

1 AN ACT concerning government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

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, 2030  
9 ~~December 31, 2020~~, all moneys received from the rental,  
10 authorized under Section 2705-555 of the Department of  
11 Transportation Law of the Civil Administrative Code of  
12 Illinois, of land, buildings, or improvements on property held  
13 for development of an airport in Will County by the Department  
14 of Transportation shall be remitted to the State Treasurer for  
15 payment into the Tax Recovery Fund. Subject to appropriation,  
16 the moneys in the Fund shall be expended with the following  
17 priority: (1) to compensate taxing districts for leasehold  
18 taxes then (2) to the General Revenue Fund less any money  
19 necessary to pay maintenance and repair costs for that real  
20 property. The tax compensation shall be determined in  
21 accordance with Sections 9-195 and 15-55 of the Property Tax  
22 Code. Expenditures for these purposes may be made by Department  
23 of Transportation without regard to the fiscal year in which

1 tax compensation liability and property maintenance and repair  
2 costs were incurred. Unexpended moneys in the Fund shall not be  
3 transferred or allocated by the Comptroller or Treasurer to any  
4 other fund nor shall the Governor authorize the transfer or  
5 allocation of those moneys to any other fund. After December  
6 31, 2030 ~~December 31, 2020~~, all moneys received from the  
7 rental, authorized under Section 2705-555 of the Department of  
8 Transportation Law of the Civil Administrative Code of  
9 Illinois, of land, buildings, or improvements on property held  
10 for the development of an airport in Will County by the  
11 Department of Transportation shall not be remitted to the Tax  
12 Recovery Fund but shall instead be paid to the General Revenue  
13 Fund. The balance remaining in the Tax Recovery Fund on  
14 December 31, 2030 ~~December 31, 2020~~ shall first be expended to  
15 compensate taxing districts for loss of revenue ~~leasehold taxes~~  
16 for the 2030 ~~2020~~ tax assessment year, and then transferred to  
17 the General Revenue Fund for the purpose of debt service on  
18 State bonds issued to provide funds for airport land  
19 acquisition in Will County.

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

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

23 (35 ILCS 200/15-55)

24 Sec. 15-55. State property.

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

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

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

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

26 (1) conservation, nature trail or any other

1 charitable, scientific, educational or recreational  
2 purposes with public benefit, including the preserving and  
3 aiding in the preservation of natural areas, objects,  
4 flora, fauna or biotic communities;

5 (2) the establishment of footpaths, trails and other  
6 protected areas;

7 (3) the conservation of the proper use of natural  
8 resources or the promotion of the study of plant and animal  
9 communities and of other phases of ecology, natural history  
10 and conservation;

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

13 (5) similar public recreational activities conducted  
14 by the Illinois Prairie Path Corporation.

15 No lien shall attach to the property of the State. No tax  
16 liability shall become the obligation of or be enforceable  
17 against Illinois Prairie Path Corporation.

18 (c) If the State sells the James R. Thompson Center or the  
19 Elgin Mental Health Center and surrounding land located at 750  
20 S. State Street, Elgin, Illinois, as provided in subdivision  
21 (a)(2) of Section 7.4 of the State Property Control Act, to  
22 another entity whose property is not exempt and immediately  
23 thereafter enters into a leaseback or other agreement that  
24 directly or indirectly gives the State a right to use, control,  
25 and possess the property, that portion of the property leased  
26 and occupied exclusively by the State shall remain exempt under

1 this Section. For the property to remain exempt under this  
2 subsection (c), the State must retain an option to purchase the  
3 property at a future date or, within the limitations period for  
4 reverters, the property must revert back to the State.

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

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

10 (2) the State no longer has an option to purchase or  
11 otherwise acquire the property and there is no provision  
12 for a reverter of the property to the State within the  
13 limitations period for reverters.

14 Pursuant to Sections 15-15 and 15-20 of this Code, the  
15 State shall notify the chief county assessment officer of any  
16 transaction under this subsection (c). The chief county  
17 assessment officer shall determine initial and continuing  
18 compliance with the requirements of this Section for tax  
19 exemption. Failure to notify the chief county assessment  
20 officer of a transaction under this subsection (c) or to  
21 otherwise comply with the requirements of Sections 15-15 and  
22 15-20 of this Code shall, in the discretion of the chief county  
23 assessment officer, constitute cause to terminate the  
24 exemption, notwithstanding any other provision of this Code.

