



Sen. Don Harmon

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LRB100 05150 HLH 36835 a

1 AMENDMENT TO SENATE BILL 486

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 486 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by adding  
5 Division 20 to Article 10 as follows:

6 (35 ILCS 200/Art. 10 Div. 20 heading new)

7 Division 20. Commercial solar energy systems

8 (35 ILCS 200/10-720 new)

9 Sec. 10-720. Definitions. For the purposes of this Division  
10 20:

11 "Allowance for physical depreciation" means (i) the actual  
12 age in years of the commercial solar energy system on the  
13 assessment date divided by 20 years multiplied by (ii) its  
14 trended real property cost basis. The physical depreciation,  
15 however, may not reduce the value of the commercial solar

1 energy system to less than 30% of its trended real property  
2 cost basis.

3 "Commercial solar energy system" means any device or  
4 assembly of devices that (i) is ground installed and (ii) uses  
5 solar energy from the sun for generating electricity for the  
6 primary purpose of wholesale or retail sale and not primarily  
7 for consumption on the property on which the device or devices  
8 reside.

9 "Commercial solar energy system real property cost basis"  
10 represents both the freehold estate and the leasehold estate.  
11 The leasehold estate shall have a real property cost basis of  
12 \$194,000 per megawatt of nameplate capacity. The freehold  
13 estate shall have a real property cost basis of \$5,000 per  
14 megawatt of nameplate capacity. For the purposes of this  
15 Section, "nameplate capacity" has the same definition as found  
16 in Section 1-10 of the Illinois Power Agency Act.

17 "Freehold estate" means the land upon which the commercial  
18 solar energy system is installed.

19 "Ground installed" means the installation of a commercial  
20 solar energy system, with the primary purpose of solar energy  
21 generation for wholesale or retail sale, on a parcel or tract  
22 of land.

23 "Leasehold estate" means the real property improvements of  
24 a commercial solar energy system.

25 "Trended real property cost basis" means the commercial  
26 solar energy system real property cost basis multiplied by the

1 trending factor.

2 "Trending factor" means a number equal to the Consumer  
3 Price Index (U.S. city average all items) published by the  
4 Bureau of Labor Statistics for the December immediately  
5 preceding the assessment date, divided by the Consumer Price  
6 Index (U.S. city average all items) published by the Bureau of  
7 Labor Statistics for December of 2017.

8 (35 ILCS 200/10-725 new)

9 Sec. 10-725. Improvement valuation of commercial solar  
10 energy systems in counties with fewer than 3,000,000  
11 inhabitants. Beginning in assessment year 2018, the fair cash  
12 value of commercial solar energy system improvements in  
13 counties with fewer than 3,000,000 inhabitants shall be  
14 determined by subtracting the allowance for physical  
15 depreciation from the trended real property cost basis.  
16 Functional obsolescence and external obsolescence of the solar  
17 energy device may further reduce the fair cash value of the  
18 commercial solar energy system improvements, to the extent they  
19 are proved by the taxpayer by clear and convincing evidence.

20 (35 ILCS 200/10-730 new)

21 Sec. 10-730. Exempt properties. The provisions of this  
22 Division do not apply to commercial solar energy systems that  
23 are owned by any person or entity that is otherwise exempt from  
24 taxation under this Code.

1 (35 ILCS 200/10-735 new)

2 Sec. 10-735. Commercial solar energy systems not subject to  
3 equalization. Commercial solar energy systems assessable under  
4 this Division are not subject to equalization factors applied  
5 by the Department or any board of review, assessor, or chief  
6 county assessment officer.

7 (35 ILCS 200/10-740 new)

8 Sec. 10-740. Survey for ground installed commercial solar  
9 energy systems; parcel identification numbers. Notwithstanding  
10 any other provision of law, the owner of the ground installed  
11 commercial solar energy system shall commission a metes and  
12 bounds survey description of the area immediately surrounding  
13 the commercial solar energy system, including access routes,  
14 over which the owner of the commercial solar energy system has  
15 exclusive control. The owner of the ground installed commercial  
16 solar energy system shall, at his or her own expense, use an  
17 Illinois-registered land surveyor to prepare the survey. The  
18 owner of the ground installed commercial solar energy system  
19 shall deliver a copy of the survey to the chief county  
20 assessment officer and to the owner of the land upon which the  
21 ground installed commercial solar energy system is  
22 constructed. Upon receiving a copy of the survey, the chief  
23 county assessment officer shall issue a separate parcel  
24 identification number or numbers for the property containing

1 the ground installed commercial solar energy system to be used  
2 only for the purposes of property assessment for taxation. A  
3 plat prepared under this Section shall not be construed as a  
4 violation of the Plat Act.

5 (35 ILCS 200/10-745 new)

6 Sec. 10-745. Unpaid taxes and liens. Except as otherwise  
7 provided in this Section, despite the combined assessment  
8 valuation of the leasehold estate and freehold estate, recourse  
9 for unpaid taxes or liens for any commercial solar energy  
10 system shall be limited to the leasehold estate with no  
11 recourse against the freehold estate. The leasehold estate  
12 shall not be responsible for: unpaid taxes or liens on the  
13 freehold estate from periods before or after the term of the  
14 leasehold estate; or liens on the freehold estate unrelated to  
15 the leasehold estate.

16 (35 ILCS 200/10-750 new)

17 Sec. 10-750. Farmland. Notwithstanding any other provision  
18 of law, a portion of the freehold estate that was assessed as  
19 farmland in accordance with Section 10-110 of this Act in the  
20 assessment year prior to valuation under this Division shall  
21 return to being assessed as farmland in accordance with Section  
22 10-110 of this Act in the year following completion of the  
23 removal of the commercial solar energy system as long as the  
24 property is returned to a farm use as defined in Section 1-60

1 of this Act, notwithstanding that the land was not used for  
2 farming for the 2 preceding years.

3 (35 ILCS 200/10-755 new)

4 Sec. 10-755. Incentive agreements. Notwithstanding  
5 anything in this Division, the governing body of a municipality  
6 or county and the owner of a commercial solar energy system may  
7 enter into a voluntary agreement to make payments in lieu of  
8 taxes. If such agreement is entered into, the agreement will be  
9 in lieu of property taxes otherwise assessed by the  
10 municipality or county against the commercial solar energy  
11 system as set forth in this Code.

12 (35 ILCS 200/10-760 new)

13 Sec. 10-760. Applicability. The provisions of this  
14 Division apply for assessment years 2018 through 2033.

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