

# HB3317



## 97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3317

Introduced 2/24/2011, by Rep. Bill Mitchell

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-165

Amends the Property Tax Code. Provides for an abatement for property used during the taxable year for a county fair.

LRB097 05949 HLH 46018 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          (2) Horse racing. Any property in the taxing district

1           which is used for the racing of horses and upon which  
2           capital improvements consisting of expansion, improvement  
3           or replacement of existing facilities have been made since  
4           July 1, 1987. The combined abatements for such property  
5           from all taxing districts in any county shall not exceed  
6           \$5,000,000 annually and shall not exceed a period of 10  
7           years.

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

11          (4) Academic or research institute. The property of any  
12          academic or research institute in the taxing district that  
13          (i) is an exempt organization under paragraph (3) of  
14          Section 501(c) of the Internal Revenue Code, (ii) operates  
15          for the benefit of the public by actually and exclusively  
16          performing scientific research and making the results of  
17          the research available to the interested public on a  
18          non-discriminatory basis, and (iii) employs more than 100  
19          employees. An abatement granted under this paragraph shall  
20          be for at least 15 years and the aggregate amount of abated  
21          taxes for all taxing districts combined shall not exceed  
22          \$5,000,000.

23          (5) Housing for older persons. Any property in the  
24          taxing district that is devoted exclusively to affordable  
25          housing for older households. For purposes of this  
26          paragraph, "older households" means those households (i)

1 living in housing provided under any State or federal  
2 program that the Department of Human Rights determines is  
3 specifically designed and operated to assist elderly  
4 persons and is solely occupied by persons 55 years of age  
5 or older and (ii) whose annual income does not exceed 80%  
6 of the area gross median income, adjusted for family size,  
7 as such gross income and median income are determined from  
8 time to time by the United States Department of Housing and  
9 Urban Development. The abatement shall not exceed a period  
10 of 15 years, and the aggregate amount of abated taxes for  
11 all taxing districts shall not exceed \$3,000,000.

12 (6) Historical society. For assessment years 1998  
13 through 2013, the property of an historical society  
14 qualifying as an exempt organization under Section  
15 501(c)(3) of the federal Internal Revenue Code.

16 (7) Recreational facilities. Any property in the  
17 taxing district (i) that is used for a municipal airport,  
18 (ii) that is subject to a leasehold assessment under  
19 Section 9-195 of this Code and (iii) which is sublet from a  
20 park district that is leasing the property from a  
21 municipality, but only if the property is used exclusively  
22 for recreational facilities or for parking lots used  
23 exclusively for those facilities. The abatement shall not  
24 exceed a period of 10 years.

25 (8) Relocated corporate headquarters. If approval  
26 occurs within 5 years after the effective date of this



1           amendatory Act of the 92nd General Assembly, any property  
2           or a portion of any property in a taxing district that is  
3           used by an eligible business for a corporate headquarters  
4           as defined in the Corporate Headquarters Relocation Act.  
5           Instead of an abatement under this paragraph (8), a taxing  
6           district may enter into an agreement with an eligible  
7           business to make annual payments to that eligible business  
8           in an amount not to exceed the property taxes paid directly  
9           or indirectly by that eligible business to the taxing  
10          district and any other taxing districts for premises  
11          occupied pursuant to a written lease and may make those  
12          payments without the need for an annual appropriation. No  
13          school district, however, may enter into an agreement with,  
14          or abate taxes for, an eligible business unless the  
15          municipality in which the corporate headquarters is  
16          located agrees to provide funding to the school district in  
17          an amount equal to the amount abated or paid by the school  
18          district as provided in this paragraph (8). Any abatement  
19          ordered or agreement entered into under this paragraph (8)  
20          may be effective for the entire term specified by the  
21          taxing district, except the term of the abatement or annual  
22          payments may not exceed 20 years.

23                 (9) United States Military Public/Private Residential  
24                 Developments. Each building, structure, or other  
25                 improvement designed, financed, constructed, renovated,  
26                 managed, operated, or maintained after January 1, 2006

1 under a "PPV Lease", as set forth under Division 14 of  
2 Article 10, and any such PPV Lease.

3 (10) County fairs. Any property used during the taxable  
4 year for a county fair, as defined in Section 2 of the  
5 Agricultural Fair Act.

6 (b) Upon a majority vote of its governing authority, any  
7 municipality may, after the determination of the assessed  
8 valuation of its property, order the county clerk to abate any  
9 portion of its taxes on any property that is located within the  
10 corporate limits of the municipality in accordance with Section  
11 8-3-18 of the Illinois Municipal Code.

12 (Source: P.A. 96-1136, eff. 7-21-10.)