25 (c-1) If the Illinois State Toll Highway Authority sells  
26 the Illinois State Toll Highway Authority headquarters

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

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

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

19 (2) the Authority no longer has an option to purchase  
20 or otherwise acquire the property and there is no provision  
21 for a reverter of the property to the Authority within the  
22 limitations period for reverters.

23 Pursuant to Sections 15-15 and 15-20 of this Code, the  
24 Authority shall notify the chief county assessment officer of  
25 any transaction under this subsection (c). The chief county  
26 assessment officer shall determine initial and continuing

1 compliance with the requirements of this Section for tax  
2 exemption. Failure to notify the chief county assessment  
3 officer of a transaction under this subsection (c) or to  
4 otherwise comply with the requirements of Sections 15-15 and  
5 15-20 of this Code shall, in the discretion of the chief county  
6 assessment officer, constitute cause to terminate the  
7 exemption, notwithstanding any other provision of this Code.

8 (d) For tax years prior to 2019, the ~~The~~ fair market rent  
9 of each parcel of real property in Will County owned by the  
10 State of Illinois for the purpose of developing an airport by  
11 the Department of Transportation shall include the assessed  
12 value of leasehold tax. The lessee of each parcel of real  
13 property in Will County owned by the State of Illinois for the  
14 purpose of developing an airport by the Department of  
15 Transportation shall not be liable for the taxes thereon. In  
16 order for the State to compensate taxing districts for the loss  
17 of revenue ~~leasehold tax~~ under this paragraph, the Will County  
18 Supervisor of Assessments shall annually certify, in writing,  
19 to the Department of Transportation, the following amounts: (1)  
20 for tax years prior to 2019, the ~~the~~ amount of leasehold taxes  
21 extended for the 2002 property tax year for each such exempt  
22 parcel; and (2) for tax years 2019 through 2030, the amount of  
23 taxes that would have been extended for the current tax year  
24 for each such exempt parcel if those parcels had been owned by  
25 a person whose property is not exempt. The Department of  
26 Transportation shall pay to the Will County Treasurer, from the

1 Tax Recovery Fund, on or before July 1 of each year, the amount  
2 ~~of leasehold taxes for each such exempt parcel~~ as certified by  
3 the Will County Supervisor of Assessments. The tax compensation  
4 shall terminate on December 31, 2030 ~~December 31, 2020~~. It is  
5 the duty of the Department of Transportation to file with the  
6 Office of the Will County Supervisor of Assessments an  
7 affidavit stating the termination date for rental of each such  
8 parcel due to airport construction. The affidavit shall include  
9 the property identification number for each such parcel. In no  
10 instance shall tax compensation for property owned by the State  
11 be deemed delinquent or bear interest. In no instance shall a  
12 lien attach to the property of the State. In no instance shall  
13 the State be required to pay ~~leasehold tax~~ compensation under  
14 this subsection in excess of the lesser of (i) the Tax Recovery  
15 Fund's balance or (ii) \$600,000 in any tax year.

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

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

26 (g) Notwithstanding anything to the contrary in this



1 Section, all property owned by the State or the Illinois State  
2 Toll Highway Authority that is defined as a transportation  
3 project under the Public-Private Partnerships for  
4 Transportation Act and that is used for transportation purposes  
5 and that is leased for those purposes to another entity whose  
6 property is not exempt shall remain exempt, and any leasehold  
7 interest in the property shall not be subject to taxation under  
8 Section 9-195 of this Act.

9 (h) Notwithstanding anything to the contrary in this Code,  
10 all property owned by the State that is the South Suburban  
11 Airport, as defined in the Public-Private Agreements for the  
12 South Suburban Airport Act, and that is used for airport  
13 purposes and that is leased for those purposes to another  
14 entity whose property is not exempt shall remain exempt, and  
15 any leasehold interest in the property shall not be subject to  
16 taxation under Section 9-195 of this Act.

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

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.