



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB2594

Introduced 2/19/2021, by Rep. William Davis

SYNOPSIS AS INTRODUCED:

105 ILCS 5/5-1

from Ch. 122, par. 5-1

Amends the Trustees of Schools Article of the School Code. Allows the school board of South Holland School District 151 to withdraw from the jurisdiction and authority of the trustees of schools of Thornton Township and the township treasurer, provided that the school board elects or appoints its own school treasurer. Effective July 1, 2021.

LRB102 15000 NHT 20355 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 Section
5 5-1 as follows:

6 (105 ILCS 5/5-1) (from Ch. 122, par. 5-1)

7 Sec. 5-1. County school units.

8 (a) The territory in each county, exclusive of any school
9 district governed by any special act which requires the
10 district to appoint its own school treasurer, shall constitute
11 a county school unit. County school units of less than
12 2,000,000 inhabitants shall be known as Class I county school
13 units and the office of township trustees, where existing on
14 July 1, 1962, in such units shall be abolished on that date and
15 all books and records of such former township trustees shall
16 be forthwith thereafter transferred to the county board of
17 school trustees. County school units of 2,000,000 or more
18 inhabitants shall be known as Class II county school units and
19 shall retain the office of township trustees unless otherwise
20 provided in subsection (b) or (c).

21 (b) Notwithstanding subsections (a) and (c), the school
22 board of any elementary school district having a fall, 1989
23 aggregate enrollment of at least 2,500 but less than 6,500

1 pupils and having boundaries that are coterminous with the
2 boundaries of a high school district, and the school board of
3 any high school district having a fall, 1989 aggregate
4 enrollment of at least 2,500 but less than 6,500 pupils and
5 having boundaries that are coterminous with the boundaries of
6 an elementary school district, may, whenever the territory of
7 such school district forms a part of a Class II county school
8 unit, by proper resolution withdraw such school district from
9 the jurisdiction and authority of the trustees of schools of
10 the township in which such school district is located and from
11 the jurisdiction and authority of the township treasurer in
12 such Class II county school unit; provided that the school
13 board of any such school district shall, upon the adoption and
14 passage of such resolution, thereupon elect or appoint its own
15 school treasurer as provided in Section 8-1. Upon the adoption
16 and passage of such resolution and the election or appointment
17 by the school board of its own school treasurer: (1) the
18 trustees of schools in such township shall no longer have or
19 exercise any powers and duties with respect to the school
20 district governed by such school board or with respect to the
21 school business, operations or assets of such school district;
22 and (2) all books and records of the township trustees
23 relating to the school business and affairs of such school
24 district shall be transferred and delivered to the school
25 board of such school district. Upon the effective date of this
26 amendatory Act of 1993, the legal title to, and all right,

1 title and interest formerly held by the township trustees in
2 any school buildings and school sites used and occupied by the
3 school board of such school district for school purposes, that
4 legal title, right, title and interest thereafter having been
5 transferred to and vested in the regional board of school
6 trustees under P.A. 87-473 until the abolition of that
7 regional board of school trustees by P.A. 87-969, shall be
8 deemed transferred by operation of law to and shall vest in the
9 school board of that school district.

10 Notwithstanding subsections (a) and (c), the school boards
11 of Oak Park & River Forest District 200, Oak Park Elementary
12 School District 97, and River Forest School District 90 may,
13 by proper resolution, withdraw from the jurisdiction and
14 authority of the trustees of schools of Proviso and Cicero
15 Townships and the township treasurer, provided that the school
16 board shall, upon the adoption and passage of the resolution,
17 elect or appoint its own school treasurer as provided in
18 Section 8-1 of this Code. Upon the adoption and passage of the
19 resolution and the election or appointment by the school board
20 of its own school treasurer: (1) the trustees of schools in the
21 township or townships shall no longer have or exercise any
22 powers or duties with respect to the school district or with
23 respect to the school business, operations, or assets of the
24 school district; (2) all books and records of the trustees of
25 schools and all moneys, securities, loanable funds, and other
26 assets relating to the school business and affairs of the

1 school district shall be transferred and delivered to the
2 school board; and (3) all legal title to and all right, title,
3 and interest formerly held by the trustees of schools in any
4 common school lands, school buildings, or school sites used
5 and occupied by the school board and all rights of property and
6 causes of action pertaining to or constituting a part of the
7 common school lands, buildings, or sites shall be deemed
8 transferred by operation of law to and shall vest in the school
9 board.

