



Sen. Toi W. Hutchinson

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09700HB1645sam002

LRB097 02977 HLH 69381 a

1 AMENDMENT TO HOUSE BILL 1645

2 AMENDMENT NO. _____. Amend House Bill 1645 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing
5 Section 15-65 as follows:

6 (35 ILCS 200/15-65)

7 Sec. 15-65. Charitable purposes. All property of the ~~the~~
8 following is exempt when actually and exclusively used for
9 charitable or beneficent purposes, and not leased or otherwise
10 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 resale
16 of donated goods and related activities and uses all the

1 income from those activities to support the charitable,
2 religious or beneficent activities of the owner, whether or
3 not such activities occur on the property.

4 (c) Old people's homes, facilities for persons with a
5 developmental disability, and not-for-profit organizations
6 providing services or facilities related to the goals of
7 educational, social and physical development, if, upon
8 making application for the exemption, the applicant
9 provides affirmative evidence that the home or facility or
10 organization is an exempt organization under paragraph (3)
11 of Section 501(c) of the Internal Revenue Code or its
12 successor, and either: (i) the bylaws of the home or
13 facility or not-for-profit organization provide for a
14 waiver or reduction, based on an individual's ability to
15 pay, of any entrance fee, assignment of assets, or fee for
16 services, or (ii) the home or facility is qualified, built
17 or financed under Section 202 of the National Housing Act
18 of 1959, as amended.

19 An applicant that has been granted an exemption under
20 this subsection on the basis that its bylaws provide for a
21 waiver or reduction, based on an individual's ability to
22 pay, of any entrance fee, assignment of assets, or fee for
23 services may be periodically reviewed by the Department to
24 determine if the waiver or reduction was a past policy or
25 is a current policy. The Department may revoke the
26 exemption if it finds that the policy for waiver or

1 reduction is no longer current.

2 If a not-for-profit organization leases property that
3 is otherwise exempt under this subsection to an
4 organization that conducts an activity on the leased
5 premises that would entitle the lessee to an exemption from
6 real estate taxes if the lessee were the owner of the
7 property, then the leased property is exempt.

8 (d) Not-for-profit health maintenance organizations
9 certified by the Director of the Illinois Department of
10 Insurance under the Health Maintenance Organization Act,
11 including any health maintenance organization that
12 provides services to members at prepaid rates approved by
13 the Illinois Department of Insurance if the membership of
14 the organization is sufficiently large or of indefinite
15 classes so that the community is benefited by its
16 operation. No exemption shall apply to any hospital or
17 health maintenance organization which has been adjudicated
18 by a court of competent jurisdiction to have denied
19 admission to any person because of race, color, creed, sex
20 or national origin.

21 (e) All free public libraries.

22 (f) Historical societies.

23 Property otherwise qualifying for an exemption under this
24 Section shall not lose its exemption because the legal title is
25 held (i) by an entity that is organized solely to hold that
26 title and that qualifies under paragraph (2) of Section 501(c)

1 of the Internal Revenue Code or its successor, whether or not
2 that entity receives rent from the charitable organization for
3 the repair and maintenance of the property, (ii) by an entity
4 that is organized as a partnership or limited liability
5 company, in which the charitable organization, or an affiliate
6 or subsidiary of the charitable organization, is a general
7 partner of the partnership or managing member of the limited
8 liability company, for the purposes of owning and operating a
9 residential rental property that has received an allocation of
10 Low Income Housing Tax Credits for 100% of the dwelling units
11 under Section 42 of the Internal Revenue Code of 1986, as
12 amended, or (iii) for any assessment year including and
13 subsequent to January 1, 1996 for which an application for
14 exemption has been filed and a decision on which has not become
15 final and nonappealable, by a limited liability company
16 organized under the Limited Liability Company Act provided that
17 (A) the limited liability company's sole member or members, as
18 that term is used in Section 1-5 of the Limited Liability
19 Company Act, are the institutions of public charity that
20 actually and exclusively use the property for charitable and
21 beneficent purposes; (B) the limited liability company is a
22 disregarded entity for federal and Illinois income tax purposes
23 and, as a result, the limited liability company is deemed
24 exempt from income tax liability by virtue of the Internal
25 Revenue Code Section 501(c)(3) status of its sole member or
26 members; and (C) the limited liability company does not lease

1 the property or otherwise use it with a view to profit.

2 (Source: P.A. 96-763, eff. 8-25-09.)".