

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 18-165 as follows:

6 (35 ILCS 200/18-165)

7 Sec. 18-165. Abatement of taxes.

8 (a) Any taxing district, upon a majority vote of its
9 governing authority, may, after the determination of the
10 assessed valuation of its property, order the clerk of that
11 county to abate any portion of its taxes on the following types
12 of property:

13 (1) Commercial and industrial.

14 (A) The property of any commercial or industrial
15 firm, including but not limited to the property of (i)
16 any firm that is used for collecting, separating,
17 storing, or processing recyclable materials, locating
18 within the taxing district during the immediately
19 preceding year from another state, territory, or
20 country, or having been newly created within this State
21 during the immediately preceding year, or expanding an
22 existing facility, or (ii) any firm that is used for
23 the generation and transmission of electricity
24 locating within the taxing district during the
25 immediately preceding year or expanding its presence
26 within the taxing district during the immediately
27 preceding year by construction of a new electric
28 generating facility that uses natural gas as its fuel,
29 or any firm that is used for production operations at a
30 new, expanded, or reopened coal mine within the taxing
31 district, that has been certified as a High Impact
32 Business by the Illinois Department of Commerce and

1 Economic Opportunity ~~Community Affairs~~. The property
2 of any firm used for the generation and transmission of
3 electricity shall include all property of the firm used
4 for transmission facilities as defined in Section 5.5
5 of the Illinois Enterprise Zone Act. The abatement
6 shall not exceed a period of 10 years and the aggregate
7 amount of abated taxes for all taxing districts
8 combined shall not exceed \$4,000,000.

9 (A-5) Any property in the taxing district of a new
10 electric generating facility, as defined in Section
11 605-332 of the Department of Commerce and Economic
12 Opportunity ~~Community Affairs~~ Law of the Civil
13 Administrative Code of Illinois. The abatement shall
14 not exceed a period of 10 years. The abatement shall be
15 subject to the following limitations:

16 (i) if the equalized assessed valuation of the
17 new electric generating facility is equal to or
18 greater than \$25,000,000 but less than
19 \$50,000,000, then the abatement may not exceed (i)
20 over the entire term of the abatement, 5% of the
21 taxing district's aggregate taxes from the new
22 electric generating facility and (ii) in any one
23 year of abatement, 20% of the taxing district's
24 taxes from the new electric generating facility;

25 (ii) if the equalized assessed valuation of
26 the new electric generating facility is equal to or
27 greater than \$50,000,000 but less than
28 \$75,000,000, then the abatement may not exceed (i)
29 over the entire term of the abatement, 10% of the
30 taxing district's aggregate taxes from the new
31 electric generating facility and (ii) in any one
32 year of abatement, 35% of the taxing district's
33 taxes from the new electric generating facility;

34 (iii) if the equalized assessed valuation of
35 the new electric generating facility is equal to or
36 greater than \$75,000,000 but less than

1 \$100,000,000, then the abatement may not exceed
2 (i) over the entire term of the abatement, 20% of
3 the taxing district's aggregate taxes from the new
4 electric generating facility and (ii) in any one
5 year of abatement, 50% of the taxing district's
6 taxes from the new electric generating facility;

7 (iv) if the equalized assessed valuation of
8 the new electric generating facility is equal to or
9 greater than \$100,000,000 but less than
10 \$125,000,000, then the abatement may not exceed
11 (i) over the entire term of the abatement, 30% of
12 the taxing district's aggregate taxes from the new
13 electric generating facility and (ii) in any one
14 year of abatement, 60% of the taxing district's
15 taxes from the new electric generating facility;

16 (v) if the equalized assessed valuation of the
17 new electric generating facility is equal to or
18 greater than \$125,000,000 but less than
19 \$150,000,000, then the abatement may not exceed
20 (i) over the entire term of the abatement, 40% of
21 the taxing district's aggregate taxes from the new
22 electric generating facility and (ii) in any one
23 year of abatement, 60% of the taxing district's
24 taxes from the new electric generating facility;

25 (vi) if the equalized assessed valuation of
26 the new electric generating facility is equal to or
27 greater than \$150,000,000, then the abatement may
28 not exceed (i) over the entire term of the
29 abatement, 50% of the taxing district's aggregate
30 taxes from the new electric generating facility
31 and (ii) in any one year of abatement, 60% of the
32 taxing district's taxes from the new electric
33 generating facility.

34 The abatement is not effective unless the owner of
35 the new electric generating facility agrees to repay to
36 the taxing district all amounts previously abated,

1 together with interest computed at the rate and in the
2 manner provided for delinquent taxes, in the event that
3 the owner of the new electric generating facility
4 closes the new electric generating facility before the
5 expiration of the entire term of the abatement.

6 The authorization of taxing districts to abate
7 taxes under this subdivision (a) (1) (A-5) expires on
8 January 1, 2010.

