



Sen. Dale A. Righter

Filed: 11/29/2011

09700HB0506sam001

LRB097 03334 HLH 60087 a

1 AMENDMENT TO HOUSE BILL 506

2 AMENDMENT NO. _____. Amend House Bill 506 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing
5 Sections 9-195, 10-380, and 15-35 and by adding Sections 9-275,
6 15-57, and 16-181 as follows:

7 (35 ILCS 200/9-195)

8 Sec. 9-195. Leasing of exempt property.

9 (a) Except as provided in Sections 15-35, 15-55, 15-57,
10 15-60, 15-100, 15-103, and 15-185, when property which is
11 exempt from taxation is leased to another whose property is not
12 exempt, and the leasing of which does not make the property
13 taxable, the leasehold estate and the appurtenances shall be
14 listed as the property of the lessee thereof, or his or her
15 assignee. Taxes on that property shall be collected in the same
16 manner as on property that is not exempt, and the lessee shall

1 be liable for those taxes. However, no tax lien shall attach to
2 the exempt real estate. The changes made by this amendatory Act
3 of 1997 and by this amendatory Act of the 91st General Assembly
4 are declaratory of existing law and shall not be construed as a
5 new enactment. The changes made by Public Acts 88-221 and
6 88-420 that are incorporated into this Section by this
7 amendatory Act of 1993 are declarative of existing law and are
8 not a new enactment.

9 (b) The provisions of this Section regarding taxation of
10 leasehold interests in exempt property do not apply to any
11 leasehold interest created pursuant to any transaction
12 described in subsection (e) of Section 15-35, item (a) of
13 Section 15-35, Section 15-57, subsection (c-5) of Section
14 15-60, subsection (b) of Section 15-100, Section 15-103, or
15 Section 15-185.

16 (Source: P.A. 92-844, eff. 8-23-02; 92-846, eff. 8-23-02;
17 93-19, eff. 6-20-03.)

18 (35 ILCS 200/9-275 new)

19 Sec. 9-275. Erroneous homestead exemptions.

20 (a) If, upon determination by the chief county assessment
21 officer, any person or entity that was not eligible to receive
22 a homestead exemption under Article 15 of this Code was granted
23 one homestead exemption in error for real property in any year
24 or years not to exceed the 3 assessment years prior to the
25 assessment year in which the determination is made, then the

1 arrearages of taxes that might have been assessed, plus 5%
2 interest per annum, shall be charged against the property by
3 the county clerk.

4 (b) If, upon determination by the chief county assessment
5 officer, any person or entity that was not eligible to receive
6 a homestead exemption under Article 15 of this Code was granted
7 2 homestead exemptions in error for real property in any year
8 or years not to exceed the 3 assessment years prior to the
9 assessment year in which the determination is made, then the
10 arrearages of taxes that might have been assessed, plus a
11 penalty of 25% of the total amount of unpaid taxes for each
12 year and 10% interest per annum, shall be charged against the
13 property by the county clerk.

14 (c) If, upon determination by the chief county assessment
15 officer, any person or entity that was not eligible to receive
16 a homestead exemption under Article 15 of this Code was granted
17 3 or more homestead exemptions in error for real property in
18 any year or years not to exceed the 6 assessment years prior to
19 the assessment year in which the determination is made, then
20 the arrearages of taxes that might have been assessed, plus a
21 penalty of 40% of the total amount of unpaid taxes for each
22 year and 15% interest per annum, shall be charged against the
23 property by the county clerk.

24 (d) The county clerk shall cause to be served upon the
25 person to whom the most recent tax bill was mailed a notice of
26 intent to collect the amounts set forth in subsection (a), (b),

1 or (c) of this Section. That notice shall identify the property
2 against which the arrearages are charged and shall identify the
3 assessment years in which the erroneous homestead exemption was
4 granted.

