



Sen. Bill Cunningham

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10200SB0665sam004

LRB102 15453 AWJ 25574 a

1 AMENDMENT TO SENATE BILL 665

2 AMENDMENT NO. _____. Amend Senate Bill 665, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Property Tax Code is amended by changing
6 Section 15-65 as follows:

7 (35 ILCS 200/15-65)

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

12 (a) Institutions of public charity.

13 (b) Beneficent and charitable organizations
14 incorporated in any state of the United States, including
15 organizations whose owner, and no other person, uses the
16 property exclusively for the distribution, sale, or resale

1 of donated goods and related activities and uses all the
2 income from those activities to support the charitable,
3 religious or beneficent activities of the owner, whether
4 or not such activities occur on the property.

5 (c) Old people's homes, facilities for persons with a
6 developmental disability, and not-for-profit
7 organizations providing services or facilities related to
8 the goals of educational, social and physical development,
9 if, upon making application for the exemption, the
10 applicant provides affirmative evidence that the home or
11 facility or organization is an exempt organization under
12 paragraph (3) of Section 501(c) of the Internal Revenue
13 Code or its successor, and either: (i) the bylaws of the
14 home or facility or not-for-profit organization provide
15 for a waiver or reduction, based on an individual's
16 ability to pay, of any entrance fee, assignment of assets,
17 or fee for services, or (ii) the home or facility is
18 qualified, built or financed under Section 202 of the
19 National Housing Act of 1959, as amended.

20 An applicant that has been granted an exemption under
21 this subsection on the basis that its bylaws provide for a
22 waiver or reduction, based on an individual's ability to
23 pay, of any entrance fee, assignment of assets, or fee for
24 services may be periodically reviewed by the Department to
25 determine if the waiver or reduction was a past policy or
26 is a current policy. The Department may revoke the

1 exemption if it finds that the policy for waiver or
2 reduction is no longer current.

3 If a not-for-profit organization leases property that
4 is otherwise exempt under this subsection to an
5 organization that conducts an activity on the leased
6 premises that would entitle the lessee to an exemption
7 from real estate taxes if the lessee were the owner of the
8 property, then the leased property is exempt.

9 (d) Not-for-profit health maintenance organizations
10 certified by the Director of the Illinois Department of
11 Insurance under the Health Maintenance Organization Act,
12 including any health maintenance organization that
13 provides services to members at prepaid rates approved by
14 the Illinois Department of Insurance if the membership of
15 the organization is sufficiently large or of indefinite
16 classes so that the community is benefited by its
17 operation. No exemption shall apply to any hospital or
18 health maintenance organization which has been adjudicated
19 by a court of competent jurisdiction to have denied
20 admission to any person because of race, color, creed, sex
21 or national origin.

22 (e) All free public libraries.

23 (f) Historical societies.

24 (g) Cultivation and sale of fresh fruits and
25 vegetables. A vacant lot that is leased from a
26 municipality or owned by a nonprofit corporation or

1 association for the cultivation, sale, or cultivation and
2 sale of fresh fruits and vegetables under Section 11-11-4
3 of the Illinois Municipal Code is exempt when actually and
4 exclusively used for such purposes. To qualify for the
5 exemption, the nonprofit corporation or association must
6 verify that it is not controlled, directly or indirectly,
7 by any agricultural, commercial, or other business. The
8 nonprofit corporation or association must also verify
9 that, if the fresh fruits or vegetables are sold, any
10 profits are used to further the mission of the exempt
11 organization.

12 Property otherwise qualifying for an exemption under this
13 Section shall not lose its exemption because the legal title
14 is held (i) by an entity that is organized solely to hold that
15 title and that qualifies under paragraph (2) of Section 501(c)
16 of the Internal Revenue Code or its successor, whether or not
17 that entity receives rent from the charitable organization for
18 the repair and maintenance of the property, (ii) by an entity
19 that is organized as a partnership or limited liability
20 company, in which the charitable organization, or an affiliate
21 or subsidiary of the charitable organization, is a general
22 partner of the partnership or managing member of the limited
23 liability company, for the purposes of owning and operating a
24 residential rental property that has received an allocation of
25 Low Income Housing Tax Credits for 100% of the dwelling units
26 under Section 42 of the Internal Revenue Code of 1986, as

1 amended, or (iii) for any assessment year including and
2 subsequent to January 1, 1996 for which an application for
3 exemption has been filed and a decision on which has not become
4 final and nonappealable, by a limited liability company
5 organized under the Limited Liability Company Act provided
6 that (A) the limited liability company's sole member or
7 members, as that term is used in Section 1-5 of the Limited
8 Liability Company Act, are the institutions of public charity
9 that actually and exclusively use the property for charitable
10 and beneficent purposes; (B) the limited liability company is
11 a disregarded entity for federal and Illinois income tax
12 purposes and, as a result, the limited liability company is
13 deemed exempt from income tax liability by virtue of the
14 Internal Revenue Code Section 501(c)(3) status of its sole
15 member or members; and (C) the limited liability company does
16 not lease the property or otherwise use it with a view to
17 profit.

