

1 AN ACT concerning local government.

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 18-165 and by adding Section 18-184.10 as follows:

6 (35 ILCS 200/18-165)

7 Sec. 18-165. Abatement of taxes.

8 (a) Any taxing district, upon a majority vote of its
9 governing authority, may, after the determination of the
10 assessed valuation of its property, order the clerk of that
11 county to abate any portion of its taxes on the following types
12 of property:

13 (1) Commercial and industrial.

14 (A) The property of any commercial or industrial
15 firm, including but not limited to the property of (i)
16 any firm that is used for collecting, separating,
17 storing, or processing recyclable materials, locating
18 within the taxing district during the immediately
19 preceding year from another state, territory, or
20 country, or having been newly created within this State
21 during the immediately preceding year, or expanding an
22 existing facility, or (ii) any firm that is used for
23 the generation and transmission of electricity

1 locating within the taxing district during the
2 immediately preceding year or expanding its presence
3 within the taxing district during the immediately
4 preceding year by construction of a new electric
5 generating facility that uses natural gas as its fuel,
6 or any firm that is used for production operations at a
7 new, expanded, or reopened coal mine within the taxing
8 district, that has been certified as a High Impact
9 Business by the Illinois Department of Commerce and
10 Economic Opportunity. The property of any firm used for
11 the generation and transmission of electricity shall
12 include all property of the firm used for transmission
13 facilities as defined in Section 5.5 of the Illinois
14 Enterprise Zone Act. The abatement shall not exceed a
15 period of 10 years and the aggregate amount of abated
16 taxes for all taxing districts combined shall not
17 exceed \$4,000,000.

18 (A-5) Any property in the taxing district of a new
19 electric generating facility, as defined in Section
20 605-332 of the Department of Commerce and Economic
21 Opportunity Law of the Civil Administrative Code of
22 Illinois. The abatement shall not exceed a period of 10
23 years. The abatement shall be subject to the following
24 limitations:

25 (i) if the equalized assessed valuation of the
26 new electric generating facility is equal to or

1 greater than \$25,000,000 but less than
2 \$50,000,000, then the abatement may not exceed (i)
3 over the entire term of the abatement, 5% of the
4 taxing district's aggregate taxes from the new
5 electric generating facility and (ii) in any one
6 year of abatement, 20% of the taxing district's
7 taxes from the new electric generating facility;

8 (ii) if the equalized assessed valuation of
9 the new electric generating facility is equal to or
10 greater than \$50,000,000 but less than
11 \$75,000,000, then the abatement may not exceed (i)
12 over the entire term of the abatement, 10% of the
13 taxing district's aggregate taxes from the new
14 electric generating facility and (ii) in any one
15 year of abatement, 35% of the taxing district's
16 taxes from the new electric generating facility;

17 (iii) if the equalized assessed valuation of
18 the new electric generating facility is equal to or
19 greater than \$75,000,000 but less than
20 \$100,000,000, then the abatement may not exceed
21 (i) over the entire term of the abatement, 20% of
22 the taxing district's aggregate taxes from the new
23 electric generating facility and (ii) in any one
24 year of abatement, 50% of the taxing district's
25 taxes from the new electric generating facility;

26 (iv) if the equalized assessed valuation of

1 the new electric generating facility is equal to or
2 greater than \$100,000,000 but less than
3 \$125,000,000, then the abatement may not exceed
4 (i) over the entire term of the abatement, 30% of
5 the taxing district's aggregate taxes from the new
6 electric generating facility and (ii) in any one
7 year of abatement, 60% of the taxing district's
8 taxes from the new electric generating facility;

9 (v) if the equalized assessed valuation of the
10 new electric generating facility is equal to or
11 greater than \$125,000,000 but less than
12 \$150,000,000, then the abatement may not exceed
13 (i) over the entire term of the abatement, 40% of
14 the taxing district's aggregate taxes from the new
15 electric generating facility and (ii) in any one
16 year of abatement, 60% of the taxing district's
17 taxes from the new electric generating facility;

18 (vi) if the equalized assessed valuation of
19 the new electric generating facility is equal to or
20 greater than \$150,000,000, then the abatement may
21 not exceed (i) over the entire term of the
22 abatement, 50% of the taxing district's aggregate
23 taxes from the new electric generating facility
24 and (ii) in any one year of abatement, 60% of the
25 taxing district's taxes from the new electric
26 generating facility.

