



Sen. Chris Lauzen

Filed: 6/28/2004

09300HB0759sam002

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1 AMENDMENT TO HOUSE BILL 759

2 AMENDMENT NO. _____. Amend House Bill 759, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The School Code is amended by changing Section
6 19-1 as follows:

7 (105 ILCS 5/19-1) (from Ch. 122, par. 19-1)

8 Sec. 19-1. Debt limitations of school districts.

9 (a) School districts shall not be subject to the provisions
10 limiting their indebtedness prescribed in "An Act to limit the
11 indebtedness of counties having a population of less than
12 500,000 and townships, school districts and other municipal
13 corporations having a population of less than 300,000",
14 approved February 15, 1928, as amended.

15 No school districts maintaining grades K through 8 or 9
16 through 12 shall become indebted in any manner or for any
17 purpose to an amount, including existing indebtedness, in the
18 aggregate exceeding 6.9% on the value of the taxable property
19 therein to be ascertained by the last assessment for State and
20 county taxes or, until January 1, 1983, if greater, the sum
21 that is produced by multiplying the school district's 1978
22 equalized assessed valuation by the debt limitation percentage
23 in effect on January 1, 1979, previous to the incurring of such
24 indebtedness.

1 No school districts maintaining grades K through 12 shall
2 become indebted in any manner or for any purpose to an amount,
3 including existing indebtedness, in the aggregate exceeding
4 13.8% on the value of the taxable property therein to be
5 ascertained by the last assessment for State and county taxes
6 or, until January 1, 1983, if greater, the sum that is produced
7 by multiplying the school district's 1978 equalized assessed
8 valuation by the debt limitation percentage in effect on
9 January 1, 1979, previous to the incurring of such
10 indebtedness.

11 Notwithstanding the provisions of any other law to the
12 contrary, in any case in which the voters of a school district
13 have approved a proposition for the issuance of bonds of such
14 school district at an election held prior to January 1, 1979,
15 and all of the bonds approved at such election have not been
16 issued, the debt limitation applicable to such school district
17 during the calendar year 1979 shall be computed by multiplying
18 the value of taxable property therein, including personal
19 property, as ascertained by the last assessment for State and
20 county taxes, previous to the incurring of such indebtedness,
21 by the percentage limitation applicable to such school district
22 under the provisions of this subsection (a).

23 (b) Notwithstanding the debt limitation prescribed in
24 subsection (a) of this Section, additional indebtedness may be
25 incurred in an amount not to exceed the estimated cost of
26 acquiring or improving school sites or constructing and
27 equipping additional building facilities under the following
28 conditions:

29 (1) Whenever the enrollment of students for the next
30 school year is estimated by the board of education to
31 increase over the actual present enrollment by not less
32 than 35% or by not less than 200 students or the actual
33 present enrollment of students has increased over the
34 previous school year by not less than 35% or by not less

1 than 200 students and the board of education determines
2 that additional school sites or building facilities are
3 required as a result of such increase in enrollment; and

4 (2) When the Regional Superintendent of Schools having
5 jurisdiction over the school district and the State
6 Superintendent of Education concur in such enrollment
7 projection or increase and approve the need for such
8 additional school sites or building facilities and the
9 estimated cost thereof; and

10 (3) When the voters in the school district approve a
11 proposition for the issuance of bonds for the purpose of
12 acquiring or improving such needed school sites or
13 constructing and equipping such needed additional building
14 facilities at an election called and held for that purpose.
15 Notice of such an election shall state that the amount of
16 indebtedness proposed to be incurred would exceed the debt
17 limitation otherwise applicable to the school district.
18 The ballot for such proposition shall state what percentage
19 of the equalized assessed valuation will be outstanding in
20 bonds if the proposed issuance of bonds is approved by the
21 voters; or

22 (4) Notwithstanding the provisions of paragraphs (1)
23 through (3) of this subsection (b), if the school board
24 determines that additional facilities are needed to
25 provide a quality educational program and not less than 2/3
26 of those voting in an election called by the school board
27 on the question approve the issuance of bonds for the
28 construction of such facilities, the school district may
29 issue bonds for this purpose; or

