenever possible, the issuance of anticipation tax warrants or
4 notes.

5 Moneys earned as interest from the investment of the
6 working cash fund, or any portion thereof, may be transferred
7 from the working cash fund to another fund of the district that
8 is most in need of the interest without any requirement of
9 repayment to the working cash fund, upon the authority of the
10 school board by separate resolution directing the school
11 treasurer to make such transfer and stating the purpose in
12 accordance with subsection (c) of Section 9 of the Local
13 Government Debt Reform Act ~~therefore as one herein authorized.~~

14 (Source: P.A. 94-234, eff. 7-1-06.)

15 (105 ILCS 5/20-7) (from Ch. 122, par. 20-7)

16 Sec. 20-7. Resolution for issuance of bonds - Submission to
17 voters - Ballot. No school district may issue bonds under this
18 Article unless it adopts a resolution declaring its intention
19 to issue bonds for the purpose therein provided and directs
20 that notice of such intention be published at least once in a
21 newspaper ~~published and having a general circulation in the~~
22 ~~district, if there be one, but if there is no newspaper~~
23 ~~published in such district then by publishing such notice in a~~
24 ~~newspaper~~ having a general circulation in the district. The
25 notice shall set forth (1) the intention of the district to

1 issue bonds in accordance with this Article; (2) the time
2 within which a petition may be filed requesting the submission
3 of the proposition to issue the bonds; (3) the specific number
4 of voters required to sign the petition; and (4) the date of
5 the prospective referendum. At the time of publication of the
6 notice and for 30 days thereafter, the recording officer of the
7 district shall provide a petition form to any individual
8 requesting one. If within 30 days after the publication a
9 petition is filed with the recording officer of the district,
10 signed by the voters of the district equal to 10% or more of
11 the registered voters of the district requesting that the
12 proposition to issue bonds as authorized by this Article be
13 submitted to the voters thereof, then the district shall not be
14 authorized to issue such bonds until the proposition has been
15 certified to the proper election authorities and has been
16 submitted to and approved by a majority of the voters voting on
17 the proposition at a regular scheduled election in accordance
18 with the general election law. If no such petition is so filed,
19 or if any and all petitions filed are invalid, the district may
20 issue the bonds. In addition to the requirements of the general
21 election law the notice of the election shall set forth the
22 intention of the district to issue bonds under this Article.
23 The proposition shall be in substantially the following form:

OFFICIAL BALLOT

24 -----
25
26 Shall the Board ~~board~~ of....

1 of School District ~~district~~ number.... YES
 2 County, Illinois, be authorized
 3 to issue bonds for a working -----
 4 cash fund as provided for
 5 by Article 20 of the NO
 6 School Code?
 7 -----

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

9 (105 ILCS 5/20-8) (from Ch. 122, par. 20-8)

10 Sec. 20-8. Abolishment of working cash fund. Any school
 11 district may abolish its working cash fund, upon the adoption
 12 of a resolution so providing, and direct the transfer of any
 13 balance in such fund to the educational fund at the close of
 14 the then current school year. Any outstanding loans to other
 15 funds of the district ~~the transportation, operations and~~
 16 ~~maintenance, or fire prevention and safety fund~~ shall be paid
 17 or become payable to the educational fund at the close of the
 18 then current school year. Thereafter, all outstanding taxes of
 19 such school district levied pursuant to Section 20-3 shall be
 20 collected and paid into the educational fund.

21 Any balance in any working cash fund that is created in any
 22 school district on or after the effective date of this
 23 amendatory Act of 1991 (including all outstanding loans from
 24 any such working cash fund to other funds ~~the educational,~~
 25 ~~transportation, operations and maintenance, or fire prevention~~

1 ~~and safety fund~~ of the district and all outstanding taxes
2 levied by the district under Section 20-3 to provide moneys for
3 any such working cash fund) may, when such working cash fund is
4 abolished, be used and applied for the purpose of reducing, by
5 the balance in that working cash fund at the close of the
6 school year in which the fund so created is abolished, the
7 amount of the taxes that the school board of the school
8 district otherwise would be authorized or required to levy for
9 educational purposes for the immediately succeeding school
10 year.

11 Any obligation incurred by any school district pursuant to
12 Section 20-2 shall be discharged as therein provided.

13 (Source: P.A. 86-970; 87-643; 87-984.)

14 (105 ILCS 5/20-9) (from Ch. 122, par. 20-9)

15 Sec. 20-9. A ~~Nothing in this Article prevents a~~ school
16 district which has abolished or abated its working cash fund
17 has the authority to again create ~~from again creating~~ a working
18 cash fund at any time in the manner provided in this Article.

19 (Source: Laws 1967, p. 642.)

20 (105 ILCS 5/20-10 new)

21 Sec. 20-10. Abatement of working cash fund. Any school
22 district may abate its working cash fund at any time, upon the
23 adoption of a resolution so providing, and direct the transfer
24 at any time of moneys in that fund to any fund or funds of the

1 district most in need of the money, provided that the district
2 maintains an amount to the credit of the working cash fund,
3 including taxes levied pursuant to Section 20-3 and not yet
4 collected and amounts transferred pursuant to Section 20-4 and
5 to be reimbursed to the working cash fund, at least equal to
6 0.05% of the then current value, as equalized or assessed by
7 the Department of Revenue, of the taxable property in the
8 district. If necessary to effectuate the abatement, any
9 outstanding loans to other funds of the district may be paid or
10 become payable to the fund or funds to which the abatement is
11 made. Any abatement of a school district's working cash fund
12 prior to the effective date of this amendatory Act of the 96th
13 General Assembly that would have complied with the provisions
14 of this Section is hereby validated.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law."