



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

SB3219

Introduced 2/11/2014, by Sen. Mike Jacobs

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/9-45  
35 ILCS 200/11-10  
35 ILCS 200/11-15  
35 ILCS 200/11-25

Amends the Property Tax Code. Provides that property that is used for refining crude oil located in a county of less than 1,000,000 inhabitants, as to which litigation with respect to its assessed valuation is pending or was pending as of January 1, 2011, may be the subject of a real property tax assessment settlement agreement among the taxpayer and taxing districts in which it is situated. Provides that wind turbines and ethanol producing facilities (other than systems, methods, construction, devices, or appliances appurtenant to ethanol producing facilities) are not considered pollution control facilities. In a Section concerning valuation for pollution control facilities, provides that the Department of Revenue shall, when reasonable, (now, the Department "shall") consider certain factors when determining the fair cash value of the facility. Provides that the effective date of a pollution control facility certificate is January 1 of the year in which the certificate is issued. Effective immediately.

LRB098 18563 HLH 53701 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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 Sections 9-45, 11-10, 11-15, and 11-25 as follows:

6 (35 ILCS 200/9-45)

7 Sec. 9-45. Property index number system. The county clerk  
8 in counties of 3,000,000 or more inhabitants and, subject to  
9 the approval of the county board, the chief county assessment  
10 officer or recorder, in counties of less than 3,000,000  
11 inhabitants, may establish a property index number system under  
12 which property may be listed for purposes of assessment,  
13 collection of taxes or automation of the office of the  
14 recorder. The system may be adopted in addition to, or instead  
15 of, the method of listing by legal description as provided in  
16 Section 9-40. The system shall describe property by township,  
17 section, block, and parcel or lot, and may cross-reference the  
18 street or post office address, if any, and street code number,  
19 if any. The county clerk, county treasurer, chief county  
20 assessment officer or recorder may establish and maintain cross  
21 indexes of numbers assigned under the system with the complete  
22 legal description of the properties to which the numbers  
23 relate. Index numbers shall be assigned by the county clerk in

1 counties of 3,000,000 or more inhabitants, and, at the  
2 direction of the county board in counties with less than  
3 3,000,000 inhabitants, shall be assigned by the chief county  
4 assessment officer or recorder. Tax maps of the county clerk,  
5 county treasurer or chief county assessment officer shall carry  
6 those numbers. The indexes shall be open to public inspection  
7 and be made available to the public. Any property index number  
8 system established prior to the effective date of this Code  
9 shall remain valid. However, in counties with less than  
10 3,000,000 inhabitants, the system may be transferred to another  
11 authority upon the approval of the county board.

12 Any real property used for a power generating or automotive  
13 manufacturing facility located within a county of less than  
14 1,000,000 inhabitants, as to which litigation with respect to  
15 its assessed valuation is pending or was pending as of January  
16 1, 1993, may be the subject of a real property tax assessment  
17 settlement agreement among the taxpayer and taxing districts in  
18 which it is situated. In addition, any real property that is  
19 (i) used for natural gas extraction and fractionation or olefin  
20 and polymer manufacturing and (ii) located within a county of  
21 less than 1,000,000 inhabitants may be the subject of a real  
22 property tax assessment settlement agreement among the  
23 taxpayer and taxing districts in which the property is situated  
24 if litigation is or was pending as to its assessed valuation as  
25 of January 1, 2003 or thereafter. In addition, any real  
26 property that is used for refining crude oil located in a

1 county of less than 1,000,000 inhabitants, as to which  
2 litigation with respect to its assessed valuation is pending or  
3 was pending as of January 1, 2011, may be the subject of a real  
4 property tax assessment settlement agreement among the  
5 taxpayer and taxing districts in which it is situated. Other  
6 appropriate authorities, which may include county and State  
7 boards or officials, may also be parties to such agreements.  
8 Such agreements may include the assessment of the facility or  
9 property for any years in dispute as well as for up to 10 years  
10 in the future. Such agreements may provide for the settlement  
11 of issues relating to the assessed value of the facility and  
12 may provide for related payments, refunds, claims, credits  
13 against taxes and liabilities in respect to past and future  
14 taxes of taxing districts, including any fund created under  
15 Section 20-35 of this Act, all implementing the settlement  
16 agreement. Any such agreement may provide that parties thereto  
17 agree not to challenge assessments as provided in the  
18 agreement. An agreement entered into on or after January 1,  
19 1993 may provide for the classification of property that is the  
20 subject of the agreement as real or personal during the term of  
21 the agreement and thereafter. It may also provide that taxing  
22 districts agree to reimburse the taxpayer for amounts paid by  
23 the taxpayer in respect to taxes for the real property which is  
24 the subject of the agreement to the extent levied by those  
25 respective districts, over and above amounts which would be due  
26 if the facility were to be assessed as provided in the

1 agreement. Such reimbursement may be provided in the agreement  
2 to be made by credit against taxes of the taxpayer. No credits  
3 shall be applied against taxes levied with respect to debt  
4 service or lease payments of a taxing district. No referendum  
5 approval or appropriation shall be required for such an  
6 agreement or such credits and any such obligation shall not  
7 constitute indebtedness of the taxing district for purposes of  
8 any statutory limitation. The county collector shall treat  
9 credited amounts as if they had been received by the collector  
10 as taxes paid by the taxpayer and as if remitted to the  
11 district. A county treasurer who is a party to such an  
12 agreement may agree to hold amounts paid in escrow as provided  
13 in the agreement for possible use for paying taxes until  
14 conditions of the agreement are met and then to apply these  
15 amounts as provided in the agreement. No such settlement  
16 agreement shall be effective unless it shall have been approved  
17 by the court in which such litigation is pending. Any such  
18 agreement which has been entered into prior to adoption of this  
19 amendatory Act of 1988 and which is contingent upon enactment  
20 of authorizing legislation shall be binding and enforceable.

