



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB4228

by Rep. Dwight Kay

SYNOPSIS AS INTRODUCED:

105 ILCS 5/17-2.11
105 ILCS 5/17-2A

from Ch. 122, par. 17-2.11
from Ch. 122, par. 17-2A

Amends the School Code. With respect to a school district other than the Chicago school district, provides that through June 30, 2017 (instead of June 30, 2016), surplus life safety taxes and interest earnings thereon may be transferred to the Operations and Maintenance Fund for building repair work if a public hearing has been held. Extends the time period during which a school district other than the Chicago school district may transfer moneys from specified funds for any purpose from June 30, 2016 to June 30, 2017. Effective immediately.

LRB098 17105 NHT 52192 b

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 Sections
5 17-2.11 and 17-2A as follows:

6 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

7 Sec. 17-2.11. School board power to levy a tax or to borrow
8 money and issue bonds for fire prevention, safety, energy
9 conservation, disabled accessibility, school security, and
10 specified repair purposes.

11 (a) Whenever, as a result of any lawful order of any
12 agency, other than a school board, having authority to enforce
13 any school building code applicable to any facility that houses
14 students, or any law or regulation for the protection and
15 safety of the environment, pursuant to the Environmental
16 Protection Act, any school district having a population of less
17 than 500,000 inhabitants is required to alter or reconstruct
18 any school building or permanent, fixed equipment; the district
19 may, by proper resolution, levy a tax for the purpose of making
20 such alteration or reconstruction, based on a survey report by
21 an architect or engineer licensed in this State, upon all of
22 the taxable property of the district at the value as assessed
23 by the Department of Revenue and at a rate not to exceed 0.05%

1 per year for a period sufficient to finance such alteration or
2 reconstruction, upon the following conditions:

3 (1) When there are not sufficient funds available in
4 the operations and maintenance fund of the school district,
5 the school facility occupation tax fund of the district, or
6 the fire prevention and safety fund of the district, as
7 determined by the district on the basis of rules adopted by
8 the State Board of Education, to make such alteration or
9 reconstruction or to purchase and install such permanent,
10 fixed equipment so ordered or determined as necessary.
11 Appropriate school district records must be made available
12 to the State Superintendent of Education, upon request, to
13 confirm this insufficiency.

14 (2) When a certified estimate of an architect or
15 engineer licensed in this State stating the estimated
16 amount necessary to make the alteration or reconstruction
17 or to purchase and install the equipment so ordered has
18 been secured by the school district, and the estimate has
19 been approved by the regional superintendent of schools
20 having jurisdiction over the district and the State
21 Superintendent of Education. Approval must not be granted
22 for any work that has already started without the prior
23 express authorization of the State Superintendent of
24 Education. If the estimate is not approved or is denied
25 approval by the regional superintendent of schools within 3
26 months after the date on which it is submitted to him or

1 her, the school board of the district may submit the
2 estimate directly to the State Superintendent of Education
3 for approval or denial.

4 In the case of an emergency situation, where the estimated
5 cost to effectuate emergency repairs is less than the amount
6 specified in Section 10-20.21 of this Code, the school district
7 may proceed with such repairs prior to approval by the State
8 Superintendent of Education, but shall comply with the
9 provisions of subdivision (2) of this subsection (a) as soon
10 thereafter as may be as well as Section 10-20.21 of this Code.
11 If the estimated cost to effectuate emergency repairs is
12 greater than the amount specified in Section 10-20.21 of this
13 Code, then the school district shall proceed in conformity with
14 Section 10-20.21 of this Code and with rules established by the
15 State Board of Education to address such situations. The rules
16 adopted by the State Board of Education to deal with these
17 situations shall stipulate that emergency situations must be
18 expedited and given priority consideration. For purposes of
19 this paragraph, an emergency is a situation that presents an
20 imminent and continuing threat to the health and safety of
21 students or other occupants of a facility, requires complete or
22 partial evacuation of a building or part of a building, or
23 consumes one or more of the 5 emergency days built into the
24 adopted calendar of the school or schools or would otherwise be
25 expected to cause such school or schools to fall short of the
26 minimum school calendar requirements.

