



Sen. Terry Link

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LRB100 11175 HLH 22085 a

1 AMENDMENT TO SENATE BILL 1598

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1598 by replacing  
3 everything after the enacting clause with the following:

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, PPV Leases must be classified and valued  
10 as set forth in Sections 10-370 through 10-380 during the  
11 period beginning January 1, 2006 and ending December 31, 2055  
12 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

1 14:

2 (a) "PPV Lease" means a leasehold interest in property that  
3 is exempt from taxation under Section 15-50 of this Code and  
4 that is leased, pursuant to authority set forth in Chapter 10  
5 of the United States Code, to another whose property is not  
6 exempt for the purpose of, after January 1, 2006, the design,  
7 finance, construction, renovation, management, operation, and  
8 maintenance of rental housing units and associated  
9 improvements at military training facilities, military bases,  
10 and related military support facilities in the State of  
11 Illinois. All interests enjoyed pursuant to the authority set  
12 forth in Chapter 159 or Chapter 169 of Title 10 of the United  
13 States Code are considered leaseholds for the purposes of this  
14 Division. The changes to this Section made by this amendatory  
15 Act of the 97th General Assembly apply beginning on January 1,  
16 2006. Beginning with the 2017 tax year, this Section applies  
17 only to naval training facilities, naval bases, and naval  
18 support facilities.

19 (b) For tax years prior to 2017, for ~~For~~ naval training  
20 facilities, naval bases, and naval support facilities, "net  
21 operating income" means all revenues received minus the lesser  
22 of (i) 62% of all revenues or (ii) actual expenses before  
23 interest, taxes, depreciation, and amortization. For tax years  
24 prior to 2017, for ~~For~~ all other military training facilities,  
25 military bases, and related military support facilities, "net  
26 operating income" means all revenues received minus the lesser

1 of (i) 42% of all revenues or (ii) actual expenses before  
2 interest, taxes, depreciation, and amortization.

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

8 (c) "Tax load factor" means the level of assessment, as set  
9 forth under item (b) of Section 9-145 or under Section 9-150,  
10 multiplied by the cumulative tax rate for the current taxable  
11 year.

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

13 (35 ILCS 200/10-375)

14 Sec. 10-375. Valuation.

15 (a) A PPV Lease must be valued at its fair cash value, as  
16 provided under item (b) of Section 9-145 or under Section  
17 9-150.

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

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

24 (d) By April 15 of each year, the holder of a PPV Lease  
25 must report to the chief county assessment officer in each

1 county in which the leasehold property is located the annual  
2 gross income and expenses derived and incurred from the PPV  
3 Lease, including the rental of leased property for each  
4 military housing facility subject to a PPV Lease.

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

6 (35 ILCS 200/10-380)

7 Sec. 10-380. For the taxable years 2006 through 2055 ~~2016~~,  
8 the chief county assessment officer in the county in which  
9 property subject to a PPV Lease is located shall apply the  
10 provisions of Sections 10-370(b)(i) and 10-375(c)(i) of this  
11 Division 14 in assessing and determining the value of any PPV  
12 Lease for purposes of the property tax laws of this State.

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

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