5 In counties with 3,000,000 or more inhabitants, the notice
6 must also include a form that the property owner may return to
7 the chief county assessment officer to request a hearing. The
8 property owner may request a hearing by returning the form
9 within 30 days after service. The hearing shall be held within
10 90 days after the property owner is served. The chief county
11 assessment officer shall promulgate rules of service and
12 procedure for the hearing. The chief county assessment officer
13 must generally follow rules of evidence and practices that
14 prevail in the county circuit courts, but, because of the
15 nature of these proceedings, the chief county assessment
16 officer is not bound by those rules in all particulars. The
17 chief county assessment officer shall appoint a hearing officer
18 to oversee the hearing. The property owner shall be allowed to
19 present evidence to the hearing officer at the hearing. After
20 taking into consideration all the relevant testimony and
21 evidence, the hearing officer shall make an administrative
22 decision on whether the property owner was erroneously granted
23 a homestead exemption for the assessment year or years in
24 question. The property owner may appeal the hearing officer's
25 ruling to the circuit court of the county where the property is
26 located under the Administrative Review Law.

1 In counties with less than 3,000,000 inhabitants, the
2 notice must also include a form that the property owner may
3 return to the board of review to request a hearing. The
4 property owner may request a hearing by returning the form
5 within 30 days after service. The hearing shall be held within
6 90 days after the property owner is served. The board of review
7 shall follow its normal practices and procedures in conducting
8 the hearing. The property owner shall be allowed to present
9 evidence to the board of review. After taking into
10 consideration all of the relevant testimony and evidence, the
11 board of review shall issue a decision on whether the property
12 owner was erroneously granted a homestead exemption for the
13 assessment year or years in question. The property owner may
14 appeal the board of review's ruling to the circuit court of the
15 county where the property is located under the Administrative
16 Review Law.

17 (e) If the erroneous homestead exemption was granted as a
18 result of a clerical error or omission on the part of the chief
19 county assessment officer, and if the owner has paid its tax
20 bills as received for the year or years in which the error
21 occurred, then the interest and penalties authorized by this
22 Section shall not be chargeable to the owner. However, nothing
23 in this Section shall prevent the collection of the principal
24 amount of back taxes due and owing.

25 (f) If, at the hearing, the property owner establishes that
26 it is a bona fide purchaser of the property for value, and

1 without notice of the erroneous homestead exemption, the
2 property owner shall not be liable for any unpaid back taxes,
3 interest, or penalties for the period of time prior to the date
4 that the property owner purchased the property.

5 (g) The unpaid taxes shall be paid to the appropriate
6 taxing districts. Interest shall be paid to the county where
7 the property is located. The penalty shall be paid to the chief
8 county assessment officer's office for the administration of
9 the provisions of this amendatory Act of the 97th General
10 Assembly.

11 (h) For purposes of this Section, "homestead exemption"
12 means an exemption under Section 15-165 (disabled veterans),
13 15-167 (returning veterans), 15-168 (disabled persons), 15-169
14 (disabled veterans standard homestead), 15-170 (senior
15 citizens), 15-172 (senior citizens assessment freeze), 15-175
16 (general homestead), 15-176 (alternative general homestead),
17 or 15-177 (long-time occupant).

18 (35 ILCS 200/10-380)

19 Sec. 10-380. For the taxable years 2006 and thereafter,
20 ~~2007, 2008, and 2009,~~ the chief county assessment officer in
21 the county in which property subject to a PPV Lease is located
22 shall apply the provisions of 10-370(b)(i) and 10-375(c)(i) of
23 this Division 14 in assessing and determining the value of any
24 PPV Lease for purposes of the property tax laws of this State.

25 (Source: P.A. 94-974, eff. 6-30-06.)

1 (35 ILCS 200/15-35)

2 Sec. 15-35. Schools. All property donated by the United
3 States for school purposes, and all property of schools, not
4 sold or leased or otherwise used with a view to profit, is
5 exempt, whether owned by a resident or non-resident of this
6 State or by a corporation incorporated in any state of the
7 United States. Also exempt is:

8 (a) property, along with the leasehold interest in that
9 property, of schools which is leased to the State, a unit
10 of local government, or school district ~~municipality~~ to be
11 used for governmental ~~municipal~~ purposes on a
12 not-for-profit basis;