30 (5) Notwithstanding the provisions of paragraphs (1)
31 through (3) of this subsection (b), if (i) the school
32 district has previously availed itself of the provisions of
33 paragraph (4) of this subsection (b) to enable it to issue
34 bonds, (ii) the voters of the school district have not

1 defeated a proposition for the issuance of bonds since the
2 referendum described in paragraph (4) of this subsection
3 (b) was held, (iii) the school board determines that
4 additional facilities are needed to provide a quality
5 educational program, and (iv) a majority of those voting in
6 an election called by the school board on the question
7 approve the issuance of bonds for the construction of such
8 facilities, the school district may issue bonds for this
9 purpose.

10 In no event shall the indebtedness incurred pursuant to
11 this subsection (b) and the existing indebtedness of the school
12 district exceed 15% of the value of the taxable property
13 therein to be ascertained by the last assessment for State and
14 county taxes, previous to the incurring of such indebtedness
15 or, until January 1, 1983, if greater, the sum that is produced
16 by multiplying the school district's 1978 equalized assessed
17 valuation by the debt limitation percentage in effect on
18 January 1, 1979.

19 The indebtedness provided for by this subsection (b) shall
20 be in addition to and in excess of any other debt limitation.

21 (c) Notwithstanding the debt limitation prescribed in
22 subsection (a) of this Section, in any case in which a public
23 question for the issuance of bonds of a proposed school
24 district maintaining grades kindergarten through 12 received
25 at least 60% of the valid ballots cast on the question at an
26 election held on or prior to November 8, 1994, and in which the
27 bonds approved at such election have not been issued, the
28 school district pursuant to the requirements of Section 11A-10
29 may issue the total amount of bonds approved at such election
30 for the purpose stated in the question.

31 (d) Notwithstanding the debt limitation prescribed in
32 subsection (a) of this Section, a school district that meets
33 all the criteria set forth in paragraphs (1) and (2) of this
34 subsection (d) may incur an additional indebtedness in an

1 amount not to exceed \$4,500,000, even though the amount of the
2 additional indebtedness authorized by this subsection (d),
3 when incurred and added to the aggregate amount of indebtedness
4 of the district existing immediately prior to the district
5 incurring the additional indebtedness authorized by this
6 subsection (d), causes the aggregate indebtedness of the
7 district to exceed the debt limitation otherwise applicable to
8 that district under subsection (a):

9 (1) The additional indebtedness authorized by this
10 subsection (d) is incurred by the school district through
11 the issuance of bonds under and in accordance with Section
12 17-2.11a for the purpose of replacing a school building
13 which, because of mine subsidence damage, has been closed
14 as provided in paragraph (2) of this subsection (d) or
15 through the issuance of bonds under and in accordance with
16 Section 19-3 for the purpose of increasing the size of, or
17 providing for additional functions in, such replacement
18 school buildings, or both such purposes.

19 (2) The bonds issued by the school district as provided
20 in paragraph (1) above are issued for the purposes of
21 construction by the school district of a new school
22 building pursuant to Section 17-2.11, to replace an
23 existing school building that, because of mine subsidence
24 damage, is closed as of the end of the 1992-93 school year
25 pursuant to action of the regional superintendent of
26 schools of the educational service region in which the
27 district is located under Section 3-14.22 or are issued for
28 the purpose of increasing the size of, or providing for
29 additional functions in, the new school building being
30 constructed to replace a school building closed as the
31 result of mine subsidence damage, or both such purposes.

32 (e) Notwithstanding the debt limitation prescribed in
33 subsection (a) of this Section, a school district that meets
34 all the criteria set forth in paragraphs (1) through (5) of

1 this subsection (e) may, without referendum, incur an
2 additional indebtedness in an amount not to exceed the lesser
3 of \$5,000,000 or 1.5% of the value of the taxable property
4 within the district even though the amount of the additional
5 indebtedness authorized by this subsection (e), when incurred
6 and added to the aggregate amount of indebtedness of the
7 district existing immediately prior to the district incurring
8 that additional indebtedness, causes the aggregate
9 indebtedness of the district to exceed or increases the amount
10 by which the aggregate indebtedness of the district already
11 exceeds the debt limitation otherwise applicable to that
12 district under subsection (a):

13 (1) The State Board of Education certifies the school
14 district under Section 19-1.5 as a financially distressed
15 district.

