



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3515

Introduced 2/5/2026, by Sen. Celina Villanueva

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-65

Amends the Property Tax Code. In a provision concerning the exemption for property used for charitable or beneficent purposes, provides that the term "institution of public charity" includes a not-for-profit organization that is organized and operated primarily as an entrepreneurial support organization and that supports, mentors, and trains entrepreneurs, if the applicant provides: (i) affirmative evidence that the organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code or its successor and (ii) affirmative evidence that the property is used for the provision of services typically provided by entrepreneurial support organizations. Provides that an entrepreneurial support organization shall satisfy the conditions for a property tax exemption with respect to any of its properties and shall be issued a charitable exemption for that property if the value of charitable services or activities provided by the entrepreneurial support organization using the property during the relevant year equals or exceeds the estimated property tax liability of the property for the year for which an exemption is sought. Specifies that the provisions of the amendatory Act are declarative of existing law and are to be given retroactive effect.

LRB104 19336 JDS 32783 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 Property Tax Code is amended by changing
5 Section 15-65 as follows:

6 (35 ILCS 200/15-65)

7 Sec. 15-65. Charitable purposes. All property of the
8 following is exempt when actually and exclusively used for
9 charitable or beneficent purposes, and not leased or otherwise
10 used with a view to profit:

11 (a) Institutions of public charity. As used in this
12 subsection (a), "institution of public charity" includes a
13 not-for-profit organization that is organized and operated
14 primarily as an entrepreneurial support organization and
15 that supports, mentors, and trains entrepreneurs, provided
16 the applicant provides: (i) affirmative evidence that the
17 organization is an exempt organization under Section
18 501(c)(3) of the Internal Revenue Code or its successor
19 and (ii) affirmative evidence that the property is used
20 for the provision of services typically provided by
21 entrepreneurial support organizations, including, but not
22 limited to, programming, educational facilities, and
23 community and networking resources.

1 The General Assembly may set a monetary or quantum
2 standard in determining what constitutes an adequate
3 amount of charitable activity necessary to satisfy the
4 test for a charitable property tax exemption. An
5 entrepreneurial support organization shall satisfy the
6 conditions for a property tax exemption with respect to
7 any of its properties and shall be issued a charitable
8 exemption for that property if the value of charitable
9 services or activities provided by the entrepreneurial
10 support organization using the property during the
11 relevant year equals or exceeds the estimated property tax
12 liability of the property for the year for which an
13 exemption is sought.

14 (b) Beneficent and charitable organizations
15 incorporated in any state of the United States, including
16 organizations whose owner, and no other person, uses the
17 property exclusively for the distribution, sale, or resale
18 of donated goods and related activities and uses all the
19 income from those activities to support the charitable,
20 religious or beneficent activities of the owner, whether
21 or not such activities occur on the property.

22 (c) Old people's homes, facilities for persons with a
23 developmental disability, and not-for-profit
24 organizations providing services or facilities related to
25 the goals of educational, social and physical development,
26 if, upon making application for the exemption, the

1 applicant provides affirmative evidence that the home or
2 facility or organization is an exempt organization under
3 paragraph (3) of Section 501(c) of the Internal Revenue
4 Code or its successor, and either: (i) the bylaws of the
5 home or facility or not-for-profit organization provide
6 for a waiver or reduction, based on an individual's
7 ability to pay, of any entrance fee, assignment of assets,
8 or fee for services, or (ii) the home or facility is
9 qualified, built or financed under Section 202 of the
10 National Housing Act of 1959, as amended.

11 An applicant that has been granted an exemption under
12 this subsection on the basis that its bylaws provide for a
13 waiver or reduction, based on an individual's ability to
14 pay, of any entrance fee, assignment of assets, or fee for
15 services may be periodically reviewed by the Department to
16 determine if the waiver or reduction was a past policy or
17 is a current policy. The Department may revoke the
18 exemption if it finds that the policy for waiver or
19 reduction is no longer current.

20 If a not-for-profit organization leases property that
21 is otherwise exempt under this subsection to an
22 organization that conducts an activity on the leased
23 premises that would entitle the lessee to an exemption
24 from real estate taxes if the lessee were the owner of the
25 property, then the leased property is exempt.

26 (d) Not-for-profit health maintenance organizations

1 certified by the Director of the Illinois Department of
2 Insurance under the Health Maintenance Organization Act,
3 including any health maintenance organization that
4 provides services to members at prepaid rates approved by
5 the Illinois Department of Insurance if the membership of
6 the organization is sufficiently large or of indefinite
7 classes so that the community is benefited by its
8 operation. No exemption shall apply to any hospital or
9 health maintenance organization which has been adjudicated
10 by a court of competent jurisdiction to have denied
11 admission to any person because of race, color, creed, sex
12 or national origin.

13 (e) All free public libraries.

14 (f) Historical societies.

15 Property otherwise qualifying for an exemption under this
16 Section shall not lose its exemption because the legal title
17 is held (i) by an entity that is organized solely to hold that
18 title and that qualifies under paragraph (2) of Section 501(c)
19 of the Internal Revenue Code or its successor, whether or not
20 that entity receives rent from the charitable organization for
21 the repair and maintenance of the property, (ii) by an entity
22 that is organized as a partnership or limited liability
23 company, in which the charitable organization, or an affiliate
24 or subsidiary of the charitable organization, is a general
25 partner of the partnership or managing member of the limited
26 liability company, for the purposes of owning and operating a

1 residential rental property that has received an allocation of
2 Low Income Housing Tax Credits for 100% of the dwelling units
3 under Section 42 of the Internal Revenue Code of 1986, as
4 amended, or (iii) for any assessment year including and
5 subsequent to January 1, 1996 for which an application for
6 exemption has been filed and a decision on which has not become
7 final and nonappealable, by a limited liability company
8 organized under the Limited Liability Company Act provided
9 that (A) the limited liability company's sole member or
10 members, as that term is used in Section 1-5 of the Limited
11 Liability Company Act, are the institutions of public charity
12 that actually and exclusively use the property for charitable
13 and beneficent purposes; and (B) the limited liability company
14 does not lease the property or otherwise use it with a view to
15 profit.

16 The changes made by this amendatory Act of the 104th
17 General Assembly are declarative of existing law and shall be
18 applied retroactively where substantively applicable,
19 including all pending actions without regard to when the cause
20 of action accrued.

21 (Source: P.A. 103-954, eff. 8-9-24.)