

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 15-185 as follows:

6 (35 ILCS 200/15-185)

7 Sec. 15-185. Exemption for leaseback property and
8 qualified leased property.

9 (a) Notwithstanding anything in this Code to the contrary,
10 all property owned by a municipality with a population of over
11 500,000 inhabitants, or a unit of local government whose
12 jurisdiction includes territory located in whole or in part
13 within a municipality with a population of over 500,000
14 inhabitants, shall remain exempt from taxation and any
15 leasehold interest in that property shall not be subject to
16 taxation under Section 9-195 if the property is directly or
17 indirectly leased, sold, or otherwise transferred to another
18 entity whose property is not exempt and immediately thereafter
19 is the subject of a leaseback or other agreement that directly
20 or indirectly gives the municipality or unit of local
21 government (i) a right to use, control, and possess the
22 property or (ii) a right to require the other entity, or the
23 other entity's designee or assignee, to use the property in the

1 performance of services for the municipality or unit of local
2 government. Property shall no longer be exempt under this
3 subsection as of the date when the right of the municipality or
4 unit of local government to use, control, and possess the
5 property or to require the performance of services is
6 terminated and the municipality or unit of local government no
7 longer has any option to purchase or otherwise reacquire the
8 interest in the property which was transferred by the
9 municipality or unit of local government.

10 (b) Notwithstanding anything in this Code to the contrary,
11 all property owned by a municipality with a population of over
12 500,000 inhabitants, or a unit of local government whose
13 jurisdiction includes territory located in whole or in part
14 within a municipality with a population of over 500,000
15 inhabitants, shall remain exempt from taxation and any
16 leasehold interest in that property is not subject to taxation
17 under Section 9-195 if the property, including dedicated public
18 property, is used by a municipality or other unit of local
19 government for the purpose of an airport or a harbor or parking
20 or for waste disposal or processing and is leased for continued
21 use for the same purpose to another entity whose property is
22 not exempt.

23 For the purposes of this subsection (b), "airport" does not
24 include any airport property, as defined under Section 10 of
25 the O'Hare Modernization Act.

26 Any transaction described under this subsection must be

1 undertaken in accordance with all appropriate federal laws and
2 regulations.

3 (c) For purposes of this Section, "municipality" means a
4 municipality as defined in Section 1-1-2 of the Illinois
5 Municipal Code, and "unit of local government" means a unit of
6 local government as defined in Article VII, Section 1 of the
7 Constitution of the State of Illinois. The provisions of this
8 Section supersede and control over any conflicting provisions
9 of this Code.

10 (Source: P.A. 93-19, eff. 6-20-03; 94-750, eff. 5-9-06.)

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