



Rep. Maria Antonia Berrios

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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, 9-265, 10-380, and 15-35 and by adding Sections
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 200/9-265)

19 Sec. 9-265. Omitted property; interest; change in exempt
20 use or ownership. If any property is omitted in the assessment
21 of any year or years, not to exceed the current assessment year
22 and 3 prior years, so that the taxes, for which the property
23 was liable, have not been paid, or if by reason of defective
24 description or assessment, taxes on any property for any year
25 or years have not been paid, or if any taxes are refunded under

1 subsection (b) of Section 14-5 because the taxes were assessed
2 in the wrong person's name, the property, when discovered,
3 shall be listed and assessed by the board of review or, in
4 counties with 3,000,000 or more inhabitants, by the county
5 assessor either on his or her own initiative or when so
6 directed by the board of appeals or board of review. The board
7 of review in counties with less than 3,000,000 inhabitants or
8 the county assessor in counties with 3,000,000 or more
9 inhabitants may develop reasonable procedures for contesting
10 the listing of omitted property under this Division. For
11 purposes of this Section, "defective description or
12 assessment" includes a description or assessment which omits
13 all the improvements thereon as a result of which part of the
14 taxes on the total value of the property as improved remain
15 unpaid. In the case of property subject to assessment by the
16 Department, the property shall be listed and assessed by the
17 Department. All such property shall be placed on the assessment
18 and tax books. The arrearages of taxes which might have been
19 assessed, with 10% interest thereon for each year or portion
20 thereof from 2 years after the time the first correct tax bill
21 ought to have been received, shall be charged against the
22 property by the county clerk.

23 When property or acreage omitted by either incorrect survey
24 or other ministerial assessor error is discovered and the owner
25 has paid its tax bills as received for the year or years of
26 omission of the parcel, then the interest authorized by this

1 Section shall not be chargeable to the owner. However, nothing
2 in this Section shall prevent the collection of the principal
3 amount of back taxes due and owing.

4 If any property listed as exempt by the chief county
5 assessment officer has a change in use, a change in leasehold
6 estate, or a change in titleholder of record by purchase,
7 grant, taking or transfer, it shall be the obligation of the
8 transferee to notify the chief county assessment officer in
9 writing within 90 days of the change. If mailed, the notice
10 shall be sent by certified mail, return receipt requested, and
11 shall include the name and address of the taxpayer, the legal
12 description of the property, and the property index number of
13 the property when an index number exists. If notice is provided
14 in person, it shall be provided on a form prescribed by the
15 chief county assessment officer, and the chief county
16 assessment officer shall provide a date stamped copy of the
17 notice. Except as provided in item (6) of subsection (a) of
18 Section 9-260, item (6) of Section 16-135, and item (6) of
19 Section 16-140 of this Code, if the failure to give the
20 notification results in the assessing official continuing to
21 list the property as exempt in subsequent years, the property
22 shall be considered omitted property for purposes of this Code.

23 If, upon determination by the chief county assessment
24 officer, any property that was not eligible to receive a
25 homestead exemption under Article 15 of this Code was
26 erroneously granted a homestead exemption in any year or years

1 not to exceed the current assessment year and 10 prior years,
2 then the chief county assessment officer shall cause to be
3 served upon the property owner a notice of intent to record a
4 tax lien against the property with respect to which the
5 erroneous homestead exemption was granted. The notice shall
6 identify the property against which the lien is being sought.
7 Such a lien may not be filed sooner than 30 days after the
8 property owner receives notice. In addition, the arrearages of
9 taxes that might have been assessed, plus a penalty of 50% of
10 the total amount of unpaid taxes for each year and 15% interest
11 per annum, shall be charged against the property by the county
12 clerk. If the erroneous homestead exemption was granted as a
13 result of a clerical error or omission on the part of the chief
14 county assessment officer, and if the owner has paid its tax
15 bills as received for the year or years in which the error
16 occurred, then the interest and penalties authorized by this
17 Section shall not be chargeable to the owner. However, nothing
18 in this Section shall prevent the collection of the principal
19 amount of back taxes due and owing.

20 (Source: P.A. 96-1553, eff. 3-10-11.)

21 (35 ILCS 200/10-380)

22 Sec. 10-380. For the taxable years 2006 and thereafter,
23 ~~2007, 2008, and 2009,~~ the chief county assessment officer in
24 the county in which property subject to a PPV Lease is located
25 shall apply the provisions of 10-370(b)(i) and 10-375(c)(i) of

1 this Division 14 in assessing and determining the value of any
2 PPV Lease for purposes of the property tax laws of this State.

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

4 (35 ILCS 200/15-35)

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

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

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

25 (c) property donated, granted, received or used for

1 public school, college, theological seminary, university,
2 or other educational purposes, whether held in trust or
3 absolutely;

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

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

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

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

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

8 (C) there is no provision for a reverter of the
9 property to the school district within the
10 limitations period for reverters.

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

24 (3) No provision of this subsection shall be
25 construed to affect the obligation of the school
26 district to which an exemption certificate has been

1 issued under this Section from its obligation under
2 Section 15-10 of this Code to file an annual
3 certificate of status or to notify the chief county
4 assessment officer of transfers of interest or other
5 changes in the status of the property as required by
6 this Code.

7 (4) The changes made by this amendatory Act of the
8 91st General Assembly are declarative of existing law
9 and shall not be construed as a new enactment; and

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

22 (Source: P.A. 91-513, eff. 8-13-99; 91-578, eff. 8-14-99;
23 92-16, eff. 6-28-01.)

24 (35 ILCS 200/15-57 new)

25 Sec. 15-57. Government property leased to another

1 government entity. If property is owned by the State, a unit of
2 local government, or a school district and that property is
3 leased to the State, a unit of local government, or a school
4 district, then the property is exempt from taxation under this
5 Code and the leasehold interest is exempt from taxation under
6 this Code or under any other law. The provisions of this
7 Section apply notwithstanding any other provision of law.

8 (35 ILCS 200/16-181 new)

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

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

1 stipulation or assessment agreement, unless it finds that the
2 Property Tax Appeal Board lacks jurisdiction over the appeal or
3 that the stipulation or assessment agreement is against the
4 manifest weight of the evidence.

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

23 Section 90. The State Mandates Act is amended by adding
24 Section 8.35 as follows:

1 (30 ILCS 805/8.35 new)

2 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 97th General Assembly.

6 Section 95. Applicability. The changes made by this
7 amendatory Act of the 97th General Assembly to the Property Tax
8 Code by changing Sections 9-195 and 15-35 and by adding Section
9 15-57 and to the State Mandates Act by adding Section 8.35
10 apply to taxable years 2010 and thereafter. In addition, those
11 changes and additions also apply to taxable years prior to
12 2010, but no such taxes paid for any taxable year prior to 2010
13 need be refunded.

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

16 Section 99. Effective date. This Act takes effect upon
17 becoming law."