

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)

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9 arrears.

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