



Rep. Margo McDermed

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LRB100 10550 AWJ 23661 a

1 AMENDMENT TO HOUSE BILL 2613

2 AMENDMENT NO. _____. Amend House Bill 2613 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by changing
5 Section 6z-59 as follows:

6 (30 ILCS 105/6z-59)

7 Sec. 6z-59. The Tax Recovery Fund. There is created in the
8 State treasury the Tax Recovery Fund. Through December 31, 2027
9 ~~2020~~, all moneys received from the rental, authorized under
10 Section 2705-555 of the Department of Transportation Law of the
11 Civil Administrative Code of Illinois, of land, buildings, or
12 improvements on property held for development of an airport in
13 Will County by the Department of Transportation shall be
14 remitted to the State Treasurer for payment into the Tax
15 Recovery Fund. Subject to appropriation, the moneys in the Fund
16 shall be expended with the following priority: (1) to

1 compensate taxing districts for leasehold taxes then (2) to the
2 General Revenue Fund less any money necessary to pay
3 maintenance and repair costs for that real property. The tax
4 compensation shall be determined in accordance with Sections
5 9-195 and 15-55 of the Property Tax Code. Expenditures for
6 these purposes may be made by Department of Transportation
7 without regard to the fiscal year in which tax compensation
8 liability and property maintenance and repair costs were
9 incurred. Unexpended moneys in the Fund shall not be
10 transferred or allocated by the Comptroller or Treasurer to any
11 other fund nor shall the Governor authorize the transfer or
12 allocation of those moneys to any other fund. After December
13 31, 2027 ~~2020~~, all moneys received from the rental, authorized
14 under Section 2705-555 of the Department of Transportation Law
15 of the Civil Administrative Code of Illinois, of land,
16 buildings, or improvements on property held for the development
17 of an airport in Will County by the Department of
18 Transportation shall not be remitted to the Tax Recovery Fund
19 but shall instead be paid to the General Revenue Fund. The
20 balance remaining in the Tax Recovery Fund on December 31, 2027
21 ~~2020~~ shall first be expended to compensate taxing districts for
22 leasehold taxes for the 2027 ~~2020~~ tax assessment year, and then
23 transferred to the General Revenue Fund for the purpose of debt
24 service on State bonds issued to provide funds for airport land
25 acquisition in Will County.

26 (Source: P.A. 96-192, eff. 8-10-09.)

1 Section 10. The Property Tax Code is amended by changing
2 Section 15-55 as follows:

3 (35 ILCS 200/15-55)

4 Sec. 15-55. State property.

5 (a) All property belonging to the State of Illinois is
6 exempt. However, the State agency holding title shall file the
7 certificate of ownership and use required by Section 15-10,
8 together with a copy of any written lease or agreement, in
9 effect on March 30 of the assessment year, concerning parcels
10 of 1 acre or more, or an explanation of the terms of any oral
11 agreement under which the property is leased, subleased or
12 rented.

13 The leased property shall be assessed to the lessee and the
14 taxes thereon extended and billed to the lessee, and collected
15 in the same manner as for property which is not exempt. The
16 lessee shall be liable for the taxes and no lien shall attach
17 to the property of the State.

18 For the purposes of this Section, the word "leases"
19 includes licenses, franchises, operating agreements and other
20 arrangements under which private individuals, associations or
21 corporations are granted the right to use property of the
22 Illinois State Toll Highway Authority and includes all property
23 of the Authority used by others without regard to the size of
24 the leased parcel.

1 (b) However, all property of every kind belonging to the
2 State of Illinois, which is or may hereafter be leased to the
3 Illinois Prairie Path Corporation, shall be exempt from all
4 assessments, taxation or collection, despite the making of any
5 such lease, if it is used for:

6 (1) conservation, nature trail or any other
7 charitable, scientific, educational or recreational
8 purposes with public benefit, including the preserving and
9 aiding in the preservation of natural areas, objects,
10 flora, fauna or biotic communities;

11 (2) the establishment of footpaths, trails and other
12 protected areas;

13 (3) the conservation of the proper use of natural
14 resources or the promotion of the study of plant and animal
15 communities and of other phases of ecology, natural history
16 and conservation;

17 (4) the promotion of education in the fields of nature,
18 preservation and conservation; or

19 (5) similar public recreational activities conducted
20 by the Illinois Prairie Path Corporation.

