



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB5445

by Rep. Kelly Burke

SYNOPSIS AS INTRODUCED:

35 ILCS 200/9-195
35 ILCS 200/15-60
35 ILCS 200/21-95

Amends the Property Tax Code. Provides that certain property owned by a county, municipality, taxing district, unit of local government, or by one or more municipalities pursuant to an ordinance or intergovernmental agreement, that is held for land bank purposes is exempt from taxation under the Code. Provides that the property remains exempt even if the property is leased to another entity whose property is not exempt.

LRB098 18526 HLH 55484 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning revenue.

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

4 Section 5. The Property Tax Code is amended by changing
5 Sections 9-195, 15-60, and 21-95 as follows:

6 (35 ILCS 200/9-195)

7 Sec. 9-195. Leasing of exempt property.

8 (a) Except as provided in Sections 15-35, 15-55, 15-60,
9 15-100, 15-103, 15-160, and 15-185, when property which is
10 exempt from taxation is leased to another whose property is not
11 exempt, and the leasing of which does not make the property
12 taxable, the leasehold estate and the appurtenances shall be
13 listed as the property of the lessee thereof, or his or her
14 assignee. Taxes on that property shall be collected in the same
15 manner as on property that is not exempt, and the lessee shall
16 be liable for those taxes. However, no tax lien shall attach to
17 the exempt real estate. The changes made by this amendatory Act
18 of 1997 and by this amendatory Act of the 91st General Assembly
19 are declaratory of existing law and shall not be construed as a
20 new enactment. The changes made by Public Acts 88-221 and
21 88-420 that are incorporated into this Section by this
22 amendatory Act of 1993 are declarative of existing law and are
23 not a new enactment.

1 (b) The provisions of this Section regarding taxation of
2 leasehold interests in exempt property do not apply to any
3 leasehold interest created pursuant to any transaction
4 described in subsection (e) of Section 15-35, subsection (c-5)
5 or (g) of Section 15-60, subsection (b) of Section 15-100,
6 Section 15-103, Section 15-160, or Section 15-185.

7 (Source: P.A. 97-1161, eff. 6-1-13.)

8 (35 ILCS 200/15-60)

9 Sec. 15-60. Taxing district property. All property
10 belonging to any county or municipality used exclusively for
11 the maintenance of the poor is exempt, as is all property owned
12 by a taxing district that is being held for future expansion or
13 development, except if leased by the taxing district to lessees
14 for use for other than public purposes.

15 Also exempt are:

16 (a) all swamp or overflowed lands belonging to any
17 county;

18 (b) all public buildings belonging to any county,
19 township, or municipality, with the ground on which the
20 buildings are erected;

21 (c) all property owned by any municipality located
22 within its incorporated limits. Any such property leased by
23 a municipality shall remain exempt, and the leasehold
24 interest of the lessee shall be assessed under Section
25 9-195 of this Act, (i) for a lease entered into on or after

1 January 1, 1994, unless the lease expressly provides that
2 this exemption shall not apply; (ii) for a lease entered
3 into on or after the effective date of Public Act 87-1280
4 and before January 1, 1994, unless the lease expressly
5 provides that this exemption shall not apply or unless
6 evidence other than the lease itself substantiates the
7 intent of the parties to the lease that this exemption
8 shall not apply; and (iii) for a lease entered into before
9 the effective date of Public Act 87-1280, if the terms of
10 the lease do not bind the lessee to pay the taxes on the
11 leased property or if, notwithstanding the terms of the
12 lease, the municipality has filed or hereafter files a
13 timely exemption petition or complaint with respect to
14 property consisting of or including the leased property for
15 an assessment year which includes part or all of the first
16 12 months of the lease period. The foregoing clause (iii)
17 added by Public Act 87-1280 shall not operate to exempt
18 property for any assessment year as to which no timely
19 exemption petition or complaint has been filed by the
20 municipality or as to which an administrative or court
21 decision denying exemption has become final and
22 nonappealable. For each assessment year or portion thereof
23 that property is made exempt by operation of the foregoing
24 clause (iii), whether such year or portion is before or
25 after the effective date of Public Act 87-1280, the
26 leasehold interest of the lessee shall, if necessary, be