21 (Source: P.A. 96-609, eff. 8-24-09.)

22 (35 ILCS 200/11-10)

23 Sec. 11-10. Definition of pollution control facilities.  
24 "Pollution control facilities" means any system, method,  
25 construction, device or appliance appurtenant thereto, or any

1 portion of any building or equipment, that is designed,  
2 constructed, installed or operated for the primary purpose of:

3 (a) eliminating, preventing, or reducing air or water  
4 pollution, as the terms "air pollution" and "water pollution"  
5 are defined in the Environmental Protection Act, in compliance  
6 with federal or State requirements enacted or promulgated to  
7 eliminate, prevent, or reduce air pollution or water pollution;

8 or

9 (b) treating, pretreating, modifying or disposing of any  
10 potential solid, liquid or gaseous pollutant which if released  
11 without treatment, pretreatment, modification or disposal  
12 might be harmful, detrimental or offensive to human, plant or  
13 animal life, or to property. "Pollution control facilities"  
14 shall not include, however,

15 (1) any facility with the primary purpose of (i)  
16 eliminating, containing, preventing or reducing  
17 radioactive contaminants or energy, or (ii) treating waste  
18 water produced by the nuclear generation of electric power,

19 (2) any large diameter pipes or piping systems used to  
20 remove and disperse heat from water involved in the nuclear  
21 generation of electric power,

22 (3) any facility operated by any person other than a  
23 unit of government, whether within or outside of the  
24 territorial boundaries of a unit of local government, for  
25 sewage disposal or treatment, ~~or~~

26 (4) land underlying a cooling pond, ~~or~~

1           (5) wind turbines, or  
2           (6) ethanol producing facilities, except that systems,  
3           methods, construction, devices, or appliances appurtenant  
4           to those ethanol producing facilities may be considered  
5           pollution control facilities for the purposes of this Act.

6           (Source: P.A. 83-883; 88-455.)

7           (35 ILCS 200/11-15)

8           Sec. 11-15. Method of valuation for pollution control  
9           facilities. To determine 33 1/3% of the fair cash value of any  
10           certified pollution control facilities in assessing those  
11           facilities, the Department shall, where reasonable, consider:  
12           (1) ~~take into consideration~~ the actual or probable net earnings  
13           attributable to the facilities in question, capitalized on the  
14           basis of their productive earning value to their owner; (2) the  
15           probable net value which could be realized by their owner if  
16           the facilities were removed and sold at a fair, voluntary sale,  
17           giving due account to the expense of removal and condition of  
18           the particular facilities in question; or (3) such ~~and~~ other  
19           information as the Department may, consistent with principles  
20           set forth in this Section, believe to have a bearing on the  
21           fair cash value of the facilities to their owner ~~consider as~~  
22           ~~bearing on the fair cash value of the facilities to their~~  
23           ~~owner, consistent with the principles set forth in this~~  
24           Section. For the purposes of this Code, earnings shall be  
25           attributed to a pollution control facility only to the extent

1 that its operation results in the production of a commercially  
2 saleable by-product, ~~or~~ increases the production of the  
3 products or services otherwise sold by the owner of the  
4 facility, or reduces the production costs of the products or  
5 services otherwise sold by the owner of such facility.

6 (Source: P.A. 83-121; 88-455.)

7 (35 ILCS 200/11-25)

8 Sec. 11-25. Certification procedure. Application for a  
9 pollution control facility certificate shall be filed with the  
10 Pollution Control Board in a manner and form prescribed in  
11 regulations issued by that board. The application shall contain  
12 appropriate and available descriptive information concerning  
13 anything claimed to be entitled in whole or in part to tax  
14 treatment as a pollution control facility. If it is found that  
15 the claimed facility or relevant portion thereof is a pollution  
16 control facility as defined in Section 11-10, the Pollution  
17 Control Board, acting through its Chairman or his or her  
18 specifically authorized delegate, shall enter a finding and  
19 issue a certificate to that effect. The certificate shall  
20 require tax treatment as a pollution control facility, but only  
21 for the portion certified if only a portion is certified. The  
22 effective date of a certificate shall be January 1 of the year  
23 in which the certificate is issued ~~the date of application for~~  
24 ~~the certificate or the date of the construction of the~~  
25 ~~facility, which ever is later.~~



1 (Source: P.A. 76-2451; 88-455.)

2 Section 99. Effective date. This Act takes effect upon  
3 becoming law.