1 (b) Whenever any such district determines that it is
2 necessary for energy conservation purposes that any school
3 building or permanent, fixed equipment should be altered or
4 reconstructed and that such alterations or reconstruction will
5 be made with funds not necessary for the completion of approved
6 and recommended projects contained in any safety survey report
7 or amendments thereto authorized by Section 2-3.12 of this Act;
8 the district may levy a tax or issue bonds as provided in
9 subsection (a) of this Section.

10 (c) Whenever any such district determines that it is
11 necessary for disabled accessibility purposes and to comply
12 with the school building code that any school building or
13 equipment should be altered or reconstructed and that such
14 alterations or reconstruction will be made with funds not
15 necessary for the completion of approved and recommended
16 projects contained in any safety survey report or amendments
17 thereto authorized under Section 2-3.12 of this Act, the
18 district may levy a tax or issue bonds as provided in
19 subsection (a) of this Section.

20 (d) Whenever any such district determines that it is
21 necessary for school security purposes and the related
22 protection and safety of pupils and school personnel that any
23 school building or property should be altered or reconstructed
24 or that security systems and equipment (including but not
25 limited to intercom, early detection and warning, access
26 control and television monitoring systems) should be purchased

1 and installed, and that such alterations, reconstruction or
2 purchase and installation of equipment will be made with funds
3 not necessary for the completion of approved and recommended
4 projects contained in any safety survey report or amendment
5 thereto authorized by Section 2-3.12 of this Act and will deter
6 and prevent unauthorized entry or activities upon school
7 property by unknown or dangerous persons, assure early
8 detection and advance warning of any such actual or attempted
9 unauthorized entry or activities and help assure the continued
10 safety of pupils and school staff if any such unauthorized
11 entry or activity is attempted or occurs; the district may levy
12 a tax or issue bonds as provided in subsection (a) of this
13 Section.

14 (e) If a school district does not need funds for other fire
15 prevention and safety projects, including the completion of
16 approved and recommended projects contained in any safety
17 survey report or amendments thereto authorized by Section
18 2-3.12 of this Act, and it is determined after a public hearing
19 (which is preceded by at least one published notice (i)
20 occurring at least 7 days prior to the hearing in a newspaper
21 of general circulation within the school district and (ii)
22 setting forth the time, date, place, and general subject matter
23 of the hearing) that there is a substantial, immediate, and
24 otherwise unavoidable threat to the health, safety, or welfare
25 of pupils due to disrepair of school sidewalks, playgrounds,
26 parking lots, or school bus turnarounds and repairs must be

1 made; then the district may levy a tax or issue bonds as
2 provided in subsection (a) of this Section.

3 (f) For purposes of this Section a school district may
4 replace a school building or build additions to replace
5 portions of a building when it is determined that the
6 effectuation of the recommendations for the existing building
7 will cost more than the replacement costs. Such determination
8 shall be based on a comparison of estimated costs made by an
9 architect or engineer licensed in the State of Illinois. The
10 new building or addition shall be equivalent in area (square
11 feet) and comparable in purpose and grades served and may be on
12 the same site or another site. Such replacement may only be
13 done upon order of the regional superintendent of schools and
14 the approval of the State Superintendent of Education.

15 (g) The filing of a certified copy of the resolution
16 levying the tax when accompanied by the certificates of the
17 regional superintendent of schools and State Superintendent of
18 Education shall be the authority of the county clerk to extend
19 such tax.

20 (h) The county clerk of the county in which any school
21 district levying a tax under the authority of this Section is
22 located, in reducing raised levies, shall not consider any such
23 tax as a part of the general levy for school purposes and shall
24 not include the same in the limitation of any other tax rate
25 which may be extended.

26 Such tax shall be levied and collected in like manner as

1 all other taxes of school districts, subject to the provisions
2 contained in this Section.

3 (i) The tax rate limit specified in this Section may be
4 increased to .10% upon the approval of a proposition to effect
5 such increase by a majority of the electors voting on that
6 proposition at a regular scheduled election. Such proposition
7 may be initiated by resolution of the school board and shall be
8 certified by the secretary to the proper election authorities
9 for submission in accordance with the general election law.

