

AN ACT concerning revenue.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Property Tax Code is amended by changing Sections 9-195 and 15-160 as follows:

(35 ILCS 200/9-195)

Sec. 9-195. Leasing of exempt property.

(a) Except as provided in Sections 15-35, 15-55, 15-60, 15-100, 15-103, 15-160, and 15-185, when property which is exempt from taxation is leased to another whose property is not exempt, and the leasing of which does not make the property taxable, the leasehold estate and the appurtenances shall be listed as the property of the lessee thereof, or his or her assignee. Taxes on that property shall be collected in the same manner as on property that is not exempt, and the lessee shall be liable for those taxes. However, no tax lien shall attach to the exempt real estate. The changes made by this amendatory Act of 1997 and by this amendatory Act of the 91st General Assembly are declaratory of existing law and shall not be construed as a new enactment. The changes made by Public Acts 88-221 and 88-420 that are incorporated into this Section by this amendatory Act of 1993 are declarative of existing law and are not a new enactment.

(b) The provisions of this Section regarding taxation of leasehold interests in exempt property do not apply to any leasehold interest created pursuant to any transaction described in subsection (e) of Section 15-35, subsection (c-5) of Section 15-60, subsection (b) of Section 15-100, Section 15-103, Section 15-160, or Section 15-185.

(Source: P.A. 92-844, eff. 8-23-02; 92-846, eff. 8-23-02; 93-19, eff. 6-20-03.)

(35 ILCS 200/15-160)

Sec. 15-160. Airport authorities and airports.

(a) All property belonging to any Airport Authority and used for Airport Authority purposes or leased to another entity, which property use would be exempt from taxation under this Code if it were owned by the lessee entity, is exempt. However, the provision added by Public Act 86-219 shall not apply to any property of any Airport Authority located in a county with more than 3,000,000 inhabitants. Property acquired for airport purposes by an Authority shall remain subject to any tax previously levied to pay bonds issued and outstanding on the date of acquisition.

(b) Also exempt is any airport or restricted land area or other air navigation facility owned, controlled, operated or leased by another state or a political subdivision of another state under the provisions of Sections 25.01 to 25.04, both inclusive, of the "Illinois Aeronautics Act". However if at the

time of the acquisition of property to be used for public airport purposes the city, village, township or school district, in which said property is located is indebted for any amount for payment of which it provided for the collection of taxes, the property acquired for public airport purposes shall be subject to taxation for the payment of said indebtedness in the same proportion as said property bore to the taxable property in said city, village, township or school district immediately before the acquisition thereof, according to the last assessment for taxation.

(c) If property of the Metropolitan Airport Authority of Rock Island County is leased to a fixed base operator that provides aeronautical services to the public, then those leasehold interests and any improvements thereon are exempt.

(Source: Laws 1963, p. 1725; P.A. 86-219; 88-455.)