



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3823

by Rep. Stephanie A. Kifowit

SYNOPSIS AS INTRODUCED:

105 ILCS 5/17-2

from Ch. 122, par. 17-2

105 ILCS 230/5-35

Amends the School Code and the School Construction Law. Provides that if a school district, other than Chicago school district, in any fiscal year receives school construction project grant funds for a school construction project for which the district has a levy and the district has any outstanding debt on that construction project, then the district shall use the grant funds to first pay off that outstanding debt and shall reduce the levy by an amount equal to the amount of the grant funds used to pay off the outstanding debt. Effective immediately.

LRB099 05458 NHT 25982 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 changing Section
5 17-2 as follows:

6 (105 ILCS 5/17-2) (from Ch. 122, par. 17-2)

7 Sec. 17-2. Tax levies; purposes; rates. Except as otherwise
8 provided in Articles 12 and 13 of this Act, the following
9 maximum rates shall apply to all taxes levied after August 10,
10 1965, in districts having a population of less than 500,000
11 inhabitants, including those districts organized under Article
12 11 of the School Code. The school board of any district having
13 a population of less than 500,000 inhabitants may levy a tax
14 annually, at not to exceed the maximum rates and for the
15 specified purposes, upon all the taxable property of the
16 district at the value, as equalized or assessed by the
17 Department of Revenue as follows:

18 (1) districts maintaining only grades 1 through 8, .92%
19 for educational purposes and .25% for operations and
20 maintenance purposes;

21 (2) districts maintaining only grades 9 through 12,
22 .92% for educational purposes and .25% for operations and
23 maintenance purposes;

1 (3) districts maintaining grades 1 through 12, 1.63%
2 for the 1985-86 school year, 1.68% for the 1986-87 school
3 year, 1.75% for the 1987-88 school year and 1.84% for the
4 1988-89 school year and thereafter for educational
5 purposes and .405% for the 1989-90 school year, .435% for
6 the 1990-91 school year, .465% for the 1991-92 school year,
7 and .50% for the 1992-93 school year and thereafter for
8 operations and maintenance purposes;

9 (4) all districts, 0.75% for capital improvement
10 purposes (which is in addition to the levy for operations
11 and maintenance purposes), which tax is to be levied,
12 accumulated for not more than 6 years, and spent for
13 capital improvement purposes (including but not limited to
14 the construction of a new school building or buildings or
15 the purchase of school grounds on which any new school
16 building is to be constructed or located, or both) only in
17 accordance with Section 17-2.3 of this Act;

18 (5) districts maintaining only grades 1 through 8, .12%
19 for transportation purposes, provided that districts
20 maintaining only grades kindergarten through 8 which have
21 an enrollment of at least 2600 students may levy, subject
22 to Section 17-2.2, at not to exceed a maximum rate of .20%
23 for transportation purposes for any school year in which
24 the number of students requiring transportation in the
25 district exceeds by at least 2% the number of students
26 requiring transportation in the district during the

1 preceding school year, as verified in the district's claim
2 for pupil transportation and reimbursement and as
3 certified by the State Board of Education to the county
4 clerk of the county in which such district is located not
5 later than November 15 following the submission of such
6 claim; districts maintaining only grades 9 through 12, .12%
7 for transportation purposes; and districts maintaining
8 grades 1 through 12, .14% for the 1985-86 school year, .16%
9 for the 1986-87 school year, .18% for the 1987-88 school
10 year and .20% for the 1988-89 school year and thereafter,
11 for transportation purposes;

12 (6) districts providing summer classes, .15% for
13 educational purposes, subject to Section 17-2.1 of this
14 Act.

15 Whenever any special charter school district operating
16 grades 1 through 12~~7~~ has organized or shall organize under the
17 general school law, the district so organized may continue to
18 levy taxes at not to exceed the rate at which taxes were last
19 actually extended by the special charter district, except that
20 if such rate at which taxes were last actually extended by such
21 special charter district was less than the maximum rate for
22 districts maintaining grades 1 through 12 authorized under this
23 Section, such special charter district nevertheless may levy
24 taxes at a rate not to exceed the maximum rate for districts
25 maintaining grades 1 through 12 authorized under this Section,
26 and except that if any such district maintains only grades 1

1 through 8, the board may levy, for educational purposes, at a
2 rate not to exceed the maximum rate for elementary districts
3 authorized under this Section.

