



## 103RD GENERAL ASSEMBLY

### State of Illinois

### 2023 and 2024

#### HB3523

Introduced 2/17/2023, by Rep. Janet Yang Rohr

#### SYNOPSIS AS INTRODUCED:

105 ILCS 5/8-2  
105 ILCS 5/19-6

from Ch. 122, par. 8-2  
from Ch. 122, par. 19-6

Amends the Treasurers Article of the School Code. Removes provisions allowing to the school treasurer to execute a bond with 2 or more persons having an interest in real estate who are not trustees before beginning the treasurer's duties. Provides that, for those school districts that have a designation of recognition or review according to the State Board of Education's School District Financial Profile System, the penalty of the bond shall be determined by the school board in an amount no less than 10% of the amount of all bonds, notes, mortgages, moneys and effects the treasurer will have custody over as measured by specified provisions (rather than an initial penalty of 25% with the penalty increasing and decreasing based on specified factors, but not higher than 25%). Provides that, those district that have no designation of recognition or review, then the penalty shall be 25%. Amends the Debt Limitation Article of the School Code to make conforming changes. Effective immediately.

LRB103 29974 RJT 56393 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 8-2 and 19-6 as follows:

6 (105 ILCS 5/8-2) (from Ch. 122, par. 8-2)

7 Sec. 8-2. Bond of treasurer. Before entering upon his  
8 duties, each school treasurer shall execute a bond with ~~2 or~~  
9 ~~more persons having an interest in real estate who are not~~  
10 ~~trustees, or~~ a surety company authorized to do business in  
11 this State, as sureties, payable to the township trustees of  
12 schools in Class II county school units and to the school board  
13 of each district for which he or she is treasurer or its  
14 successors in office in Class I county school units and  
15 conditioned upon the faithful discharge of his or her duties,  
16 except that the bond required of the school treasurer of a  
17 school district which is located in a Class II county school  
18 unit but which no longer is subject to the jurisdiction and  
19 authority of a township treasurer or trustees of schools of a  
20 township because the district has withdrawn from the  
21 jurisdiction and authority of the township treasurer and  
22 trustees of schools of the township or because those offices  
23 have been abolished as provided in subsection (b) or (c) of

1 Section 5-1 shall be payable to the school board of each  
2 district for which he or she is treasurer or its successor in  
3 office and conditioned upon the faithful discharge of his or  
4 her duties. For those school districts that have a designation  
5 of recognition or review according to the State Board of  
6 Education's School District Financial Profile System, the ~~The~~  
7 penalty of the bond shall be determined by the school board in  
8 an amount no less than 10% ~~25%~~ of the amount of all bonds,  
9 notes, mortgages, moneys and effects of which he is to have the  
10 custody as measured on the final day of the school district's  
11 most recent fiscal year. For all other school districts, the  
12 penalty of the bond shall be 25% of all bonds, notes,  
13 mortgages, moneys, and effects as measured on the final day of  
14 the school district's most recent fiscal year, ~~whether~~  
15 ~~individuals act as sureties or whether the surety given is by a~~  
16 ~~surety company authorized to do business in this State, and~~  
17 ~~shall be increased or decreased from time to time, as the~~  
18 ~~increase or decrease of the amount of notes, bonds, mortgages,~~  
19 ~~moneys and effects may require, and whenever in the judgment~~  
20 ~~of the regional superintendent of schools, or whenever in the~~  
21 ~~judgment of the township trustees or the school board of the~~  
22 ~~district by which the school treasurer was appointed or~~  
23 ~~elected, the penalty of the bond should be increased or~~  
24 ~~decreased; provided that the penalty of the bond shall not be~~  
25 ~~increased to more than 25% of the amount of all bonds, notes,~~  
26 ~~mortgages, moneys and effects of which the treasurer has~~

1 ~~eustody at any time.~~ The bond of the township treasurer shall  
2 be approved by at least a majority of the township trustees in  
3 Class II county school units; provided that in those school  
4 districts that are located in a Class II county school unit but  
5 are no longer subject to the jurisdiction and authority of a  
6 township treasurer and trustees of schools of a township  
7 (because the districts have withdrawn from the jurisdiction  
8 and authority of the township treasurer and trustees of  
9 schools of the township or because those offices have been  
10 abolished as provided in subsection (b) or (c) of Section 5-1)  
11 and in Class I county school units, the bond shall be approved  
12 by at least a majority of the members of the school board; and  
13 in all cases the bond shall be filed with the regional  
14 superintendent of schools who shall file with the State Board  
15 of Education before September 1 in each year an affidavit  
16 showing which treasurers of school districts under his  
17 supervision and control are properly bonded. The bond shall be  
18 in the following form:

19 STATE OF ILLINOIS

20 ..... COUNTY

21 We, AB, CD and EF, are obligated, jointly and severally,  
22 to the (School Board of District No. ...., or trustees of  
23 township .... range ....) in the above mentioned county or  
24 successors in office, in the penal sum of \$...., for the  
25 payment of which we bind ourselves, our heirs, executors and  
26 administrators.

