



Sen. Toi W. Hutchinson

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LRB101 04288 HLH 58030 a

1 AMENDMENT TO SENATE BILL 527

2 AMENDMENT NO. _____. Amend Senate Bill 527 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by changing
5 Section 6z-59 as follows:

6 (30 ILCS 105/6z-59)

7 Sec. 6z-59. The Tax Recovery Fund. There is created in the
8 State treasury the Tax Recovery Fund. Through December 31, 2030
9 ~~December 31, 2020~~, all moneys received from the rental,
10 authorized under Section 2705-555 of the Department of
11 Transportation Law of the Civil Administrative Code of
12 Illinois, of land, buildings, or improvements on property held
13 for development of an airport in Will County by the Department
14 of Transportation shall be remitted to the State Treasurer for
15 payment into the Tax Recovery Fund. Subject to appropriation,
16 the moneys in the Fund shall be expended with the following

1 priority: (1) to compensate taxing districts for leasehold
2 taxes then (2) to the General Revenue Fund less any money
3 necessary to pay maintenance and repair costs for that real
4 property. The tax compensation shall be determined in
5 accordance with Sections 9-195 and 15-55 of the Property Tax
6 Code. Expenditures for these purposes may be made by Department
7 of Transportation without regard to the fiscal year in which
8 tax compensation liability and property maintenance and repair
9 costs were incurred. Unexpended moneys in the Fund shall not be
10 transferred or allocated by the Comptroller or Treasurer to any
11 other fund nor shall the Governor authorize the transfer or
12 allocation of those moneys to any other fund. After December
13 31, 2030 ~~December 31, 2020~~, all moneys received from the
14 rental, authorized under Section 2705-555 of the Department of
15 Transportation Law of the Civil Administrative Code of
16 Illinois, of land, buildings, or improvements on property held
17 for the development of an airport in Will County by the
18 Department of Transportation shall not be remitted to the Tax
19 Recovery Fund but shall instead be paid to the General Revenue
20 Fund. The balance remaining in the Tax Recovery Fund on
21 December 31, 2030 ~~December 31, 2020~~ shall first be expended to
22 compensate taxing districts for loss of revenue ~~leasehold taxes~~
23 for the 2030 ~~2020~~ tax assessment year, and then transferred to
24 the General Revenue Fund for the purpose of debt service on
25 State bonds issued to provide funds for airport land
26 acquisition in Will County.

1 (Source: P.A. 96-192, eff. 8-10-09.)

2 Section 10. The Property Tax Code is amended by changing
3 Section 15-55 as follows:

4 (35 ILCS 200/15-55)

5 Sec. 15-55. State property.

6 (a) All property belonging to the State of Illinois is
7 exempt. However, the State agency holding title shall file the
8 certificate of ownership and use required by Section 15-10,
9 together with a copy of any written lease or agreement, in
10 effect on March 30 of the assessment year, concerning parcels
11 of 1 acre or more, or an explanation of the terms of any oral
12 agreement under which the property is leased, subleased or
13 rented.

14 The leased property shall be assessed to the lessee and the
15 taxes thereon extended and billed to the lessee, and collected
16 in the same manner as for property which is not exempt. The
17 lessee shall be liable for the taxes and no lien shall attach
18 to the property of the State.

19 For the purposes of this Section, the word "leases"
20 includes licenses, franchises, operating agreements and other
21 arrangements under which private individuals, associations or
22 corporations are granted the right to use property of the
23 Illinois State Toll Highway Authority and includes all property
24 of the Authority used by others without regard to the size of

1 the leased parcel.

2 (b) However, all property of every kind belonging to the
3 State of Illinois, which is or may hereafter be leased to the
4 Illinois Prairie Path Corporation, shall be exempt from all
5 assessments, taxation or collection, despite the making of any
6 such lease, if it is used for:

7 (1) conservation, nature trail or any other
8 charitable, scientific, educational or recreational
9 purposes with public benefit, including the preserving and
10 aiding in the preservation of natural areas, objects,
11 flora, fauna or biotic communities;

12 (2) the establishment of footpaths, trails and other
13 protected areas;

14 (3) the conservation of the proper use of natural
15 resources or the promotion of the study of plant and animal
16 communities and of other phases of ecology, natural history
17 and conservation;

18 (4) the promotion of education in the fields of nature,
19 preservation and conservation; or

20 (5) similar public recreational activities conducted
21 by the Illinois Prairie Path Corporation.

22 No lien shall attach to the property of the State. No tax
23 liability shall become the obligation of or be enforceable
24 against Illinois Prairie Path Corporation.

25 (c) If the State sells the James R. Thompson Center or the
26 Elgin Mental Health Center and surrounding land located at 750

1 S. State Street, Elgin, Illinois, as provided in subdivision
2 (a) (2) of Section 7.4 of the State Property Control Act, to
3 another entity whose property is not exempt and immediately
4 thereafter enters into a leaseback or other agreement that
5 directly or indirectly gives the State a right to use, control,
6 and possess the property, that portion of the property leased
7 and occupied exclusively by the State shall remain exempt under
8 this Section. For the property to remain exempt under this
9 subsection (c), the State must retain an option to purchase the
10 property at a future date or, within the limitations period for
11 reverters, the property must revert back to the State.

12 If the property has been conveyed as described in this
13 subsection (c), the property is no longer exempt pursuant to
14 this Section as of the date when:

15 (1) the right of the State to use, control, and possess
16 the property has been terminated; or

17 (2) the State no longer has an option to purchase or
18 otherwise acquire the property and there is no provision
19 for a reverter of the property to the State within the
20 limitations period for reverters.

