

# HB0238



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB0238

by Rep. Sam Yingling

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-165

Amends the Property Tax Code. Provides that a taxing district may order the county clerk to abate any portion of its taxes on property used by a business that did not have a location in the State in the previous taxable year. Provides that the abatement may not exceed \$1,000,000 for all taxing districts in any taxable year. Effective immediately.

LRB099 03773 HLH 23786 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT 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 adding  
5 Section 18-165 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 (i) 500 acres or (ii) 225 acres  
14          in the case of a commercial or industrial development  
15          that applies for and is granted designation as a High  
16          Impact Business under paragraph (F) of item (3) of  
17          subsection (a) of Section 5.5 of the Illinois  
18          Enterprise Zone Act, having been created within the  
19          taxing district. The abatement shall not exceed a  
20          period of 20 years and the aggregate amount of abated  
21          taxes for all taxing districts combined shall not  
22          exceed \$12,000,000.

23          (C) The property of any commercial or industrial  
24          firm currently located in the taxing district that  
25          expands a facility or its number of employees. The  
26          abatement shall not exceed a period of 10 years and the

1           aggregate amount of abated taxes for all taxing  
2           districts combined shall not exceed \$4,000,000. The  
3           abatement period may be renewed at the option of the  
4           taxing districts.

5           (2) Horse racing. Any property in the taxing district  
6           which is used for the racing of horses and upon which  
7           capital improvements consisting of expansion, improvement  
8           or replacement of existing facilities have been made since  
9           July 1, 1987. The combined abatements for such property  
10          from all taxing districts in any county shall not exceed  
11          \$5,000,000 annually and shall not exceed a period of 10  
12          years.

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

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

1           \$5,000,000.

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

17           (6) Historical society. For assessment years 1998  
18 through 2018, the property of an historical society  
19 qualifying as an exempt organization under Section  
20 501(c)(3) of the federal Internal Revenue Code.

21           (7) Recreational facilities. Any property in the  
22 taxing district (i) that is used for a municipal airport,  
23 (ii) that is subject to a leasehold assessment under  
24 Section 9-195 of this Code and (iii) which is sublet from a  
25 park district that is leasing the property from a  
26 municipality, but only if the property is used exclusively



1 for recreational facilities or for parking lots used  
2 exclusively for those facilities. The abatement shall not  
3 exceed a period of 10 years.

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

1 payments may not exceed 20 years.

2 (9) United States Military Public/Private Residential  
3 Developments. Each building, structure, or other  
4 improvement designed, financed, constructed, renovated,  
5 managed, operated, or maintained after January 1, 2006  
6 under a "PPV Lease", as set forth under Division 14 of  
7 Article 10, and any such PPV Lease.

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

10 (11) Property used by a business that did not have a  
11 location in the State in the previous taxable year. The  
12 abatement under this item (11) may not exceed \$1,000,000  
13 for all taxing districts in any taxable year.

14 (b) Upon a majority vote of its governing authority, any  
15 municipality may, after the determination of the assessed  
16 valuation of its property, order the county clerk to abate any  
17 portion of its taxes on any property that is located within the  
18 corporate limits of the municipality in accordance with Section  
19 8-3-18 of the Illinois Municipal Code.

20 (Source: P.A. 97-577, eff. 1-1-12; 97-636, eff. 6-1-12; 98-109,  
21 eff. 7-25-13.)

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law.