21 No lien shall attach to the property of the State. No tax
22 liability shall become the obligation of or be enforceable
23 against Illinois Prairie Path Corporation.

24 (c) If the State sells the James R. Thompson Center or the
25 Elgin Mental Health Center and surrounding land located at 750
26 S. State Street, Elgin, Illinois, as provided in subdivision

1 (a) (2) of Section 7.4 of the State Property Control Act, to
2 another entity whose property is not exempt and immediately
3 thereafter enters into a leaseback or other agreement that
4 directly or indirectly gives the State a right to use, control,
5 and possess the property, that portion of the property leased
6 and occupied exclusively by the State shall remain exempt under
7 this Section. For the property to remain exempt under this
8 subsection (c), the State must retain an option to purchase the
9 property at a future date or, within the limitations period for
10 reverters, the property must revert back to the State.

11 If the property has been conveyed as described in this
12 subsection (c), the property is no longer exempt pursuant to
13 this Section as of the date when:

14 (1) the right of the State to use, control, and possess
15 the property has been terminated; or

16 (2) the State no longer has an option to purchase or
17 otherwise acquire the property and there is no provision
18 for a reverter of the property to the State within the
19 limitations period for reverters.

20 Pursuant to Sections 15-15 and 15-20 of this Code, the
21 State shall notify the chief county assessment officer of any
22 transaction under this subsection (c). The chief county
23 assessment officer shall determine initial and continuing
24 compliance with the requirements of this Section for tax
25 exemption. Failure to notify the chief county assessment
26 officer of a transaction under this subsection (c) or to

1 otherwise comply with the requirements of Sections 15-15 and
2 15-20 of this Code shall, in the discretion of the chief county
3 assessment officer, constitute cause to terminate the
4 exemption, notwithstanding any other provision of this Code.

5 (c-1) If the Illinois State Toll Highway Authority sells
6 the Illinois State Toll Highway Authority headquarters
7 building and surrounding land, located at 2700 Ogden Avenue,
8 Downers Grove, Illinois as provided in subdivision (a)(2) of
9 Section 7.5 of the State Property Control Act, to another
10 entity whose property is not exempt and immediately thereafter
11 enters into a leaseback or other agreement that directly or
12 indirectly gives the State or the Illinois State Toll Highway
13 Authority a right to use, control, and possess the property,
14 that portion of the property leased and occupied exclusively by
15 the State or the Authority shall remain exempt under this
16 Section. For the property to remain exempt under this
17 subsection (c), the Authority must retain an option to purchase
18 the property at a future date or, within the limitations period
19 for reverters, the property must revert back to the Authority.

20 If the property has been conveyed as described in this
21 subsection (c), the property is no longer exempt pursuant to
22 this Section as of the date when:

23 (1) the right of the State or the Authority to use,
24 control, and possess the property has been terminated; or

25 (2) the Authority no longer has an option to purchase
26 or otherwise acquire the property and there is no provision

1 for a reverter of the property to the Authority within the
2 limitations period for reverters.

3 Pursuant to Sections 15-15 and 15-20 of this Code, the
4 Authority shall notify the chief county assessment officer of
5 any transaction under this subsection (c). The chief county
6 assessment officer shall determine initial and continuing
7 compliance with the requirements of this Section for tax
8 exemption. Failure to notify the chief county assessment
9 officer of a transaction under this subsection (c) or to
10 otherwise comply with the requirements of Sections 15-15 and
11 15-20 of this Code shall, in the discretion of the chief county
12 assessment officer, constitute cause to terminate the
13 exemption, notwithstanding any other provision of this Code.