10 (j) When taxes are levied by any school district for fire
11 prevention, safety, energy conservation, and school security
12 purposes as specified in this Section, and the purposes for
13 which the taxes have been levied are accomplished and paid in
14 full, and there remain funds on hand in the Fire Prevention and
15 Safety Fund from the proceeds of the taxes levied, including
16 interest earnings thereon, the school board by resolution shall
17 use such excess and other board restricted funds, excluding
18 bond proceeds and earnings from such proceeds, as follows:

19 (1) for other authorized fire prevention, safety,
20 energy conservation, and school security purposes; or

21 (2) for transfer to the Operations and Maintenance Fund
22 for the purpose of abating an equal amount of operations
23 and maintenance purposes taxes.

24 Notwithstanding subdivision (2) of this subsection (j) and
25 subsection (k) of this Section, through June 30, 2017 ~~2016~~, the
26 school board may, by proper resolution following a public

1 hearing set by the school board or the president of the school
2 board (that is preceded (i) by at least one published notice
3 over the name of the clerk or secretary of the board, occurring
4 at least 7 days and not more than 30 days prior to the hearing,
5 in a newspaper of general circulation within the school
6 district and (ii) by posted notice over the name of the clerk
7 or secretary of the board, at least 48 hours before the
8 hearing, at the principal office of the school board or at the
9 building where the hearing is to be held if a principal office
10 does not exist, with both notices setting forth the time, date,
11 place, and subject matter of the hearing), transfer surplus
12 life safety taxes and interest earnings thereon to the
13 Operations and Maintenance Fund for building repair work.

14 (k) If any transfer is made to the Operation and
15 Maintenance Fund, the secretary of the school board shall
16 within 30 days notify the county clerk of the amount of that
17 transfer and direct the clerk to abate the taxes to be extended
18 for the purposes of operations and maintenance authorized under
19 Section 17-2 of this Act by an amount equal to such transfer.

20 (l) If the proceeds from the tax levy authorized by this
21 Section are insufficient to complete the work approved under
22 this Section, the school board is authorized to sell bonds
23 without referendum under the provisions of this Section in an
24 amount that, when added to the proceeds of the tax levy
25 authorized by this Section, will allow completion of the
26 approved work.

1 (m) Any bonds issued pursuant to this Section shall bear
2 interest at a rate not to exceed the maximum rate authorized by
3 law at the time of the making of the contract, shall mature
4 within 20 years from date, and shall be signed by the president
5 of the school board and the treasurer of the school district.

6 (n) In order to authorize and issue such bonds, the school
7 board shall adopt a resolution fixing the amount of bonds, the
8 date thereof, the maturities thereof, rates of interest
9 thereof, place of payment and denomination, which shall be in
10 denominations of not less than \$100 and not more than \$5,000,
11 and provide for the levy and collection of a direct annual tax
12 upon all the taxable property in the school district sufficient
13 to pay the principal and interest on such bonds to maturity.
14 Upon the filing in the office of the county clerk of the county
15 in which the school district is located of a certified copy of
16 the resolution, it is the duty of the county clerk to extend
17 the tax therefor in addition to and in excess of all other
18 taxes heretofore or hereafter authorized to be levied by such
19 school district.

20 (o) After the time such bonds are issued as provided for by
21 this Section, if additional alterations or reconstructions are
22 required to be made because of surveys conducted by an
23 architect or engineer licensed in the State of Illinois, the
24 district may levy a tax at a rate not to exceed .05% per year
25 upon all the taxable property of the district or issue
26 additional bonds, whichever action shall be the most feasible.

1 (p) This Section is cumulative and constitutes complete
2 authority for the issuance of bonds as provided in this Section
3 notwithstanding any other statute or law to the contrary.

