

AN ACT concerning government.

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

Section 5. The State Finance Act is amended by changing Section 6z-59 as follows:

(30 ILCS 105/6z-59)

Sec. 6z-59. The Tax Recovery Fund. There is created in the State treasury the Tax Recovery Fund. Through December 31, 2030 ~~December 31, 2020~~, all moneys received from the rental, authorized under Section 2705-555 of the Department of Transportation Law of the Civil Administrative Code of Illinois, of land, buildings, or improvements on property held for development of an airport in Will County by the Department of Transportation shall be remitted to the State Treasurer for payment into the Tax Recovery Fund. Subject to appropriation, the moneys in the Fund shall be expended with the following priority: (1) to compensate taxing districts for leasehold taxes then (2) to the General Revenue Fund less any money necessary to pay maintenance and repair costs for that real property. The tax compensation shall be determined in accordance with Sections 9-195 and 15-55 of the Property Tax Code. Expenditures for these purposes may be made by Department of Transportation without regard to the fiscal year in which

tax compensation liability and property maintenance and repair costs were incurred. Unexpended moneys in the Fund shall not be transferred or allocated by the Comptroller or Treasurer to any other fund nor shall the Governor authorize the transfer or allocation of those moneys to any other fund. After December 31, 2030 ~~December 31, 2020~~, all moneys received from the rental, authorized under Section 2705-555 of the Department of Transportation Law of the Civil Administrative Code of Illinois, of land, buildings, or improvements on property held for the development of an airport in Will County by the Department of Transportation shall not be remitted to the Tax Recovery Fund but shall instead be paid to the General Revenue Fund. The balance remaining in the Tax Recovery Fund on December 31, 2030 ~~December 31, 2020~~ shall first be expended to compensate taxing districts for loss of revenue ~~leasehold taxes~~ for the 2030 ~~2020~~ tax assessment year, and then transferred to the General Revenue Fund for the purpose of debt service on State bonds issued to provide funds for airport land acquisition in Will County.

(Source: P.A. 96-192, eff. 8-10-09.)

Section 10. The Property Tax Code is amended by changing Section 15-55 as follows:

(35 ILCS 200/15-55)

Sec. 15-55. State property.

(a) All property belonging to the State of Illinois is exempt. However, the State agency holding title shall file the certificate of ownership and use required by Section 15-10, together with a copy of any written lease or agreement, in effect on March 30 of the assessment year, concerning parcels of 1 acre or more, or an explanation of the terms of any oral agreement under which the property is leased, subleased or rented.

The leased property shall be assessed to the lessee and the taxes thereon extended and billed to the lessee, and collected in the same manner as for property which is not exempt. The lessee shall be liable for the taxes and no lien shall attach to the property of the State.

For the purposes of this Section, the word "leases" includes licenses, franchises, operating agreements and other arrangements under which private individuals, associations or corporations are granted the right to use property of the Illinois State Toll Highway Authority and includes all property of the Authority used by others without regard to the size of the leased parcel.

(b) However, all property of every kind belonging to the State of Illinois, which is or may hereafter be leased to the Illinois Prairie Path Corporation, shall be exempt from all assessments, taxation or collection, despite the making of any such lease, if it is used for:

- (1) conservation, nature trail or any other

charitable, scientific, educational or recreational purposes with public benefit, including the preserving and aiding in the preservation of natural areas, objects, flora, fauna or biotic communities;

(2) the establishment of footpaths, trails and other protected areas;

(3) the conservation of the proper use of natural resources or the promotion of the study of plant and animal communities and of other phases of ecology, natural history and conservation;

(4) the promotion of education in the fields of nature, preservation and conservation; or

(5) similar public recreational activities conducted by the Illinois Prairie Path Corporation.

No lien shall attach to the property of the State. No tax liability shall become the obligation of or be enforceable against Illinois Prairie Path Corporation.

(c) If the State sells the James R. Thompson Center or the Elgin Mental Health Center and surrounding land located at 750 S. State Street, Elgin, Illinois, as provided in subdivision (a)(2) of Section 7.4 of the State Property Control Act, to another entity whose property is not exempt and immediately thereafter enters into a leaseback or other agreement that directly or indirectly gives the State a right to use, control, and possess the property, that portion of the property leased and occupied exclusively by the State shall remain exempt under

this Section. For the property to remain exempt under this subsection (c), the State must retain an option to purchase the property at a future date or, within the limitations period for reverters, the property must revert back to the State.

If the property has been conveyed as described in this subsection (c), the property is no longer exempt pursuant to this Section as of the date when:

(1) the right of the State to use, control, and possess the property has been terminated; or

(2) the State no longer has an option to purchase or otherwise acquire the property and there is no provision for a reverter of the property to the State within the limitations period for reverters.

