

1 AN ACT concerning schools.

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  
5 Section 19-1 as follows:

6 (105 ILCS 5/19-1) (from Ch. 122, par. 19-1)

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

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

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

24 No school districts maintaining grades K through 12 shall  
25 become indebted in any manner or for any purpose to an  
26 amount, including existing indebtedness, in the aggregate  
27 exceeding 13.8% on the value of the taxable property therein  
28 to be ascertained by the last assessment for State and county  
29 taxes or, until January 1, 1983, if greater, the sum that is  
30 produced by multiplying the school district's 1978 equalized  
31 assessed valuation by the debt limitation percentage in

1 effect on January 1, 1979, previous to the incurring of such  
2 indebtedness.

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

16 (b) Notwithstanding the debt limitation prescribed in  
17 subsection (a) of this Section, additional indebtedness may  
18 be incurred in an amount not to exceed the estimated cost of  
19 acquiring or improving school sites or constructing and  
20 equipping additional building facilities under the following  
21 conditions:

22 (1) Whenever the enrollment of students for the  
23 next school year is estimated by the board of education  
24 to increase over the actual present enrollment by not  
25 less than 35% or by not less than 200 students or the  
26 actual present enrollment of students has increased over  
27 the previous school year by not less than 35% or by not  
28 less than 200 students and the board of education  
29 determines that additional school sites or building  
30 facilities are required as a result of such increase in  
31 enrollment; and

32 (2) When the Regional Superintendent of Schools  
33 having jurisdiction over the school district and the  
34 State Superintendent of Education concur in such

1 enrollment projection or increase and approve the need  
2 for such additional school sites or building facilities  
3 and the estimated cost thereof; and

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

16 (4) Notwithstanding the provisions of paragraphs  
17 (1) through (3) of this subsection (b), if the school  
18 board determines that additional facilities are needed to  
19 provide a quality educational program and not less than  
20 2/3 of those voting in an election called by the school  
21 board on the question approve the issuance of bonds for  
22 the construction of such facilities, the school district  
23 may issue bonds for this purpose; or

24 (5) Notwithstanding the provisions of paragraphs  
25 (1) through (3) of this subsection (b), if (i) the school  
26 district has previously availed itself of the provisions  
27 of paragraph (4) of this subsection (b) to enable it to  
28 issue bonds, (ii) the voters of the school district have  
29 not defeated a proposition for the issuance of bonds  
30 since the referendum described in paragraph (4) of this  
31 subsection (b) was held, (iii) the school board  
32 determines that additional facilities are needed to  
33 provide a quality educational program, and (iv) a  
34 majority of those voting in an election called by the

1 school board on the question approve the issuance of  
2 bonds for the construction of such facilities, the school  
3 district may issue bonds for this purpose.

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

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

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

26 (d) Notwithstanding the debt limitation prescribed in  
27 subsection (a) of this Section, a school district that meets  
28 all the criteria set forth in paragraphs (1) and (2) of this  
29 subsection (d) may incur an additional indebtedness in an  
30 amount not to exceed \$4,500,000, even though the amount of  
31 the additional indebtedness authorized by this subsection  
32 (d), when incurred and added to the aggregate amount of  
33 indebtedness of the district existing immediately prior to  
34 the district incurring the additional indebtedness authorized

1 by this subsection (d), causes the aggregate indebtedness of  
2 the district to exceed the debt limitation otherwise  
3 applicable to that district under subsection (a):

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

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

29 (e) Notwithstanding the debt limitation prescribed in  
30 subsection (a) of this Section, a school district that meets  
31 all the criteria set forth in paragraphs (1) through (5) of  
32 this subsection (e) may, without referendum, incur an  
33 additional indebtedness in an amount not to exceed the lesser  
34 of \$5,000,000 or 1.5% of the value of the taxable property

1 within the district even though the amount of the additional  
2 indebtedness authorized by this subsection (e), when incurred  
3 and added to the aggregate amount of indebtedness of the  
4 district existing immediately prior to the district incurring  
5 that additional indebtedness, causes the aggregate  
6 indebtedness of the district to exceed or increases the  
7 amount by which the aggregate indebtedness of the district  
8 already exceeds the debt limitation otherwise applicable to  
9 that district under subsection (a):

10 (1) The State Board of Education certifies the  
11 school district under Section 19-1.5 as a financially  
12 distressed district.

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

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

32 (4) Throughout each fiscal year in which  
33 certification of the district as a financially distressed  
34 district continues in effect, the district maintains in

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

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

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

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

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

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

30 (3) The board of education shall also determine by  
 31 resolution that the projected increases in enrollment are  
 32 the result of improvements made or expected to be made to  
 33 passenger rail facilities located in the school district.