4 (q) With respect to instruments for the payment of money
5 issued under this Section either before, on, or after the
6 effective date of Public Act 86-004 (June 6, 1989), it is, and
7 always has been, the intention of the General Assembly (i) that
8 the Omnibus Bond Acts are, and always have been, supplementary
9 grants of power to issue instruments in accordance with the
10 Omnibus Bond Acts, regardless of any provision of this Act that
11 may appear to be or to have been more restrictive than those
12 Acts, (ii) that the provisions of this Section are not a
13 limitation on the supplementary authority granted by the
14 Omnibus Bond Acts, and (iii) that instruments issued under this
15 Section within the supplementary authority granted by the
16 Omnibus Bond Acts are not invalid because of any provision of
17 this Act that may appear to be or to have been more restrictive
18 than those Acts.

19 (r) When the purposes for which the bonds are issued have
20 been accomplished and paid for in full and there remain funds
21 on hand from the proceeds of the bond sale and interest
22 earnings therefrom, the board shall, by resolution, use such
23 excess funds in accordance with the provisions of Section
24 10-22.14 of this Act.

25 (s) Whenever any tax is levied or bonds issued for fire
26 prevention, safety, energy conservation, and school security

1 purposes, such proceeds shall be deposited and accounted for
2 separately within the Fire Prevention and Safety Fund.

3 (Source: P.A. 98-26, eff. 6-21-13.)

4 (105 ILCS 5/17-2A) (from Ch. 122, par. 17-2A)

5 Sec. 17-2A. Interfund Transfers.

6 (a) The school board of any district having a population of
7 less than 500,000 inhabitants may, by proper resolution
8 following a public hearing set by the school board or the
9 president of the school board (that is preceded (i) by at least
10 one published notice over the name of the clerk or secretary of
11 the board, occurring at least 7 days and not more than 30 days
12 prior to the hearing, in a newspaper of general circulation
13 within the school district and (ii) by posted notice over the
14 name of the clerk or secretary of the board, at least 48 hours
15 before the hearing, at the principal office of the school board
16 or at the building where the hearing is to be held if a
17 principal office does not exist, with both notices setting
18 forth the time, date, place, and subject matter of the
19 hearing), transfer money from (1) the Educational Fund to the
20 Operations and Maintenance Fund or the Transportation Fund, (2)
21 the Operations and Maintenance Fund to the Educational Fund or
22 the Transportation Fund, or (3) the Transportation Fund to the
23 Educational Fund or the Operations and Maintenance Fund of said
24 district, provided that, except during the period from July 1,
25 2003 through June 30, 2017 ~~2016~~, such transfer is made solely

1 for the purpose of meeting one-time, non-recurring expenses.
2 Except during the period from July 1, 2003 through June 30,
3 2017 ~~2016~~ and except as otherwise provided in subsection (b) of
4 this Section, any other permanent interfund transfers
5 authorized by any provision or judicial interpretation of this
6 Code for which the transferee fund is not precisely and
7 specifically set forth in the provision of this Code
8 authorizing such transfer shall be made to the fund of the
9 school district most in need of the funds being transferred, as
10 determined by resolution of the school board.

11 (b) Notwithstanding subsection (a) of this Section or any
12 other provision of this Code to the contrary, the school board
13 of any school district (i) that is subject to the Property Tax
14 Extension Limitation Law, (ii) that has a population of less
15 than 500,000 inhabitants, (iii) that is levying at its maximum
16 tax rate, (iv) whose total equalized assessed valuation has
17 declined 20% in the prior 2 years, (v) in which 80% or more of
18 its students receive free or reduced-price lunch, and (vi) that
19 had an equalized assessed valuation of less than \$207 million
20 but more than \$203 million in the 2011 levy year may annually,
21 until July 1, 2016, transfer money from any fund of the
22 district, other than the Illinois Municipal Retirement Fund and
23 the Bonds and Interest Fund, to the educational fund, the
24 operations and maintenance fund, or the transportation fund of
25 the district by proper resolution following a public hearing
26 set by the school board or the president of the school board,

1 with notice as provided in subsection (a) of this Section, so
2 long as the district meets the qualifications set forth in this
3 subsection (b) on the effective date of this amendatory Act of
4 the 98th General Assembly even if the district does not meet
5 those qualifications at the time a given transfer is made.

6 (Source: P.A. 98-26, eff. 6-21-13; 98-131, eff. 1-1-14.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.