



Sen. James F. Clayborne, Jr.

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1 AMENDMENT TO SENATE BILL 400

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 400 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing  
5 Section 15-185 as follows:

6 (35 ILCS 200/15-185)

7 Sec. 15-185. Exemption for leaseback property and  
8 qualified leased property.

9 (a) Notwithstanding anything in this Code to the contrary,  
10 all property owned by a municipality with a population of over  
11 500,000 inhabitants, a unit of local government whose  
12 jurisdiction includes territory located in whole or in part  
13 within a municipality with a population of over 500,000  
14 inhabitants, or a municipality with home rule powers that is  
15 contiguous to a municipality with a population of over 500,000  
16 inhabitants, shall remain exempt from taxation and any

1 leasehold interest in that property shall not be subject to  
2 taxation under Section 9-195 if the property is directly or  
3 indirectly leased, sold, or otherwise transferred to another  
4 entity whose property is not exempt and immediately thereafter  
5 is the subject of a leaseback or other agreement that directly  
6 or indirectly gives the municipality or unit of local  
7 government (i) a right to use, control, and possess the  
8 property or (ii) a right to require the other entity, or the  
9 other entity's designee or assignee, to use the property in the  
10 performance of services for the municipality or unit of local  
11 government. Property shall no longer be exempt under this  
12 subsection as of the date when the right of the municipality or  
13 unit of local government to use, control, and possess the  
14 property or to require the performance of services is  
15 terminated and the municipality or unit of local government no  
16 longer has any option to purchase or otherwise reacquire the  
17 interest in the property which was transferred by the  
18 municipality or unit of local government.

19 (b) Notwithstanding anything in this Code to the contrary,  
20 all property owned by a municipality with a population of over  
21 500,000 inhabitants, a unit of local government whose  
22 jurisdiction includes territory located in whole or in part  
23 within a municipality with a population of over 500,000  
24 inhabitants, or a municipality with home rule powers that is  
25 contiguous to a municipality with a population of over 500,000  
26 inhabitants, shall remain exempt from taxation and any

1 leasehold interest in that property is not subject to taxation  
2 under Section 9-195 if the property, including dedicated public  
3 property, is used by a municipality or other unit of local  
4 government for the purpose of an airport or parking or for  
5 waste disposal or processing and is leased for continued use  
6 for the same purpose to another entity whose property is not  
7 exempt.

8 For the purposes of this subsection (b), "airport" does not  
9 include any airport property, as defined under Section 10 of  
10 the O'Hare Modernization Act.

11 Any transaction described under this subsection must be  
12 undertaken in accordance with all appropriate federal laws and  
13 regulations.

14 (c) For purposes of this Section, "municipality" means a  
15 municipality as defined in Section 1-1-2 of the Illinois  
16 Municipal Code, and "unit of local government" means a unit of  
17 local government as defined in Article VII, Section 1 of the  
18 Constitution of the State of Illinois. The provisions of this  
19 Section supersede and control over any conflicting provisions  
20 of this Code.

21 (d) Notwithstanding anything in this Code to the contrary,  
22 (i) all property owned by an entity using the property in such  
23 a manner that it is not subject to real estate taxes pursuant  
24 to this Article 15 is exempt from real estate taxes, and such  
25 exemption is not affected by any transaction in which the  
26 entity, directly or indirectly, on or after the effective date

1 of this amendatory Act of the 97th General Assembly, leases,  
2 sells, or otherwise transfers the property to another entity  
3 for which or for whom property is not exempt, with or without a  
4 right to repurchase that property, and immediately after the  
5 lease or transfer enters into a leaseback or other agreement  
6 that directly or indirectly gives the initial entity a right to  
7 use, control, and possess the property for purposes that would  
8 qualify the property for a non-homestead real estate tax  
9 exemption pursuant to this Article 15 by virtue of its use or  
10 (ii) where, on or after the effective date of this amendatory  
11 Act of the 97th General Assembly, an entity leases new or  
12 existing property from another for purposes that would be  
13 exempt under this Article 15, that property shall be exempt  
14 from real estate taxes for the term of the lease, or any  
15 extension thereof, without regard to the nature or character of  
16 ownership and shall be treated for purposes of this Article 15  
17 as if the lessee were the owner of the property, as long as the  
18 property on which the leased improvements are or will be  
19 located is used for school, religious, or charitable purposes  
20 pursuant to that lease or any renewal thereof.

21 (e) Substantially all of the funds received from the  
22 conveyance of property subject to a leaseback agreement as  
23 described in subsection (d) of this Section must be used for  
24 capital improvement projects and related capital expenditures  
25 and all funds raised shall be used within the State of  
26 Illinois.

1       (f) To the extent allowable by law, all construction  
2 projects using the provisions of subsection (d) above shall be  
3 subject to the provisions of the Illinois Prevailing Wage Act  
4 for the initial construction of the improvements and all  
5 bidders for those projects shall comply with the provisions of  
6 Section 30-22 of the Illinois Procurement Code.

7       (g) Project labor agreements for the construction projects  
8 referenced in subsection (f) above shall be required.

9       (Source: P.A. 96-779, eff. 8-28-09.)

10       Section 97. Savings clause. If any provision of this Act or  
11 its application to any person or circumstance is held invalid  
12 by any Court of competent jurisdiction or any federal or State  
13 government agency having jurisdiction over the subject matter  
14 of this Act, the invalidity of that provision or application  
15 does not affect any other provisions or applications of this  
16 Act that can be given effect without the invalid provision or  
17 application which are severable under Section 1.31 of the  
18 Statute on Statutes.

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