



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3257

Introduced 2/19/2021, by Rep. Jay Hoffman

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-35

Amends the Property Tax Code. Provides that dormitories, residence halls, and other housing facilities, whether owned by the school or not, are exempt if: (1) the dormitory, residence hall, or other housing facility is approved by the school; (2) the dormitory, residence hall, or other housing facility is owned and operated by a nonprofit organization; and (3) the dormitory, residence hall, or other housing facility is occupied in whole or in part as living quarters by students who belong to fraternities, sororities, or other campus organizations. Effective immediately.

LRB102 13584 HLH 18932 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 15-35 as follows:

6 (35 ILCS 200/15-35)

7 Sec. 15-35. Schools. All property donated by the United
8 States for school purposes, and all property of schools, not
9 sold or leased or otherwise used with a view to profit, is
10 exempt, whether owned by a resident or non-resident of this
11 State or by a corporation incorporated in any state of the
12 United States. Also exempt is:

13 (a) property of schools which is leased to a
14 municipality to be used for municipal purposes on a
15 not-for-profit basis;

16 (b) property of schools on which the schools are
17 located and any other property of schools used by the
18 schools exclusively for school purposes, including, but
19 not limited to: (1) ~~τ~~ student residence halls, dormitories
20 and other housing facilities for students and their
21 spouses and children; (2) ~~τ~~ staff housing facilities; (3)
22 ~~τ~~ ~~and~~ school-owned and operated dormitory or residence
23 halls occupied in whole or in part by students who belong

1 to fraternities, sororities, or other campus
2 organizations; and (4) dormitories, residence halls, and
3 other housing facilities, whether owned by the school or
4 not, that meet the following criteria:

5 (A) the dormitory, residence hall, or other
6 housing facility is approved by the school;

7 (B) the dormitory, residence hall, or other
8 housing facility is owned and operated by a nonprofit
9 organization; and

10 (C) the dormitory, residence hall, or other
11 housing facility is occupied in whole or in part as
12 living quarters by students who belong to
13 fraternities, sororities, or other campus
14 organizations.

15 (c) property donated, granted, received or used for
16 public school, college, theological seminary, university,
17 or other educational purposes, whether held in trust or
18 absolutely;

19 (d) in counties with more than 200,000 inhabitants
20 which classify property, property (including interests in
21 land and other facilities) on or adjacent to (even if
22 separated by a public street, alley, sidewalk, parkway or
23 other public way) the grounds of a school, if that
24 property is used by an academic, research or professional
25 society, institute, association or organization which
26 serves the advancement of learning in a field or fields of

1 study taught by the school and which property is not used
2 with a view to profit;

3 (e) property owned by a school district. The exemption
4 under this subsection is not affected by any transaction
5 in which, for the purpose of obtaining financing, the
6 school district, directly or indirectly, leases or
7 otherwise transfers the property to another for which or
8 whom property is not exempt and immediately after the
9 lease or transfer enters into a leaseback or other
10 agreement that directly or indirectly gives the school
11 district a right to use, control, and possess the
12 property. In the case of a conveyance of the property, the
13 school district must retain an option to purchase the
14 property at a future date or, within the limitations
15 period for reverters, the property must revert back to the
16 school district.

17 (1) If the property has been conveyed as described
18 in this subsection, the property is no longer exempt
19 under this Section as of the date when:

20 (A) the right of the school district to use,
21 control, and possess the property is terminated;

22 (B) the school district no longer has an
23 option to purchase or otherwise acquire the
24 property; and

25 (C) there is no provision for a reverter of
26 the property to the school district within the

1 limitations period for reverters.

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

15 (3) No provision of this subsection shall be
16 construed to affect the obligation of the school
17 district to which an exemption certificate has been
18 issued under this Section from its obligation under
19 Section 15-10 of this Code to file an annual
20 certificate of status or to notify the chief county
21 assessment officer of transfers of interest or other
22 changes in the status of the property as required by
23 this Code.

24 (4) The changes made by this amendatory Act of the
25 91st General Assembly are declarative of existing law
26 and shall not be construed as a new enactment; and

1 (f) in counties with more than 200,000 inhabitants
2 which classify property, property of a corporation, which
3 is an exempt entity under paragraph (3) of Section 501(c)
4 of the Internal Revenue Code or its successor law, used by
5 the corporation for the following purposes: (1) conducting
6 continuing education for professional development of
7 personnel in energy-related industries; (2) maintaining a
8 library of energy technology information available to
9 students and the public free of charge; and (3) conducting
10 research in energy and environment, which research results
11 could be ultimately accessible to persons involved in
12 education.

13 (Source: P.A. 91-513, eff. 8-13-99; 91-578, eff. 8-14-99;
14 92-16, eff. 6-28-01.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.