



Rep. Barbara Flynn Currie

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1 AMENDMENT TO SENATE BILL 395

2 AMENDMENT NO. _____. Amend Senate Bill 395 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 15-57,
6 15-183, 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 200/10-380)

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 200/15-183 new)

6 Sec. 15-183. Erroneous homestead exemptions. This Section
7 applies in any county that elects to be subject to its
8 provisions on or after the effective date of this amendatory
9 Act of the 97th General Assembly. Beginning in the first
10 assessment year after the county elects to be subject to the
11 provisions of this Section, if, upon determination by the chief
12 county assessment officer supported by clear and convincing
13 evidence, any property that was not eligible to receive a
14 homestead exemption was erroneously granted a homestead
15 exemption or exemptions in any year or years not to exceed the
16 current assessment year and 4 years prior to the current
17 assessment year, due to negligence or fraud on the part of the
18 property owner, then the arrearages of taxes that might have
19 been assessed, plus a penalty as provided in this Section,
20 shall be charged against the property by the county clerk. If
21 the chief county assessment officer determines that the
22 exemption was granted due to negligence of the property owner,
23 but without intent to defraud, then the arrearages of taxes
24 that might have been assessed may be charged against the
25 property, but no penalty shall be assessed against the unpaid

1 amount. If the chief county assessment officer determines that
2 the property owner acted with intent to defraud, then the
3 arrearages of taxes that might have been assessed, plus a
4 penalty of 25% of the total amount of unpaid taxes for each
5 year, shall be charged against the property. If the erroneous
6 homestead exemption was granted as a result of a mistake,
7 error, or omission on the part of the chief county assessment
8 officer, and not as a result of negligence or fraud of the
9 property owner, then the property owner shall not be liable for
10 the unpaid taxes or penalties under this Section. For the
11 purposes of this Section, negligence includes any failure to
12 make a reasonable attempt to comply with the provisions of this
13 Code and includes careless, reckless, or intentional disregard
14 of the law or regulations.

15 If the chief county assessment officer makes a
16 determination that property was erroneously granted a
17 homestead exemption or exemptions under the preceding
18 paragraph, then the chief county assessment officer shall cause
19 to be served upon the property owner a notice of intent to
20 record a tax lien against the property with respect to which
21 the erroneous homestead exemption was granted. The notice shall
22 identify the property against which the lien is being sought,
23 and shall inform the property owner that he or she may contest
24 the determination of the chief county assessment officer before
25 a neutral hearing officer. Such a lien may be lawfully filed by
26 the chief county assessment officer with the county recorder of

1 deeds, but not until a final decision has been made that the
2 property was not entitled to the homestead exemption. The board
3 of review in counties that elect to be subject to the
4 provisions of this Section and have less than 3,000,000
5 inhabitants, or the county assessor in counties that elect to
6 be subject to the provisions of this Section and have 3,000,000
7 or more inhabitants, must develop reasonable procedures for
8 contesting the determination made under this Section that
9 afford the property owner due process of law. Those procedures
10 must allow the property owner to contest the determination
11 before a neutral hearing officer appointed by the chief county
12 assessment officer. The property owner may appeal the decision
13 of the hearing officer to the circuit court of the county in
14 which the property is located.

15 Of the amounts collected under this Section, the unpaid
16 taxes shall be remitted to the county collector and distributed
17 to the affected taxing districts, and the penalties shall be
18 used by the chief county assessment officer for the cost of
19 administering this Section.

20 Notwithstanding any other provision of law, if a property
21 owner with a principal residence in a State other than Illinois
22 was erroneously granted a homestead exemption for property
23 located in Illinois during assessment year 2007, 2008, 2009, or
24 2010, then that property owner may voluntarily remit the amount
25 of unpaid taxes and interest within 2 years after the effective
26 date of this amendatory Act of the 97th General Assembly. If

1 the property owner voluntarily remits those amounts within 2
2 years after the effective date of this amendatory Act of the
3 97th General Assembly, then the penalties authorized by this
4 Section for the applicable assessment year shall not be
5 chargeable to the owner.