Pursuant to Sections 15-15 and 15-20 of this Code, the State shall notify the chief county assessment officer of any transaction under this subsection (c). The chief county assessment officer shall determine initial and continuing compliance with the requirements of this Section for tax exemption. Failure to notify the chief county assessment officer of a transaction under this subsection (c) or to otherwise comply with the requirements of Sections 15-15 and 15-20 of this Code shall, in the discretion of the chief county assessment officer, constitute cause to terminate the exemption, notwithstanding any other provision of this Code.

(c-1) If the Illinois State Toll Highway Authority sells the Illinois State Toll Highway Authority headquarters

building and surrounding land, located at 2700 Ogden Avenue, Downers Grove, Illinois as provided in subdivision (a)(2) of Section 7.5 of the State Property Control Act, to another entity whose property is not exempt and immediately thereafter enters into a leaseback or other agreement that directly or indirectly gives the State or the Illinois State Toll Highway Authority a right to use, control, and possess the property, that portion of the property leased and occupied exclusively by the State or the Authority shall remain exempt under this Section. For the property to remain exempt under this subsection (c), the Authority must retain an option to purchase the property at a future date or, within the limitations period for reverters, the property must revert back to the Authority.

If the property has been conveyed as described in this subsection (c), the property is no longer exempt pursuant to this Section as of the date when:

(1) the right of the State or the Authority to use, control, and possess the property has been terminated; or

(2) the Authority no longer has an option to purchase or otherwise acquire the property and there is no provision for a reverter of the property to the Authority within the limitations period for reverters.

Pursuant to Sections 15-15 and 15-20 of this Code, the Authority shall notify the chief county assessment officer of any transaction under this subsection (c). The chief county assessment officer shall determine initial and continuing

compliance with the requirements of this Section for tax exemption. Failure to notify the chief county assessment officer of a transaction under this subsection (c) or to otherwise comply with the requirements of Sections 15-15 and 15-20 of this Code shall, in the discretion of the chief county assessment officer, constitute cause to terminate the exemption, notwithstanding any other provision of this Code.

(d) For tax years prior to 2019, the ~~The~~ fair market rent of each parcel of real property in Will County owned by the State of Illinois for the purpose of developing an airport by the Department of Transportation shall include the assessed value of leasehold tax. The lessee of each parcel of real property in Will County owned by the State of Illinois for the purpose of developing an airport by the Department of Transportation shall not be liable for the taxes thereon. In order for the State to compensate taxing districts for the loss of revenue ~~leasehold tax~~ under this paragraph, the Will County Supervisor of Assessments shall annually certify, in writing, to the Department of Transportation, the following amounts: (1) for tax years prior to 2019, the ~~the~~ amount of leasehold taxes extended for the 2002 property tax year for each such exempt parcel; and (2) for tax years 2019 through 2030, the amount of taxes that would have been extended for the current tax year for each such exempt parcel if those parcels had been owned by a person whose property is not exempt. The Department of Transportation shall pay to the Will County Treasurer, from the

Tax Recovery Fund, on or before July 1 of each year, the amount ~~of leasehold taxes for each such exempt parcel as~~ certified by the Will County Supervisor of Assessments. The tax compensation shall terminate on December 31, 2030 ~~December 31, 2020~~. It is the duty of the Department of Transportation to file with the Office of the Will County Supervisor of Assessments an affidavit stating the termination date for rental of each such parcel due to airport construction. The affidavit shall include the property identification number for each such parcel. In no instance shall tax compensation for property owned by the State be deemed delinquent or bear interest. In no instance shall a lien attach to the property of the State. In no instance shall the State be required to pay ~~leasehold tax~~ compensation under this subsection in excess of the lesser of (i) the Tax Recovery Fund's balance or (ii) \$600,000 in any tax year.

(e) Public Act 81-1026 applies to all leases or agreements entered into or renewed on or after September 24, 1979.

(f) Notwithstanding anything to the contrary in this Code, all property owned by the State that is the Illiana Expressway, as defined in the Public Private Agreements for the Illiana Expressway Act, and that is used for transportation purposes and that is leased for those purposes to another entity whose property is not exempt shall remain exempt, and any leasehold interest in the property shall not be subject to taxation under Section 9-195 of this Act.

(g) Notwithstanding anything to the contrary in this

Section, all property owned by the State or the Illinois State Toll Highway Authority that is defined as a transportation project under the Public-Private Partnerships for Transportation Act and that is used for transportation purposes and that is leased for those purposes to another entity whose property is not exempt shall remain exempt, and any leasehold interest in the property shall not be subject to taxation under Section 9-195 of this Act.

(h) Notwithstanding anything to the contrary in this Code, all property owned by the State that is the South Suburban Airport, as defined in the Public-Private Agreements for the South Suburban Airport Act, and that is used for airport purposes and that is leased for those purposes to another entity whose property is not exempt shall remain exempt, and any leasehold interest in the property shall not be subject to taxation under Section 9-195 of this Act.

(Source: P.A. 97-502, eff. 8-23-11; 98-109, eff. 7-25-13.)

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