16 (2) The additional indebtedness authorized by this
17 subsection (e) is incurred by the financially distressed
18 district during the school year or school years in which
19 the certification of the district as a financially
20 distressed district continues in effect through the
21 issuance of bonds for the lawful school purposes of the
22 district, pursuant to resolution of the school board and
23 without referendum, as provided in paragraph (5) of this
24 subsection.

25 (3) The aggregate amount of bonds issued by the
26 financially distressed district during a fiscal year in
27 which it is authorized to issue bonds under this subsection
28 does not exceed the amount by which the aggregate
29 expenditures of the district for operational purposes
30 during the immediately preceding fiscal year exceeds the
31 amount appropriated for the operational purposes of the
32 district in the annual school budget adopted by the school
33 board of the district for the fiscal year in which the
34 bonds are issued.

1 (4) Throughout each fiscal year in which certification
2 of the district as a financially distressed district
3 continues in effect, the district maintains in effect a
4 gross salary expense and gross wage expense freeze policy
5 under which the district expenditures for total employee
6 salaries and wages do not exceed such expenditures for the
7 immediately preceding fiscal year. Nothing in this
8 paragraph, however, shall be deemed to impair or to require
9 impairment of the contractual obligations, including
10 collective bargaining agreements, of the district or to
11 impair or require the impairment of the vested rights of
12 any employee of the district under the terms of any
13 contract or agreement in effect on the effective date of
14 this amendatory Act of 1994.

15 (5) Bonds issued by the financially distressed
16 district under this subsection shall bear interest at a
17 rate not to exceed the maximum rate authorized by law at
18 the time of the making of the contract, shall mature within
19 40 years from their date of issue, and shall be signed by
20 the president of the school board and treasurer of the
21 school district. In order to issue bonds under this
22 subsection, the school board shall adopt a resolution
23 fixing the amount of the bonds, the date of the bonds, the
24 maturities of the bonds, the rates of interest of the
25 bonds, and their place of payment and denomination, and
26 shall provide for the levy and collection of a direct
27 annual tax upon all the taxable property in the district
28 sufficient to pay the principal and interest on the bonds
29 to maturity. Upon the filing in the office of the county
30 clerk of the county in which the financially distressed
31 district is located of a certified copy of the resolution,
32 it is the duty of the county clerk to extend the tax
33 therefor in addition to and in excess of all other taxes at
34 any time authorized to be levied by the district. If bond

1 proceeds from the sale of bonds include a premium or if the
2 proceeds of the bonds are invested as authorized by law,
3 the school board shall determine by resolution whether the
4 interest earned on the investment of bond proceeds or the
5 premium realized on the sale of the bonds is to be used for
6 any of the lawful school purposes for which the bonds were
7 issued or for the payment of the principal indebtedness and
8 interest on the bonds. The proceeds of the bond sale shall
9 be deposited in the educational purposes fund of the
10 district and shall be used to pay operational expenses of
11 the district. This subsection is cumulative and
12 constitutes complete authority for the issuance of bonds as
13 provided in this subsection, notwithstanding any other law
14 to the contrary.

15 (f) Notwithstanding the provisions of subsection (a) of
16 this Section or of any other law, bonds in not to exceed the
17 aggregate amount of \$5,500,000 and issued by a school district
18 meeting the following criteria shall not be considered
19 indebtedness for purposes of any statutory limitation and may
20 be issued in an amount or amounts, including existing
21 indebtedness, in excess of any heretofore or hereafter imposed
22 statutory limitation as to indebtedness:

23 (1) At the time of the sale of such bonds, the board of
24 education of the district shall have determined by
25 resolution that the enrollment of students in the district
26 is projected to increase by not less than 7% during each of
27 the next succeeding 2 school years.

