

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 15-185 as follows:

6 (35 ILCS 200/15-185)

7 Sec. 15-185. Exemption for leaseback property and  
8 qualified leased property.

9 (a) Notwithstanding anything in this Code to the contrary,  
10 all property owned by a municipality with a population of over  
11 500,000 inhabitants, a unit of local government whose  
12 jurisdiction includes territory located in whole or in part  
13 within a municipality with a population of over 500,000  
14 inhabitants, or a municipality with home rule powers that is  
15 contiguous to a municipality with a population of over 500,000  
16 inhabitants, shall remain exempt from taxation and any  
17 leasehold interest in that property shall not be subject to  
18 taxation under Section 9-195 if the property is directly or  
19 indirectly leased, sold, or otherwise transferred to another  
20 entity whose property is not exempt and immediately thereafter  
21 is the subject of a leaseback or other agreement that directly  
22 or indirectly gives the municipality or unit of local  
23 government (i) a right to use, control, and possess the

1 property or (ii) a right to require the other entity, or the  
2 other entity's designee or assignee, to use the property in the  
3 performance of services for the municipality or unit of local  
4 government. Property shall no longer be exempt under this  
5 subsection as of the date when the right of the municipality or  
6 unit of local government to use, control, and possess the  
7 property or to require the performance of services is  
8 terminated and the municipality or unit of local government no  
9 longer has any option to purchase or otherwise reacquire the  
10 interest in the property which was transferred by the  
11 municipality or unit of local government.

12 (b) Notwithstanding anything in this Code to the contrary,  
13 all property owned by a municipality with a population of over  
14 500,000 inhabitants, a unit of local government whose  
15 jurisdiction includes territory located in whole or in part  
16 within a municipality with a population of over 500,000  
17 inhabitants, or a municipality with home rule powers that is  
18 contiguous to a municipality with a population of over 500,000  
19 inhabitants, shall remain exempt from taxation and any  
20 leasehold interest in that property is not subject to taxation  
21 under Section 9-195 if the property, including dedicated public  
22 property, is used by a municipality or other unit of local  
23 government for the purpose of an airport or parking or for  
24 waste disposal or processing and is leased for continued use  
25 for the same purpose to another entity whose property is not  
26 exempt. If any portion of the property is used for a purpose

1 other than an exempt purpose identified in this subsection,  
2 that portion of the property shall be subject to taxation under  
3 Section 9-195 for the period of time during which it is used  
4 for that non-exempt purpose; provided, however, that the use of  
5 a portion of such property for a non-exempt purpose shall have  
6 no effect on (i) the exemption of the remaining portion of the  
7 property that continues to be used for an exempt purpose, as  
8 identified in this subsection, or (ii) the future exemption of  
9 that same portion of the property if it ceases to be used for a  
10 non-exempt purpose and returned to use for an exempt purpose as  
11 identified in this subsection. No taxes shall be assessed on  
12 any portion of the property identified in this subsection prior  
13 to the effective date of this amendatory Act of the 101st  
14 General Assembly.

15 For the purposes of this subsection (b), "airport" does not  
16 include any airport property, as defined under Section 10 of  
17 the O'Hare Modernization Act.

18 Any transaction described under this subsection must be  
19 undertaken in accordance with all appropriate federal laws and  
20 regulations.

21 (c) For purposes of this Section, "municipality" means a  
22 municipality as defined in Section 1-1-2 of the Illinois  
23 Municipal Code, and "unit of local government" means a unit of  
24 local government as defined in Article VII, Section 1 of the  
25 Constitution of the State of Illinois. The provisions of this  
26 Section supersede and control over any conflicting provisions

1 of this Code.

2 (Source: P.A. 96-779, eff. 8-28-09.)