

Bond Case Briefs

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Keystone Montessori School v. Village of River Forest

United States District Court, N.D. Illinois, Eastern Division - July 17, 2018 - F.Supp.3d - 2018 WL 3438940

Primary and secondary school with tax-exempt status, which was a not-for-profit Illinois corporation, brought action in state court against village, alleging claims including a class-of-one equal protection claim regarding development permit which required school to forfeit its right to a property tax exemption to operate on property that zoning ordinance otherwise prohibited.

Village removed case to federal court and moved to dismiss for failure to state a claim.

The District Court held that:

- Unconstitutional conditions doctrine did not apply, and
- Allegations did not raise a plausible inference that village targeted school for less favorable tax treatment than it accorded other not-for-profit entities.

Payment of property taxes to village did not implicate the Takings Clause, and thus unconstitutional conditions doctrine did not apply to claim by primary and secondary school with tax-exempt status that village violated the federal and Illinois constitutions by conditioning a development permit on school's payment of property taxes; right to seek a property tax exemption was rooted in the Illinois tax statute.

Allegations in class-of-one equal protection complaint by primary and secondary school with tax exempt status did not raise a plausible inference that village targeted school for less favorable tax treatment than it accorded other not-for-profit entities in violation of the Equal Protection Clause by granting development permit requiring school to forfeit tax exempt status; permit singled out school for favorable treatment by authorizing it to operate at a location where it was otherwise prohibited by village's generally-applicable zoning ordinance, and no other not-for-profit entity operated in an area where its activities were otherwise prohibited by zoning ordinance, or owned and occupied a presumptively tax-generating property, but still exercised its statutory right to property tax exemption.