1 considered omitted property for purposes of this Act;

2 (c-5) Notwithstanding clause (i) of subsection (c),
3 all property owned by a municipality with a population of
4 over 500,000 that is used for toll road or toll bridge
5 purposes and that is leased for those purposes to another
6 entity whose property is not exempt shall remain exempt,
7 and any leasehold interest in the property shall not be
8 subject to taxation under Section 9-195 of this Act;

9 (d) all property owned by any municipality located
10 outside its incorporated limits but within the same county
11 when used as a tuberculosis sanitarium, farm colony in
12 connection with a house of correction, or nursery, garden,
13 or farm, or for the growing of shrubs, trees, flowers,
14 vegetables, and plants for use in beautifying,
15 maintaining, and operating playgrounds, parks, parkways,
16 public grounds, buildings, and institutions owned or
17 controlled by the municipality;

18 (e) all property owned by a township and operated as
19 senior citizen housing under Sections 35-50 through
20 35-50.6 of the Township Code; ~~and~~

21 (f) all property owned by the Executive Board of the
22 Mutual Aid Box Alarm System (MABAS), a unit of
23 intergovernmental cooperation, that is used for the public
24 purpose of disaster preparedness and response for units of
25 local government and the State of Illinois pursuant to
26 Section 10 of Article VII of the Illinois Constitution and

1 the Intergovernmental Cooperation Act; and -

2 (g) all property owned by a county, municipality,
3 taxing district, unit of local government, or by one or
4 more municipalities pursuant to an ordinance or
5 intergovernmental agreement, that is held for land bank
6 purposes, including to promote redevelopment and reuse of
7 vacant, abandoned, or tax-delinquent properties, to
8 support targeted efforts to stabilize neighborhoods, or to
9 stimulate residential, commercial, and industrial
10 development; any such property held for land bank purposes
11 that is leased for those purposes to another entity whose
12 property is not exempt shall remain exempt, and any
13 leasehold interest in the property shall not be subject to
14 taxation under Section 9-195 of this Act.

15 All property owned by any municipality outside of its
16 corporate limits is exempt if used exclusively for municipal or
17 public purposes.

18 For purposes of this Section, "municipality" means a
19 municipality, as defined in Section 1-1-2 of the Illinois
20 Municipal Code.

21 (Source: P.A. 98-206, eff. 1-1-14.)

22 (35 ILCS 200/21-95)

23 Sec. 21-95. Tax abatement after acquisition by a
24 governmental unit. When any county, municipality, school
25 district, or park district acquires property through the

1 foreclosure of a lien, through a judicial deed, through the
2 foreclosure of receivership certificate lien, or by acceptance
3 of a deed of conveyance in lieu of foreclosing any lien against
4 the property, or when a government unit acquires property under
5 the Abandoned Housing Rehabilitation Act, or when any county or
6 other taxing district acquires a deed for property under
7 Section 21-90 or Sections 21-145 and 21-260, or when a county,
8 municipality, taxing district, unit of local government, or one
9 or more municipalities pursuant to an ordinance or
10 intergovernmental agreement, acquires property for land bank
11 purposes as described in subsection (g) of Section 15-60, or
12 when any county, municipality, school district, or park
13 district acquires title to property that was to be transferred
14 to that county, municipality, school district, or park district
15 under the terms of an annexation agreement, development
16 agreement, donation agreement, plat of subdivision, or zoning
17 ordinance by an entity that has been dissolved or is being
18 dissolved or has been in bankruptcy proceedings or is in
19 bankruptcy proceedings, all due or unpaid property taxes and
20 existing liens for unpaid property taxes imposed or pending
21 under any law or ordinance of this State or any of its
22 political subdivisions shall become null and void.

23 (Source: P.A. 96-1142, eff. 7-21-10.)