

PT 97-57
Tax Type: PROPERTY TAX
Issue: Government Ownership/Use

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

| | | | |
|--------------------------------|---|----------------|--------------|
| METROPOLITAN AIRPORT AUTHORITY |) | | |
| OF ROCK ISLAND COUNTY |) | | |
| Applicant |) | | |
| |) | Docket # | See attached |
| v. |) | | |
| |) | Parcel Index # | Exhibit A |
| THE DEPARTMENT OF REVENUE |) | | |
| OF THE STATE OF ILLINOIS |) | | |

RECOMMENDATION FOR DISPOSITION

Synopsis:

The Metropolitan Airport Authority of Rock Island County, (hereinafter referred to as the "Applicant") filed an Application for Property Tax Exemption To Board of Review for each of the parcels here in issue. Exhibit A, attached to the Notice of Decision in this matter, indicates a file number in the left-hand column, the Department of Revenue Docket Number in the center column, and the Rock Island County Parcel Index Number in the right-hand column for each of the aforesaid parcels.

A pre-trial conference was held concerning all six of these parcels for the 1996 assessment year on September 8, 1997, before the Illinois Department of Revenue (hereinafter referred to as the "Department"). Pursuant to an agreement reached at that pre-trial conference, an airport layout map, as well as an affidavit and a photograph of each of these six parcels were submitted to the Department on September 19, 1997, along with a letter from the applicant's attorney requesting an office disposition in this matter. This Recommendation For Disposition is in response to the applicant's request for an office disposition.

The issues concerning the six parcels involved in this matter include, first, whether the applicant owned these six parcels during all of the 1996 assessment year; secondly, is the applicant an airport authority; and lastly, whether the applicant used these parcels for airport authority purposes during all of the 1996 assessment year. Following a review of the documents originally submitted in these matters, the later filed airport layout map, affidavits, and photographs, it is determined that the applicant owned these parcels during the 1996 assessment year. It is further determined that the applicant is an airport authority. Finally, it is determined that the applicant used these parcels for airport authority purposes during all of the 1996 assessment year.

Findings of Fact:

1. Each of the six parcels here in issue was acquired by the applicant on January 30, 1968, pursuant to a condemnation action. Each of these parcels have been owned by the applicant since that date.

2. Each of these six parcels is located within the boundaries of the airport.

3. During all of the 1996 assessment year, each of these six parcels was mowed and otherwise maintained by the applicant.

4. Each of these six parcels was acquired by the applicant for use in the future for the construction of airport hangars.

5. During the 1996 assessment year, each of these six parcels was being held for future development for the construction of hangars.

6. None of said parcels was leased by the applicant during the 1996 assessment year.

7. I take Administrative Notice that in Docket Nos. 90-81-367, 90-81-379, 90-81-380, 90-81-383, 90-81-389, and 90-81-395, the Director of the Department determined that the applicant was an airport authority.

Conclusions of Law:

Article IX, Section 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.

35 **ILCS** 200/15-160 exempts certain property from taxation, in part, as follows:

All property belonging to any Airport Authority and used for Airport Authority purposes . . . is exempt.

It is well settled in Illinois, that when a statute purports to grant an exemption from taxation, the fundamental rule of construction is that a tax exemption provision is to be construed strictly against the one who asserts the claim of exemption. International College of Surgeons v. Brenza, 8 Ill.2d 141 (1956). Whenever doubt arises, it is to be resolved against exemption, and in favor of taxation. People ex rel. Goodman v. University of Illinois Foundation, 388 Ill. 363 (1944). Finally, in ascertaining whether or not a property is statutorily tax exempt, the burden of establishing the right to the exemption is on the one who claims the exemption. MacMurray College v. Wright, 38 Ill.2d 272 (1967).

In the case of Harrisburg-Raleigh Airport Authority and Fox Valley Airport Authority v. The Department of Revenue, 126 Ill.2d 326 (1989), the Illinois Supreme Court held that the providing of hangars and other facilities for the storage, maintenance, and servicing of aircraft, as well as the holding of property for future expansion, constituted a use of property for airport authority purposes. The Court went on to hold that property need not be exclusively used for airport authority purposes to be exempt, but its primary use must be airport related.

Based on the foregoing, I conclude that each of the six parcels here in issue qualified for exemption for all of the 1996 assessment year. Each of said parcels was owned by the applicant, an airport authority, during the entire 1996, assessment year. In addition, each of said parcels was used during the 1996 assessment year by the applicant for airport authority purposes, namely by being held for future expansion of applicant's hangar facilities.

I therefore recommend that the Rock Island County Parcels listed on Exhibit A, attached to this Notice of Decision, be exempt from real estate taxation for the 1996 assessment year.

Respectfully Submitted,

George H. Nafziger
Administrative Law Judge
September 29, 1997