

Bond Case Briefs

Municipal Finance Law Since 1971

TAX - ILLINOIS

Moline School Dist. No. 40 Board of Educ. v. Quinn

Supreme Court of Illinois - June 16, 2016 - N.E.3d - 2016 IL 119704 - 2016 WL 3348847

School district board of education brought constitutional challenge to amendment to Property Tax Code that provided real property tax exemption on leasehold interests and improvements on land leased from county airport authority to fixed based operator (FBO) providing aeronautical services.

The Circuit Court granted summary judgment in favor of intervening company that received exemption. Board appealed. The Appellate Court reversed. FBO appealed.

The Supreme Court of Illinois held that amendment to Property Tax Code violated special legislation clause of state constitution.

Classification created by amendment to Property Tax Code that provided real property tax exemption on leasehold interests and improvements on land leased from county airport authority to fixed based operator (FBOs) was not rationally related to legitimate governmental interest, and therefore violated special legislation clause of state constitution. There was no legitimate justification for singling out particular for-profit business over other business in the state or other FBOs, legislation was based on speculation that the entity receiving the exemption would reinvest money saved in such way to create jobs and economic growth, and entity's circumstances were not unique as would warrant exemption.