

# HB4946



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4946

by Rep. Daniel Didech

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-60

Amends the Property Tax Code. Provides that property leased, subleased, or rented, in whole or in part, to a taxing district and used exclusively for a bona fide taxing district purpose is exempt. Provides that the exemption applies only to the portion of the property used for bona fide taxing district purposes. Effective immediately.

LRB104 17368 HLH 30793 b

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 Section 15-60 as follows:

6 (35 ILCS 200/15-60)

7 Sec. 15-60. Taxing district property. All property  
8 belonging to any county or municipality used exclusively for  
9 the maintenance of the poor is exempt, as is all property owned  
10 by a taxing district that is being held for future expansion or  
11 development, except if leased by the taxing district to  
12 lessees for use for other than public purposes.

13 Also exempt are:

14 (a) all swamp or overflowed lands belonging to any  
15 county;

16 (b) all public buildings belonging to any county,  
17 township, or municipality, with the ground on which the  
18 buildings are erected;

19 (c) all property owned by any municipality located  
20 within its incorporated limits. Any such property leased  
21 by a municipality shall remain exempt, and the leasehold  
22 interest of the lessee shall be assessed under Section  
23 9-195 of this Act, (i) for a lease entered into on or after

1           January 1, 1994, unless the lease expressly provides that  
2           this exemption shall not apply; (ii) for a lease entered  
3           into on or after the effective date of Public Act 87-1280  
4           and before January 1, 1994, unless the lease expressly  
5           provides that this exemption shall not apply or unless  
6           evidence other than the lease itself substantiates the  
7           intent of the parties to the lease that this exemption  
8           shall not apply; and (iii) for a lease entered into before  
9           the effective date of Public Act 87-1280, if the terms of  
10          the lease do not bind the lessee to pay the taxes on the  
11          leased property or if, notwithstanding the terms of the  
12          lease, the municipality has filed or hereafter files a  
13          timely exemption petition or complaint with respect to  
14          property consisting of or including the leased property  
15          for an assessment year which includes part or all of the  
16          first 12 months of the lease period. The foregoing clause  
17          (iii) added by Public Act 87-1280 shall not operate to  
18          exempt property for any assessment year as to which no  
19          timely exemption petition or complaint has been filed by  
20          the municipality or as to which an administrative or court  
21          decision denying exemption has become final and  
22          nonappealable. For each assessment year or portion thereof  
23          that property is made exempt by operation of the foregoing  
24          clause (iii), whether such year or portion is before or  
25          after the effective date of Public Act 87-1280, the  
26          leasehold interest of the lessee shall, if necessary, be

1 considered omitted property for purposes of this Act;

2 (c-5) Notwithstanding clause (i) of subsection (c), or  
3 any other law to the contrary, for a municipality with a  
4 population over 100,000, all property owned by the  
5 municipality, or property interests or rights held by the  
6 municipality, regardless of whether such property,  
7 interests, or rights are, in whole or in part, within or  
8 without its corporate limits, that is used for toll road  
9 or toll bridge purposes and that is leased or licensed for  
10 those purposes to another entity whose property or  
11 property interests or rights are not exempt shall remain  
12 exempt, and any leasehold interest in such property,  
13 interest, or rights shall not be subject to taxation under  
14 Section 9-195 of this Code;

15 (d) all property owned by any municipality located  
16 outside its incorporated limits but within the same county  
17 when used as a tuberculosis sanitarium, farm colony in  
18 connection with a house of correction, or nursery, garden,  
19 or farm, or for the growing of shrubs, trees, flowers,  
20 vegetables, and plants for use in beautifying,  
21 maintaining, and operating playgrounds, parks, parkways,  
22 public grounds, buildings, and institutions owned or  
23 controlled by the municipality;

24 (e) all property owned by a township and operated as  
25 senior citizen housing under Sections 35-50 through  
26 35-50.6 of the Township Code; ~~and~~

1 (f) all property owned by the Executive Board of the  
2 Mutual Aid Box Alarm System (MABAS), a unit of  
3 intergovernmental cooperation, that is used for the public  
4 purpose of disaster preparedness and response for units of  
5 local government and the State of Illinois pursuant to  
6 Section 10 of Article VII of the Illinois Constitution and  
7 the Intergovernmental Cooperation Act; and -

8 (g) beginning in taxable year 2026, all property  
9 leased, subleased, or rented, in whole or in part, to a  
10 taxing district and used exclusively for a bona fide  
11 taxing district purpose, with the exemption applying only  
12 to the portion of the property used for bona fide taxing  
13 district purposes.

14 All property owned by any municipality outside of its  
15 corporate limits is exempt if used exclusively for municipal  
16 or public purposes.

17 An exemption under item (g) shall be granted only upon  
18 application to the Department of Revenue by the taxing  
19 district in the manner prescribed by the Department of  
20 Revenue. The application shall include: (1) proof that the  
21 taxing district is exempt from taxation under this Code; and  
22 (2) a copy of the lease, sublease, or rental agreement. An  
23 exemption granted under item (g) applies only for the duration  
24 of the lease, sublease, or rental term identified in the  
25 application and terminates at the end of that term unless a  
26 lease or rental extension is submitted in a subsequent

1 application filed in the manner prescribed by the Department  
2 of Revenue.

3 For purposes of this Section, "municipality" means a  
4 municipality, as defined in Section 1-1-2 of the Illinois  
5 Municipal Code.

6 (Source: P.A. 101-398, eff. 8-16-19.)

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