

1 AN ACT in relation to taxes.

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 15-65 as follows:

6 (35 ILCS 200/15-65)

7 Sec. 15-65. Charitable purposes exemption. All property
8 of the following is exempt when actually and exclusively used
9 for charitable or beneficent purposes, and not leased or
10 otherwise used with a view to profit:

11 (a) Institutions of public charity.

12 (b) Beneficent and charitable organizations
13 incorporated in any state of the United States, including
14 organizations whose owner, and no other person, uses the
15 property exclusively for the distribution, sale, or
16 resale of donated goods and related activities and uses
17 all the income from those activities to support the
18 charitable, religious or beneficent activities of the
19 owner, whether or not such activities occur on the
20 property.

21 (c) Old people's homes, facilities for persons with
22 a developmental disability, and not-for-profit
23 organizations providing services or facilities related to
24 the goals of educational, social and physical
25 development, if, upon making application for the
26 exemption, the applicant provides affirmative evidence
27 that the home or facility or organization is an exempt
28 organization under paragraph (3) of Section 501(c) of the
29 Internal Revenue Code or its successor, and either: (i)
30 the bylaws of the home or facility or not-for-profit
31 organization provide for a waiver or reduction, based on

1 an individual's ability to pay, of any entrance fee,
2 assignment of assets, or fee for services, or (ii) the
3 home or facility is qualified, built or financed under
4 Section 202 of the National Housing Act of 1959, as
5 amended.

6 An applicant that has been granted an exemption
7 under this subsection on the basis that its bylaws
8 provide for a waiver or reduction, based on an
9 individual's ability to pay, of any entrance fee,
10 assignment of assets, or fee for services may be
11 periodically reviewed by the Department to determine if
12 the waiver or reduction was a past policy or is a current
13 policy. The Department may revoke the exemption if it
14 finds that the policy for waiver or reduction is no
15 longer current.

16 If a not-for-profit organization leases property
17 that is otherwise exempt under this subsection to an
18 organization that conducts an activity on the leased
19 premises that would entitle the lessee to an exemption
20 from real estate taxes if the lessee were the owner of
21 the property, then the leased property is exempt.

22 (d) Not-for-profit health maintenance organizations
23 certified by the Director of the Illinois Department of
24 Insurance under the Health Maintenance Organization Act,
25 including any health maintenance organization that
26 provides services to members at prepaid rates approved by
27 the Illinois Department of Insurance if the membership of
28 the organization is sufficiently large or of indefinite
29 classes so that the community is benefited by its
30 operation. No exemption shall apply to any hospital or
31 health maintenance organization which has been
32 adjudicated by a court of competent jurisdiction to have
33 denied admission to any person because of race, color,
34 creed, sex or national origin.

1 (e) All free public libraries.

2 (f) Historical societies.

3 Property otherwise qualifying for an exemption under this
4 Section shall not lose its exemption because the legal title
5 is held (i) by an entity that is organized solely to hold
6 that title and that qualifies under paragraph (2) of Section
7 501(c) of the Internal Revenue Code or its successor, whether
8 or not that entity receives rent from the charitable
9 organization for the repair and maintenance of the property,
10 (ii) by an entity that is organized as a partnership, in
11 which the charitable organization, or an affiliate or
12 subsidiary of the charitable organization, is a general
13 partner, for the purposes of owning and operating a
14 residential rental property that has received an allocation
15 of Low Income Housing Tax Credits for 100% of the dwelling
16 units under Section 42 of the Internal Revenue Code of 1986,
17 or (iii) for any assessment year including and subsequent to
18 January 1, 1996 for which an application for exemption has
19 been filed and a decision on which has not become final and
20 nonappealable, by a limited liability company organized under
21 the Limited Liability Company Act provided that (A) the
22 limited liability company receives a notification from the
23 Internal Revenue Service that it qualifies under paragraph
24 (2) or (3) of Section 501(c) of the Internal Revenue Code;
25 (B) the limited liability company's sole members, as that
26 term is used in Section 1-5 of the Limited Liability Company
27 Act, are the institutions of public charity that actually and
28 exclusively use the property for charitable and beneficent
29 purposes; and (C) the limited liability company does not
30 lease the property or otherwise use it with a view to profit.
31 (Source: P.A. 91-416, eff. 8-6-99; 92-382, eff. 8-16-01.)