



Sen. James F. Clayborne, Jr.

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LRB097 10314 KMW 52915 a

1 AMENDMENT TO SENATE BILL 2171

2 AMENDMENT NO. _____. Amend Senate Bill 2171 by replacing
3 everything after the enacting clause with the following:

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, 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, or a municipality with home rule powers that is
15 contiguous to a municipality with a population of over 500,000
16 inhabitants, or property that as of December 31, 2010 is exempt

1 from real estate taxes and is owned by a tax-exempt entity,
2 shall remain exempt from taxation and any leasehold interest in
3 that property shall not be subject to taxation under Section
4 9-195 if the property is directly or indirectly leased, sold,
5 or otherwise transferred to another entity whose property is
6 not exempt and immediately thereafter is the subject of a
7 leaseback or other agreement that directly or indirectly gives
8 the lessee ~~municipality or unit of local government~~ (i) a right
9 to use, control, and possess the property either directly or
10 through its exempt subsidiary or affiliate or (ii) a right for
11 the municipality or unit of local government to require the
12 other entity, or the other entity's designee or assignee, to
13 use the property in the performance of services for the
14 municipality or unit of local government. Property shall no
15 longer be exempt under this subsection as of the date when the
16 right of the lessee ~~municipality or unit of local government~~ to
17 use, control, and possess the property or for the municipality
18 or unit of local government to require the performance of
19 services is terminated and the lessee ~~municipality or unit of~~
20 ~~local government~~ no longer has any option to purchase or
21 otherwise reacquire the interest in the property to the extent
22 that such an option or right of reacquisition was part of the
23 lease or a provision of the original sale ~~which was transferred~~
24 ~~by the municipality or unit of local government.~~

25 (b) Notwithstanding anything in this Code to the contrary,
26 all property owned by a municipality with a population of over

1 500,000 inhabitants, a unit of local government whose
2 jurisdiction includes territory located in whole or in part
3 within a municipality with a population of over 500,000
4 inhabitants, or a municipality with home rule powers that is
5 contiguous to a municipality with a population of over 500,000
6 inhabitants, shall remain exempt from taxation and any
7 leasehold interest in that property is not subject to taxation
8 under Section 9-195 if the property, including dedicated public
9 property, is used by a municipality or other unit of local
10 government for the purpose of an airport or parking or for
11 waste disposal or processing and is leased for continued use
12 for the same purpose to another entity whose property is not
13 exempt.

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

17 Any transaction described under this subsection must be
18 undertaken in accordance with all appropriate federal laws and
19 regulations.

20 (c) For purposes of this Section, "municipality" means a
21 municipality as defined in Section 1-1-2 of the Illinois
22 Municipal Code, and "unit of local government" means a unit of
23 local government as defined in Article VII, Section 1 of the
24 Constitution of the State of Illinois. The provisions of this
25 Section supersede and control over any conflicting provisions
26 of this Code.

1 (Source: P.A. 96-779, eff. 8-28-09.)

2 Section 10. The Local Government Facility Lease Act is
3 amended by changing Sections 5, 20, 25, 30, 35, and 40 as
4 follows:

5 (50 ILCS 615/5)

6 Sec. 5. Definitions. As used in this Act:

7 "Covered entity" means a municipality or other unit of
8 local government or an entity receiving tax-exempt status
9 pursuant to Section 501(c)(3) of the Internal Revenue Code.

10 "Facility property" means property owned or leased by a
11 covered entity municipality with a population of over 500,000
12 inhabitants, or a unit of local government whose jurisdiction
13 includes territory located in whole or in part within a
14 municipality with a population of over 500,000 inhabitants,
15 that is used by the covered entity municipality or other unit
16 of local government for a public purpose the purpose of an
17 airport, parking, or waste disposal or processing. "Airport",
18 however, does not include any airport property, as defined
19 under Section 10 of the O'Hare Modernization Act.

