

1 AN ACT concerning finance.

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

4 Section 5. The State Finance Act is amended by changing
5 Section 6z-59 as follows:

6 (30 ILCS 105/6z-59)

7 Sec. 6z-59. The Tax Recovery Fund. There is created in the
8 State treasury the Tax Recovery Fund. Through December 31, 2020
9 ~~2010~~, all moneys received from the rental, authorized under
10 Section 2705-555 of the Department of Transportation Law of the
11 Civil Administrative Code of Illinois, of land, buildings, or
12 improvements on property held for development of an airport in
13 Will County by the Department of Transportation shall be
14 remitted to the State Treasurer for payment into the Tax
15 Recovery Fund. Subject to appropriation, the moneys in the Fund
16 shall be expended with the following priority: (1) to
17 compensate taxing districts for leasehold taxes then (2) to the
18 General Revenue Fund less any money necessary to pay
19 maintenance and repair costs for that real property. The tax
20 compensation shall be determined in accordance with Sections
21 9-195 and 15-55 of the Property Tax Code. Expenditures for
22 these purposes may be made by Department of Transportation
23 without regard to the fiscal year in which tax compensation

1 liability and property maintenance and repair costs were
2 incurred. Unexpended moneys in the Fund shall not be
3 transferred or allocated by the Comptroller or Treasurer to any
4 other fund nor shall the Governor authorize the transfer or
5 allocation of those moneys to any other fund. After December
6 31, 2020 ~~2010~~, all moneys received from the rental, authorized
7 under Section 2705-555 of the Department of Transportation Law
8 of the Civil Administrative Code of Illinois, of land,
9 buildings, or improvements on property held for the development
10 of an airport in Will County by the Department of
11 Transportation shall not be remitted to the Tax Recovery Fund
12 but shall instead be paid to the General Revenue Fund. The
13 balance remaining in the Tax Recovery Fund on December 31, 2020
14 ~~2010~~ shall first be expended to compensate taxing districts for
15 leasehold taxes for the 2020 ~~2010~~ tax assessment year, and then
16 transferred to the General Revenue Fund for the purpose of debt
17 service on State bonds issued to provide funds for airport land
18 acquisition in Will County.

19 (Source: P.A. 93-658, eff. 1-22-04.)

20 Section 10. The Property Tax Code is amended by changing
21 Section 15-55 as follows:

22 (35 ILCS 200/15-55)

23 Sec. 15-55. State property.

24 (a) All property belonging to the State of Illinois is

1 exempt. However, the State agency holding title shall file the
2 certificate of ownership and use required by Section 15-10,
3 together with a copy of any written lease or agreement, in
4 effect on March 30 of the assessment year, concerning parcels
5 of 1 acre or more, or an explanation of the terms of any oral
6 agreement under which the property is leased, subleased or
7 rented.

8 The leased property shall be assessed to the lessee and the
9 taxes thereon extended and billed to the lessee, and collected
10 in the same manner as for property which is not exempt. The
11 lessee shall be liable for the taxes and no lien shall attach
12 to the property of the State.

13 For the purposes of this Section, the word "leases"
14 includes licenses, franchises, operating agreements and other
15 arrangements under which private individuals, associations or
16 corporations are granted the right to use property of the
17 Illinois State Toll Highway Authority and includes all property
18 of the Authority used by others without regard to the size of
19 the leased parcel.

20 (b) However, all property of every kind belonging to the
21 State of Illinois, which is or may hereafter be leased to the
22 Illinois Prairie Path Corporation, shall be exempt from all
23 assessments, taxation or collection, despite the making of any
24 such lease, if it is used for:

- 25 (1) conservation, nature trail or any other
26 charitable, scientific, educational or recreational

1 purposes with public benefit, including the preserving and
2 aiding in the preservation of natural areas, objects,
3 flora, fauna or biotic communities;

4 (2) the establishment of footpaths, trails and other
5 protected areas;

6 (3) the conservation of the proper use of natural
7 resources or the promotion of the study of plant and animal
8 communities and of other phases of ecology, natural history
9 and conservation;

10 (4) the promotion of education in the fields of nature,
11 preservation and conservation; or

12 (5) similar public recreational activities conducted
13 by the Illinois Prairie Path Corporation.

14 No lien shall attach to the property of the State. No tax
15 liability shall become the obligation of or be enforceable
16 against Illinois Prairie Path Corporation.

17 (c) If the State sells the James R. Thompson Center or the
18 Elgin Mental Health Center and surrounding land located at 750
19 S. State Street, Elgin, Illinois, as provided in subdivision
20 (a)(2) of Section 7.4 of the State Property Control Act, to
21 another entity whose property is not exempt and immediately
22 thereafter enters into a leaseback or other agreement that
23 directly or indirectly gives the State a right to use, control,
24 and possess the property, that portion of the property leased
25 and occupied exclusively by the State shall remain exempt under
26 this Section. For the property to remain exempt under this

1 subsection (c), the State must retain an option to purchase the
2 property at a future date or, within the limitations period for
3 reverters, the property must revert back to the State.