10 Notwithstanding subsections (a) and (c), the respective
11 school boards of Berwyn North School District 98, Berwyn South
12 School District 100, Cicero School District 99, and J.S.
13 Morton High School District 201 may, by proper resolution,
14 withdraw from the jurisdiction and authority of the trustees
15 of schools of Cicero Township and the township treasurer,
16 provided that the school board shall, upon the adoption and
17 passage of the resolution, elect or appoint its own school
18 treasurer as provided in Section 8-1 of this Code. Upon the
19 adoption and passage of the resolution and the election or
20 appointment by the school board of its own school treasurer:

21 (1) the trustees of schools in the township shall no longer
22 have or exercise any powers or duties with respect to the
23 school district or with respect to the school business,
24 operations, or assets of the school district; (2) all books
25 and records of the trustees of schools and all moneys,
26 securities, loanable funds, and other assets relating to the

1 school business and affairs of the school district shall be
2 transferred and delivered to the school board; and (3) all
3 legal title to and all right, title, and interest formerly
4 held by the trustees of schools in any common school lands,
5 school buildings, or school sites used and occupied by the
6 school board and all rights of property and causes of action
7 pertaining to or constituting a part of the common school
8 lands, buildings, or sites shall be deemed transferred by
9 operation of law to and shall vest in the school board.

10 Notwithstanding subsections (a) and (c) of this Section
11 and upon final judgment, including the exhaustion of all
12 appeals or a settlement between all parties, regarding claims
13 set forth in the case of Township Trustees of Schools Township
14 38 North, Range 12 East v. Lyons Township High School District
15 No. 204 case N. 13 CH 23386 pending in 2018 in the Circuit
16 Court of Cook County, Illinois, County Department, Chancery
17 Division, and all related pending claims, the school board of
18 Lyons Township High School District 204 may commence, by
19 proper resolution, to withdraw from the jurisdiction and
20 authority of the trustees of schools of Lyons Township and the
21 township treasurer, provided that the school board shall, upon
22 the adoption and passage of the resolution, elect or appoint
23 its own school treasurer as provided in Section 8-1 of this
24 Code. Upon the adoption and passage of the resolution and the
25 election or appointment by the school board of its own school
26 treasurer commencing with the first day of the succeeding

1 fiscal year, but not prior to July 1, 2019: (1) the trustees of
2 schools in the township shall no longer have or exercise any
3 powers or duties with respect to the school district or with
4 respect to the school business, operations, or assets of the
5 school district; (2) all books and records of the trustees of
6 schools and all moneys, securities, loanable funds, and other
7 assets relating to the school business and affairs of the
8 school district shall be transferred and delivered to the
9 school board, allowing for a reasonable period of time not to
10 exceed 90 days to liquidate any pooled investments; and (3)
11 all legal title to and all right, title, and interest formerly
12 held by the trustees of schools in any common school lands,
13 school buildings, or school sites used and occupied by the
14 school board and all rights of property and causes of action
15 pertaining to or constituting a part of the common school
16 lands, buildings, or sites shall be deemed transferred by
17 operation of law to and shall vest in the school board. The
18 changes made to this Section by this amendatory Act of the
19 100th General Assembly are prospective only, starting from the
20 effective date of this amendatory Act of the 100th General
21 Assembly, and shall not affect any legal action pending on the
22 effective date of this amendatory Act of the 100th General
23 Assembly in the Illinois courts in which Lyons Township High
24 School District 204 is a listed party.

25 Notwithstanding subsections (a) and (c), the school board
26 of South Holland School District 151 may, by proper

1 resolution, withdraw from the jurisdiction and authority of
2 the trustees of schools of Thornton Township and the township
3 treasurer, provided that the school board shall, upon the
4 adoption and passage of the resolution, elect or appoint its
5 own school treasurer as provided in Section 8-1 of this Code.
6 Upon the adoption and passage of the resolution and the
7 election or appointment by the school board of its own school
8 treasurer: (1) the trustees of schools in the township shall
9 no longer have or exercise any powers or duties with respect to
10 the school district or with respect to the school business,
11 operations, or assets of the school district; (2) all books
12 and records of the trustees of schools and all moneys,
13 securities, loanable funds, and other assets relating to the
14 school business and affairs of the school district shall be
15 transferred and delivered to the school board; and (3) all
16 legal title to and all right, title, and interest formerly
17 held by the trustees of schools in any common school lands,
18 school buildings, or school sites used and occupied by the
19 school board and all rights of property and causes of action
20 pertaining to or constituting a part of the common school
21 lands, buildings, or sites shall be deemed transferred by
22 operation of law to and shall vest in the school board.

