



Sen. Don Harmon

Filed: 5/1/2018

10000SB0486sam002

LRB100 05150 HLH 39483 a

1 AMENDMENT TO SENATE BILL 486

2 AMENDMENT NO. _____. Amend Senate Bill 486, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Property Tax Code is amended by changing
6 Section 10-5 and by adding Division 20 of Article 10 as
7 follows:

8 (35 ILCS 200/10-5)

9 Sec. 10-5. Solar energy systems; definitions. It is the
10 policy of this State that the use of solar energy systems
11 should be encouraged because they conserve nonrenewable
12 resources, reduce pollution and promote the health and
13 well-being of the people of this State, and should be valued in
14 relation to these benefits.

15 (a) "Solar energy" means radiant energy received from the
16 sun at wave lengths suitable for heat transfer, photosynthetic

1 use, or photovoltaic use.

2 (b) "Solar collector" means

3 (1) An assembly, structure, or design, including
4 passive elements, used for gathering, concentrating, or
5 absorbing direct and indirect solar energy, specially
6 designed for holding a substantial amount of useful thermal
7 energy and to transfer that energy to a gas, solid, or
8 liquid or to use that energy directly; or

9 (2) A mechanism that absorbs solar energy and converts
10 it into electricity; or

11 (3) A mechanism or process used for gathering solar
12 energy through wind or thermal gradients; or

13 (4) A component used to transfer thermal energy to a
14 gas, solid, or liquid, or to convert it into electricity.

15 (c) "Solar storage mechanism" means equipment or elements
16 (such as piping and transfer mechanisms, containers, heat
17 exchangers, or controls thereof, and gases, solids, liquids, or
18 combinations thereof) that are utilized for storing solar
19 energy, gathered by a solar collector, for subsequent use.

20 (d) "Solar energy system" means

21 (1) (A) A complete assembly, structure, or design of
22 solar collector, or a solar storage mechanism, which uses
23 solar energy for generating electricity that is primarily
24 consumed on the property on which the solar energy system
25 resides, or for heating or cooling gases, solids, liquids,
26 or other materials for the primary benefit of the property

1 on which the solar energy system resides;

2 (B) The design, materials, or elements of a system and
3 its maintenance, operation, and labor components, and the
4 necessary components, if any, of supplemental conventional
5 energy systems designed or constructed to interface with a
6 solar energy system; and

7 (C) Any legal, financial, or institutional orders,
8 certificates, or mechanisms, including easements, leases,
9 and agreements, required to ensure continued access to
10 solar energy, its source, or its use in a solar energy
11 system, and including monitoring and educational elements
12 of a demonstration project.

13 (2) "Solar energy system" does not include

14 (A) Distribution equipment that is equally usable
15 in a conventional energy system except for those
16 components of the equipment that are necessary for
17 meeting the requirements of efficient solar energy
18 utilization; ~~and~~

19 (B) Components of a solar energy system that serve
20 structural, insulating, protective, shading,
21 aesthetic, or other non-solar energy utilization
22 purposes, as defined in the regulations of the
23 Department of Commerce and Economic Opportunity; ~~and.~~

24 (C) A commercial solar energy system, as defined by
25 this Code, in counties with fewer than 3,000,000
26 inhabitants.

1 (3) The solar energy system shall conform to the
2 standards for those systems established by regulation of
3 the Department of Commerce and Economic Opportunity.

4 (Source: P.A. 94-793, eff. 5-19-06.)

5 (35 ILCS 200/Art. 10 Div. 20 heading new)

6 Division 20. Commercial Solar Energy Systems

7 (35 ILCS 200/10-720 new)

8 Sec. 10-720. Definitions. For the purpose of this Division
9 20:

10 "Allowance for physical depreciation" means (i) the actual
11 age in years of the commercial solar energy system on the
12 assessment date divided by 25 years, multiplied by (ii) its
13 trended real property cost basis. The physical depreciation,
14 however, may not reduce the value of the commercial solar
15 energy system to less than 30% of its trended real property
16 cost basis.

17 "Commercial solar energy system" means any device or
18 assembly of devices that (i) is ground installed and (ii) uses
19 solar energy from the sun for generating electricity for the
20 primary purpose of wholesale or retail sale and not primarily
21 for consumption on the property on which the device or devices
22 reside.

23 "Commercial solar energy system real property cost basis"
24 means the owner of a commercial solar energy system's interest

1 in the land within the project boundaries and real property
2 improvements and shall be calculated at \$199,000 per megawatt
3 of nameplate capacity. For the purposes of this Section,
4 "nameplate capacity" has the same definition as found in
5 Section 1-10 of the Illinois Power Agency Act.