28 (2) The board of education shall also determine by
29 resolution that the improvements to be financed with the
30 proceeds of the bonds are needed because of the projected
31 enrollment increases.

32 (3) The board of education shall also determine by
33 resolution that the projected increases in enrollment are
34 the result of improvements made or expected to be made to

1 passenger rail facilities located in the school district.

2 (g) Notwithstanding the provisions of subsection (a) of
3 this Section or any other law, bonds in not to exceed an
4 aggregate amount of 25% of the equalized assessed value of the
5 taxable property of a school district and issued by a school
6 district meeting the criteria in paragraphs (i) through (iv) of
7 this subsection shall not be considered indebtedness for
8 purposes of any statutory limitation and may be issued pursuant
9 to resolution of the school board in an amount or amounts,
10 including existing indebtedness, in excess of any statutory
11 limitation of indebtedness heretofore or hereafter imposed:

12 (i) The bonds are issued for the purpose of
13 constructing a new high school building to replace two
14 adjacent existing buildings which together house a single
15 high school, each of which is more than 65 years old, and
16 which together are located on more than 10 acres and less
17 than 11 acres of property.

18 (ii) At the time the resolution authorizing the
19 issuance of the bonds is adopted, the cost of constructing
20 a new school building to replace the existing school
21 building is less than 60% of the cost of repairing the
22 existing school building.

23 (iii) The sale of the bonds occurs before July 1, 1997.

24 (iv) The school district issuing the bonds is a unit
25 school district located in a county of less than 70,000 and
26 more than 50,000 inhabitants, which has an average daily
27 attendance of less than 1,500 and an equalized assessed
28 valuation of less than \$29,000,000.

29 (h) Notwithstanding any other provisions of this Section or
30 the provisions of any other law, until January 1, 1998, a
31 community unit school district maintaining grades K through 12
32 may issue bonds up to an amount, including existing
33 indebtedness, not exceeding 27.6% of the equalized assessed
34 value of the taxable property in the district, if all of the

1 following conditions are met:

2 (i) The school district has an equalized assessed
3 valuation for calendar year 1995 of less than \$24,000,000;

4 (ii) The bonds are issued for the capital improvement,
5 renovation, rehabilitation, or replacement of existing
6 school buildings of the district, all of which buildings
7 were originally constructed not less than 40 years ago;

8 (iii) The voters of the district approve a proposition
9 for the issuance of the bonds at a referendum held after
10 March 19, 1996; and

11 (iv) The bonds are issued pursuant to Sections 19-2
12 through 19-7 of this Code.

13 (i) Notwithstanding any other provisions of this Section or
14 the provisions of any other law, until January 1, 1998, a
15 community unit school district maintaining grades K through 12
16 may issue bonds up to an amount, including existing
17 indebtedness, not exceeding 27% of the equalized assessed value
18 of the taxable property in the district, if all of the
19 following conditions are met:

20 (i) The school district has an equalized assessed
21 valuation for calendar year 1995 of less than \$44,600,000;

22 (ii) The bonds are issued for the capital improvement,
23 renovation, rehabilitation, or replacement of existing
24 school buildings of the district, all of which existing
25 buildings were originally constructed not less than 80
26 years ago;

27 (iii) The voters of the district approve a proposition
28 for the issuance of the bonds at a referendum held after
29 December 31, 1996; and

30 (iv) The bonds are issued pursuant to Sections 19-2
31 through 19-7 of this Code.

32 (j) Notwithstanding any other provisions of this Section or
33 the provisions of any other law, until January 1, 1999, a
34 community unit school district maintaining grades K through 12

1 may issue bonds up to an amount, including existing
2 indebtedness, not exceeding 27% of the equalized assessed value
3 of the taxable property in the district if all of the following
4 conditions are met:

5 (i) The school district has an equalized assessed
6 valuation for calendar year 1995 of less than \$140,000,000
7 and a best 3 months average daily attendance for the
8 1995-96 school year of at least 2,800;

9 (ii) The bonds are issued to purchase a site and build
10 and equip a new high school, and the school district's
11 existing high school was originally constructed not less
12 than 35 years prior to the sale of the bonds;

13 (iii) At the time of the sale of the bonds, the board
14 of education determines by resolution that a new high
15 school is needed because of projected enrollment
16 increases;

17 (iv) At least 60% of those voting in an election held
18 after December 31, 1996 approve a proposition for the
19 issuance of the bonds; and

20 (v) The bonds are issued pursuant to Sections 19-2
21 through 19-7 of this Code.