34 (g) Notwithstanding the provisions of subsection (a) of



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

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

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

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

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

29 (h) Notwithstanding any other provisions of this Section  
30 or the provisions of any other law, until January 1, 1998, a  
31 community unit school district maintaining grades K through  
32 12 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  
4 \$24,000,000;

5 (ii) The bonds are issued for the capital  
6 improvement, renovation, rehabilitation, or replacement  
7 of existing school buildings of the district, all of  
8 which buildings were originally constructed not less than  
9 40 years ago;

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

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

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

22 (i) The school district has an equalized assessed  
23 valuation for calendar year 1995 of less than  
24 \$44,600,000;

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

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

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

1           (j) Notwithstanding any other provisions of this Section  
2 or the provisions of any other law, until January 1, 1999, a  
3 community unit school district maintaining grades K through  
4 12 may issue bonds up to an amount, including existing  
5 indebtedness, not exceeding 27% of the equalized assessed  
6 value of the taxable property in the district if all of the  
7 following conditions are met:

8           (i) The school district has an equalized assessed  
9 valuation for calendar year 1995 of less than  
10 \$140,000,000 and a best 3 months average daily attendance  
11 for the 1995-96 school year of at least 2,800;

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

17           (iii) At the time of the sale of the bonds, the  
18 board of education determines by resolution that a new  
19 high school is needed because of projected enrollment  
20 increases;

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

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

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

1 such additional indebtedness, causes the aggregate  
 2 indebtedness of the school district to exceed or increases  
 3 the amount by which the aggregate indebtedness of the  
 4 district already exceeds the debt limitation otherwise  
 5 applicable to that school district under subsection (a):

6 (1) the school district is located in 2 counties,  
 7 and a referendum to authorize the additional indebtedness  
 8 was approved by a majority of the voters of the school  
 9 district voting on the proposition to authorize that  
 10 indebtedness;

11 (2) the additional indebtedness is for the purpose  
 12 of financing a multi-purpose room addition to the  
 13 existing high school;

14 (3) the additional indebtedness, together with the  
 15 existing indebtedness of the school district, shall not  
 16 exceed 17.4% of the value of the taxable property in the  
 17 school district, to be ascertained by the last assessment  
 18 for State and county taxes; and

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

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

29 (i) the district has an equalized assessed  
 30 valuation for calendar year 1996 of less than  
 31 \$10,000,000;

32 (ii) the bonds are issued for capital improvement,  
 33 renovation, rehabilitation, or replacement of one or more  
 34 school buildings of the district, which buildings were

1 originally constructed not less than 70 years ago;

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

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

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

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

16 (ii) The school district operates 2 elementary  
17 attendance centers that until 1976 were operated as the  
18 attendance centers of 2 separate and distinct school  
19 districts;

20 (iii) The bonds are issued for the construction of  
21 a new elementary school building to replace an existing  
22 multi-level elementary school building of the school  
23 district that is not handicapped accessible at all levels  
24 and parts of which were constructed more than 75 years  
25 ago;

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

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

31 (n) Notwithstanding the debt limitation prescribed in  
32 subsection (a) of this Section or any other provisions of  
33 this Section or of any other law, a school district that  
34 meets all of the criteria set forth in paragraphs (i) through

1 (vi) of this subsection (n) may incur additional indebtedness  
2 by the issuance of bonds in an amount not exceeding the  
3 amount certified by the Capital Development Board to the  
4 school district as provided in paragraph (iii) of this  
5 subsection (n), even though the amount of the additional  
6 indebtedness so authorized, when incurred and added to the  
7 aggregate amount of indebtedness of the district existing  
8 immediately prior to the district incurring the additional  
9 indebtedness authorized by this subsection (n), causes the  
10 aggregate indebtedness of the district to exceed the debt  
11 limitation otherwise applicable by law to that district:

12 (i) The school district applies to the State Board  
13 of Education for a school construction project grant and  
14 submits a district facilities plan in support of its  
15 application pursuant to Section 5-20 of the School  
16 Construction Law.

17 (ii) The school district's application and  
18 facilities plan are approved by, and the district  
19 receives a grant entitlement for a school construction  
20 project issued by, the State Board of Education under the  
21 School Construction Law.

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

31 (iv) The bonds are issued for a "school  
32 construction project", as that term is defined in Section  
33 5-5 of the School Construction Law, in an amount that  
34 does not exceed the dollar amount certified, as provided

1 in paragraph (iii) of this subsection (n), by the Capital  
2 Development Board to the school district under Section  
3 5-15 of the School Construction Law.

4 (v) The voters of the district approve a  
5 proposition for the issuance of the bonds at a referendum  
6 held after the criteria specified in paragraphs (i) and  
7 (ii) ~~(iii)~~ of this subsection (n) are met.

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

10 (Source: P.A. 90-570, eff. 1-28-98; 90-757, eff. 8-14-98;  
11 91-55, eff. 6-30-99.)

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.