

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 10-5 and by adding Division 20 of Article 10 as  
6 follows:

7 (35 ILCS 200/10-5)

8 Sec. 10-5. Solar energy systems; definitions. It is the  
9 policy of this State that the use of solar energy systems  
10 should be encouraged because they conserve nonrenewable  
11 resources, reduce pollution and promote the health and  
12 well-being of the people of this State, and should be valued in  
13 relation to these benefits.

14 (a) "Solar energy" means radiant energy received from the  
15 sun at wave lengths suitable for heat transfer, photosynthetic  
16 use, or photovoltaic use.

17 (b) "Solar collector" means

18 (1) An assembly, structure, or design, including  
19 passive elements, used for gathering, concentrating, or  
20 absorbing direct and indirect solar energy, specially  
21 designed for holding a substantial amount of useful thermal  
22 energy and to transfer that energy to a gas, solid, or  
23 liquid or to use that energy directly; or

1           (2) A mechanism that absorbs solar energy and converts  
2           it into electricity; or

3           (3) A mechanism or process used for gathering solar  
4           energy through wind or thermal gradients; or

5           (4) A component used to transfer thermal energy to a  
6           gas, solid, or liquid, or to convert it into electricity.

7           (c) "Solar storage mechanism" means equipment or elements  
8           (such as piping and transfer mechanisms, containers, heat  
9           exchangers, or controls thereof, and gases, solids, liquids, or  
10           combinations thereof) that are utilized for storing solar  
11           energy, gathered by a solar collector, for subsequent use.

12           (d) "Solar energy system" means

13           (1) (A) A complete assembly, structure, or design of  
14           solar collector, or a solar storage mechanism, which uses  
15           solar energy for generating electricity that is primarily  
16           consumed on the property on which the solar energy system  
17           resides, or for heating or cooling gases, solids, liquids,  
18           or other materials for the primary benefit of the property  
19           on which the solar energy system resides;

20           (B) The design, materials, or elements of a system and  
21           its maintenance, operation, and labor components, and the  
22           necessary components, if any, of supplemental conventional  
23           energy systems designed or constructed to interface with a  
24           solar energy system; and

25           (C) Any legal, financial, or institutional orders,  
26           certificates, or mechanisms, including easements, leases,

1 and agreements, required to ensure continued access to  
2 solar energy, its source, or its use in a solar energy  
3 system, and including monitoring and educational elements  
4 of a demonstration project.

5 (2) "Solar energy system" does not include

6 (A) Distribution equipment that is equally usable  
7 in a conventional energy system except for those  
8 components of the equipment that are necessary for  
9 meeting the requirements of efficient solar energy  
10 utilization; ~~and~~

11 (B) Components of a solar energy system that serve  
12 structural, insulating, protective, shading,  
13 aesthetic, or other non-solar energy utilization  
14 purposes, as defined in the regulations of the  
15 Department of Commerce and Economic Opportunity; ~~and-~~

16 (C) A commercial solar energy system, as defined by  
17 this Code, in counties with fewer than 3,000,000  
18 inhabitants.

19 (3) The solar energy system shall conform to the  
20 standards for those systems established by regulation of  
21 the Department of Commerce and Economic Opportunity.

22 (Source: P.A. 94-793, eff. 5-19-06.)

23 (35 ILCS 200/Art. 10 Div. 20 heading new)

24 Division 20. Commercial Solar Energy Systems

1 (35 ILCS 200/10-720 new)

2 Sec. 10-720. Definitions. For the purpose of this Division  
3 20:

4 "Allowance for physical depreciation" means (i) the actual  
5 age in years of the commercial solar energy system on the  
6 assessment date divided by 25 years, multiplied by (ii) its  
7 trended real property cost basis. The physical depreciation,  
8 however, may not reduce the value of the commercial solar  
9 energy system to less than 30% of its trended real property  
10 cost basis.

11 "Commercial solar energy system" means any device or  
12 assembly of devices that (i) is ground installed and (ii) uses  
13 solar energy from the sun for generating electricity for the  
14 primary purpose of wholesale or retail sale and not primarily  
15 for consumption on the property on which the device or devices  
16 reside.

17 "Commercial solar energy system real property cost basis"  
18 means the owner of a commercial solar energy system's interest  
19 in the land within the project boundaries and real property  
20 improvements and shall be calculated at \$218,000 per megawatt  
21 of nameplate capacity. For the purposes of this Section,  
22 "nameplate capacity" has the same definition as found in  
23 Section 1-10 of the Illinois Power Agency Act.

24 "Ground installed" means the installation of a commercial  
25 solar energy system, with the primary purpose of solar energy  
26 generation for wholesale or retail sale, on a parcel or tract

1 of land.

