

**SB0696**



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**SB0696**

Introduced 2/18/2005, by Sen. Don Harmon - Emil Jones, Jr.

**SYNOPSIS AS INTRODUCED:**

35 ILCS 200/15-65

Amends the Property Tax Code. Makes a technical change in a Section concerning exemptions for property used for charitable purposes.

LRB094 08542 BDD 38749 b

A BILL FOR

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 Section 15-65 as follows:

6 (35 ILCS 200/15-65)

7 Sec. 15-65. Charitable purposes. All property of the ~~the~~  
8 following is exempt when actually and exclusively used for  
9 charitable or beneficent purposes, and not leased or otherwise  
10 used with a view to profit:

11 (a) Institutions of public charity.

12 (b) Beneficent and charitable organizations  
13 incorporated in any state of the United States, including  
14 organizations whose owner, and no other person, uses the  
15 property exclusively for the distribution, sale, or resale  
16 of donated goods and related activities and uses all the  
17 income from those activities to support the charitable,  
18 religious or beneficent activities of the owner, whether or  
19 not such activities occur on the property.

20 (c) Old people's homes, facilities for persons with a  
21 developmental disability, and not-for-profit organizations  
22 providing services or facilities related to the goals of  
23 educational, social and physical development, if, upon  
24 making application for the exemption, the applicant  
25 provides affirmative evidence that the home or facility or  
26 organization is an exempt organization under paragraph (3)  
27 of Section 501(c) of the Internal Revenue Code or its  
28 successor, and either: (i) the bylaws of the home or  
29 facility or not-for-profit organization provide for a  
30 waiver or reduction, based on an individual's ability to  
31 pay, of any entrance fee, assignment of assets, or fee for  
32 services, or (ii) the home or facility is qualified, built

1 or financed under Section 202 of the National Housing Act  
2 of 1959, as amended.

3 An applicant that has been granted an exemption under  
4 this subsection on the basis that its bylaws provide for a  
5 waiver or reduction, based on an individual's ability to  
6 pay, of any entrance fee, assignment of assets, or fee for  
7 services may be periodically reviewed by the Department to  
8 determine if the waiver or reduction was a past policy or  
9 is a current policy. The Department may revoke the  
10 exemption if it finds that the policy for waiver or  
11 reduction is no longer current.

12 If a not-for-profit organization leases property that  
13 is otherwise exempt under this subsection to an  
14 organization that conducts an activity on the leased  
15 premises that would entitle the lessee to an exemption from  
16 real estate taxes if the lessee were the owner of the  
17 property, then the leased property is exempt.

18 (d) Not-for-profit health maintenance organizations  
19 certified by the Director of the Illinois Department of  
20 Insurance under the Health Maintenance Organization Act,  
21 including any health maintenance organization that  
22 provides services to members at prepaid rates approved by  
23 the Illinois Department of Insurance if the membership of  
24 the organization is sufficiently large or of indefinite  
25 classes so that the community is benefited by its  
26 operation. No exemption shall apply to any hospital or  
27 health maintenance organization which has been adjudicated  
28 by a court of competent jurisdiction to have denied  
29 admission to any person because of race, color, creed, sex  
30 or national origin.

31 (e) All free public libraries.

32 (f) Historical societies.

33 Property otherwise qualifying for an exemption under this  
34 Section shall not lose its exemption because the legal title is  
35 held (i) by an entity that is organized solely to hold that  
36 title and that qualifies under paragraph (2) of Section 501(c)

1 of the Internal Revenue Code or its successor, whether or not  
2 that entity receives rent from the charitable organization for  
3 the repair and maintenance of the property, (ii) by an entity  
4 that is organized as a partnership, in which the charitable  
5 organization, or an affiliate or subsidiary of the charitable  
6 organization, is a general partner, for the purposes of owning  
7 and operating a residential rental property that has received  
8 an allocation of Low Income Housing Tax Credits for 100% of the  
9 dwelling units under Section 42 of the Internal Revenue Code of  
10 1986, or (iii) for any assessment year including and subsequent  
11 to January 1, 1996 for which an application for exemption has  
12 been filed and a decision on which has not become final and  
13 nonappealable, by a limited liability company organized under  
14 the Limited Liability Company Act provided that (A) the limited  
15 liability company receives a notification from the Internal  
16 Revenue Service that it qualifies under paragraph (2) or (3) of  
17 Section 501(c) of the Internal Revenue Code; (B) the limited  
18 liability company's sole members, as that term is used in  
19 Section 1-5 of the Limited Liability Company Act, are the  
20 institutions of public charity that actually and exclusively  
21 use the property for charitable and beneficent purposes; and  
22 (C) the limited liability company does not lease the property  
23 or otherwise use it with a view to profit.

24 (Source: P.A. 91-416, eff. 8-6-99; 92-382, eff. 8-16-01.)