

HB3211



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3211

by Rep. Sam Yingling

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-165

Amends the Property Tax Code. Provides that a taxing district may order the county clerk to abate any portion of its taxes on property used by a business that did not have a location in the State in the previous taxable year. Provides that the abatement may not exceed \$1,000,000 for all taxing districts in any taxable year. Effective immediately.

LRB098 06900 HLH 36957 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 adding
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 2018, 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) Property located in a business corridor that
4 qualifies for an abatement under Section 18-184.10.

5 (11) Property used by a business that did not have a
6 location in the State in the previous taxable year. The
7 abatement under this item (11) may not exceed \$1,000,000
8 for all taxing districts in any taxable year.

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

15 (Source: P.A. 96-1136, eff. 7-21-10; 97-577, eff. 1-1-12;
16 97-636, eff. 6-1-12.)

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