2 "Trended real property cost basis" means the commercial  
3 solar energy system real property cost basis multiplied by the  
4 trending factor.

5 "Trending factor" means a number equal to the Consumer  
6 Price Index (U.S. city average all items) published by the  
7 Bureau of Labor Statistics for the December immediately  
8 preceding the assessment date, divided by the Consumer Price  
9 Index (U.S. city average all items) published by the Bureau of  
10 Labor Statistics for December of 2017.

11 (35 ILCS 200/10-725 new)

12 Sec. 10-725. Improvement valuation of commercial solar  
13 energy systems in counties with fewer than 3,000,000  
14 inhabitants. Beginning in assessment year 2018, the fair cash  
15 value of commercial solar energy system improvements in  
16 counties with fewer than 3,000,000 inhabitants shall be  
17 determined by subtracting the allowance for physical  
18 depreciation from the trended real property cost basis.  
19 Functional obsolescence and external obsolescence of the solar  
20 energy device may further reduce the fair cash value of the  
21 commercial solar energy system improvements, to the extent they  
22 are proved by the taxpayer by clear and convincing evidence.

23 (35 ILCS 200/10-735 new)

24 Sec. 10-735. Commercial solar energy systems not subject to

1 equalization. Commercial solar energy systems assessable under  
2 this Division are not subject to equalization factors applied  
3 by the Department or any board of review, assessor, or chief  
4 county assessment officer.

5 (35 ILCS 200/10-740 new)

6 Sec. 10-740. Survey for ground installed commercial solar  
7 energy systems; parcel identification numbers for property  
8 improved with a ground installed commercial solar energy  
9 system. Notwithstanding any other provision of law, the owner  
10 of the ground installed commercial solar energy system shall  
11 commission a metes and bounds survey description of the land  
12 upon which the commercial solar energy system is installed,  
13 including access routes, over which the owner of the commercial  
14 solar energy system has exclusive control. The owner of the  
15 ground installed commercial solar energy system shall, at his  
16 or her own expense, use an Illinois-registered land surveyor to  
17 prepare the survey. The owner of the ground installed  
18 commercial solar energy system shall deliver a copy of the  
19 survey to the chief county assessment officer and to the owner  
20 of the land upon which the ground installed commercial solar  
21 energy system is constructed. Upon receiving a copy of the  
22 survey and an agreed acknowledgement to the separate parcel  
23 identification number by the owner of the land upon which the  
24 ground installed commercial solar energy system is  
25 constructed, the chief county assessment officer shall issue a

1 separate parcel identification for the real property  
2 improvements, including the land containing the ground  
3 installed commercial solar energy system, to be used only for  
4 the purposes of property assessment for taxation. The property  
5 records shall contain the legal description of the commercial  
6 solar energy system parcel and describe any leasehold interest  
7 or other interest of the owner of the commercial solar energy  
8 system in the property. A plat prepared under this Section  
9 shall not be construed as a violation of the Plat Act.

10 (35 ILCS 200/10-745 new)

11 Sec. 10-745. Real estate taxes. Notwithstanding the  
12 provisions of Section 9-175 of this Code, the owner of the  
13 commercial solar energy system shall be liable for the real  
14 estate taxes for the land and real property improvements of a  
15 ground installed commercial solar energy system.  
16 Notwithstanding the forgoing, the owner of the land upon which  
17 a commercial solar energy system is installed may pay any  
18 unpaid tax of the commercial solar energy system parcel prior  
19 to the initiation of any tax sale proceedings.

20 (35 ILCS 200/10-750 new)

21 Sec. 10-750. Property assessed as farmland.  
22 Notwithstanding any other provision of law, real property  
23 assessed as farmland in accordance with Section 10-110 in the  
24 assessment year prior to valuation under this Division shall

1 return to being assessed as farmland in accordance with Section  
2 10-110 in the year following completion of the removal of the  
3 commercial solar energy system as long as the property is  
4 returned to a farm use as defined in Section 1-60 of this Act,  
5 notwithstanding that the land was not used for farming for the  
6 2 preceding years.

7 (35 ILCS 200/10-755 new)

8 Sec. 10-755. Abatements. Any taxing district, upon a  
9 majority vote of its governing authority, may, after the  
10 determination of the assessed valuation as set forth in this  
11 Code, order the clerk of the appropriate municipality or county  
12 to abate any portion of real property taxes otherwise levied or  
13 extended by the taxing district on a commercial solar energy  
14 system.

15 (35 ILCS 200/10-760 new)

16 Sec. 10-760. Applicability. The provisions of this  
17 Division apply for assessment years 2018 through 2033.

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