18 (Source: P.A. 96-763, eff. 8-25-09.)

19 Section 10. The Illinois Municipal Code is amended by
20 adding Section 11-11-4 as follows:

21 (65 ILCS 5/11-11-4 new)

22 Sec. 11-11-4. Lease, conveyance, or sale of property for
23 cultivation and sale of fresh fruits and vegetables.

24 (a) As used in this Section, "vacant lot" means all or any

1 part of municipal-owned property, with or without
2 improvements, not then needed for municipal purposes, as
3 determined by the city council of a municipality.

4 (b) A city council may, by resolution or ordinance,
5 authorize a leasehold to be made with a nonprofit corporation
6 or association for a term not in excess of 25 years, and
7 extended in increments of no more than 25 years, by ordinance
8 or resolution thereafter for one or more of the following
9 purposes:

10 (1) The cultivation or use of a vacant lot for
11 gardening fruits and vegetables.

12 (2) The use of a vacant lot to sell fresh fruits and
13 vegetables. Any lease entered into pursuant to this
14 paragraph may permit the nonprofit corporation or
15 association to sell fresh fruits and vegetables on the
16 leased land, off the leased land, or both, if the sales are
17 related and incidental to the nonprofit purposes of the
18 corporation or association and the net proceeds received
19 by the nonprofit corporation or association are used to
20 further the nonprofit purposes of the corporation or
21 association.

22 (c) A city council may, by resolution or ordinance,
23 authorize a private sale or conveyance of a vacant lot, or any
24 part thereof, for nominal consideration, without compliance
25 with any other law governing disposal of lands by
26 municipalities requiring adequate consideration, to a

1 nonprofit corporation or association for use for one or more
2 of the following purposes:

3 (1) The cultivation or use of the lot for gardening
4 fruits and vegetables.

5 (2) The use of the lot to sell fresh fruits and
6 vegetables. Any sale or conveyance entered into pursuant
7 to this paragraph may permit the nonprofit corporation or
8 association to sell fresh fruits and vegetables on the
9 lot, off the lot, or both, provided, that: (i) the sales
10 are related and incidental to the purpose of the nonprofit
11 corporation or association and (ii) the net proceeds
12 received by the nonprofit corporation or association are
13 used to further the purposes of the nonprofit corporation
14 or association.

15 Any conveyance or sale of property pursuant to this
16 subsection shall contain a limitation that the property shall
17 only be used by the nonprofit corporation or association for
18 one or more of the following purposes: (i) the cultivation of
19 land for gardening fruits and vegetables; or (ii) the sale of
20 fresh fruits and vegetables. If it is determined by the city
21 council of the municipality that the property is being used
22 for any purpose other than the purposes set forth in this
23 subsection, its full right and title shall revert back to the
24 municipality without any entry or reentry made on the property
25 on behalf of the municipality.

26 Whenever a sale of property is proposed pursuant to this

1 subsection, the municipality shall give at least 10 days'
2 notice of such sale prior to a public hearing where an
3 ordinance or resolution approving the sale is adopted.

4 Property subject to an unexpired lease under subsection
5 (b) is not eligible to be sold under this subsection, unless
6 the lease would allow such a sale.

7 (d) A nonprofit organization or association leasing,
8 conveyed, or sold a lot under this Section may not be
9 controlled, directly or indirectly, by any agricultural,
10 commercial, or other business. The nonprofit organization or
11 association must also include among its principal purposes the
12 cultivation, sale, or cultivation and sale of fresh fruits and
13 vegetables.

14 (e) A nonprofit organization or association leasing,
15 conveyed, or sold a lot under this Section is authorized to
16 sell fresh fruits and vegetables either on the land, off the
17 land, or both, and the sales must be related and incidental to
18 the nonprofit purposes of the organization or association and
19 the net proceeds received by the nonprofit organization or
20 association must be used to further the nonprofit purposes of
21 the organization or association.

22 (f) Property leased, conveyed, or sold under this Section
23 may be exempt from property taxation if the requirements of
24 subsection (g) of Section 15-65 of the Property Tax Code are
25 sufficiently met and the property is actually and exclusively
26 used for the cultivation, sale, or cultivation and sale of

1 fresh fruits and vegetables.".