

AN ACT concerning revenue.

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

Section 5. The Property Tax Code is amended by changing Sections 10-365, 10-370, 10-375, and 10-380 as follows:

(35 ILCS 200/10-365)

Sec. 10-365. U.S. Military Public/Private Residential Developments. Unless otherwise agreed to pursuant to a separate settlement agreement pursuant to Section 10-385 of this Code, PPV Leases must be classified and valued as set forth in Sections 10-370 through 10-380 during the period beginning January 1, 2006 and ending December 31, 2055 ~~January 1, 2017~~.

(Source: P.A. 98-494, eff. 1-1-14; 99-738, eff. 8-5-16.)

(35 ILCS 200/10-370)

Sec. 10-370. Definitions. For the purposes of this Division 14:

(a) "PPV Lease" means a leasehold interest in property that is exempt from taxation under Section 15-50 of this Code and that is leased, pursuant to authority set forth in Chapter 10 of the United States Code, to another whose property is not exempt for the purpose of, after January 1, 2006, the design, finance, construction, renovation, management, operation, and

maintenance of rental housing units and associated improvements at military training facilities, military bases, and related military support facilities in the State of Illinois. All interests enjoyed pursuant to the authority set forth in Chapter 159 or Chapter 169 of Title 10 of the United States Code are considered leaseholds for the purposes of this Division. The changes to this Section made by this amendatory Act of the 97th General Assembly apply beginning on January 1, 2006.

(b) For tax years prior to 2017, for ~~For~~ naval training facilities, naval bases, and naval support facilities, "net operating income" means all revenues received minus the lesser of (i) 62% of all revenues or (ii) actual expenses before interest, taxes, depreciation, and amortization. For all other military training facilities, military bases, and related military support facilities, "net operating income" means all revenues received minus the lesser of (i) 42% of all revenues or (ii) actual expenses before interest, taxes, depreciation, and amortization.

(b-5) For tax year 2017 and thereafter, for naval training facilities, naval bases, and naval support facilities, "net operating income" means all revenues received minus the actual expenses before interest, taxes, depreciation, and amortization.

(c) "Tax load factor" means the level of assessment, as set forth under item (b) of Section 9-145 or under Section 9-150,

multiplied by the cumulative tax rate for the current taxable year.

(Source: P.A. 97-942, eff. 8-10-12; 98-494, eff. 1-1-14.)

(35 ILCS 200/10-375)

Sec. 10-375. Valuation.

(a) A PPV Lease must be valued at its fair cash value, as provided under item (b) of Section 9-145 or under Section 9-150.

(b) The fair cash value of a PPV Lease must be determined by using an income capitalization approach.

(c) To determine the fair cash value of a PPV Lease, the net operating income is divided by (i) a rate of 12% ~~7.75%~~ plus (ii) the actual or most recently ascertainable tax load factor for the subject year.

(d) By April 15 of each year, the holder of a PPV Lease must report to the chief county assessment officer in each county in which the leasehold property is located the annual gross income and expenses derived and incurred from the PPV Lease, including the rental of leased property for each military housing facility subject to a PPV Lease.

(Source: P.A. 94-974, eff. 6-30-06.)

(35 ILCS 200/10-380)

Sec. 10-380. For the taxable years 2006 through 2055 ~~2016~~, the chief county assessment officer in the county in which

Public Act 100-0456

SB1598 Enrolled

LRB100 11175 HLH 21472 b

property subject to a PPV Lease is located shall apply the provisions of Sections 10-370(b)(i) and 10-375(c)(i) of this Division 14 in assessing and determining the value of any PPV Lease for purposes of the property tax laws of this State.

(Source: P.A. 98-463, eff. 8-16-13; 98-494, eff. 1-1-14; 99-738, eff. 8-5-16.)

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