4 Maximum rates before or after established in excess of
5 those prescribed shall not be affected by the amendatory Act of
6 1965.

7 Maximum rates established under this Section are subject to
8 subsection (b-10) of Section 5-35 of the School Construction
9 Law.

10 (Source: P.A. 87-984; 87-1023; 88-45.)

11 Section 10. The School Construction Law is amended by
12 changing Section 5-35 as follows:

13 (105 ILCS 230/5-35)

14 Sec. 5-35. School construction project grant amounts;
15 permitted use; prohibited use.

16 (a) The product of the district's grant index and the
17 recognized project cost, as determined by the Capital
18 Development Board, for an approved school construction project
19 shall equal the amount of the grant the Capital Development
20 Board shall provide to the eligible district. The grant index
21 shall not be used in cases where the General Assembly and the
22 Governor approve appropriations designated for specifically
23 identified school district construction projects.

24 The average of the grant indexes of the member districts in

1 a joint agreement shall be used to calculate the amount of a
2 school construction project grant awarded to an eligible Type
3 40 area vocational center.

4 (b) In each fiscal year in which school construction
5 project grants are awarded, 20% of the total amount awarded
6 statewide shall be awarded to a school district with a
7 population exceeding 500,000, provided such district complies
8 with the provisions of this Article.

9 In addition to the uses otherwise authorized by this Law,
10 any school district with a population exceeding 500,000 is
11 authorized to use any or all of the school construction project
12 grants (i) to pay debt service, as defined in the Local
13 Government Debt Reform Act, on bonds, as defined in the Local
14 Government Debt Reform Act, issued to finance one or more
15 school construction projects and (ii) to the extent that any
16 such bond is a lease or other installment or financing contract
17 between the school district and a public building commission
18 that has issued bonds to finance one or more qualifying school
19 construction projects, to make lease payments under the lease.

20 (b-3) The Capital Development Board shall make payment in
21 an amount equal to 20% of each amount deposited into the School
22 Infrastructure Fund pursuant to subsection (b-5) of Section
23 6z-45 of the State Finance Act to the Board of Education of the
24 City of Chicago within 10 days after such deposit. The Board of
25 Education of the City of Chicago shall use such moneys received
26 (i) for application to the costs of a school construction

1 project, (ii) to pay debt service on bonds, as those terms are
2 defined in the Local Government Debt Reform Act, that are
3 issued to finance one or more school construction projects, and
4 (iii) to the extent that any such bond is a lease or other
5 installment or financing contract between the school district
6 and a public building commission that has issued bonds to
7 finance one or more qualifying school construction projects, to
8 make lease payments under the lease. The Board of Education of
9 the City of Chicago shall submit quarterly to the Capital
10 Development Board documentation sufficient to establish that
11 this money is being used as authorized by this Section. The
12 Capital Development Board may withhold payments if the
13 documentation is not provided. The remaining 80% of each such
14 deposit shall be applied in accordance with the provisions of
15 subsection (a) of this Section; however, no portion of this
16 remaining 80% shall be awarded to a school district with a
17 population of more than 500,000.

18 (b-5) In addition to the uses otherwise authorized by this
19 Law, any school district that (1) was organized prior to 1860
20 and (2) is located in part in a city originally incorporated
21 prior to 1840 is authorized to use any or all of the school
22 construction project grants (i) to pay debt service on bonds,
23 as those terms are defined in the Local Government Debt Reform
24 Act, that are issued to finance one or more school construction
25 projects and (ii) to the extent that any such bond is a lease
26 or other installment or financing contract between the school

1 district and a public building commission that has issued bonds
2 to finance one or more qualifying school construction projects,
3 to make lease payments under the lease.

4 (b-10) Notwithstanding other uses that may be authorized by
5 this Law, if a school district, other than a school district
6 with a population exceeding 500,000, in any fiscal year
7 receives school construction project grant funds for a school
8 construction project for which the district has a levy and the
9 district has any outstanding debt on that construction project,
10 then the district shall use the grant funds to first pay off
11 that outstanding debt and shall reduce the levy by an amount
12 equal to the amount of the grant funds used to pay off the
13 outstanding debt.

14 (c) No portion of a school construction project grant
15 awarded by the Capital Development Board shall be used by a
16 school district for any on-going operational costs.

17 (Source: P.A. 98-18, eff. 6-7-13.)

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