21 Pursuant to Sections 15-15 and 15-20 of this Code, the
22 State shall notify the chief county assessment officer of any
23 transaction under this subsection (c). The chief county
24 assessment officer shall determine initial and continuing
25 compliance with the requirements of this Section for tax
26 exemption. Failure to notify the chief county assessment

1 officer of a transaction under this subsection (c) or to
2 otherwise comply with the requirements of Sections 15-15 and
3 15-20 of this Code shall, in the discretion of the chief county
4 assessment officer, constitute cause to terminate the
5 exemption, notwithstanding any other provision of this Code.

6 (c-1) If the Illinois State Toll Highway Authority sells
7 the Illinois State Toll Highway Authority headquarters
8 building and surrounding land, located at 2700 Ogden Avenue,
9 Downers Grove, Illinois as provided in subdivision (a)(2) of
10 Section 7.5 of the State Property Control Act, to another
11 entity whose property is not exempt and immediately thereafter
12 enters into a leaseback or other agreement that directly or
13 indirectly gives the State or the Illinois State Toll Highway
14 Authority a right to use, control, and possess the property,
15 that portion of the property leased and occupied exclusively by
16 the State or the Authority shall remain exempt under this
17 Section. For the property to remain exempt under this
18 subsection (c), the Authority must retain an option to purchase
19 the property at a future date or, within the limitations period
20 for reverters, the property must revert back to the Authority.

21 If the property has been conveyed as described in this
22 subsection (c), the property is no longer exempt pursuant to
23 this Section as of the date when:

24 (1) the right of the State or the Authority to use,
25 control, and possess the property has been terminated; or

26 (2) the Authority no longer has an option to purchase

1 or otherwise acquire the property and there is no provision
2 for a reverter of the property to the Authority within the
3 limitations period for reverters.

4 Pursuant to Sections 15-15 and 15-20 of this Code, the
5 Authority shall notify the chief county assessment officer of
6 any transaction under this subsection (c). The chief county
7 assessment officer shall determine initial and continuing
8 compliance with the requirements of this Section for tax
9 exemption. Failure to notify the chief county assessment
10 officer of a transaction under this subsection (c) or to
11 otherwise comply with the requirements of Sections 15-15 and
12 15-20 of this Code shall, in the discretion of the chief county
13 assessment officer, constitute cause to terminate the
14 exemption, notwithstanding any other provision of this Code.

15 (d) For tax years prior to 2019, the ~~The~~ fair market rent
16 of each parcel of real property in Will County owned by the
17 State of Illinois for the purpose of developing an airport by
18 the Department of Transportation shall include the assessed
19 value of leasehold tax. The lessee of each parcel of real
20 property in Will County owned by the State of Illinois for the
21 purpose of developing an airport by the Department of
22 Transportation shall not be liable for the taxes thereon. In
23 order for the State to compensate taxing districts for the loss
24 of revenue ~~leasehold tax~~ under this paragraph, the Will County
25 Supervisor of Assessments shall annually certify, in writing,
26 to the Department of Transportation, the following amounts: (1)

1 for tax years prior to 2019, the ~~the~~ amount of leasehold taxes
2 extended for the 2002 property tax year for each such exempt
3 parcel; and (2) for tax years 2019 through 2030, the amount of
4 taxes that would have been extended for the current tax year
5 for each such exempt parcel if those parcels had been owned by
6 a person whose property is not exempt. The Department of
7 Transportation shall pay to the Will County Treasurer, from the
8 Tax Recovery Fund, on or before July 1 of each year, the amount
9 ~~of leasehold taxes for each such exempt parcel as~~ certified by
10 the Will County Supervisor of Assessments. The tax compensation
11 shall terminate on December 31, 2030 ~~December 31, 2020~~. It is
12 the duty of the Department of Transportation to file with the
13 Office of the Will County Supervisor of Assessments an
14 affidavit stating the termination date for rental of each such
15 parcel due to airport construction. The affidavit shall include
16 the property identification number for each such parcel. In no
17 instance shall tax compensation for property owned by the State
18 be deemed delinquent or bear interest. In no instance shall a
19 lien attach to the property of the State. In no instance shall
20 the State be required to pay ~~leasehold tax~~ compensation under
21 this subsection in excess of the Tax Recovery Fund's balance.

22 (e) Public Act 81-1026 applies to all leases or agreements
23 entered into or renewed on or after September 24, 1979.

24 (f) Notwithstanding anything to the contrary in this Code,
25 all property owned by the State that is the Illiana Expressway,
26 as defined in the Public Private Agreements for the Illiana

1 Expressway Act, and that is used for transportation purposes
2 and that is leased for those purposes to another entity whose
3 property is not exempt shall remain exempt, and any leasehold
4 interest in the property shall not be subject to taxation under
5 Section 9-195 of this Act.

6 (g) Notwithstanding anything to the contrary in this
7 Section, all property owned by the State or the Illinois State
8 Toll Highway Authority that is defined as a transportation
9 project under the Public-Private Partnerships for
10 Transportation Act and that is used for transportation purposes
11 and that is leased for those purposes to another entity whose
12 property is not exempt shall remain exempt, and any leasehold
13 interest in the property shall not be subject to taxation under
14 Section 9-195 of this Act.

15 (h) Notwithstanding anything to the contrary in this Code,
16 all property owned by the State that is the South Suburban
17 Airport, as defined in the Public-Private Agreements for the
18 South Suburban Airport Act, and that is used for airport
19 purposes and that is leased for those purposes to another
20 entity whose property is not exempt shall remain exempt, and
21 any leasehold interest in the property shall not be subject to
22 taxation under Section 9-195 of this Act.

23 (Source: P.A. 97-502, eff. 8-23-11; 98-109, eff. 7-25-13.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law."