

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 15-185 as follows:

6 (35 ILCS 200/15-185)

7 Sec. 15-185. Exemption for leaseback property and  
8 qualified leased property ~~Leaseback exemption.~~

9 (a) Notwithstanding anything in this Code to the contrary,  
10 all property owned by a municipality with a population of over  
11 500,000 inhabitants, or a unit of local government whose  
12 jurisdiction includes territory located in whole or in part  
13 within a municipality with a population of over 500,000  
14 inhabitants, shall remain exempt from taxation and any  
15 leasehold interest in that property shall not be subject to  
16 taxation under Section 9-195 if either of the following  
17 requirements are satisfied; ~~for the purpose of obtaining~~  
18 ~~financing,~~

19 (1) ~~The~~ the property is directly or indirectly leased,  
20 sold, or otherwise transferred to another entity whose  
21 property is not exempt and immediately thereafter is the  
22 subject of a leaseback or other agreement that directly or  
23 indirectly gives the municipality or unit of local  
24 government (i) a right to use, control, and possess the  
25 property or (ii) a right to require the other entity, or  
26 the other entity's designee or assignee, to use the  
27 property in the performance of services for the  
28 municipality or unit of local government. Property ~~The~~  
29 ~~property~~ shall no longer be exempt under this item (1)  
30 ~~Section~~ as of the date when the right of the municipality  
31 or unit of local government to use, control, and possess  
32 the property or to require the performance of services is

1 terminated and the municipality or unit of local government  
2 no longer has any option to purchase or otherwise reacquire  
3 the interest in the property which was transferred by the  
4 municipality or unit of local government; or

5 (2) The property, including dedicated public property,  
6 is used by a municipality or other unit of local government  
7 for the purpose of an airport or parking or for waste  
8 disposal or processing and is leased for continued use for  
9 the same purpose to another entity whose property is not  
10 exempt. For the purpose of this item (2), "airport" does  
11 not include any airport property, as defined under Section  
12 10 of the O'Hare Modernization Act.

13 Any transaction described under item (2) of this subsection  
14 must be undertaken in accordance with all appropriate federal  
15 laws and regulations.

16 (b) For purposes of this Section, "municipality" means a  
17 municipality as defined in Section 1-1-2 of the Illinois  
18 Municipal Code, and "unit of local government" means a unit of  
19 local government as defined in Article VII, Section 1 of the  
20 Constitution of the State of Illinois. The provisions of this  
21 Section supersede and control over any conflicting provisions  
22 of this Code.

23 (Source: P.A. 93-19, eff. 6-20-03.)