



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB0459

by Rep. Jeanne M Ives

SYNOPSIS AS INTRODUCED:

New Act
105 ILCS 5/19-32 new

Creates the School District Debt Control and Taxpayer Protection Act. Provides that a school district may not refinance debt past the repayment period of the debt when issued, may not issue debt to be serviced over a period of greater than 20 years, and may not issue capital appreciation bonds. Provides that school districts may not be indebted in an amount greater than that indicated in the Act and if a school district does exceed the debt limitation, then the school district may not incur any new debt until the school district's debt is lower than the debt limitation. Effective immediately.

LRB100 05361 NHT 15372 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 1. Short title. This Act may be cited as the School
5 District Debt Control and Taxpayer Protection Act.

6 Section 5. Definitions. As used in this Act:

7 "Capital appreciation bond" means debt issued without
8 annual or semiannual payments of principal, interest, or both.

9 "Entire debt service" means principal, interest, and
10 issuance costs of all debt and bonds.

11 "Equalized assessed value" means the assessed value as
12 equalized by the Illinois Department of Revenue.

13 "Tax anticipation warrants" means tax anticipation
14 warrants drawn and issued under the School Code.

15 Section 10. Refinancing debt. Notwithstanding any other
16 law to the contrary, a school district may not refinance debt
17 past the repayment period of the debt when issued.

18 Section 15. Debt serviced more than 20 years.
19 Notwithstanding any law to the contrary, a school district may
20 not issue debt to be serviced over a period greater than 20
21 years.

1 Section 20. Equalized assessed value. Notwithstanding any
2 other law to the contrary, for the purpose of calculating the
3 debt limit of a school district in relation to its equalized
4 assessed value, debt shall include alternate revenue bonds,
5 privately placed debt, and all interest on all debt.

6 Section 25. Debt limitation. Notwithstanding any other law
7 to the contrary, no school district may become indebted in any
8 manner or for any purpose in an amount, including the entire
9 debt service, in the aggregate exceeding 13.8% of the value of
10 the taxable property therein to be ascertained by the last
11 assessment for State and county taxes or, if greater, the sum
12 that is produced by multiplying the school district's 2016
13 equalized assessed value by the debt limitation percentage in
14 effect on January 1, 2017, previous to the incurring of such
15 indebtedness.

16 Section 30. New debt prohibited.

17 (a) Notwithstanding any other law to the contrary and on
18 and after the effective date of this Act, a school district
19 that exceeds the debt limitation of Section 25 of this Act may
20 not incur any new debt, including, but not limited to, tax
21 anticipation warrants, until the school district's aggregate
22 debt limitation is below the debt limitation of Section 25.

23 (b) Notwithstanding subsection (a), a school district may

1 issue new debt on or after effective date of this Act if a
2 referendum allowing new debt to be issued was passed before the
3 effective date of this Act.

4 Section 35. Capital appreciation bonds. Notwithstanding
5 any other law to the contrary and on and after the effective
6 date of this Act, no school district may issue capital
7 appreciation bonds.

8 Section 40. Additional debt. Nothing in this Act shall
9 authorize any school district to issue additional debt above
10 and beyond what is otherwise authorized by law.

11 Section 45. The School Code is amended by adding Section
12 19-32 as follows:

13 (105 ILCS 5/19-32 new)

14 Sec. 19-32. School District Debt Control and Taxpayer
15 Protection Act. In any instance in which this Code conflicts
16 with the School District Debt Control and Taxpayer Protection
17 Act, that Act shall control.

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