

# SB1831



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1831

Introduced 2/5/2025, by Sen. Chapin Rose

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-165

Amends the Property Tax Code. Allows for an abatement of taxes if the property is included in a new residential construction development that is located in a county with fewer than 300,000 inhabitants. Effective immediately.

LRB104 03834 HLH 13858 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 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  
21 State during the immediately preceding year, or  
22 expanding an existing facility, or (ii) any firm that  
23 is used for the generation and transmission of

1 electricity locating within the taxing district during  
2 the immediately preceding year or expanding its  
3 presence within the taxing district during the  
4 immediately preceding year by construction of a new  
5 electric generating facility that uses natural gas as  
6 its fuel, or any firm that is used for production  
7 operations at a new, expanded, or reopened coal mine  
8 within the taxing district, that has been certified as  
9 a High Impact Business by the Illinois Department of  
10 Commerce and Economic Opportunity. The property of any  
11 firm used for the generation and transmission of  
12 electricity shall include all property of the firm  
13 used for transmission facilities as defined in Section  
14 5.5 of the Illinois Enterprise Zone Act. The abatement  
15 shall not exceed a period of 10 years and the aggregate  
16 amount of abated taxes for all taxing districts  
17 combined shall not 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  
23 10 years. The abatement shall be subject to the  
24 following 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  
10 or 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  
19 or 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  
2 or 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  
20 or greater than \$150,000,000, then the abatement  
21 may 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  
3           to 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  
6           that 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  
17 any academic or research institute in the taxing district  
18 that (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  
14 and Urban Development. The abatement shall not exceed a  
15 period of 15 years, and the aggregate amount of abated  
16 taxes for all taxing districts shall not exceed  
17 \$3,000,000.

18           (6) Historical society. For assessment years 1998  
19 through 2018, the property of an historical society  
20 qualifying as an exempt organization under Section  
21 501(c)(3) of the federal Internal Revenue Code.

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

1 municipality, but only if the property is used exclusively  
2 for recreational facilities or for parking lots used  
3 exclusively for those facilities. The abatement shall not  
4 exceed a period of 10 years.

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

1 specified by the taxing district, except the term of the  
2 abatement or annual payments may not exceed 20 years.

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

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

11 (11) Under Section 11-15.4-25 of the Illinois  
12 Municipal Code, property located within an urban  
13 agricultural area that is used by a qualifying farmer for  
14 processing, growing, raising, or otherwise producing  
15 agricultural products.

16 (12) Property included in a new residential  
17 construction development, as determined by the taxing  
18 district, that is located in a county with fewer than  
19 300,000 inhabitants.

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

26 (Source: P.A. 100-1133, eff. 1-1-19.)

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