13 (b) property of schools on which the schools are
14 located and any other property of schools used by the
15 schools exclusively for school purposes, including, but
16 not limited to, student residence halls, dormitories and
17 other housing facilities for students and their spouses and
18 children, staff housing facilities, and school-owned and
19 operated dormitory or residence halls occupied in whole or
20 in part by students who belong to fraternities, sororities,
21 or other campus organizations;

22 (c) property donated, granted, received or used for
23 public school, college, theological seminary, university,
24 or other educational purposes, whether held in trust or
25 absolutely;

1 (d) in counties with more than 200,000 inhabitants
2 which classify property, property (including interests in
3 land and other facilities) on or adjacent to (even if
4 separated by a public street, alley, sidewalk, parkway or
5 other public way) the grounds of a school, if that property
6 is used by an academic, research or professional society,
7 institute, association or organization which serves the
8 advancement of learning in a field or fields of study
9 taught by the school and which property is not used with a
10 view to profit;

11 (e) property owned by a school district. The exemption
12 under this subsection is not affected by any transaction in
13 which, for the purpose of obtaining financing, the school
14 district, directly or indirectly, leases or otherwise
15 transfers the property to another for which or whom
16 property is not exempt and immediately after the lease or
17 transfer enters into a leaseback or other agreement that
18 directly or indirectly gives the school district a right to
19 use, control, and possess the property. In the case of a
20 conveyance of the property, the school district must retain
21 an option to purchase the property at a future date or,
22 within the limitations period for reverters, the property
23 must revert back to the school district.

24 (1) If the property has been conveyed as described
25 in this subsection, the property is no longer exempt
26 under this Section as of the date when:

1 (A) the right of the school district to use,
2 control, and possess the property is terminated;

3 (B) the school district no longer has an option
4 to purchase or otherwise acquire the property; and

5 (C) there is no provision for a reverter of the
6 property to the school district within the
7 limitations period for reverters.

8 (2) Pursuant to Sections 15-15 and 15-20 of this
9 Code, the school district shall notify the chief county
10 assessment officer of any transaction under this
11 subsection. The chief county assessment officer shall
12 determine initial and continuing compliance with the
13 requirements of this subsection for tax exemption.
14 Failure to notify the chief county assessment officer
15 of a transaction under this subsection or to otherwise
16 comply with the requirements of Sections 15-15 and
17 15-20 of this Code shall, in the discretion of the
18 chief county assessment officer, constitute cause to
19 terminate the exemption, notwithstanding any other
20 provision of this Code.

21 (3) No provision of this subsection shall be
22 construed to affect the obligation of the school
23 district to which an exemption certificate has been
24 issued under this Section from its obligation under
25 Section 15-10 of this Code to file an annual
26 certificate of status or to notify the chief county

1 assessment officer of transfers of interest or other
2 changes in the status of the property as required by
3 this Code.

4 (4) The changes made by this amendatory Act of the
5 91st General Assembly are declarative of existing law
6 and shall not be construed as a new enactment; and

7 (f) in counties with more than 200,000 inhabitants
8 which classify property, property of a corporation, which
9 is an exempt entity under paragraph (3) of Section 501(c)
10 of the Internal Revenue Code or its successor law, used by
11 the corporation for the following purposes: (1) conducting
12 continuing education for professional development of
13 personnel in energy-related industries; (2) maintaining a
14 library of energy technology information available to
15 students and the public free of charge; and (3) conducting
16 research in energy and environment, which research results
17 could be ultimately accessible to persons involved in
18 education.

19 (Source: P.A. 91-513, eff. 8-13-99; 91-578, eff. 8-14-99;
20 92-16, eff. 6-28-01.)

21 (35 ILCS 200/15-57 new)

22 Sec. 15-57. Government property leased to another
23 government entity. If property is owned by the State, a unit of
24 local government, or a school district and that property is
25 leased to the State, a unit of local government, or a school

1 district, then the property is exempt from taxation under this
2 Code and the leasehold interest is exempt from taxation under
3 this Code or under any other law. The provisions of this
4 Section apply notwithstanding any other provision of law.

