

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 10-5 and by adding Division 20 of Article 10 as
6 follows:

7 (35 ILCS 200/10-5)

8 Sec. 10-5. Solar energy systems; definitions. It is the
9 policy of this State that the use of solar energy systems
10 should be encouraged because they conserve nonrenewable
11 resources, reduce pollution and promote the health and
12 well-being of the people of this State, and should be valued in
13 relation to these benefits.

14 (a) "Solar energy" means radiant energy received from the
15 sun at wave lengths suitable for heat transfer, photosynthetic
16 use, or photovoltaic use.

17 (b) "Solar collector" means

18 (1) An assembly, structure, or design, including
19 passive elements, used for gathering, concentrating, or
20 absorbing direct and indirect solar energy, specially
21 designed for holding a substantial amount of useful thermal
22 energy and to transfer that energy to a gas, solid, or
23 liquid or to use that energy directly; or

1 (2) A mechanism that absorbs solar energy and converts
2 it into electricity; or

3 (3) A mechanism or process used for gathering solar
4 energy through wind or thermal gradients; or

5 (4) A component used to transfer thermal energy to a
6 gas, solid, or liquid, or to convert it into electricity.

7 (c) "Solar storage mechanism" means equipment or elements
8 (such as piping and transfer mechanisms, containers, heat
9 exchangers, or controls thereof, and gases, solids, liquids, or
10 combinations thereof) that are utilized for storing solar
11 energy, gathered by a solar collector, for subsequent use.

12 (d) "Solar energy system" means

13 (1) (A) A complete assembly, structure, or design of
14 solar collector, or a solar storage mechanism, which uses
15 solar energy for generating electricity that is primarily
16 consumed on the property on which the solar energy system
17 resides, or for heating or cooling gases, solids, liquids,
18 or other materials for the primary benefit of the property
19 on which the solar energy system resides;

20 (B) The design, materials, or elements of a system and
21 its maintenance, operation, and labor components, and the
22 necessary components, if any, of supplemental conventional
23 energy systems designed or constructed to interface with a
24 solar energy system; and

25 (C) Any legal, financial, or institutional orders,
26 certificates, or mechanisms, including easements, leases,

1 and agreements, required to ensure continued access to
2 solar energy, its source, or its use in a solar energy
3 system, and including monitoring and educational elements
4 of a demonstration project.

5 (2) "Solar energy system" does not include

6 (A) Distribution equipment that is equally usable
7 in a conventional energy system except for those
8 components of the equipment that are necessary for
9 meeting the requirements of efficient solar energy
10 utilization; ~~and~~

11 (B) Components of a solar energy system that serve
12 structural, insulating, protective, shading,
13 aesthetic, or other non-solar energy utilization
14 purposes, as defined in the regulations of the
15 Department of Commerce and Economic Opportunity; ~~and-~~

16 (C) A commercial solar energy system, as defined by
17 this Code, in counties with fewer than 3,000,000
18 inhabitants.

19 (3) The solar energy system shall conform to the
20 standards for those systems established by regulation of
21 the Department of Commerce and Economic Opportunity.

22 (Source: P.A. 94-793, eff. 5-19-06.)

23 (35 ILCS 200/Art. 10 Div. 20 heading new)

24 Division 20. Commercial Solar Energy Systems

1 (35 ILCS 200/10-720 new)

2 Sec. 10-720. Definitions. For the purpose of this Division
3 20:

4 "Allowance for physical depreciation" means (i) the actual
5 age in years of the commercial solar energy system on the
6 assessment date divided by 25 years, multiplied by (ii) its
7 trended real property cost basis. The physical depreciation,
8 however, may not reduce the value of the commercial solar
9 energy system to less than 30% of its trended real property
10 cost basis.

11 "Commercial solar energy system" means any device or
12 assembly of devices that (i) is ground installed and (ii) uses
13 solar energy from the sun for generating electricity for the
14 primary purpose of wholesale or retail sale and not primarily
15 for consumption on the property on which the device or devices
16 reside.

17 "Commercial solar energy system real property cost basis"
18 means the owner of a commercial solar energy system's interest
19 in the land within the project boundaries and real property
20 improvements and shall be calculated at \$199,000 per megawatt
21 of nameplate capacity. For the purposes of this Section,
22 "nameplate capacity" has the same definition as found in
23 Section 1-10 of the Illinois Power Agency Act.

24 "Ground installed" means the installation of a commercial
25 solar energy system, with the primary purpose of solar energy
26 generation for wholesale or retail sale, on a parcel or tract

1 of land.

