

SB3627



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3627

Introduced 1/19/2022, by Sen. John Connor

SYNOPSIS AS INTRODUCED:

35 ILCS 200/Art. 10 Div. 21 heading new
35 ILCS 200/10-800 new
35 ILCS 200/10-805 new
35 ILCS 200/10-810 new
35 ILCS 200/10-815 new
35 ILCS 200/10-820 new

Amends the Property Tax Code. Creates valuation procedures for eligible energy storage systems. Provides that an "eligible energy storage system" means commercially available technology that is capable of absorbing energy and storing a capacity of up to 2 megawatts for use at a later time, including, but not limited to, electrochemical, thermal, and electromechanical technologies. Effective immediately.

LRB102 24481 HLH 33715 b

A BILL FOR

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 adding
5 Division 21 to Article 10 as follows:

6 (35 ILCS 200/Art. 10 Div. 21 heading new)

7 Division 21. Eligible energy storage system

8 (35 ILCS 200/10-800 new)

9 Sec. 10-800. Policy; definitions.

10 (a) It is the policy of this State that the use of energy
11 storage systems should be encouraged because they increase the
12 reliability of the State's electrical grid, expedite and
13 assist in the implementation of renewable energy sources, and
14 thereby promote the health and well-being of the people of
15 this State and should be valued in relation to these benefits.

16 (b) For the purposes of this Division 21:

17 "2021 real property cost basis" excludes personal property
18 but represents both the land and real property improvements of
19 an eligible energy storage system and means \$500,000 per
20 megawatt of nameplate capacity.

21 "Allowance for physical depreciation" means (i) the actual
22 age in years of the eligible energy storage system on the

1 assessment date divided by 25 years multiplied by (ii) the
2 trended real property cost basis. The physical depreciation,
3 however, may not reduce the value of the eligible energy
4 storage system to less than 30% of the trended real property
5 cost basis.

6 "Eligible energy storage system" means commercially
7 available technology that is capable of absorbing energy and
8 storing a capacity of up to 2 megawatts for use at a later
9 time, including, but not limited to, electrochemical, thermal,
10 and electromechanical technologies, and may be interconnected
11 behind the customer's meter or interconnected behind its own
12 meter. Energy storage systems owned, operated, or constructed
13 by the owners or affiliates of electric generating facilities
14 that are eligible to supply renewable energy credits or
15 pursuant to subsection (c-5) of Section 1-75 of the Illinois
16 Power Agency Act and energy storage systems located adjacent
17 to electric generating facilities that are eligible to supply
18 renewable energy credits pursuant to subsection (c-5) of
19 Section 1-75 of the Illinois Power Agency Act are not
20 considered "eligible energy storage systems" for purposes of
21 this Division 21.

22 "Trended real property cost basis" means the 2021 real
23 property cost basis multiplied by the trending factor.

24 "Trending factor" means a number equal to the Consumer
25 Price Index (U.S. city average all items) published by the
26 Bureau of Labor Statistics for the December immediately

1 preceding the assessment date, divided by the Consumer Price
2 Index (U.S. city average all items) published by the Bureau of
3 Labor Statistics for December 2021.

4 (35 ILCS 200/10-805 new)

5 Sec. 10-805. Valuation of eligible energy storage system.
6 Beginning in assessment year 2021, the fair cash value of
7 eligible energy storage systems shall be determined by
8 subtracting the allowance for physical depreciation from the
9 trended real property cost basis. Functional obsolescence and
10 external obsolescence may further reduce the fair cash value
11 of the eligible energy storage system to the extent those
12 factors are proved by the taxpayer by clear and convincing
13 evidence.

14 (35 ILCS 200/10-810 new)

15 Sec. 10-810. Applicability.

16 (a) The provisions of this Division apply for assessment
17 years 2021 through 2040.

18 (b) The provisions of this Division do not apply to
19 eligible energy storage systems that are owned by any person
20 or entity that is otherwise exempt from taxation under this
21 Code.

22 (35 ILCS 200/10-815 new)

23 Sec. 10-815. Not subject to equalization. An eligible

1 energy storage system is not subject to equalization. Eligible
2 energy storage system assessable property is not subject to
3 equalization factors applied by the Department or any board of
4 review, assessor, or chief county assessment officer.

5 (35 ILCS 200/10-820 new)

6 Sec. 10-820. Platting requirements; parcel identification
7 numbers. The owner of an eligible energy storage system shall,
8 at his or her own expense, use an Illinois registered land
9 surveyor to prepare a plat showing the metes and bounds
10 description, including access routes, of the area immediately
11 surrounding the eligible energy storage system or systems over
12 which that owner has exclusive control; provided that such
13 platting does not constitute a subdivision of land subject to
14 the provisions of the Plat Act. Within 60 days after
15 completion of construction of the eligible energy storage
16 system, the owner of the eligible energy storage system shall
17 record the plat and deliver a copy of it to the chief county
18 assessment officer and to the owner of the land surrounding
19 the newly platted area. Upon receiving a copy of the plat, the
20 chief county assessment officer shall issue a separate parcel
21 identification number or numbers for the property containing
22 the eligible energy storage system or systems.

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