20 "Leased facility property" means facility property that is
21 leased or subleased by a covered entity to a private entity for
22 continued use for the same public airport, parking, or waste
23 disposal or processing purpose as that of the covered entity at
24 the time of the lease.

1 "Lease" means a lease or sublease between a covered entity
2 and a private entity.

3 "Lessee" means the lessee or sublessee in a lease or
4 sublease between a covered entity and a private entity.

5 "Lessor" means the lessor or sublessor in a lease or
6 sublease between a covered entity and a private entity.

7 "Public purpose" means any project or facility that is
8 acquired, constructed, improved, rehabilitated, reconstructed,
9 replaced, or maintained by a covered entity and that is
10 acquired or undertaken for the benefit of the community.

11 "Public purpose" includes, but is not limited to, a hospital or
12 any other facility created or established for the purpose of
13 providing medical services or treatment, an airport, a parking
14 facility, or a waste disposal or processing facility. "Public
15 purpose" does not include use for the purpose of any airport
16 property, as defined under Section 10 of the O'Hare
17 Modernization Act.

18 (Source: P.A. 94-750, eff. 5-9-06.)

19 (50 ILCS 615/20)

20 Sec. 20. Use of sale or lease proceeds ~~by lessor~~.

21 (a) With respect to any ~~leased~~ facility property that is
22 sold by a covered entity and subsequently leased back by that
23 covered entity ~~used for airport purposes~~, at least 90% of the
24 net proceeds of the sale ~~lease~~ shall be expended or obligated
25 by the covered entity ~~lessor municipality~~ for:

1 (i) the construction and maintenance of infrastructure
2 within the municipality where the property is located;

3 (ii) contributions to pension funds created for
4 ~~municipal~~ employees employed by the lessee of leased
5 facility property or municipal employees within the
6 municipality where the property is located; or

7 (iii) any combination of (i) or (ii).

8 (b) With respect to any leased facility property, at least
9 90% of the net proceeds of the lease shall be expended or
10 obligated by the covered entity for:

11 (i) the construction and maintenance of infrastructure
12 within the municipality where the property is located;

13 (ii) contributions to pension funds created for
14 employees employed by the lessee of leased facility
15 property or municipal employees within the municipality
16 where the property is located; or

17 (iii) any combination of (i) or (ii).

18 (c) ~~(b)~~ The amount of net proceeds expended or obligated
19 for item (ii) in subsection (a) may not exceed the amount of
20 net proceeds expended or obligated for item (i) in subsection
21 (a), and the amount of net proceeds expended or obligated for
22 item (ii) in subsection (b) may not exceed the amount of net
23 proceeds expended or obligated for item (i) in subsection (b).

24 As used in this Section, "net proceeds" means the gross
25 proceeds less any debt service payments on, and payments to
26 retire, debt that is specifically associated with the facility

1 property or leased facility property or otherwise required to
2 be paid out of the lease proceeds of the sale or lease.

3 (Source: P.A. 94-750, eff. 5-9-06.)

4 (50 ILCS 615/25)

5 Sec. 25. Project labor agreements for projects funded by
6 sale or airport lease proceeds. With respect to the
7 construction of public works funded by the proceeds described
8 in Section 20 of this Act, where the project has an estimated
9 contract value of \$500,000 or more, where there has been a
10 written determination that the public interest in cost, timely
11 and orderly construction, labor stability, and advancement of
12 minority-owned and women-owned businesses and minority and
13 female employment would be served by a project labor agreement,
14 and where not otherwise prohibited by applicable law, the
15 covered entity ~~municipality~~ or municipal corporation
16 responsible for implementing the project shall in good faith
17 negotiate a project labor agreement with labor organizations
18 engaged in the construction industry. Any project labor
19 agreement shall:

20 (1) set forth effective, immediate, and mutually
21 binding procedures for resolving jurisdictional disputes
22 and grievances arising before completion of work;

23 (2) contain guarantees against strikes, lockouts, or
24 similar actions;

25 (3) ensure a reliable source of skilled and experienced

1 labor;

2 (4) further public policy objectives as to improved
3 employment opportunities for minorities and women in the
4 construction industry to the extent permitted by State and
5 federal law;

6 (5) be made binding on all contractors and
7 subcontractors on the public works project through
8 inclusion of appropriate bid specifications in all
9 relevant bid documents; and

10 (6) include such other terms as the parties deem
11 appropriate.