23 (c) Notwithstanding the provisions of subsection (a), the
24 offices of township treasurer and trustee of schools of any
25 township located in a Class II county school unit shall be
26 abolished as provided in this subsection if all of the

1 following conditions are met:

2 (1) During the same 30 day period, each school board
3 of each elementary and unit school district that is
4 subject to the jurisdiction and authority of the township
5 treasurer and trustees of schools of the township in which
6 those offices are sought to be abolished gives written
7 notice by certified mail, return receipt requested to the
8 township treasurer and trustees of schools of that
9 township of the date of a meeting of the school board, to
10 be held not more than 90 nor less than 60 days after the
11 date when the notice is given, at which meeting the school
12 board is to consider and vote upon the question of whether
13 there shall be submitted to the electors of the school
14 district a proposition to abolish the offices of township
15 treasurer and trustee of schools of that township. None of
16 the notices given under this paragraph to the township
17 treasurer and trustees of schools of a township shall be
18 deemed sufficient or in compliance with the requirements
19 of this paragraph unless all of those notices are given
20 within the same 30 day period.

21 (2) Each school board of each elementary and unit
22 school district that is subject to the jurisdiction and
23 authority of the township treasurer and trustees of
24 schools of the township in which those offices are sought
25 to be abolished, by the affirmative vote of at least 5
26 members of the school board at a school board meeting of

1 which notice is given as required by paragraph (1) of this
2 subsection, adopts a resolution requiring the secretary of
3 the school board to certify to the proper election
4 authorities for submission to the electors of the school
5 district at the next consolidated election in accordance
6 with the general election law a proposition to abolish the
7 offices of township treasurer and trustee of schools of
8 that township. None of the resolutions adopted under this
9 paragraph by any elementary or unit school districts that
10 are subject to the jurisdiction and authority of the
11 township treasurer and trustees of schools of the township
12 in which those offices are sought to be abolished shall be
13 deemed in compliance with the requirements of this
14 paragraph or sufficient to authorize submission of the
15 proposition to abolish those offices to a referendum of
16 the electors in any such school district unless all of the
17 school boards of all of the elementary and unit school
18 districts that are subject to the jurisdiction and
19 authority of the township treasurer and trustees of
20 schools of that township adopt such a resolution in
21 accordance with the provisions of this paragraph.

22 (3) The school boards of all of the elementary and
23 unit school districts that are subject to the jurisdiction
24 and authority of the township treasurer and trustees of
25 schools of the township in which those offices are sought
26 to be abolished submit a proposition to abolish the

1 offices of township treasurer and trustee of schools of
 2 that township to the electors of their respective school
 3 districts at the same consolidated election in accordance
 4 with the general election law, the ballot in each such
 5 district to be in substantially the following form:

6 -----

7 OFFICIAL BALLOT

| | | |
|----|-------------------------------|-------|
| 8 | Shall the offices of township | |
| 9 | treasurer and | YES |
| 10 | trustee of | ----- |
| 11 | schools of Township | NO |
| 12 | Range be abolished? | |

13 -----

14 (4) At the consolidated election at which the
 15 proposition to abolish the offices of township treasurer
 16 and trustee of schools of a township is submitted to the
 17 electors of each elementary and unit school district that
 18 is subject to the jurisdiction and authority of the
 19 township treasurer and trustee of schools of that
 20 township, a majority of the electors voting on the
 21 proposition in each such elementary and unit school
 22 district votes in favor of the proposition as submitted to
 23 them.

