



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2859

Introduced 1/19/2024, by Sen. Steve McClure

SYNOPSIS AS INTRODUCED:

35 ILCS 200/11-145
35 ILCS 200/Art. 11 Div. 5 heading new
35 ILCS 200/11-175 new
35 ILCS 200/11-180 new
35 ILCS 200/11-185 new
35 ILCS 200/11-190 new
35 ILCS 200/11-195 new
35 ILCS 200/11-200 new
35 ILCS 200/11-205 new
35 ILCS 200/11-210 new

Amends the Property Tax Code. Provides that regional wastewater facilities shall be valued at 33 1/3% of the fair cash value of the facility, with consideration given to the probable net value that could be realized by the owner if the facility were removed and sold at a fair, voluntary sale, giving due account to the expense of removal, site restoration, and transportation. Provides that the alternate valuation for qualifying water treatment facilities applies only to the qualifying water treatment facility itself and not to the land on which the facility is located. Effective immediately.

LRB103 36419 HLH 66521 b

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 11-145 and by adding Division 5 to Article 11 as
6 follows:

7 (35 ILCS 200/11-145)

8 Sec. 11-145. Method of valuation for qualifying water
9 treatment facilities. To determine 33 1/3% of the fair cash
10 value of any qualifying water treatment facility in assessing
11 the facility, the Department shall take into consideration the
12 probable net value that could be realized by the owner if the
13 facility were removed and sold at a fair, voluntary sale,
14 giving due account to the expense of removal, site
15 restoration, and transportation. The net value shall be
16 considered to be 33 1/3% of fair cash value. The valuation
17 under this Section applies only to the qualifying water
18 treatment facility itself and not to the land on which the
19 facility is located.

20 (Source: P.A. 92-278, eff. 1-1-02.)

21 (35 ILCS 200/Art. 11 Div. 5 heading new)

22 Division 5. Regional wastewater facilities

1 (35 ILCS 200/11-175 new)

2 Sec. 11-175. Legislative findings. The General Assembly
3 finds that it is the policy of the State to ensure and
4 encourage the availability of means for the safe collection,
5 treatment, and disposal of domestic, commercial, and
6 industrial sewage and waste for our cities, villages, towns,
7 and rural residents and that it has become increasingly
8 difficult and cost prohibitive for smaller cities, towns, and
9 villages to construct, maintain, or operate, to current
10 standards, wastewater facilities. The General Assembly further
11 finds that regional facilities capable of serving several
12 cities, villages, towns, municipal joint sewage treatment
13 agencies, municipal sewer commissions, sanitary districts, and
14 rural wastewater companies offer a viable economic solution to
15 this concern. For these reasons, the General Assembly declares
16 it to be the policy of the State to encourage the construction
17 and operation of regional wastewater facilities capable of
18 providing for the safe collection, treatment, and disposal of
19 domestic, commercial, and industrial sewage and waste for
20 cities, villages, towns, municipal joint sewage treatment
21 agencies, municipal sewer commissions, sanitary districts, and
22 rural wastewater companies thereby relieving the burden on
23 those entities and their citizens from constructing and
24 maintaining their own individual wastewater facilities.

1 (35 ILCS 200/11-180 new)

2 Sec. 11-180. Definitions. As used in this Division:

3 "Department" means the Department of Revenue.

4 "Municipal joint sewage treatment agency" means a
5 municipal joint sewage treatment agency organized and existing
6 under the Intergovernmental Cooperation Act.

7 "Municipal sewer commission" means a sewer commission
8 organized and existing under Division 136 of Article 11
9 Illinois Municipal Code.

10 "Not-for-profit corporation" means an Illinois corporation
11 organized and existing under the General Not For Profit
12 Corporation Act of 1986 that is in good standing with the State
13 and has been granted status as an exempt organization under
14 Section 501(c) of the Internal Revenue Code or any successor
15 or similar provision of the Internal Revenue Code.

16 "Qualifying wastewater facility" means a wastewater
17 facility that collects, treats, or disposes of domestic,
18 commercial, and industrial sewage and waste on behalf of the
19 corporation's members on a mutual or cooperative and
20 not-for-profit basis and that is owned by a not-for-profit
21 corporation whose members consist exclusively of one or more
22 incorporated cities, villages, or towns of this State,
23 municipal joint sewage treatment agencies, municipal sewer
24 commissions, sanitary districts, or rural wastewater
25 companies.

26 "Rural wastewater company" means a not-for-profit

1 corporation whose primary purpose is to own, maintain, and
2 operate a system for the collection, treatment, and disposal
3 of sewage and industrial waste from residences, farms, or
4 businesses exclusively in the State of Illinois and not
5 otherwise served by any city, village, town, municipal joint
6 sewage treatment agency, municipal sewer commission, or
7 sanitary district.

8 "Sanitary district" means a sanitary district organized
9 and existing under the Sanitary District Act of 1907.

10 "Wastewater facility" means a plant or facility whose
11 primary function is to collect, treat, or dispose of domestic,
12 commercial, and industrial sewage and waste, together with all
13 other real and personal property reasonably necessary to
14 collect, treat, or dispose of the sewage and waste.

15 (35 ILCS 200/11-185 new)

16 Sec. 11-185. Valuation of qualifying wastewater
17 facilities. For purposes of computing the assessed valuation,
18 qualifying wastewater facilities shall be valued at 33 1/3% of
19 the fair cash value of the facility. To determine 33 1/3% of
20 the fair cash value of a qualifying wastewater facility, the
21 Department shall take into consideration the probable net
22 value that could be realized by the owner if the facility were
23 removed and sold at a fair, voluntary sale, giving due account
24 to the expenses incurred for removal, site restoration, and
25 transportation. The valuation under this Section applies only

1 to the qualifying wastewater facility itself and not to the
2 land on which the facility is located.

3 (35 ILCS 200/11-190 new)

4 Sec. 11-190. Exclusion of for-profit wastewater
5 facilities. This Division does not apply to a wastewater
6 facility that collects, treats, or disposes of domestic,
7 commercial, and industrial sewage and waste for profit.

8 (35 ILCS 200/11-195 new)

9 Sec. 11-195. Assessment authority. For assessment
10 purposes, a qualifying wastewater facility shall provide proof
11 of a valid facility number issued by the Illinois
12 Environmental Protection Agency and shall be assessed by the
13 Department.

14 (35 ILCS 200/11-200 new)

15 Sec. 11-200. Application procedure; assessment by the
16 Department. Applications for assessment as a qualifying
17 wastewater facility shall be filed with the Department in the
18 manner and form prescribed by the Department. The application
19 shall contain appropriate documentation that the applicant has
20 been issued a valid facility number by the Illinois
21 Environmental Protection Agency and is entitled to tax
22 treatment under this Division. The effective date of an
23 assessment shall be on the January 1 preceding the date of

1 approval by the Department or preceding the date construction
2 or installation of the facility commences, whichever is later.

3 (35 ILCS 200/11-205 new)

4 Sec. 11-205. Procedures for assessment; judicial review.
5 Proceedings for assessment or reassessment of property
6 certified to be a qualifying wastewater facility shall be
7 conducted in accordance with procedural rules adopted by the
8 Department and in conformity with this Code.

9 Any applicant or holder aggrieved by the issuance, refusal
10 to issue, denial, revocation, modification, or restriction of
11 an assessment as a qualifying wastewater facility may appeal
12 the final administrative decision of the Department of Revenue
13 under the Administrative Review Law.

14 (35 ILCS 200/11-210 new)

15 Sec. 11-210. Rulemaking. The Department may adopt rules
16 for the implementation of this Division.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.