9 (B) The property of any commercial or industrial
10 development of at least 500 acres having been created
11 within the taxing district. The abatement shall not
12 exceed a period of 20 years and the aggregate amount of
13 abated taxes for all taxing districts combined shall
14 not exceed \$12,000,000. For the commercial or
15 industrial development, however, of at least 500 acres
16 on undeveloped land that was transferred by the
17 Secretary of the Army pursuant to the federal Illinois
18 Land Conservation Act and that is owned by the Joliet
19 Arsenal Development Authority or undeveloped land
20 subsequently acquired by the Joliet Arsenal
21 Development Authority, the abatement may not exceed a
22 period of 20 years and the aggregate amount of the
23 abated taxes for all taxing districts combined may not
24 exceed \$38,000,000.

25 (C) The property of any commercial or industrial
26 firm currently located in the taxing district that
27 expands a facility or its number of employees. The
28 abatement shall not exceed a period of 10 years and the
29 aggregate amount of abated taxes for all taxing
30 districts combined shall not exceed \$4,000,000. The
31 abatement period may be renewed at the option of the
32 taxing districts.

33 (2) Horse racing. Any property in the taxing district
34 which is used for the racing of horses and upon which
35 capital improvements consisting of expansion, improvement
36 or replacement of existing facilities have been made since

1 July 1, 1987. The combined abatements for such property
2 from all taxing districts in any county shall not exceed
3 \$5,000,000 annually and shall not exceed a period of 10
4 years.

5 (3) Auto racing. Any property designed exclusively for
6 the racing of motor vehicles. Such abatement shall not
7 exceed a period of 10 years.

8 (4) Academic or research institute. The property of any
9 academic or research institute in the taxing district that
10 (i) is an exempt organization under paragraph (3) of
11 Section 501(c) of the Internal Revenue Code, (ii) operates
12 for the benefit of the public by actually and exclusively
13 performing scientific research and making the results of
14 the research available to the interested public on a
15 non-discriminatory basis, and (iii) employs more than 100
16 employees. An abatement granted under this paragraph shall
17 be for at least 15 years and the aggregate amount of abated
18 taxes for all taxing districts combined shall not exceed
19 \$5,000,000.

20 (5) Housing for older persons. Any property in the
21 taxing district that is devoted exclusively to affordable
22 housing for older households. For purposes of this
23 paragraph, "older households" means those households (i)
24 living in housing provided under any State or federal
25 program that the Department of Human Rights determines is
26 specifically designed and operated to assist elderly
27 persons and is solely occupied by persons 55 years of age
28 or older and (ii) whose annual income does not exceed 80%
29 of the area gross median income, adjusted for family size,
30 as such gross income and median income are determined from
31 time to time by the United States Department of Housing and
32 Urban Development. The abatement shall not exceed a period
33 of 15 years, and the aggregate amount of abated taxes for
34 all taxing districts shall not exceed \$3,000,000.

35 (6) Historical society. For assessment years 1998
36 through 2008, the property of an historical society

1 qualifying as an exempt organization under Section
2 501(c)(3) of the federal Internal Revenue Code.

3 (7) Recreational facilities. Any property in the
4 taxing district (i) that is used for a municipal airport,
5 (ii) that is subject to a leasehold assessment under
6 Section 9-195 of this Code and (iii) which is sublet from a
7 park district that is leasing the property from a
8 municipality, but only if the property is used exclusively
9 for recreational facilities or for parking lots used
10 exclusively for those facilities. The abatement shall not
11 exceed a period of 10 years.

12 (8) Relocated corporate headquarters. If approval
13 occurs within 5 years after the effective date of this
14 amendatory Act of the 92nd General Assembly, any property
15 or a portion of any property in a taxing district that is
16 used by an eligible business for a corporate headquarters
17 as defined in the Corporate Headquarters Relocation Act.
18 Instead of an abatement under this paragraph (8), a taxing
19 district may enter into an agreement with an eligible
20 business to make annual payments to that eligible business
21 in an amount not to exceed the property taxes paid directly
22 or indirectly by that eligible business to the taxing
23 district and any other taxing districts for premises
24 occupied pursuant to a written lease and may make those
25 payments without the need for an annual appropriation. No
26 school district, however, may enter into an agreement with,
27 or abate taxes for, an eligible business unless the
28 municipality in which the corporate headquarters is
29 located agrees to provide funding to the school district in
30 an amount equal to the amount abated or paid by the school
31 district as provided in this paragraph (8). Any abatement
32 ordered or agreement entered into under this paragraph (8)
33 may be effective for the entire term specified by the
34 taxing district, except the term of the abatement or annual
35 payments may not exceed 20 years.

36 (b) Upon a majority vote of its governing authority, any

1 municipality may, after the determination of the assessed
2 valuation of its property, order the county clerk to abate any
3 portion of its taxes on any property that is located within the
4 corporate limits of the municipality in accordance with Section
5 8-3-18 of the Illinois Municipal Code.

6 (Source: P.A. 92-12, eff. 7-1-01; 92-207, eff. 8-1-01; 92-247,
7 eff. 8-3-01; 92-651, eff. 7-11-02; 93-270, eff. 7-22-03;
8 revised 12-6-03.)

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