

AN ACT concerning revenue.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Property Tax Code is amended by changing Section 15-185 as follows:

(35 ILCS 200/15-185)

Sec. 15-185. Exemption for leaseback property and qualified leased property.

(a) Notwithstanding anything in this Code to the contrary, all property owned by a municipality with a population of over 500,000 inhabitants, a unit of local government whose jurisdiction includes territory located in whole or in part within a municipality with a population of over 500,000 inhabitants, or a municipality with home rule powers that is contiguous to a municipality with a population of over 500,000 inhabitants, shall remain exempt from taxation and any leasehold interest in that property shall not be subject to taxation under Section 9-195 if the property is directly or indirectly leased, sold, or otherwise transferred to another entity whose property is not exempt and immediately thereafter is the subject of a leaseback or other agreement that directly or indirectly gives the municipality or unit of local government (i) a right to use, control, and possess the

property or (ii) a right to require the other entity, or the other entity's designee or assignee, to use the property in the performance of services for the municipality or unit of local government. Property shall no longer be exempt under this subsection as of the date when the right of the municipality or unit of local government to use, control, and possess the property or to require the performance of services is terminated and the municipality or unit of local government no longer has any option to purchase or otherwise reacquire the interest in the property which was transferred by the municipality or unit of local government.

(b) Notwithstanding anything in this Code to the contrary, all property owned by a municipality with a population of over 500,000 inhabitants, a unit of local government whose jurisdiction includes territory located in whole or in part within a municipality with a population of over 500,000 inhabitants, or a municipality with home rule powers that is contiguous to a municipality with a population of over 500,000 inhabitants, shall remain exempt from taxation and any leasehold interest in that property is not subject to taxation under Section 9-195 if the property, including dedicated public property, is used by a municipality or other unit of local government for the purpose of ~~an airport or parking or for waste disposal or processing~~ and is leased for continued use for the same purpose to another entity whose property is not exempt. If property located in a municipality with a population

of more than 500,000 inhabitants is not subject to taxation due to its use for the purpose of parking, and any portion of the property is used for a purpose other than parking, that portion of the property shall be subject to taxation under Section 9-195 for the period of time during which it is used for that non-exempt purpose; provided, however, that the use of a portion of such property for a non-exempt purpose shall have no effect on (i) the exemption of the remaining portion of the property that continues to be used for an exempt purpose, as identified in this subsection, or (ii) the future exemption of that same portion of the property if it ceases to be used for a non-exempt purpose and returned to use for an exempt purpose as identified in this subsection. No taxes shall be assessed on any portion of the property identified in this subsection prior to the effective date of this amendatory Act of the 101st General Assembly.

~~For the purposes of this subsection (b), "airport" does not include any airport property, as defined under Section 10 of the O'Hare Modernization Act.~~

Any transaction described under this subsection must be undertaken in accordance with all appropriate federal laws and regulations.

(c) For purposes of this Section, "municipality" means a municipality as defined in Section 1-1-2 of the Illinois Municipal Code, and "unit of local government" means a unit of local government as defined in Article VII, Section 1 of the

Public Act 101-0551

SB1456 Enrolled

LRB101 09049 HLH 54142 b

Constitution of the State of Illinois. The provisions of this Section supersede and control over any conflicting provisions of this Code.

(Source: P.A. 96-779, eff. 8-28-09.)