22 (k) Notwithstanding the debt limitation prescribed in
23 subsection (a) of this Section, a school district that meets
24 all the criteria set forth in paragraphs (1) through (4) of
25 this subsection (k) may issue bonds to incur an additional
26 indebtedness in an amount not to exceed \$4,000,000 even though
27 the amount of the additional indebtedness authorized by this
28 subsection (k), when incurred and added to the aggregate amount
29 of indebtedness of the school district existing immediately
30 prior to the school district incurring such additional
31 indebtedness, causes the aggregate indebtedness of the school
32 district to exceed or increases the amount by which the
33 aggregate indebtedness of the district already exceeds the debt
34 limitation otherwise applicable to that school district under

1 subsection (a):

2 (1) the school district is located in 2 counties, and a
3 referendum to authorize the additional indebtedness was
4 approved by a majority of the voters of the school district
5 voting on the proposition to authorize that indebtedness;

6 (2) the additional indebtedness is for the purpose of
7 financing a multi-purpose room addition to the existing
8 high school;

9 (3) the additional indebtedness, together with the
10 existing indebtedness of the school district, shall not
11 exceed 17.4% of the value of the taxable property in the
12 school district, to be ascertained by the last assessment
13 for State and county taxes; and

14 (4) the bonds evidencing the additional indebtedness
15 are issued, if at all, within 120 days of the effective
16 date of this amendatory Act of 1998.

17 (1) Notwithstanding any other provisions of this Section or
18 the provisions of any other law, until January 1, 2000, a
19 school district maintaining grades kindergarten through 8 may
20 issue bonds up to an amount, including existing indebtedness,
21 not exceeding 15% of the equalized assessed value of the
22 taxable property in the district if all of the following
23 conditions are met:

24 (i) the district has an equalized assessed valuation
25 for calendar year 1996 of less than \$10,000,000;

26 (ii) the bonds are issued for capital improvement,
27 renovation, rehabilitation, or replacement of one or more
28 school buildings of the district, which buildings were
29 originally constructed not less than 70 years ago;

30 (iii) the voters of the district approve a proposition
31 for the issuance of the bonds at a referendum held on or
32 after March 17, 1998; and

33 (iv) the bonds are issued pursuant to Sections 19-2
34 through 19-7 of this Code.

1 (m) Notwithstanding any other provisions of this Section or
2 the provisions of any other law, until January 1, 1999, an
3 elementary school district maintaining grades K through 8 may
4 issue bonds up to an amount, excluding existing indebtedness,
5 not exceeding 18% of the equalized assessed value of the
6 taxable property in the district, if all of the following
7 conditions are met:

8 (i) The school district has an equalized assessed
9 valuation for calendar year 1995 or less than \$7,700,000;

10 (ii) The school district operates 2 elementary
11 attendance centers that until 1976 were operated as the
12 attendance centers of 2 separate and distinct school
13 districts;

14 (iii) The bonds are issued for the construction of a
15 new elementary school building to replace an existing
16 multi-level elementary school building of the school
17 district that is not handicapped accessible at all levels
18 and parts of which were constructed more than 75 years ago;

19 (iv) The voters of the school district approve a
20 proposition for the issuance of the bonds at a referendum
21 held after July 1, 1998; and

22 (v) The bonds are issued pursuant to Sections 19-2
23 through 19-7 of this Code.

