



Sen. David Koehler

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LRB097 19101 HLH 69144 a

1 AMENDMENT TO SENATE BILL 3210

2 AMENDMENT NO. _____. Amend Senate Bill 3210 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, shall remain exempt from taxation and any

1 leasehold interest in that property shall not be subject to
2 taxation under Section 9-195 if the property is directly or
3 indirectly leased, sold, or otherwise transferred to another
4 entity whose property is not exempt and immediately thereafter
5 is the subject of a leaseback or other agreement that directly
6 or indirectly gives the municipality or unit of local
7 government (i) a right to use, control, and possess the
8 property or (ii) a right to require the other entity, or the
9 other entity's designee or assignee, to use the property in the
10 performance of services for the municipality or unit of local
11 government. Property shall no longer be exempt under this
12 subsection as of the date when the right of the municipality or
13 unit of local government to use, control, and possess the
14 property or to require the performance of services is
15 terminated and the municipality or unit of local government no
16 longer has any option to purchase or otherwise reacquire the
17 interest in the property which was transferred by the
18 municipality or unit of local government.

19 (b) Notwithstanding anything in this Code to the contrary,
20 all property owned by a municipality with a population of over
21 500,000 inhabitants, a unit of local government whose
22 jurisdiction includes territory located in whole or in part
23 within a municipality with a population of over 500,000
24 inhabitants, or a municipality with home rule powers that is
25 contiguous to a municipality with a population of over 500,000
26 inhabitants, shall remain exempt from taxation and any

1 leasehold interest in that property is not subject to taxation
2 under Section 9-195 if the property, including dedicated public
3 property, is used by a municipality or other unit of local
4 government for the purpose of an airport or parking or for
5 waste disposal or processing and is leased for continued use
6 for the same purpose to another entity whose property is not
7 exempt.

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

11 Any transaction described under this subsection must be
12 undertaken in accordance with all appropriate federal laws and
13 regulations.

14 (c) For purposes of this Section, "municipality" means a
15 municipality as defined in Section 1-1-2 of the Illinois
16 Municipal Code, and "unit of local government" means a unit of
17 local government as defined in Article VII, Section 1 of the
18 Constitution of the State of Illinois. The provisions of this
19 Section supersede and control over any conflicting provisions
20 of this Code.

21 (d) Notwithstanding any provision of this Code to the
22 contrary, in the case of a healthcare facility that is located
23 within the cities of Rockford, Pontiac, Bloomington,
24 Galesburg, Monmouth, or Peoria, or located within 20 miles of
25 the municipal boundaries of any of those cities:

26 (1) if the property is owned by an entity that uses the

1 property as a healthcare facility and in such a manner that
2 the property is exempt from taxation under this Article 15,
3 then that property is exempt from real estate taxes, and
4 that exemption is not affected by any transaction in which
5 the entity, directly or indirectly, on or after the
6 effective date of this amendatory Act of the 97th General
7 Assembly, leases, sells, or otherwise transfers the
8 property to another entity for which or for whom property
9 is not exempt, with or without a right to repurchase that
10 property, and immediately after the lease or transfer
11 enters into a leaseback or other agreement that directly or
12 indirectly gives the initial entity a right to use,
13 control, and possess the property as a healthcare facility
14 in a manner that would qualify the property for a
15 non-homestead real estate tax exemption pursuant to this
16 Article 15 by virtue of its use; or

17 (2) if, on or after the effective date of this
18 amendatory Act of the 97th General Assembly, an entity
19 leases such new or existing healthcare facility property
20 from another for purposes that would be exempt under this
21 Article 15, that property is exempt from real estate taxes
22 for the term of the lease, or any extension thereof,
23 without regard to the nature or character of ownership and
24 shall be treated for purposes of this Article 15 as if the
25 lessee were the owner of the property, as long as the
26 property on which the leased improvements are or will be

1 located is used as a healthcare facility pursuant to that
2 lease or any renewal thereof.

3 For the purposes of this subsection (d), "healthcare
4 facility" has the same meaning as provided in Section 10 of the
5 Smoke Free Illinois Act.

6 (e) Substantially all of the funds received from the
7 conveyance of property subject to a leaseback agreement as
8 described in subsection (d) of this Section must be used for
9 capital improvement projects and related capital expenditures
10 and all funds raised shall be used within the State of
11 Illinois.

12 (f) To the extent allowable by law, all construction
13 projects using the provisions of subsection (d) above shall be
14 subject to the provisions of the Illinois Prevailing Wage Act
15 for the initial construction of the improvements and all
16 bidders for those projects shall comply with the provisions of
17 Section 30-22 of the Illinois Procurement Code.

18 (g) Project labor agreements for the construction projects
19 referenced in subsection (f) above shall be required.

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

21 Section 97. Savings clause. If any provision of this Act or
22 its application to any person or circumstance is held invalid
23 by any Court of competent jurisdiction or any federal or State
24 government agency having jurisdiction over the subject matter
25 of this Act, the invalidity of that provision or application

1 does not affect any other provisions or applications of this
2 Act that can be given effect without the invalid provision or
3 application which are severable under Section 1.31 of the
4 Statute on Statutes.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.".