5 (35 ILCS 200/16-181 new)

6 Sec. 16-181. Stipulation to revised assessment. The board
7 of review whose decision is being appealed may, at its
8 discretion, enter into discussions with a taxpayer aimed at
9 achieving a stipulated revised assessment upon the property,
10 either prior to or after receipt of the taxpayer's petition
11 from the Property Tax Appeal Board. If such discussions
12 commence prior to the board of review's receipt of the
13 taxpayer's petition from the Property Tax Appeal Board, the
14 taxpayer shall provide the board of review with such evidence
15 of the taxpayer's timely filing of its appeal before the
16 Property Tax Appeal Board as the board of review may request,
17 including but not limited to a copy of the taxpayer's petition
18 as filed with the Property Tax Appeal Board. If, after
19 discussions have been entered into, the taxpayer and the board
20 of review propose to stipulate to a revised assessment of the
21 property, and if the original complaint requested a reduction
22 in assessed value of more than \$100,000, then the board of
23 review shall first serve a copy of the proposed stipulation or
24 assessment agreement on all taxing districts as shown on the
25 last available property tax bill, along with a copy of the

1 taxpayer's petition as provided to the board of review and all
2 other evidence used to reach the settlement. The taxing
3 districts so served shall have a period of 45 days after the
4 postmark date of the notice from the board of review to file a
5 written objection to the proposal, stating the reasons for the
6 objection, with the board of review. Failure of a taxing
7 district to object to the proposed assessment within the 45-day
8 objection period shall be considered acceptance of the proposed
9 assessment. Upon the later of (i) the expiration of the 45-day
10 objection period or (ii) written resolution of any timely filed
11 written objection received from a taxing district, the board of
12 review shall provide the proposed stipulation or assessment
13 agreement to the Property Tax Appeal Board along with a
14 certificate of service affirming that all taxing districts have
15 been notified of the proposed stipulation or assessment
16 agreement, and that no timely written objections to the
17 stipulation or assessment agreement have been received or that
18 any such objections have been fully resolved. The certificate
19 of service shall be signed by a member of the board of review
20 or the clerk of the board of review. Within 120 days after the
21 Property Tax Appeal Board's receipt of the stipulation or
22 assessment agreement and certificate of service, the Property
23 Tax Appeal Board shall issue a decision in accordance with the
24 stipulation or assessment agreement, unless it finds that the
25 Property Tax Appeal Board lacks jurisdiction over the appeal or
26 that the stipulation or assessment agreement is against the

1 manifest weight of the evidence.

2 If the board of review provides notice to the affected
3 taxing districts of the proposed stipulation or assessment
4 agreement, and a taxing district (i) does not respond to the
5 notice, (ii) accepts the proposed assessment, or (iii) reaches
6 a written resolution with the board of review and the taxpayer,
7 then the board of review is not required to otherwise send
8 notice as required by Section 16-180 of the Property Tax Code
9 to that taxing district, and that taxing district is precluded
10 from intervening or otherwise participating in the appeal
11 pending before the Property Tax Appeal Board challenging the
12 assessment. If a taxing district files a written objection to
13 the proposal to the board of review which is not followed by a
14 written resolution, then the appeal shall proceed as provided
15 by law, the board of review must notify that taxing district as
16 required by Section 16-180, and any proposed stipulation or
17 assessment agreement shall not be considered or introduced as
18 evidence in any proceeding before the Property Tax Appeal
19 Board.

20 Section 90. The State Mandates Act is amended by adding
21 Section 8.35 as follows:

22 (30 ILCS 805/8.35 new)

23 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
24 of this Act, no reimbursement by the State is required for the

1 implementation of any mandate created by this amendatory Act of
2 the 97th General Assembly.

3 Section 95. Applicability. The changes made by this
4 amendatory Act of the 97th General Assembly to the Property Tax
5 Code by changing Sections 9-195 and 15-35 and by adding Section
6 15-57 and to the State Mandates Act by adding Section 8.35
7 apply to taxable years 2010 and thereafter. In addition, those
8 changes and additions also apply to taxable years prior to
9 2010, but no such taxes paid for any taxable year prior to 2010
10 need be refunded.

11 Section 97. Severability. The provisions of this Act are
12 severable under Section 1.31 of the Statute on Statutes."