14 (d) The fair market rent of each parcel of real property in
15 Will County owned by the State of Illinois for the purpose of
16 developing an airport by the Department of Transportation and
17 leased by a third party or third parties shall include the
18 assessed value of leasehold tax. The lessee of each parcel of
19 real property in Will County owned by the State of Illinois for
20 the purpose of developing an airport by the Department of
21 Transportation shall not be liable for the taxes thereon. In
22 order for the State to compensate taxing districts, including,
23 without limitation, drainage districts organized under the
24 Illinois Drainage Code, for the leasehold tax under this
25 paragraph the Will County Supervisor of Assessments shall
26 certify, in writing, to the Department of Transportation: (i)

1 for payments occurring on or before July 1, 2017, the amount of
2 leasehold taxes extended for the 2002 property tax year for
3 each such exempt parcel; and (ii) for payments after July 1,
4 2017, the amount of leasehold taxes that would have been
5 extended for the 2017 property tax year for each such exempt
6 parcel. The Department of Transportation shall pay to the Will
7 County Treasurer, from the Tax Recovery Fund, on or before July
8 1 of each year, the amount of leasehold taxes for each such
9 exempt parcel as certified by the Will County Supervisor of
10 Assessments under item (i) of this subsection (d) for payments
11 on or before July 1, 2017 and under item (ii) of this
12 subsection (d) for payments after July 1, 2017. The tax
13 compensation shall terminate on December 31, 2027 ~~2020~~. It is
14 the duty of the Department of Transportation to file with the
15 Office of the Will County Supervisor of Assessments an
16 affidavit stating the termination date for rental of each such
17 parcel due to airport construction. The affidavit shall include
18 the property identification number for each such parcel. In no
19 instance shall tax compensation for property owned by the State
20 be deemed delinquent or bear interest. In no instance shall a
21 lien attach to the property of the State. In no instance shall
22 the State be required to pay leasehold tax compensation in
23 excess of the Tax Recovery Fund's balance.

24 (e) Public Act 81-1026 applies to all leases or agreements
25 entered into or renewed on or after September 24, 1979.

26 (f) Notwithstanding anything to the contrary in this Code,

1 all property owned by the State that is the Illiana Expressway,
2 as defined in the Public Private Agreements for the Illiana
3 Expressway Act, and that is used for transportation purposes
4 and that is leased for those purposes to another entity whose
5 property is not exempt shall remain exempt, and any leasehold
6 interest in the property shall not be subject to taxation under
7 Section 9-195 of this Act.

8 (g) Notwithstanding anything to the contrary in this
9 Section, all property owned by the State or the Illinois State
10 Toll Highway Authority that is defined as a transportation
11 project under the Public-Private Partnerships for
12 Transportation Act and that is used for transportation purposes
13 and that is leased for those purposes to another entity whose
14 property is not exempt shall remain exempt, and any leasehold
15 interest in the property shall not be subject to taxation under
16 Section 9-195 of this Act.

17 (h) Notwithstanding anything to the contrary in this Code,
18 all property owned by the State that is the South Suburban
19 Airport, as defined in the Public-Private Agreements for the
20 South Suburban Airport Act, and that is used for airport
21 purposes and that is leased for those purposes to another
22 entity whose property is not exempt shall remain exempt, and
23 any leasehold interest in the property shall not be subject to
24 taxation under Section 9-195 of this Act.

25 (Source: P.A. 97-502, eff. 8-23-11; 98-109, eff. 7-25-13.)

1 Section 15. The Illinois Drainage Code is amended by
2 changing Section 5-2 as follows:

3 (70 ILCS 605/5-2) (from Ch. 42, par. 5-2)

4 Sec. 5-2. Original assessments - Property subject to
5 assessment. Upon the Organization of the district, the
6 commissioners shall proceed to make out their assessment roll
7 of benefits, damages and compensation, and they shall include
8 therein all lands, lots, railroads, and other property within
9 the district, including leasehold parcels in Will County owned
10 by the State of Illinois as provided for under subsection (d)
11 of Section 15-55 of the Property Tax Code, other than public
12 highways, streets and alleys, which, in their opinion, will be
13 benefited, taken or damaged by the proposed work. Whenever
14 another district or a municipal corporation exercising
15 drainage powers has been made a party to the proceedings to
16 organize the district, then the commissioners shall also
17 include such other district or municipal corporation in their
18 assessment roll.

19 (Source: P.A. 83-726.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."