



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4914

by Rep. Robert W. Pritchard

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-35

Amends the Property Tax Code. Provides that school-approved nonprofit dormitory or residence halls occupied in whole or in part by students who belong to fraternities, sororities, or other campus organizations are exempt. Effective immediately.

LRB100 20629 HLH 36067 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 Section 15-35 as follows:

6 (35 ILCS 200/15-35)

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

13 (a) property of schools which is leased to a
14 municipality to be used for 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,

1 or other campus organizations, and school-approved
2 nonprofit dormitory or residence halls occupied in whole or
3 in part by students who belong to fraternities, sororities,
4 or other campus organizations;

5 (c) property donated, granted, received or used for
6 public school, college, theological seminary, university,
7 or other educational purposes, whether held in trust or
8 absolutely;

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

19 (e) property owned by a school district. The exemption
20 under this subsection is not affected by any transaction in
21 which, for the purpose of obtaining financing, the school
22 district, directly or indirectly, leases or otherwise
23 transfers the property to another for which or whom
24 property is not exempt and immediately after the lease or
25 transfer enters into a leaseback or other agreement that
26 directly or indirectly gives the school district a right to

1 use, control, and possess the property. In the case of a
2 conveyance of the property, the school district must retain
3 an option to purchase the property at a future date or,
4 within the limitations period for reverters, the property
5 must revert back to the school district.

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

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

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

13 (C) there is no provision for a reverter of the
14 property to the school district within the
15 limitations period for reverters.

16 (2) Pursuant to Sections 15-15 and 15-20 of this
17 Code, the school district shall notify the chief county
18 assessment officer of any transaction under this
19 subsection. The chief county assessment officer shall
20 determine initial and continuing compliance with the
21 requirements of this subsection for tax exemption.
22 Failure to notify the chief county assessment officer
23 of a transaction under this subsection or to otherwise
24 comply with the requirements of Sections 15-15 and
25 15-20 of this Code shall, in the discretion of the
26 chief county assessment officer, constitute cause to

1 terminate the exemption, notwithstanding any other
2 provision of this Code.

3 (3) No provision of this subsection shall be
4 construed to affect the obligation of the school
5 district to which an exemption certificate has been
6 issued under this Section from its obligation under
7 Section 15-10 of this Code to file an annual
8 certificate of status or to notify the chief county
9 assessment officer of transfers of interest or other
10 changes in the status of the property as required by
11 this Code.

12 (4) The changes made by this amendatory Act of the
13 91st General Assembly are declarative of existing law
14 and shall not be construed as a new enactment; and

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

1 (Source: P.A. 91-513, eff. 8-13-99; 91-578, eff. 8-14-99;
2 92-16, eff. 6-28-01.)

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