1 Dated (insert date).

2 The condition of this obligation is such that if AB,  
3 school treasurer in the above stated county, faithfully  
4 discharges the duties of his or her office, according to law,  
5 and delivers to his or her successor in office, after such  
6 successor has qualified by giving bond as provided by law, all  
7 moneys, books, papers, securities and control, which have come  
8 into his or her possession or control, as such school  
9 treasurer, from the date of his or her bond to the time that  
10 his or her successor has qualified as school treasurer, by  
11 giving such bond as required by law, then this obligation to be  
12 void; otherwise to remain in full force and effect.

13 Approved and accepted by:

14 A.... B.... (Signature)

15 C.... D.... (Signature)

16 E.... F.... (Signature)

17 G.... H.... (Signature)

18 I.... J.... (Signature)

19 K.... L.... (Signature)

20 (Board of Education or Board of  
21 Directors of District No. ....

22 By ....

23 President Secretary or Clerk

24 or ....

25 .... Township Trustees)

26 No part of the State or other school fund shall be paid to

1 any school treasurer or other persons authorized to receive it  
2 unless such treasurer has filed his or her bond, or if  
3 reelected, has renewed his or her bond and filed it as required  
4 by law.

5 (Source: P.A. 91-357, eff. 7-29-99.)

6 (105 ILCS 5/19-6) (from Ch. 122, par. 19-6)

7 Sec. 19-6. Bond money to school treasurer - Delivery of  
8 bonds - Record - Payment. All moneys borrowed under the  
9 authority of this Act, except money borrowed by school  
10 districts having a population of more than 500,000  
11 inhabitants, shall be paid to the school treasurer of the  
12 district. The treasurer shall, before receiving any of the  
13 money, execute a bond with two or more persons having an  
14 interest in real estate, who shall not be trustees, or a surety  
15 company authorized to do business in this State, as surety,  
16 payable to the school board of the district in Class I county  
17 school units or township trustees in Class II county school  
18 units and conditioned upon the faithful discharge of his  
19 duties, except that the bond required of the school treasurer  
20 of a school district which is located in a Class II county  
21 school unit but which no longer is subject to the jurisdiction  
22 and authority of a township treasurer or trustees of schools  
23 of a township because the district has withdrawn from the  
24 jurisdiction and authority of the township treasurer and  
25 trustees of schools of the township or because those offices

1 have been abolished as provided in subsection (b) or (c) of  
2 Section 5-1 shall be payable to the school board of such  
3 district and conditioned upon the faithful discharge of his  
4 duties. The bond shall be submitted for approval or rejection  
5 to the school board of the district or to the township trustees  
6 to which such bond is payable. The penalty of the bond or bonds  
7 shall be an amount no less than 10% ~~25%~~ of the amount of such  
8 bond issue, whether individuals act as surety or whether the  
9 surety is given by a surety company authorized to transact  
10 business in this State. The bond shall be in substantially the  
11 same form as that required by Section 8-2 of this Act and when  
12 so given shall fully describe the bond issue which it  
13 specifically covers and shall remain in force until the funds  
14 of the bond issue are taken into account in determining the  
15 penalty amount for the surety bond required by Section 8-2 of  
16 this Code ~~fully disbursed in accordance with the law~~. Upon  
17 receiving such moneys the treasurer shall deliver the bonds  
18 issued therefor to the persons entitled to receive them, and  
19 shall credit the funds received to the district issuing the  
20 bonds. The treasurer shall record the amount received for each  
21 bond issued. When any bonds are paid the treasurer shall  
22 cancel them and shall enter, against the record of the bonds,  
23 the words, "paid and cancelled the .... day of ....., 1 ....., "  
24 filling the blanks with the day, month, and year corresponding  
25 to the date of payment.

26 (Source: P.A. 89-212, eff. 8-4-95.)

1           Section 99. Effective date. This Act takes effect upon  
2    becoming law.