

HB3667



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB3667

Introduced 2/24/2009, by Rep. Charles E. Jefferson

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-165

Amends the Property Tax Code. Prohibits competition by abatement between taxing districts unless such competition is authorized by an intergovernmental agreement.

LRB096 08403 HLH 18515 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 18-165 as follows:

6 (35 ILCS 200/18-165)

7 Sec. 18-165. Abatement of taxes.

8 (a) Any taxing district, upon a majority vote of its
9 governing authority, may, after the determination of the
10 assessed valuation of its property, order the clerk of that
11 county to abate any portion of its taxes on the following types
12 of property:

13 (1) Commercial and industrial.

14 (A) The property of any commercial or industrial
15 firm, including but not limited to the property of (i)
16 any firm that is used for collecting, separating,
17 storing, or processing recyclable materials, locating
18 within the taxing district during the immediately
19 preceding year from another state, territory, or
20 country, or having been newly created within this State
21 during the immediately preceding year, or expanding an
22 existing facility, or (ii) any firm that is used for
23 the generation and transmission of electricity

1 locating within the taxing district during the
2 immediately preceding year or expanding its presence
3 within the taxing district during the immediately
4 preceding year by construction of a new electric
5 generating facility that uses natural gas as its fuel,
6 or any firm that is used for production operations at a
7 new, expanded, or reopened coal mine within the taxing
8 district, that has been certified as a High Impact
9 Business by the Illinois Department of Commerce and
10 Economic Opportunity. The property of any firm used for
11 the generation and transmission of electricity shall
12 include all property of the firm used for transmission
13 facilities as defined in Section 5.5 of the Illinois
14 Enterprise Zone Act. The abatement shall not exceed a
15 period of 10 years and the aggregate amount of abated
16 taxes for all taxing districts combined shall not
17 exceed \$4,000,000.

18 (A-5) Any property in the taxing district of a new
19 electric generating facility, as defined in Section
20 605-332 of the Department of Commerce and Economic
21 Opportunity Law of the Civil Administrative Code of
22 Illinois. The abatement shall not exceed a period of 10
23 years. The abatement shall be subject to the following
24 limitations:

25 (i) if the equalized assessed valuation of the
26 new electric generating facility is equal to or

1 greater than \$25,000,000 but less than
2 \$50,000,000, then the abatement may not exceed (i)
3 over the entire term of the abatement, 5% of the
4 taxing district's aggregate taxes from the new
5 electric generating facility and (ii) in any one
6 year of abatement, 20% of the taxing district's
7 taxes from the new electric generating facility;

8 (ii) if the equalized assessed valuation of
9 the new electric generating facility is equal to or
10 greater than \$50,000,000 but less than
11 \$75,000,000, then the abatement may not exceed (i)
12 over the entire term of the abatement, 10% of the
13 taxing district's aggregate taxes from the new
14 electric generating facility and (ii) in any one
15 year of abatement, 35% of the taxing district's
16 taxes from the new electric generating facility;

17 (iii) if the equalized assessed valuation of
18 the new electric generating facility is equal to or
19 greater than \$75,000,000 but less than
20 \$100,000,000, then the abatement may not exceed
21 (i) over the entire term of the abatement, 20% of
22 the taxing district's aggregate taxes from the new
23 electric generating facility and (ii) in any one
24 year of abatement, 50% of the taxing district's
25 taxes from the new electric generating facility;

26 (iv) if the equalized assessed valuation of

1 the new electric generating facility is equal to or
2 greater than \$100,000,000 but less than
3 \$125,000,000, then the abatement may not exceed
4 (i) over the entire term of the abatement, 30% of
5 the taxing district's aggregate taxes from the new
6 electric generating facility and (ii) in any one
7 year of abatement, 60% of the taxing district's
8 taxes from the new electric generating facility;

9 (v) if the equalized assessed valuation of the
10 new electric generating facility is equal to or
11 greater than \$125,000,000 but less than
12 \$150,000,000, then the abatement may not exceed
13 (i) over the entire term of the abatement, 40% of
14 the taxing district's aggregate taxes from the new
15 electric generating facility and (ii) in any one
16 year of abatement, 60% of the taxing district's
17 taxes from the new electric generating facility;

18 (vi) if the equalized assessed valuation of
19 the new electric generating facility is equal to or
20 greater than \$150,000,000, then the abatement may
21 not exceed (i) over the entire term of the
22 abatement, 50% of the taxing district's aggregate
23 taxes from the new electric generating facility
24 and (ii) in any one year of abatement, 60% of the
25 taxing district's taxes from the new electric
26 generating facility.

1 The abatement is not effective unless the owner of
2 the new electric generating facility agrees to repay to
3 the taxing district all amounts previously abated,
4 together with interest computed at the rate and in the
5 manner provided for delinquent taxes, in the event that
6 the owner of the new electric generating facility
7 closes the new electric generating facility before the
8 expiration of the entire term of the abatement.

9 The authorization of taxing districts to abate
10 taxes under this subdivision (a)(1)(A-5) expires on
11 January 1, 2010.

