



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3209

Introduced 2/18/2025, by Rep. Michael J. Coffey, Jr.

SYNOPSIS AS INTRODUCED:

20 ILCS 2505/2505-817 new

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Provides that the Department of Revenue shall reimburse eligible municipalities for revenue loss associated with tax exempt State property located in the municipality. Provides that the aggregate amount of reimbursements for all taxing districts in any calendar year may not exceed \$100,000,000. Sets forth the amount of the reimbursement. Effective immediately.

LRB104 04948 HLH 14975 b

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 Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by adding Section
6 2505-817 as follows:

7 (20 ILCS 2505/2505-817 new)

8 Sec. 2505-817. Municipal Property Tax Relief Reimbursement
9 Pilot Program.

10 (a) Subject to appropriation, for State fiscal years that
11 begin on or after July 1, 2026 and before July 1, 2031, the
12 Department shall establish and administer a Municipal Property
13 Tax Relief Reimbursement Pilot Program. For purposes of the
14 Program, the Department shall reimburse eligible
15 municipalities for revenue loss associated with tax exempt
16 State property located in the municipality. Reimbursement
17 payments shall be made to the county that applies to the
18 Department of Revenue on behalf of the municipality under
19 subsection (b) and shall be distributed by the county to the
20 municipality as directed by the Department of Revenue.

21 (b) If the county clerk determines that that one or more
22 municipalities located in whole or in part in the county
23 qualify for reimbursement under this Section, then the county

1 clerk shall apply to the Department of Revenue on behalf of the
2 municipality for reimbursement under this Section in the form
3 and manner required by the Department. The county clerk shall
4 consolidate applications submitted on behalf of more than one
5 municipality into a single application. The Department of
6 Revenue may audit the information submitted by the county
7 clerk as part of the application under this Section for the
8 purpose of verifying the accuracy of the information.

9 (c) The maximum amount of the reimbursement the difference
10 between (i) the amount of property tax revenue that would have
11 been required to be collected and distributed to the
12 municipality for the taxable year that falls 2 years before
13 the start of the State fiscal year if the property tax
14 exemption for State property had not been applied; and (2) the
15 amount of property tax revenue that was actually required to
16 be collected and distributed to the municipality for that
17 taxable year.

18 The aggregate amount of reimbursements that may be awarded
19 under this Section for all municipalities in any calendar year
20 may not exceed \$100,000,000. If the total amount of eligible
21 reimbursements under this Section exceeds \$100,000,000 in any
22 calendar year, then the reimbursement amount awarded to each
23 particular municipality shall be reduced on a pro rata basis
24 until the aggregate amount of reimbursements awarded under
25 this Section for the calendar year does not exceed
26 \$100,000,000.

1 (d) The Department of Revenue may adopt rules necessary
2 for the implementation of this Section.

3 (e) As used in this Section, "taxable year" means the
4 calendar year during which property taxes payable in the next
5 succeeding year are levied.

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