4 If the property has been conveyed as described in this
5 subsection (c), the property is no longer exempt pursuant to
6 this Section as of the date when:

7 (1) the right of the State to use, control, and possess
8 the property has been terminated; or

9 (2) the State no longer has an option to purchase or
10 otherwise acquire the property and there is no provision
11 for a reverter of the property to the State within the
12 limitations period for reverters.

13 Pursuant to Sections 15-15 and 15-20 of this Code, the
14 State shall notify the chief county assessment officer of any
15 transaction under this subsection (c). The chief county
16 assessment officer shall determine initial and continuing
17 compliance with the requirements of this Section for tax
18 exemption. Failure to notify the chief county assessment
19 officer of a transaction under this subsection (c) or to
20 otherwise comply with the requirements of Sections 15-15 and
21 15-20 of this Code shall, in the discretion of the chief county
22 assessment officer, constitute cause to terminate the
23 exemption, notwithstanding any other provision of this Code.

24 (c-1) If the Illinois State Toll Highway Authority sells
25 the Illinois State Toll Highway Authority headquarters
26 building and surrounding land, located at 2700 Ogden Avenue,

1 Downers Grove, Illinois as provided in subdivision (a)(2) of
2 Section 7.5 of the State Property Control Act, to another
3 entity whose property is not exempt and immediately thereafter
4 enters into a leaseback or other agreement that directly or
5 indirectly gives the State or the Illinois State Toll Highway
6 Authority a right to use, control, and possess the property,
7 that portion of the property leased and occupied exclusively by
8 the State or the Authority shall remain exempt under this
9 Section. For the property to remain exempt under this
10 subsection (c), the Authority must retain an option to purchase
11 the property at a future date or, within the limitations period
12 for reverters, the property must revert back to the Authority.

13 If the property has been conveyed as described in this
14 subsection (c), the property is no longer exempt pursuant to
15 this Section as of the date when:

16 (1) the right of the State or the Authority to use,
17 control, and possess the property has been terminated; or

18 (2) the Authority no longer has an option to purchase
19 or otherwise acquire the property and there is no provision
20 for a reverter of the property to the Authority within the
21 limitations period for reverters.

22 Pursuant to Sections 15-15 and 15-20 of this Code, the
23 Authority shall notify the chief county assessment officer of
24 any transaction under this subsection (c). The chief county
25 assessment officer shall determine initial and continuing
26 compliance with the requirements of this Section for tax

1 exemption. Failure to notify the chief county assessment
2 officer of a transaction under this subsection (c) or to
3 otherwise comply with the requirements of Sections 15-15 and
4 15-20 of this Code shall, in the discretion of the chief county
5 assessment officer, constitute cause to terminate the
6 exemption, notwithstanding any other provision of this Code.

7 (d) The fair market rent of each parcel of real property in
8 Will County owned by the State of Illinois for the purpose of
9 developing an airport by the Department of Transportation shall
10 include the assessed value of leasehold tax. The lessee of each
11 parcel of real property in Will County owned by the State of
12 Illinois for the purpose of developing an airport by the
13 Department of Transportation shall not be liable for the taxes
14 thereon. In order for the State to compensate taxing districts
15 for the leasehold tax under this paragraph the Will County
16 Supervisor of Assessments shall certify, in writing, to the
17 Department of Transportation, the amount of leasehold taxes
18 extended for the 2002 property tax year for each such exempt
19 parcel. The Department of Transportation shall pay to the Will
20 County Treasurer, from the Tax Recovery Fund, on or before July
21 1 of each year, the amount of leasehold taxes for each such
22 exempt parcel as certified by the Will County Supervisor of
23 Assessments. The tax compensation shall terminate on December
24 31, 2020 ~~2010~~. It is the duty of the Department of
25 Transportation to file with the Office of the Will County
26 Supervisor of Assessments an affidavit stating the termination

1 date for rental of each such parcel due to airport
2 construction. The affidavit shall include the property
3 identification number for each such parcel. In no instance
4 shall tax compensation for property owned by the State be
5 deemed delinquent or bear interest. In no instance shall a lien
6 attach to the property of the State. In no instance shall the
7 State be required to pay leasehold tax compensation in excess
8 of the Tax Recovery Fund's balance.

9 (e) Public Act 81-1026 applies to all leases or agreements
10 entered into or renewed on or after September 24, 1979.

11 (Source: P.A. 95-331, eff. 8-21-07.)

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