1 The abatement is not effective unless the owner of
2 the new electric generating facility agrees to repay to
3 the taxing district all amounts previously abated,
4 together with interest computed at the rate and in the
5 manner provided for delinquent taxes, in the event that
6 the owner of the new electric generating facility
7 closes the new electric generating facility before the
8 expiration of the entire term of the abatement.

9 The authorization of taxing districts to abate
10 taxes under this subdivision (a)(1)(A-5) expires on
11 January 1, 2010.

12 (B) The property of any commercial or industrial
13 development of at least 500 acres having been created
14 within the taxing district. The abatement shall not
15 exceed a period of 20 years and the aggregate amount of
16 abated taxes for all taxing districts combined shall
17 not exceed \$12,000,000.

18 (C) The property of any commercial or industrial
19 firm currently located in the taxing district that
20 expands a facility or its number of employees. The
21 abatement shall not exceed a period of 10 years and the
22 aggregate amount of abated taxes for all taxing
23 districts combined shall not exceed \$4,000,000. The
24 abatement period may be renewed at the option of the
25 taxing districts.

26 (2) Horse racing. Any property in the taxing district

1 which is used for the racing of horses and upon which
2 capital improvements consisting of expansion, improvement
3 or replacement of existing facilities have been made since
4 July 1, 1987. The combined abatements for such property
5 from all taxing districts in any county shall not exceed
6 \$5,000,000 annually and shall not exceed a period of 10
7 years.

8 (3) Auto racing. Any property designed exclusively for
9 the racing of motor vehicles. Such abatement shall not
10 exceed a period of 10 years.

11 (4) Academic or research institute. The property of any
12 academic or research institute in the taxing district that
13 (i) is an exempt organization under paragraph (3) of
14 Section 501(c) of the Internal Revenue Code, (ii) operates
15 for the benefit of the public by actually and exclusively
16 performing scientific research and making the results of
17 the research available to the interested public on a
18 non-discriminatory basis, and (iii) employs more than 100
19 employees. An abatement granted under this paragraph shall
20 be for at least 15 years and the aggregate amount of abated
21 taxes for all taxing districts combined shall not exceed
22 \$5,000,000.

23 (5) Housing for older persons. Any property in the
24 taxing district that is devoted exclusively to affordable
25 housing for older households. For purposes of this
26 paragraph, "older households" means those households (i)

1 living in housing provided under any State or federal
2 program that the Department of Human Rights determines is
3 specifically designed and operated to assist elderly
4 persons and is solely occupied by persons 55 years of age
5 or older and (ii) whose annual income does not exceed 80%
6 of the area gross median income, adjusted for family size,
7 as such gross income and median income are determined from
8 time to time by the United States Department of Housing and
9 Urban Development. The abatement shall not exceed a period
10 of 15 years, and the aggregate amount of abated taxes for
11 all taxing districts shall not exceed \$3,000,000.

12 (6) Historical society. For assessment years 1998
13 through 2013, the property of an historical society
14 qualifying as an exempt organization under Section
15 501(c)(3) of the federal Internal Revenue Code.

16 (7) Recreational facilities. Any property in the
17 taxing district (i) that is used for a municipal airport,
18 (ii) that is subject to a leasehold assessment under
19 Section 9-195 of this Code and (iii) which is sublet from a
20 park district that is leasing the property from a
21 municipality, but only if the property is used exclusively
22 for recreational facilities or for parking lots used
23 exclusively for those facilities. The abatement shall not
24 exceed a period of 10 years.

25 (8) Relocated corporate headquarters. If approval
26 occurs within 5 years after the effective date of this

1 amendatory Act of the 92nd General Assembly, any property
2 or a portion of any property in a taxing district that is
3 used by an eligible business for a corporate headquarters
4 as defined in the Corporate Headquarters Relocation Act.
5 Instead of an abatement under this paragraph (8), a taxing
6 district may enter into an agreement with an eligible
7 business to make annual payments to that eligible business
8 in an amount not to exceed the property taxes paid directly
9 or indirectly by that eligible business to the taxing
10 district and any other taxing districts for premises
11 occupied pursuant to a written lease and may make those
12 payments without the need for an annual appropriation. No
13 school district, however, may enter into an agreement with,
14 or abate taxes for, an eligible business unless the
15 municipality in which the corporate headquarters is
16 located agrees to provide funding to the school district in
17 an amount equal to the amount abated or paid by the school
18 district as provided in this paragraph (8). Any abatement
19 ordered or agreement entered into under this paragraph (8)
20 may be effective for the entire term specified by the
21 taxing district, except the term of the abatement or annual
22 payments may not exceed 20 years.