12 (B) The property of any commercial or industrial
13 development of at least 500 acres having been created
14 within the taxing district. The abatement shall not
15 exceed a period of 20 years and the aggregate amount of
16 abated taxes for all taxing districts combined shall
17 not exceed \$12,000,000.

18 (C) The property of any commercial or industrial
19 firm currently located in the taxing district that
20 expands a facility or its number of employees. The
21 abatement shall not exceed a period of 10 years and the
22 aggregate amount of abated taxes for all taxing
23 districts combined shall not exceed \$4,000,000. The
24 abatement period may be renewed at the option of the
25 taxing districts.

26 (D) Notwithstanding any other provision of law, no

1 taxing district may abate or promise to abate taxes on
2 commercial or industrial property for the purpose of
3 enticing a business to locate within the taxing
4 district if another taxing district located within the
5 State and within 25 miles of the taxing district is
6 also competing for the business, unless the competing
7 taxing districts have, by intergovernmental agreement,
8 authorized competition by abatement.

9 (2) Horse racing. Any property in the taxing district
10 which is used for the racing of horses and upon which
11 capital improvements consisting of expansion, improvement
12 or replacement of existing facilities have been made since
13 July 1, 1987. The combined abatements for such property
14 from all taxing districts in any county shall not exceed
15 \$5,000,000 annually and shall not exceed a period of 10
16 years.

17 (3) Auto racing. Any property designed exclusively for
18 the racing of motor vehicles. Such abatement shall not
19 exceed a period of 10 years.

20 (4) Academic or research institute. The property of any
21 academic or research institute in the taxing district that
22 (i) is an exempt organization under paragraph (3) of
23 Section 501(c) of the Internal Revenue Code, (ii) operates
24 for the benefit of the public by actually and exclusively
25 performing scientific research and making the results of
26 the research available to the interested public on a

1 non-discriminatory basis, and (iii) employs more than 100
2 employees. An abatement granted under this paragraph shall
3 be for at least 15 years and the aggregate amount of abated
4 taxes for all taxing districts combined shall not exceed
5 \$5,000,000.

6 (5) Housing for older persons. Any property in the
7 taxing district that is devoted exclusively to affordable
8 housing for older households. For purposes of this
9 paragraph, "older households" means those households (i)
10 living in housing provided under any State or federal
11 program that the Department of Human Rights determines is
12 specifically designed and operated to assist elderly
13 persons and is solely occupied by persons 55 years of age
14 or older and (ii) whose annual income does not exceed 80%
15 of the area gross median income, adjusted for family size,
16 as such gross income and median income are determined from
17 time to time by the United States Department of Housing and
18 Urban Development. The abatement shall not exceed a period
19 of 15 years, and the aggregate amount of abated taxes for
20 all taxing districts shall not exceed \$3,000,000.

21 (6) Historical society. For assessment years 1998
22 through 2008, the property of an historical society
23 qualifying as an exempt organization under Section
24 501(c)(3) of the federal Internal Revenue Code.

25 (7) Recreational facilities. Any property in the
26 taxing district (i) that is used for a municipal airport,

1 (ii) that is subject to a leasehold assessment under
2 Section 9-195 of this Code and (iii) which is sublet from a
3 park district that is leasing the property from a
4 municipality, but only if the property is used exclusively
5 for recreational facilities or for parking lots used
6 exclusively for those facilities. The abatement shall not
7 exceed a period of 10 years.

8 (8) Relocated corporate headquarters. If approval
9 occurs within 5 years after the effective date of this
10 amendatory Act of the 92nd General Assembly, any property
11 or a portion of any property in a taxing district that is
12 used by an eligible business for a corporate headquarters
13 as defined in the Corporate Headquarters Relocation Act.
14 Instead of an abatement under this paragraph (8), a taxing
15 district may enter into an agreement with an eligible
16 business to make annual payments to that eligible business
17 in an amount not to exceed the property taxes paid directly
18 or indirectly by that eligible business to the taxing
19 district and any other taxing districts for premises
20 occupied pursuant to a written lease and may make those
21 payments without the need for an annual appropriation. No
22 school district, however, may enter into an agreement with,
23 or abate taxes for, an eligible business unless the
24 municipality in which the corporate headquarters is
25 located agrees to provide funding to the school district in
26 an amount equal to the amount abated or paid by the school

1 district as provided in this paragraph (8). Any abatement
2 ordered or agreement entered into under this paragraph (8)
3 may be effective for the entire term specified by the
4 taxing district, except the term of the abatement or annual
5 payments may not exceed 20 years.

6 (9) United States Military Public/Private Residential
7 Developments. Each building, structure, or other
8 improvement designed, financed, constructed, renovated,
9 managed, operated, or maintained after January 1, 2006
10 under a "PPV Lease", as set forth under Division 14 of
11 Article 10, and any such PPV Lease.

12 (b) Upon a majority vote of its governing authority, any
13 municipality may, after the determination of the assessed
14 valuation of its property, order the county clerk to abate any
15 portion of its taxes on any property that is located within the
16 corporate limits of the municipality in accordance with Section
17 8-3-18 of the Illinois Municipal Code.

18 (Source: P.A. 93-270, eff. 7-22-03; 94-793, eff. 5-19-06;
19 94-974, eff. 6-30-06.)