24 If in each elementary and unit school district that is
 25 subject to the jurisdiction and authority of the township
 26 treasurer and trustees of schools of the township in which

1 those offices are sought to be abolished a majority of the
2 electors in each such district voting at the consolidated
3 election on the proposition to abolish the offices of township
4 treasurer and trustee of schools of that township votes in
5 favor of the proposition as submitted to them, the proposition
6 shall be deemed to have passed; but if in any such elementary
7 or unit school district a majority of the electors voting on
8 that proposition in that district fails to vote in favor of the
9 proposition as submitted to them, then notwithstanding the
10 vote of the electors in any other such elementary or unit
11 school district on that proposition the proposition shall not
12 be deemed to have passed in any of those elementary or unit
13 school districts, and the offices of township treasurer and
14 trustee of schools of the township in which those offices were
15 sought to be abolished shall not be abolished, unless in each
16 of those elementary and unit school districts remaining
17 subject to the jurisdiction and authority of the township
18 treasurer and trustees of schools of that township proceedings
19 are again initiated to abolish those offices and all of the
20 proceedings and conditions prescribed in paragraphs (1)
21 through (4) of this subsection are repeated and met in each of
22 those elementary and unit school districts.

23 Notwithstanding the foregoing provisions of this Section
24 or any other provision of the School Code, the offices of
25 township treasurer and trustee of schools of a township that
26 has a population of less than 200,000 and that contains a unit

1 school district and is located in a Class II county school unit
2 shall also be abolished as provided in this subsection if all
3 of the conditions set forth in paragraphs (1), (2), and (3) of
4 this subsection are met and if the following additional
5 condition is met:

6 The electors in all of the school districts subject to
7 the jurisdiction and authority of the township treasurer
8 and trustees of schools of the township in which those
9 offices are sought to be abolished shall vote at the
10 consolidated election on the proposition to abolish the
11 offices of township treasurer and trustee of schools of
12 that township. If a majority of the electors in all of the
13 school districts combined voting on the proposition vote
14 in favor of the proposition, then the proposition shall be
15 deemed to have passed; but if a majority of the electors
16 voting on the proposition in all of the school district
17 fails to vote in favor of the proposition as submitted to
18 them, then the proposition shall not be deemed to have
19 passed and the offices of township treasurer and trustee
20 of schools of the township in which those offices were
21 sought to be abolished shall not be abolished, unless and
22 until the proceedings detailed in paragraphs (1) through
23 (3) of this subsection and the conditions set forth in
24 this paragraph are met.

25 If the proposition to abolish the offices of township
26 treasurer and trustee of schools of a township is deemed to

1 have passed at the consolidated election as provided in this
2 subsection, those offices shall be deemed abolished by
3 operation of law effective on January 1 of the calendar year
4 immediately following the calendar year in which that
5 consolidated election is held, provided that if after the
6 election, the trustees of schools by resolution elect to
7 abolish the offices of township treasurer and trustee of
8 schools effective on July 1 immediately following the
9 election, then the offices shall be abolished on July 1
10 immediately following the election. On the date that the
11 offices of township treasurer and trustee of schools of a
12 township are deemed abolished by operation of law, the school
13 board of each elementary and unit school district and the
14 school board of each high school district that is subject to
15 the jurisdiction and authority of the township treasurer and
16 trustees of schools of that township at the time those offices
17 are abolished: (i) shall appoint its own school treasurer as
18 provided in Section 8-1; and (ii) unless the term of the
19 contract of a township treasurer expires on the date that the
20 office of township treasurer is abolished, shall pay to the
21 former township treasurer its proportionate share of any
22 aggregate compensation that, were the office of township
23 treasurer not abolished at that time, would have been payable
24 to the former township treasurer after that date over the
25 remainder of the term of the contract of the former township
26 treasurer that began prior to but ends after that date. In

1 addition, on the date that the offices of township treasurer
2 and trustee of schools of a township are deemed abolished as
3 provided in this subsection, the school board of each
4 elementary school, high school and unit school district that
5 until that date is subject to the jurisdiction and authority
6 of the township treasurer and trustees of schools of that
7 township shall be deemed by operation of law to have agreed and
8 assumed to pay and, when determined, shall pay to the Illinois
9 Municipal Retirement Fund a proportionate share of the
10 unfunded liability existing in that Fund at the time these
11 offices are abolished in that calendar year for all annuities
12 or other benefits then or thereafter to become payable from
13 that Fund with respect to all periods of service performed
14 prior to that date as a participating employee in that Fund by
15 persons serving during those periods of service as a trustee
16 of schools, township treasurer or regular employee in the
17 office of the township treasurer of that township. That
18 unfunded liability shall be actuarially determined by the
19 board of trustees of the Illinois Municipal Retirement Fund,
20 and the board of trustees shall thereupon notify each school
21 board required to pay a proportionate share of that unfunded
22 liability of the aggregate amount of the unfunded liability so
23 determined. The amount so paid to the Illinois Municipal
24 Retirement Fund by each of those school districts shall be
25 credited to the account of the township in that Fund. For each
26 elementary school, high school and unit school district under

