



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**SB2418**

Introduced 1/18/2006, by Sen. Dan Rutherford

**SYNOPSIS AS INTRODUCED:**

35 ILCS 200/Art. 11 Div. 5 heading new  
35 ILCS 200/11-180 new  
35 ILCS 200/11-185 new  
35 ILCS 200/11-190 new  
35 ILCS 200/11-195 new  
35 ILCS 200/11-200 new  
35 ILCS 200/11-205 new  
35 ILCS 200/11-210 new  
35 ILCS 200/11-215 new

Amends the Property Tax Code. Sets forth procedures for the valuation of property used for wind energy conversion systems. Effective immediately.

LRB094 17309 BDD 52603 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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 adding  
5 Division 5 to Article 11 as follows:

6 (35 ILCS 200/Art. 11 Div. 5 heading new)

7 DIVISION 5. WIND ENERGY PRODUCTION

8 (35 ILCS 200/11-180 new)

9 Sec. 11-180. Legislative Findings. The General Assembly  
10 finds and declares that:

11 (1) it is desirable to develop both renewable and  
12 alternative energy resources to obtain environmental  
13 quality and public health benefit;

14 (2) the benefits of electricity from renewable and  
15 alternative energy resources accrue to the public at large,  
16 thus consumers and electric utilities and alternative  
17 retail electric suppliers share an interest in developing  
18 and using a significant level of these environmentally  
19 preferable resources in the State's electricity supply  
20 portfolio;

21 (3) encouraging energy efficiency will improve the  
22 environmental quality and public health in the State of  
23 Illinois;

24 (4) wind energy is one alternative energy source that  
25 can be used to provide electricity to utility consumers;

26 (5) some regions in the State are ideal locations for  
27 wind energy system development; and

28 (6) a consistent property valuation method must be used  
29 state-wide to ensure uniform, equitable assessments and to  
30 create an equal distribution of the tax burden among  
31 taxpayers, especially in taxing districts located in more

1 than one county.

2 (35 ILCS 200/11-185 new)

3 Sec. 11-185. Definitions. For purposes of this Division 5:

4 "Person" means any natural individual, firm, trust,  
5 estate, partnership, association, entity, joint stock company,  
6 joint venture, corporation, limited liability company, or a  
7 receiver, trustee, guardian, or other representative appointed  
8 by order of any court, or any city, town, village, county, or  
9 other political subdivision of this State.

10 "Wind energy conversion device" means any device  
11 including, but not limited to, a wind charger, windmill, or  
12 wind turbine that converts wind energy to a form of usable  
13 energy.

14 "Wind energy conversion system" is all wind energy  
15 conversion devices owned by a person who has executed a lease,  
16 contract, or other written agreement or who has purchased or  
17 acquired property so that one or more wind energy conversion  
18 devices can be erected, built, or otherwise installed on that  
19 property. These devices do not need to be on contiguous parcels  
20 of property to be considered a part of a total wind energy  
21 conversion system.

22 (35 ILCS 200/11-190 new)

23 Sec. 11-190. Valuation policy. It is the policy of this  
24 State that, beginning on and after January 1, 2006, a wind  
25 energy conversion system that is used as an electric power  
26 source must be valued on the per kilowatt-hour of electricity  
27 produced each calendar year. If, however, a wind energy  
28 conversion system ceases to operate for any reason, the minimum  
29 assessed value of the system shall be 10% of the salvage value  
30 of the system.

31 (35 ILCS 200/11-195 new)

32 Sec. 11-195. Exemptions. The provisions of this Division 5  
33 do not apply to wind energy conversion systems that are owned

1 by an individual strictly for personal use or to any person or  
2 entity that is otherwise exempt from taxation under the  
3 Property Tax Code. For the purposes of this Section, "personal  
4 use" is defined as the use of any wind energy conversion system  
5 with a nameplate capacity of less than 2 megawatts.

6 (35 ILCS 200/11-200 new)

7 Sec. 11-200. Wind energy conversion system size and  
8 capacity. The Illinois Commerce Commission must determine the  
9 total size of the device. Unless the systems are interconnected  
10 with different distribution systems, the nameplate capacity of  
11 one wind energy conversion device must be combined with the  
12 nameplate capacity of any other wind energy conversion device  
13 that is under common ownership. In the case of a dispute, the  
14 Illinois Commerce Commission must draw all reasonable  
15 inferences in favor of combining the devices into one system.  
16 In making a determination, the Illinois Commerce Commission may  
17 decide that 2 wind energy conversion devices or systems are  
18 under common ownership when the underlying ownership structure  
19 contains similar persons or entities, even if the ownership  
20 shares differ. Wind energy conversion devices or systems are  
21 not under common ownership solely because the same person or  
22 entity provided equity financing for the systems.

23 (35 ILCS 200/11-205 new)

24 Sec. 11-205. Method of valuation for wind energy conversion  
25 systems.

26 (a) On or before February 1 of each calendar year, the  
27 Illinois Commerce Commission must certify to the Department:

28 (1) name and address of each individual registered to  
29 produce electricity using a wind energy conversion device  
30 or system; and

31 (2) the nameplate capacity of each wind energy  
32 conversion system.

33 (b) Unless otherwise exempt under this Division 5, on or  
34 before February 1 of each calendar year, the owner of a wind

1 energy conversion device or system must file a report with the  
2 Department that identifies the total per kilowatt-hour of  
3 electricity produced for each wind energy system during the  
4 previous calendar year. The Department must prescribe the form  
5 of the report. If an owner of a wind energy conversion system  
6 subject to taxation under this Division 5 does not file the  
7 report by the due date, the Department must determine the  
8 kilowatt-hours of electricity produced based on the full  
9 nameplate capacity certified by the Illinois Commerce  
10 Commission.

11 (35 ILCS 200/11-210 new)

12 Sec. 11-210. Certification. On or before May 1, the  
13 Department must certify to each chief county assessment officer  
14 the amount of kilowatt-hours of electricity generated the prior  
15 calendar year so that these amounts can be entered in the  
16 assessment books. If a wind energy conversion system is located  
17 in more than one county, the per-kilowatt hour of electricity  
18 must be apportioned among the counties based on the actual  
19 per-kilowatt hour of electricity generated in each county.

20 (35 ILCS 200/11-215 new)

21 Sec. 11-215. Valuation rate. A wind energy conversion  
22 system shall be valued at \$0.35 per kilowatt-hour of  
23 electricity produced by the system. The county must apportion  
24 the value to each taxing district in which the wind energy  
25 system is physically located in an amount equal to each taxing  
26 district's respective portion of the aggregate value otherwise  
27 assessed under this Code.

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