

SB1519



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB1519

Introduced 2/23/2005, by Sen. Frank C. Watson - Richard J. Winkel, Jr. - Dale A. Righter

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-65

Amends the Property Tax Code. Makes a technical change in a Section concerning exemptions for property used for charitable purposes.

LRB094 09457 RSP 39707 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 changing
5 Section 15-65 as follows:

6 (35 ILCS 200/15-65)

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

11 (a) Institutions of public charity.

12 (b) Beneficent and charitable organizations
13 incorporated in any state of the United States, including
14 organizations whose owner, and no other person, uses the
15 property exclusively for the distribution, sale, or resale
16 of donated goods and related activities and uses all the
17 income from those activities to support the charitable,
18 religious or beneficent activities of the owner, whether or
19 not such activities occur on the property.

20 (c) Old people's homes, facilities for persons with a
21 developmental disability, and not-for-profit organizations
22 providing services or facilities related to the goals of
23 educational, social and physical development, if, upon
24 making application for the exemption, the applicant
25 provides affirmative evidence that the home or facility or
26 organization is an exempt organization under paragraph (3)
27 of Section 501(c) of the Internal Revenue Code or its
28 successor, and either: (i) the bylaws of the home or
29 facility or not-for-profit organization provide for a
30 waiver or reduction, based on an individual's ability to
31 pay, of any entrance fee, assignment of assets, or fee for
32 services, or (ii) the home or facility is qualified, built

1 or financed under Section 202 of the National Housing Act
2 of 1959, as amended.

3 An applicant that has been granted an exemption under
4 this subsection on the basis that its bylaws provide for a
5 waiver or reduction, based on an individual's ability to
6 pay, of any entrance fee, assignment of assets, or fee for
7 services may be periodically reviewed by the Department to
8 determine if the waiver or reduction was a past policy or
9 is a current policy. The Department may revoke the
10 exemption if it finds that the policy for waiver or
11 reduction is no longer current.

12 If a not-for-profit organization leases property that
13 is otherwise exempt under this subsection to an
14 organization that conducts an activity on the leased
15 premises that would entitle the lessee to an exemption from
16 real estate taxes if the lessee were the owner of the
17 property, then the leased property is exempt.

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

31 (e) All free public libraries.

32 (f) Historical societies.

33 Property otherwise qualifying for an exemption under this
34 Section shall not lose its exemption because the legal title is
35 held (i) by an entity that is organized solely to hold that
36 title and that qualifies under paragraph (2) of Section 501(c)

1 of the Internal Revenue Code or its successor, whether or not
2 that entity receives rent from the charitable organization for
3 the repair and maintenance of the property, (ii) by an entity
4 that is organized as a partnership, in which the charitable
5 organization, or an affiliate or subsidiary of the charitable
6 organization, is a general partner, for the purposes of owning
7 and operating a residential rental property that has received
8 an allocation of Low Income Housing Tax Credits for 100% of the
9 dwelling units under Section 42 of the Internal Revenue Code of
10 1986, or (iii) for any assessment year including and subsequent
11 to January 1, 1996 for which an application for exemption has
12 been filed and a decision on which has not become final and
13 nonappealable, by a limited liability company organized under
14 the Limited Liability Company Act provided that (A) the limited
15 liability company receives a notification from the Internal
16 Revenue Service that it qualifies under paragraph (2) or (3) of
17 Section 501(c) of the Internal Revenue Code; (B) the limited
18 liability company's sole members, as that term is used in
19 Section 1-5 of the Limited Liability Company Act, are the
20 institutions of public charity that actually and exclusively
21 use the property for charitable and beneficent purposes; and
22 (C) the limited liability company does not lease the property
23 or otherwise use it with a view to profit.

24 (Source: P.A. 91-416, eff. 8-6-99; 92-382, eff. 8-16-01.)