1 the jurisdiction and authority of a township treasurer and
2 trustees of schools of a township in which those offices are
3 abolished as provided in this subsection, each such district's
4 proportionate share of the aggregate compensation payable to
5 the former township treasurer as provided in this paragraph
6 and each such district's proportionate share of the aggregate
7 amount of the unfunded liability payable to the Illinois
8 Municipal Retirement Fund as provided in this paragraph shall
9 be computed in accordance with the ratio that the number of
10 pupils in average daily attendance in each such district for
11 the school year last ending prior to the date on which the
12 offices of township treasurer and trustee of schools of that
13 township are abolished bears to the aggregate number of pupils
14 in average daily attendance in all of those districts as so
15 reported for that school year.

16 Upon abolition of the offices of township treasurer and
17 trustee of schools of a township as provided in this
18 subsection: (i) the regional board of school trustees, in its
19 corporate capacity, shall be deemed the successor in interest
20 to the former trustees of schools of that township with
21 respect to the common school lands and township loanable funds
22 of the township; (ii) all right, title and interest existing
23 or vested in the former trustees of schools of that township in
24 the common school lands and township loanable funds of the
25 township, and all records, moneys, securities and other
26 assets, rights of property and causes of action pertaining to

1 or constituting a part of those common school lands or
2 township loanable funds, shall be transferred to and deemed
3 vested by operation of law in the regional board of school
4 trustees, which shall hold legal title to, manage and operate
5 all common school lands and township loanable funds of the
6 township, receive the rents, issues and profits therefrom, and
7 have and exercise with respect thereto the same powers and
8 duties as are provided by this Code to be exercised by regional
9 boards of school trustees when acting as township land
10 commissioners in counties having at least 220,000 but fewer
11 than 2,000,000 inhabitants; (iii) the regional board of school
12 trustees shall select to serve as its treasurer with respect
13 to the common school lands and township loanable funds of the
14 township a person from time to time also serving as the
15 appointed school treasurer of any school district that was
16 subject to the jurisdiction and authority of the township
17 treasurer and trustees of schools of that township at the time
18 those offices were abolished, and the person selected to also
19 serve as treasurer of the regional board of school trustees
20 shall have his compensation for services in that capacity
21 fixed by the regional board of school trustees, to be paid from
22 the township loanable funds, and shall make to the regional
23 board of school trustees the reports required to be made by
24 treasurers of township land commissioners, give bond as
25 required by treasurers of township land commissioners, and
26 perform the duties and exercise the powers of treasurers of

1 township land commissioners; (iv) the regional board of school
2 trustees shall designate in the manner provided by Section
3 8-7, insofar as applicable, a depository for its treasurer,
4 and the proceeds of all rents, issues and profits from the
5 common school lands and township loanable funds of that
6 township shall be deposited and held in the account maintained
7 for those purposes with that depository and shall be expended
8 and distributed therefrom as provided in Section 15-24 and
9 other applicable provisions of this Code; and (v) whenever
10 there is vested in the trustees of schools of a township at the
11 time that office is abolished under this subsection the legal
12 title to any school buildings or school sites used or occupied
13 for school purposes by any elementary school, high school or
14 unit school district subject to the jurisdiction and authority
15 of those trustees of school at the time that office is
16 abolished, the legal title to those school buildings and
17 school sites shall be deemed transferred by operation of law
18 to and invested in the school board of that school district, in
19 its corporate capacity under Section 10-22.35B of this Code,
20 the same to be held, sold, exchanged leased or otherwise
21 transferred in accordance with applicable provisions of this
22 Code.

23 Notwithstanding Section 2-3.25g of this Code, a waiver of
24 a mandate established under this Section may not be requested.
25 (Source: P.A. 100-374, eff. 8-25-17; 100-921, eff. 8-17-18.)

26 Section 99. Effective date. This Act takes effect July 1,

HB2594

- 18 -

LRB102 15000 NHT 20355 b

1 2021.