

PT 95-73
Tax Type: PROPERTY TAX
Issue: Government Ownership/Use

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
OFFICE OF ADMINISTRATIVE HEARINGS
SPRINGFIELD, ILLINOIS

BARCLAY PUBLIC LIBRARY DISTRICT)
Applicant) Docket # 94-58-1
) Parcel Index # 08-06-14-178-009
v.)
) Barbara S. Rowe
THE DEPARTMENT OF REVENUE) Administrative Law Judge
OF THE STATE OF ILLINOIS)

RECOMMENDATION FOR DISPOSITION

SYNOPSIS: The Macon County Board of Review filed an Application for Property Tax Exemption with the Illinois Department of Revenue (the "Department") for Barclay Public Library District (the "Applicant") for the 1994 assessment year. The Department granted the exemption for 39% of the taxable year. The applicant filed a protest to the findings of the Department regarding the portion of the year that the Department found the property to be taxable. It is recommended that the decision of the Director be that the parcel in question was in exempt use for 92% of the taxable year in question.

FINDINGS OF FACT:

1. The Department's position in this matter, namely that Macon County parcel index number 08-06-14-178-009 was not in exempt use for 61% of the 1994 assessment year, is established Dept. Ex. Nos. 1-15.
2. Applicant acquired the property at issue by a warranty deed dated February 2, 1989. (Dept. Ex. No. 2)
3. The property is a lot adjacent to the applicant's current library. (Dept. Ex. No. 5)
4. The property contains storage buildings which were demolished on

August 10, 1994 and August 11, 1994. (Dept. Ex. No. 9)

5. The subject property will become the new parking lot for the library and will be available for parking for 10 to 12 cars for the use of the library patrons and staff. (Dept. Ex. No. 9)

6. The Department granted an exemption for 39% of the 1994 assessment year. (Dept. Ex. No. 14)

7. The applicant notified the Department in writing that they did not agree with the decision. (Dept. Ex. No. 15)

8. On March 3, 1995, the applicant notified the Department in writing that they wanted the matter adjudicated through an informal basis based upon the enclosed affidavit and evidentiary documentation. (App. Ex. No. 1)

9. The affidavit stated that the construction process for the subject parcel did not begin prior to 1994. However, in 1993 an architect was retained to prepare the drawings, the bidding process was started, the bond referendum was voted and the library grant was being procured. (App. Ex. No. 1)

10. The applicant derived \$75.00 from the leasehold on the property that expired February 1, 1994. (App. Ex. No. 1)

CONCLUSIONS OF LAW: Article IX, 6 of the Illinois Constitution of 1970, provides in part as follows:

The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes.

The Property Tax Code has enacted exemptions for particular entities. These include 35 ILCS 200/15-60 which states in part as follows:

All property belonging to any county, village, or city used exclusively for the maintenance of the poor is exempt, as is all property owned by a taxing district that is being held for future expansion or development, except if leased by the taxing district to lessees for use for other than public purposes....

According to 75 ILCS 16/5-45, a library district is authorized to levy a tax. It states:

When the establishment of a library district has been approved and the district includes wholly within its territory a municipal, township, or county library, only the library district shall levy the annual public library tax.

I therefore find that the applicant is a taxing district which leased the subject property from January 1, 1994 until February 1, 1994. From that time forward, the property was being held for the future expansion of the library. I also find that the property qualified for a property tax exemption from February 1, 1994 until the end of that year.

It is recommended that the Director of the Department find that the subject parcel was in exempt ownership and use for 92% of the 1994 assessment year.

Respectfully Submitted,

Barbara S. Rowe
Administrative Law Judge

November 17, 1995