

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 Sections 10-365, 10-370, 10-375, and 10-380 as follows:

6 (35 ILCS 200/10-365)

7 Sec. 10-365. U.S. Military Public/Private Residential
8 Developments. Unless otherwise agreed to pursuant to a separate
9 settlement agreement pursuant to Section 10-385 of this Code,
10 PPV Leases must be classified and valued as set forth in
11 Sections 10-370 through 10-380 during the period beginning
12 January 1, 2006 and ending December 31, 2055 ~~January 1, 2017~~.
13 (Source: P.A. 98-494, eff. 1-1-14; 99-738, eff. 8-5-16.)

14 (35 ILCS 200/10-370)

15 Sec. 10-370. Definitions. For the purposes of this Division
16 14:

17 (a) "PPV Lease" means a leasehold interest in property that
18 is exempt from taxation under Section 15-50 of this Code and
19 that is leased, pursuant to authority set forth in Chapter 10
20 of the United States Code, to another whose property is not
21 exempt for the purpose of, after January 1, 2006, the design,
22 finance, construction, renovation, management, operation, and

1 maintenance of rental housing units and associated
2 improvements at military training facilities, military bases,
3 and related military support facilities in the State of
4 Illinois. All interests enjoyed pursuant to the authority set
5 forth in Chapter 159 or Chapter 169 of Title 10 of the United
6 States Code are considered leaseholds for the purposes of this
7 Division. The changes to this Section made by this amendatory
8 Act of the 97th General Assembly apply beginning on January 1,
9 2006.

10 (b) For tax years prior to 2017, for ~~For~~ naval training
11 facilities, naval bases, and naval support facilities, "net
12 operating income" means all revenues received minus the lesser
13 of (i) 62% of all revenues or (ii) actual expenses before
14 interest, taxes, depreciation, and amortization. For all other
15 military training facilities, military bases, and related
16 military support facilities, "net operating income" means all
17 revenues received minus the lesser of (i) 42% of all revenues
18 or (ii) actual expenses before interest, taxes, depreciation,
19 and amortization.

20 (b-5) For tax year 2017 and thereafter, for naval training
21 facilities, naval bases, and naval support facilities, "net
22 operating income" means all revenues received minus the actual
23 expenses before interest, taxes, depreciation, and
24 amortization.

25 (c) "Tax load factor" means the level of assessment, as set
26 forth under item (b) of Section 9-145 or under Section 9-150,

1 multiplied by the cumulative tax rate for the current taxable
2 year.

3 (Source: P.A. 97-942, eff. 8-10-12; 98-494, eff. 1-1-14.)

4 (35 ILCS 200/10-375)

5 Sec. 10-375. Valuation.

6 (a) A PPV Lease must be valued at its fair cash value, as
7 provided under item (b) of Section 9-145 or under Section
8 9-150.

9 (b) The fair cash value of a PPV Lease must be determined
10 by using an income capitalization approach.

11 (c) To determine the fair cash value of a PPV Lease, the
12 net operating income is divided by (i) a rate of 12% ~~7.75%~~ plus
13 (ii) the actual or most recently ascertainable tax load factor
14 for the subject year.

15 (d) By April 15 of each year, the holder of a PPV Lease
16 must report to the chief county assessment officer in each
17 county in which the leasehold property is located the annual
18 gross income and expenses derived and incurred from the PPV
19 Lease, including the rental of leased property for each
20 military housing facility subject to a PPV Lease.

21 (Source: P.A. 94-974, eff. 6-30-06.)

22 (35 ILCS 200/10-380)

23 Sec. 10-380. For the taxable years 2006 through 2055 ~~2016~~,
24 the chief county assessment officer in the county in which

1 property subject to a PPV Lease is located shall apply the
2 provisions of Sections 10-370(b)(i) and 10-375(c)(i) of this
3 Division 14 in assessing and determining the value of any PPV
4 Lease for purposes of the property tax laws of this State.

5 (Source: P.A. 98-463, eff. 8-16-13; 98-494, eff. 1-1-14;
6 99-738, eff. 8-5-16.)

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