

# HB3426



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3426

by Rep. Terra Costa Howard

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/9-195

Amends the Property Tax Code. Provides that, if an airport authority enters into a lease with a tenant to occupy space on airport premises, and the tenant is liable for the payment of property taxes on the property, the lease shall contain certain language regarding the liability of the tenant for unpaid taxes. Provides that, if the tenant fails to make timely payment of those taxes, the tenant shall be liable for an additional penalty not to exceed the amount of taxes in arrears. Effective immediately.

LRB101 09016 HLH 54109 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 9-195 as follows:

6 (35 ILCS 200/9-195)

7 (Text of Section WITH the changes made by P.A. 97-1161,  
8 which has been held unconstitutional)

9 Sec. 9-195. Leasing of exempt property.

10 (a) Except as provided in Sections 15-35, 15-55, 15-60,  
11 15-100, 15-103, 15-160, and 15-185, when property which is  
12 exempt from taxation is leased to another whose property is not  
13 exempt, and the leasing of which does not make the property  
14 taxable, the leasehold estate and the appurtenances shall be  
15 listed as the property of the lessee thereof, or his or her  
16 assignee. Taxes on that property shall be collected in the same  
17 manner as on property that is not exempt, and the lessee shall  
18 be liable for those taxes. However, no tax lien shall attach to  
19 the exempt real estate. The changes made by Public Act 90-562  
20 and by Public Act 91-513 are declaratory of existing law and  
21 shall not be construed as a new enactment. The changes made by  
22 Public Acts 88-221 and 88-420 that are incorporated into this  
23 Section by Public Act 88-670 are declarative of existing law

1 and are not a new enactment.

2 (b) The provisions of this Section regarding taxation of  
3 leasehold interests in exempt property do not apply to any  
4 leasehold interest created pursuant to any transaction  
5 described in subsection (e) of Section 15-35, subsection (c-5)  
6 of Section 15-60, subsection (b) of Section 15-100, Section  
7 15-103, Section 15-160, or Section 15-185 of this Code or  
8 Section 6c of the Downstate Forest Preserve District Act.

9 (c) If an airport authority enters into a lease with a  
10 tenant to occupy space on airport premises, and the tenant is  
11 liable for the payment of property taxes on the property, the  
12 lease shall contain the following language:

13 "Lessee shall be liable for the payment of property  
14 taxes with respect to the leasehold interest in accordance  
15 with the terms and conditions of Section 9-195 of the  
16 Property Tax Code."

17 If a tenant described in this subsection (c) is liable for  
18 the payment of property taxes, and the tenant fails to make  
19 timely payment of those taxes, the tenant shall be liable for  
20 an additional penalty not to exceed the amount of taxes in  
21 arrears.

22 (Source: P.A. 99-219, eff. 7-31-15; 99-642, eff. 7-28-16.)

23 (Text of Section WITHOUT the changes made by P.A. 97-1161,  
24 which has been held unconstitutional)

25 Sec. 9-195. Leasing of exempt property.

1           (a) Except as provided in Sections 15-35, 15-55, 15-60,  
2           15-100, 15-103, and 15-185, when property which is exempt from  
3           taxation is leased to another whose property is not exempt, and  
4           the leasing of which does not make the property taxable, the  
5           leasehold estate and the appurtenances shall be listed as the  
6           property of the lessee thereof, or his or her assignee. Taxes  
7           on that property shall be collected in the same manner as on  
8           property that is not exempt, and the lessee shall be liable for  
9           those taxes. However, no tax lien shall attach to the exempt  
10          real estate. The changes made by Public Act 90-562 and by  
11          Public Act 91-513 are declaratory of existing law and shall not  
12          be construed as a new enactment. The changes made by Public  
13          Acts 88-221 and 88-420 that are incorporated into this Section  
14          by Public Act 88-670 are declarative of existing law and are  
15          not a new enactment.

16          (b) The provisions of this Section regarding taxation of  
17          leasehold interests in exempt property do not apply to any  
18          leasehold interest created pursuant to any transaction  
19          described in subsection (e) of Section 15-35, subsection (c-5)  
20          of Section 15-60, subsection (b) of Section 15-100, Section  
21          15-103, or Section 15-185 of this Code or Section 6c of the  
22          Downstate Forest Preserve District Act.

23          (c) If an airport authority enters into a lease with a  
24          tenant to occupy space on airport premises, and the tenant is  
25          liable for the payment of property taxes on the property, the  
26          lease shall contain the following language:

1           "Lessee shall be liable for the payment of property  
2           taxes with respect to the leasehold interest in accordance  
3           with the terms and conditions of Section 9-195 of the  
4           Property Tax Code."

5           If a tenant described in this subsection (c) is liable for  
6           the payment of property taxes, and the tenant fails to make  
7           timely payment of those taxes, the tenant shall be liable for  
8           an additional penalty not to exceed the amount of taxes in  
9           arrears.

10          (Source: P.A. 99-219, eff. 7-31-15; 99-642, eff. 7-28-16.)

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