6 For the purposes of this Section, "homestead exemption"
7 means an exemption under Section 15-165 (disabled veterans),
8 15-167 (returning veterans), 15-169 (disabled veterans
9 standard homestead), 15-170 (senior citizens), 15-172 (senior
10 citizens assessment freeze), 15-175 (general homestead),
11 15-176 (alternative general homestead), or 15-177 (long-time
12 occupant).

13 (35 ILCS 200/16-181 new)

14 Sec. 16-181. Stipulation to revised assessment. The board
15 of review whose decision is being appealed may, at its
16 discretion, enter into discussions with a taxpayer aimed at
17 achieving a stipulated revised assessment upon the property,
18 either prior to or after receipt of the taxpayer's petition
19 from the Property Tax Appeal Board. If such discussions
20 commence prior to the board of review's receipt of the
21 taxpayer's petition from the Property Tax Appeal Board, the
22 taxpayer shall provide the board of review with such evidence
23 of the taxpayer's timely filing of its appeal before the
24 Property Tax Appeal Board as the board of review may request,
25 including but not limited to a copy of the taxpayer's petition

1 as filed with the Property Tax Appeal Board. If, after
2 discussions have been entered into, the taxpayer and the board
3 of review propose to stipulate to a revised assessment of the
4 property, and if the original complaint requested a reduction
5 in assessed value of more than \$100,000, then the board of
6 review shall first serve a copy of the proposed stipulation or
7 assessment agreement on all taxing districts as shown on the
8 last available property tax bill, along with a copy of the
9 taxpayer's petition as provided to the board of review and all
10 other evidence used to reach the settlement. The taxing
11 districts so served shall have a period of 45 days after the
12 postmark date of the notice from the board of review to file a
13 written objection to the proposal with the board of review.
14 Failure of a taxing district to object to the proposed
15 assessment within the 45-day objection period shall be
16 considered acceptance of the proposed assessment. Upon the
17 later of (i) the expiration of the 45-day objection period or
18 (ii) written resolution of any timely filed written objection
19 received from a taxing district, the board of review shall
20 provide the proposed stipulation or assessment agreement to the
21 Property Tax Appeal Board along with a certificate of service
22 affirming that all taxing districts have been notified of the
23 proposed stipulation or assessment agreement, and that no
24 timely written objections to the stipulation or assessment
25 agreement have been received or that any such objections have
26 been fully resolved. The certificate of service shall be signed

1 by a member of the board of review or the clerk of the board of
2 review. Within 120 days after the Property Tax Appeal Board's
3 receipt of the stipulation or assessment agreement and
4 certificate of service, the Property Tax Appeal Board shall
5 issue a decision in accordance with the stipulation or
6 assessment agreement, unless it finds that the Property Tax
7 Appeal Board lacks jurisdiction over the appeal or that the
8 stipulation or assessment agreement is against the manifest
9 weight of the evidence.

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

1 Board.

2 Section 10. The Title Insurance Act is amended by adding
3 Section 22.5 as follows:

4 (215 ILCS 155/22.5 new)

5 Sec. 22.5. Notice to chief county assessment officer. Upon
6 issuing a policy, each title insurance company doing business
7 in the State must inform the chief county assessment officer of
8 the county in which the property is located of the sale or
9 transfer of the property.

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.35 as follows:

12 (30 ILCS 805/8.35 new)

13 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
14 of this Act, no reimbursement by the State is required for the
15 implementation of any mandate created by this amendatory Act of
16 the 97th General Assembly.

17 Section 95. Applicability. The changes made by this
18 amendatory Act of the 97th General Assembly to the Property Tax
19 Code by changing Sections 9-195 and 15-35 and by adding Section
20 15-57 and to the State Mandates Act by adding Section 8.35
21 apply to taxable years 2010 and thereafter. In addition, those

1 changes and additions also apply to taxable years prior to
2 2010, but no such taxes paid for any taxable year prior to 2010
3 need be refunded.

4 Section 97. Severability. The provisions of this Act are
5 severable under Section 1.31 of the Statute on Statutes.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.".