

1 AN ACT concerning taxation.

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 adding  
5 Division 4 to Article 11 and by adding Sections 11-130,  
6 11-135, 11-140, 11-145, 11-150, 11-155, 11-160, 11-165, and  
7 11-170 as follows:

8 (35 ILCS 200/Art. 11, Div. 4 heading new)

9 DIVISION 4. REGIONAL WATER TREATMENT FACILITIES

10 (35 ILCS 200/11-130 new)

11 Sec. 11-130. Legislative findings. The General Assembly  
12 finds that it is the policy of this State to ensure and  
13 encourage the availability of safe potable water for our  
14 cities, villages, towns, and rural residents and that it has  
15 become increasingly difficult and cost prohibitive for  
16 smaller cities, towns, and villages to construct, maintain,  
17 or operate, to current standards, water treatment facilities.  
18 It is the further finding of the General Assembly that  
19 regional treatment facilities capable of supplying several  
20 cities, villages, towns, public water districts, public water  
21 commissions, and rural water companies with treated water  
22 offer a viable economic solution to this concern and it  
23 should be the policy of the State to encourage the  
24 construction and operation of regional water treatment  
25 facilities capable of providing treated, potable water to  
26 cities, villages, towns, public water districts, public water  
27 commissions, and rural water companies, thereby relieving the  
28 burden on those entities and their citizens from constructing  
29 and maintaining their own individual treatment facilities.

1 (35 ILCS 200/11-135 new)

2 Sec. 11-135. Definitions. For purposes of this Division

3 4:

4 "Department" means the Illinois Department of Revenue.

5 "Not for profit corporation" means an Illinois  
6 corporation organized and existing under the General Not For  
7 Profit Corporation Act of 1986 in good standing with the  
8 State and having been granted status as an exempt  
9 organization under Section 501(c) of the Internal Revenue  
10 Code, or any successor or similar provision of the Internal  
11 Revenue Code.

12 "Public water commission" means a water commission  
13 organized and existing under Division 135 of Article 11 of  
14 the Illinois Municipal Code.

15 "Public water district" means a water district organized  
16 and existing under the Public Water District Act.

17 "Qualifying water treatment facility" means a water  
18 treatment facility that is owned by a not for profit  
19 corporation whose members consist exclusively of one or more  
20 incorporated city, village, or town of this State, and any  
21 number of public water districts, any number of public water  
22 commissions, or any number of rural water companies and that  
23 sells potable water to the corporation's members on a mutual  
24 or cooperative and not for profit basis.

25 "Rural water company" means a not for profit corporation  
26 whose primary purpose is to own, maintain, and operate a  
27 potable water distribution system distributing water to  
28 residences, farms, or businesses exclusively in the State of  
29 Illinois and not otherwise served by any city, village, town,  
30 public water district, or public water commission.

31 "Water treatment facility" means a plant or facility  
32 whose primary function is to treat raw water and to produce  
33 potable water for distribution, together with all other real  
34 and personal property reasonably necessary to collect, treat,

1 or distribute the water.

2 (35 ILCS 200/11-140 new)

3 Sec. 11-140. Valuation policy. Qualifying water  
4 treatment facilities shall be valued for purposes of  
5 computing the assessed valuation on the basis of 33 1/3% of  
6 the fair cash value.

7 (35 ILCS 200/11-145 new)

8 Sec. 11-145. Method of valuation for qualifying water  
9 treatment facilities. To determine 33 1/3% of the fair cash  
10 value of any qualifying water treatment facility in assessing  
11 the facility, the Department shall take into consideration  
12 the probable net value that could be realized by the owner if  
13 the facility were removed and sold at a fair, voluntary sale,  
14 giving due account to the expense of removal, site  
15 restoration, and transportation. The net value shall be  
16 considered to be 33 1/3% of fair cash value.

17 (35 ILCS 200/11-150 new)

18 Sec. 11-150. Exclusion of for-profit water treatment  
19 facilities. In no event shall the valuation set forth in  
20 this Division 4 be available to a water treatment facility  
21 that sells water "for profit".

22 (35 ILCS 200/11-155 new)

23 Sec. 11-155. Certification and assessment authority.  
24 For tax purposes, a qualifying water treatment facility shall  
25 be certified as such by the Director of Natural Resources and  
26 shall be assessed by the Department of Revenue.

27 (35 ILCS 200/11-160 new)

28 Sec. 11-160. Approval procedure. Application for  
29 approval as a qualifying water treatment facility shall be

1 filed with the Department of Natural Resources in the manner  
 2 and form prescribed by the Director of National Resources.  
 3 The application shall contain appropriate and available  
 4 descriptive information concerning anything claimed to be  
 5 entitled to tax treatment as defined in this Division 4. If  
 6 it is found that the facility meets the definition, the  
 7 Director of Natural Resources, or his or her duly authorized  
 8 designee, shall enter a finding and issue a certificate that  
 9 requires tax treatment as a qualifying water treatment  
 10 facility. The effective date of a certificate shall be on  
 11 January 1 preceding the date of certification or preceding  
 12 the date construction or installation of the facility  
 13 commences, whichever is later.

14 (35 ILCS 200/11-165 new)

15 Sec. 11-165. Judicial review; qualifying water treatment  
 16 facilities. Any applicant or holder aggrieved by the  
 17 issuance, refusal to issue, denial, revocation, modification,  
 18 or restriction of a qualifying water treatment facility  
 19 certificate may appeal the finding and order of the  
 20 Department of Natural Resources under the Administrative  
 21 Review Law.

22 (35 ILCS 200/11-170 new)

23 Sec. 11-170. Procedures for assessment; qualifying  
 24 water treatment facilities. Proceedings for assessment or  
 25 reassessment of property certified to be a qualifying water  
 26 treatment facility shall be conducted in accordance with  
 27 procedural rules adopted by the Department, in conformity  
 28 with this Code.

29 Section 99. Effective date. This Act takes effect on  
 30 January 1, 2002.