6 "Ground installed" means the installation of a commercial
7 solar energy system, with the primary purpose of solar energy
8 generation for wholesale or retail sale, on a parcel or tract
9 of land.

10 "Trended real property cost basis" means the commercial
11 solar energy system real property cost basis multiplied by the
12 trending factor.

13 "Trending factor" means a number equal to the Consumer
14 Price Index (U.S. city average all items) published by the
15 Bureau of Labor Statistics for the December immediately
16 preceding the assessment date, divided by the Consumer Price
17 Index (U.S. city average all items) published by the Bureau of
18 Labor Statistics for December of 2017.

19 (35 ILCS 200/10-725 new)

20 Sec. 10-725. Improvement valuation of commercial solar
21 energy systems in counties with fewer than 3,000,000
22 inhabitants. Beginning in assessment year 2018, the fair cash
23 value of commercial solar energy system improvements in
24 counties with fewer than 3,000,000 inhabitants shall be
25 determined by subtracting the allowance for physical

1 depreciation from the trended real property cost basis.
2 Functional obsolescence and external obsolescence of the solar
3 energy device may further reduce the fair cash value of the
4 commercial solar energy system improvements, to the extent they
5 are proved by the taxpayer by clear and convincing evidence.

6 (35 ILCS 200/10-730 new)

7 Sec. 10-730. Exempt properties. The provisions of this
8 Division do not apply to commercial solar energy systems that
9 are owned by any person or entity that is otherwise exempt from
10 taxation under this Code.

11 (35 ILCS 200/10-735 new)

12 Sec. 10-735. Commercial solar energy systems not subject to
13 equalization. Commercial solar energy systems assessable under
14 this Division are not subject to equalization factors applied
15 by the Department or any board of review, assessor, or chief
16 county assessment officer.

17 (35 ILCS 200/10-740 new)

18 Sec. 10-740. Survey for ground installed commercial solar
19 energy systems; parcel identification numbers for property
20 improved with a ground installed commercial solar energy
21 system. Notwithstanding any other provision of law, the owner
22 of the ground installed commercial solar energy system shall
23 commission a metes and bounds survey description of the land

1 upon which the commercial solar energy system is installed,
2 including access routes, over which the owner of the commercial
3 solar energy system has exclusive control. The owner of the
4 ground installed commercial solar energy system shall, at his
5 or her own expense, use an Illinois-registered land surveyor to
6 prepare the survey. The owner of the ground installed
7 commercial solar energy system shall deliver a copy of the
8 survey to the chief county assessment officer and to the owner
9 of the land upon which the ground installed commercial solar
10 energy system is constructed. Upon receiving a copy of the
11 survey, the chief county assessment officer shall issue
12 separate parcel identification numbers for the real property
13 improvements and the land containing the ground installed
14 commercial solar energy system to be used only for the purposes
15 of property assessment for taxation. The property records shall
16 contain the legal description of the commercial solar energy
17 system parcel and describe any leasehold interest or other
18 interest of the owner of the commercial solar energy system in
19 the property. A plat prepared under this Section shall not be
20 construed as a violation of the Plat Act.

21 (35 ILCS 200/10-745 new)

22 Sec. 10-745. Real estate taxes. Notwithstanding the
23 provisions of Section 9-175 of this Code, the owner of the
24 commercial solar energy system shall be liable for the real
25 estate taxes for the land and real property improvements of a

1 ground installed commercial solar energy system.
2 Notwithstanding the forgoing, the owner of the land upon which
3 a commercial solar energy system is installed may pay any
4 unpaid tax of the commercial solar energy system parcel prior
5 to the initiation of any tax sale proceedings.

6 (35 ILCS 200/10-750 new)

7 Sec. 10-750. Property assessed as farmland.
8 Notwithstanding any other provision of law, real property
9 assessed as farmland in accordance with Section 10-110 in the
10 assessment year prior to valuation under this Division shall
11 return to being assessed as farmland in accordance with Section
12 10-110 in the year following completion of the removal of the
13 commercial solar energy system as long as the property is
14 returned to a farm use as defined in Section 1-60 of this Act,
15 notwithstanding that the land was not used for farming for the
16 2 preceding years.

17 (35 ILCS 200/10-755 new)

18 Sec. 10-755. Abatements. Any taxing district, upon a
19 majority vote of its governing authority, may, after the
20 determination of the assessed valuation as set forth in this
21 Code, order the clerk of the appropriate municipality or county
22 to abate any portion of real property taxes otherwise levied or
23 extended by the taxing district on a commercial solar energy
24 system.

1 (35 ILCS 200/10-760 new)

2 Sec. 10-760. Applicability. The provisions of this
3 Division apply for assessment years 2018 through 2033.

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