12 (Source: P.A. 94-750, eff. 5-9-06.)

13 (50 ILCS 615/30)

14 Sec. 30. Labor neutrality and card check procedure
15 agreement at the leased facility property. With respect to
16 employees assigned to work on the premises of leased facility
17 property ~~used for airport purposes~~ and who are not otherwise
18 members of an existing bargaining unit cognizable under the
19 National Labor Relations Act, and where not otherwise
20 prohibited by applicable law, the lessee shall negotiate in
21 good faith, with any union that seeks to represent its
22 employees, for a labor neutrality and card check procedure
23 agreement. The agreement shall apply only to employees actually
24 assigned to work on the premises of the leased facility
25 property ~~used for airport purposes~~ and shall have no

1 applicability to employees not so assigned. The agreement shall
2 contain provisions accomplishing the following objectives:
3 resolution by a third party neutral of disagreements regarding
4 bargaining unit scope, inclusions, and exclusions;
5 determination of the existence of majority support for a
6 bargaining agent by means of a card check procedure; employer
7 neutrality; prohibition of coercion or intimidation of
8 employees by either the employer or the union; and a
9 prohibition on strikes, work stoppages, or picketing for the
10 duration of the agreement.

11 (Source: P.A. 94-750, eff. 5-9-06.)

12 (50 ILCS 615/35)

13 Sec. 35. Wage requirements. In order to protect the wages,
14 working conditions, and job opportunities of employees
15 employed by the lessee of leased facility property ~~used for~~
16 ~~airport purposes~~ to perform work on the site of the leased
17 premises previously performed by employees of the covered
18 entity ~~lessor~~ on the site of the leased premises and who were
19 in recognized bargaining units at the time of the lease, the
20 lessee, and any subcontractor retained by the lessee to perform
21 such work on the site of the leased premises, shall be required
22 to pay to those employees an amount not less than the economic
23 equivalent of the standard of wages and benefits enjoyed by the
24 covered entity's ~~lessor's~~ employees who previously performed
25 that work. The covered entity ~~lessor~~ shall certify to the

1 lessee the amount of wages and benefits (or their equivalent)
2 as of the time of the lease, and any changes to those amounts
3 as they may occur during the term of the lease. All projects at
4 the leased facility property ~~used for airport purposes~~ shall be
5 considered public works for purposes of the Prevailing Wage
6 Act, the Economic Development Area Tax Increment Allocation
7 Act, and the Illinois Health Facilities Planning Act.

8 (Source: P.A. 94-750, eff. 5-9-06.)

9 (50 ILCS 615/40)

10 Sec. 40. Required offers of employment. As part of any
11 transaction to lease facility property ~~that is used for airport~~
12 ~~purposes:~~

13 (1) the lessee must offer employment, under
14 substantially similar terms and conditions, to the
15 employees of the covered entity ~~municipality~~ who are
16 employed, at the time of the lease, with respect to the
17 facility property ~~used for airport purposes;~~ and

18 (2) the covered entity ~~municipality~~ must offer
19 employment in another department, division, or unit of the
20 covered entity ~~municipality~~, under substantially similar
21 terms and conditions, to employees of the covered entity
22 ~~municipality~~ who are employed, at the time of the lease,
23 with respect to the facility property ~~used for airport~~
24 ~~purposes.~~

25 (Source: P.A. 94-750, eff. 5-9-06.)".