23 (9) United States Military Public/Private Residential
24 Developments. Each building, structure, or other
25 improvement designed, financed, constructed, renovated,
26 managed, operated, or maintained after January 1, 2006

1 under a "PPV Lease", as set forth under Division 14 of
2 Article 10, and any such PPV Lease.

3 (10) Property located in a business corridor that
4 qualifies for an abatement under Section 18-184.10.

5 (b) Upon a majority vote of its governing authority, any
6 municipality may, after the determination of the assessed
7 valuation of its property, order the county clerk to abate any
8 portion of its taxes on any property that is located within the
9 corporate limits of the municipality in accordance with Section
10 8-3-18 of the Illinois Municipal Code.

11 (Source: P.A. 96-1136, eff. 7-21-10.)

12 (35 ILCS 200/18-184.10 new)

13 Sec. 18-184.10. Business corridors; abatement.

14 (a) Each taxing district may, by a majority vote of its
15 governing authority, order the county clerk to abate any
16 portion of its taxes on property that meets the following
17 requirements:

18 (1) the property does not qualify as exempt property
19 under Section 15-95 of this Code; and

20 (2) the property is situated in a business corridor
21 created by intergovernmental agreement between 2 adjoining
22 disadvantaged municipalities.

23 An abatement under this Section may not exceed a period of
24 10 years.

25 (b) A business corridor created under this Section shall

1 encompass only territory along the common border of the
2 municipalities that is (i) undeveloped or underdeveloped and
3 (ii) not likely to be developed without the creation of the
4 business corridor.

5 The intergovernmental agreement shall specify the
6 territory to be included in the business corridor. The
7 agreement shall also provide for the duration of an abatement
8 under this Section and for any other provision necessary to
9 carry out the provisions of this Section. No abatement under
10 this Section shall exceed 10 years in duration. Upon adoption
11 of the agreement provided for under this Section, the
12 municipalities must deliver a certified copy of the agreement
13 to the county clerk.

14 (c) Before adopting an intergovernmental agreement
15 proposing the designation of a business corridor, each
16 municipality, by its corporate authorities, must adopt an
17 ordinance or resolution fixing a time and place for a public
18 hearing. At least 10 days before adopting the ordinance or
19 resolution establishing the time and place for the public
20 hearing, the municipality must make available for public
21 inspection the boundaries of the proposed business corridor.

22 At the public hearing, any interested person or affected
23 taxing district may file with the municipal clerk written
24 objections to the business corridor and may be heard orally
25 with respect to any issues embodied in the notice. The
26 municipality must hear all protests and objections at the

1 hearing, and the hearing may be adjourned to another date
2 without further notice other than a motion entered upon the
3 minutes fixing the time and place of the subsequent hearing. At
4 the public hearing or at any time before the municipality
5 adopts an ordinance approving the intergovernmental agreement,
6 the municipality may make changes to the boundaries of the
7 business corridor. Changes that add additional parcels of
8 property to the proposed business corridor may be made only
9 after each municipality gives notice and conducts a public
10 hearing pursuant to the procedures set forth in this Section.

11 Except as otherwise provided in this Section, notice of the
12 public hearing must be given by publication. Notice by
13 publication must be given by publication at least twice. The
14 first publication must be not more than 30 nor less than 10
15 days before the hearing in a newspaper of general circulation
16 within the taxing districts having property in the proposed
17 business corridor. The notice must include the following:

18 (1) the time and place of the public hearing;

19 (2) the boundaries of the proposed business corridor by
20 legal description and by street location, if possible;

21 (3) a statement that all interested persons will be
22 given an opportunity to be heard at the public hearing; and

23 (4) such other matters as the municipality may deem
24 appropriate.

25 (d) As used in this Section:

26 "Disadvantaged municipality" means a municipality with (i)

1 a per capita equalized assessed valuation (EAV) less than 60%
2 of the State average and (ii) more than 15% of its population
3 below the national poverty level.