24 (n) Notwithstanding the debt limitation prescribed in
25 subsection (a) of this Section or any other provisions of this
26 Section or of any other law, a school district that meets all
27 of the criteria set forth in paragraphs (i) through (vi) of
28 this subsection (n) may incur additional indebtedness by the
29 issuance of bonds in an amount not exceeding the amount
30 certified by the Capital Development Board to the school
31 district as provided in paragraph (iii) of this subsection (n),
32 even though the amount of the additional indebtedness so
33 authorized, when incurred and added to the aggregate amount of
34 indebtedness of the district existing immediately prior to the

1 district incurring the additional indebtedness authorized by
2 this subsection (n), causes the aggregate indebtedness of the
3 district to exceed the debt limitation otherwise applicable by
4 law to that district:

5 (i) The school district applies to the State Board of
6 Education for a school construction project grant and
7 submits a district facilities plan in support of its
8 application pursuant to Section 5-20 of the School
9 Construction Law.

10 (ii) The school district's application and facilities
11 plan are approved by, and the district receives a grant
12 entitlement for a school construction project issued by,
13 the State Board of Education under the School Construction
14 Law.

15 (iii) The school district has exhausted its bonding
16 capacity or the unused bonding capacity of the district is
17 less than the amount certified by the Capital Development
18 Board to the district under Section 5-15 of the School
19 Construction Law as the dollar amount of the school
20 construction project's cost that the district will be
21 required to finance with non-grant funds in order to
22 receive a school construction project grant under the
23 School Construction Law.

24 (iv) The bonds are issued for a "school construction
25 project", as that term is defined in Section 5-5 of the
26 School Construction Law, in an amount that does not exceed
27 the dollar amount certified, as provided in paragraph (iii)
28 of this subsection (n), by the Capital Development Board to
29 the school district under Section 5-15 of the School
30 Construction Law.

31 (v) The voters of the district approve a proposition
32 for the issuance of the bonds at a referendum held after
33 the criteria specified in paragraphs (i) and (iii) of this
34 subsection (n) are met.

1 (vi) The bonds are issued pursuant to Sections 19-2
2 through 19-7 of the School Code.

3 (o) Notwithstanding any other provisions of this Section or
4 the provisions of any other law, until November 1, 2007, a
5 community unit school district maintaining grades K through 12
6 may issue bonds up to an amount, including existing
7 indebtedness, not exceeding 20% of the equalized assessed value
8 of the taxable property in the district if all of the following
9 conditions are met:

10 (i) the school district has an equalized assessed
11 valuation for calendar year 2001 of at least \$737,000,000
12 and an enrollment for the 2002-2003 school year of at least
13 8,500;

14 (ii) the bonds are issued to purchase school sites,
15 build and equip a new high school, build and equip a new
16 junior high school, build and equip 5 new elementary
17 schools, and make technology and other improvements and
18 additions to existing schools;

19 (iii) at the time of the sale of the bonds, the board
20 of education determines by resolution that the sites and
21 new or improved facilities are needed because of projected
22 enrollment increases;

23 (iv) at least 57% of those voting in a general election
24 held prior to January 1, 2003 approved a proposition for
25 the issuance of the bonds; and

26 (v) the bonds are issued pursuant to Sections 19-2
27 through 19-7 of this Code.

28 (p) Notwithstanding any other provisions of this Section or
29 the provisions of any other law, a community unit school
30 district maintaining grades K through 12 may issue bonds up to
31 an amount, including indebtedness, not exceeding 27% of the
32 equalized assessed value of the taxable property in the
33 district if all of the following conditions are met:

34 (i) The school district has an equalized assessed

1 valuation for calendar year 2001 of at least \$295,741,187
2 and a best 3 months' average daily attendance for the
3 2002-2003 school year of at least 2,394.

4 (ii) The bonds are issued to build and equip 3
5 elementary school buildings; build and equip one middle
6 school building; and alter, repair, improve, and equip all
7 existing school buildings in the district.

8 (iii) At the time of the sale of the bonds, the board
9 of education determines by resolution that the project is
10 needed because of expanding growth in the school district
11 and a projected enrollment increase.

12 (iv) The bonds are issued pursuant to Sections 19-2
13 through 19-7 of this Code.

14 (Source: P.A. 93-13, eff. 6-9-03.)

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