2 "Trended real property cost basis" means the commercial
3 solar energy system real property cost basis multiplied by the
4 trending factor.

5 "Trending factor" means a number equal to the Consumer
6 Price Index (U.S. city average all items) published by the
7 Bureau of Labor Statistics for the December immediately
8 preceding the assessment date, divided by the Consumer Price
9 Index (U.S. city average all items) published by the Bureau of
10 Labor Statistics for December of 2017.

11 (35 ILCS 200/10-725 new)

12 Sec. 10-725. Improvement valuation of commercial solar
13 energy systems in counties with fewer than 3,000,000
14 inhabitants. Beginning in assessment year 2018, the fair cash
15 value of commercial solar energy system improvements in
16 counties with fewer than 3,000,000 inhabitants shall be
17 determined by subtracting the allowance for physical
18 depreciation from the trended real property cost basis.
19 Functional obsolescence and external obsolescence of the solar
20 energy device may further reduce the fair cash value of the
21 commercial solar energy system improvements, to the extent they
22 are proved by the taxpayer by clear and convincing evidence.

23 (35 ILCS 200/10-730 new)

24 Sec. 10-730. Exempt properties. The provisions of this

1 Division do not apply to commercial solar energy systems that
2 are owned by any person or entity that is otherwise exempt from
3 taxation under this Code.

4 (35 ILCS 200/10-735 new)

5 Sec. 10-735. Commercial solar energy systems not subject to
6 equalization. Commercial solar energy systems assessable under
7 this Division are not subject to equalization factors applied
8 by the Department or any board of review, assessor, or chief
9 county assessment officer.

10 (35 ILCS 200/10-740 new)

11 Sec. 10-740. Survey for ground installed commercial solar
12 energy systems; parcel identification numbers for property
13 improved with a ground installed commercial solar energy
14 system. Notwithstanding any other provision of law, the owner
15 of the ground installed commercial solar energy system shall
16 commission a metes and bounds survey description of the land
17 upon which the commercial solar energy system is installed,
18 including access routes, over which the owner of the commercial
19 solar energy system has exclusive control. The owner of the
20 ground installed commercial solar energy system shall, at his
21 or her own expense, use an Illinois-registered land surveyor to
22 prepare the survey. The owner of the ground installed
23 commercial solar energy system shall deliver a copy of the
24 survey to the chief county assessment officer and to the owner

1 of the land upon which the ground installed commercial solar
2 energy system is constructed. Upon receiving a copy of the
3 survey, the chief county assessment officer shall issue
4 separate parcel identification numbers for the real property
5 improvements and the land containing the ground installed
6 commercial solar energy system to be used only for the purposes
7 of property assessment for taxation. The property records shall
8 contain the legal description of the commercial solar energy
9 system parcel and describe any leasehold interest or other
10 interest of the owner of the commercial solar energy system in
11 the property. A plat prepared under this Section shall not be
12 construed as a violation of the Plat Act.

13 (35 ILCS 200/10-745 new)

14 Sec. 10-745. Real estate taxes. Notwithstanding the
15 provisions of Section 9-175 of this Code, the owner of the
16 commercial solar energy system shall be liable for the real
17 estate taxes for the land and real property improvements of a
18 ground installed commercial solar energy system.
19 Notwithstanding the forgoing, the owner of the land upon which
20 a commercial solar energy system is installed may pay any
21 unpaid tax of the commercial solar energy system parcel prior
22 to the initiation of any tax sale proceedings.

23 (35 ILCS 200/10-750 new)

24 Sec. 10-750. Property assessed as farmland.

1 Notwithstanding any other provision of law, real property
2 assessed as farmland in accordance with Section 10-110 in the
3 assessment year prior to valuation under this Division shall
4 return to being assessed as farmland in accordance with Section
5 10-110 in the year following completion of the removal of the
6 commercial solar energy system as long as the property is
7 returned to a farm use as defined in Section 1-60 of this Act,
8 notwithstanding that the land was not used for farming for the
9 2 preceding years.

10 (35 ILCS 200/10-755 new)

11 Sec. 10-755. Abatements. Any taxing district, upon a
12 majority vote of its governing authority, may, after the
13 determination of the assessed valuation as set forth in this
14 Code, order the clerk of the appropriate municipality or county
15 to abate any portion of real property taxes otherwise levied or
16 extended by the taxing district on a commercial solar energy
17 system.

18 (35 ILCS 200/10-760 new)

19 Sec. 10-760. Applicability. The provisions of this
20 Division apply for assessment years 2018 through 2033.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.