

PT 16-07

Tax Type: Property Tax

Tax Issue: Charitable Ownership/Use

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE
OFFICE OF ADMINISTRATIVE HEARINGS
CHICAGO, ILLINOIS**

**JUST KIDS CHILD CARE, INC.,
APPLICANT**

v.

**THE DEPARTMENT OF REVENUE
OF THE STATE OF ILLINOIS**

No: 14 PT 052 (14-81-34)
Real Estate Tax Exemption
For 2014 Tax Year
P.I.N. 1626400006
Rock Island County Parcel

Kenneth J. Galvin
Administrative Law Judge

RECOMMENDATION FOR DISPOSITION

APPEARANCES: Ms. Catherine Hult; Lane & Waterman, LLP, on behalf of Just Kids Child Care, Inc.; Ms. Paula Hunter, Special Assistant Attorney General, on behalf of the Department of Revenue of the State of Illinois.

SYNOPSIS:

This proceeding raises the issue of whether a child care center, located on Rock Island County Parcel Index Number 1626400006 (hereinafter the “subject property”) qualifies for exemption from 2014 real estate taxes under 35 ILCS 200/15-65, wherein all property owned by charitable institutions and used for charitable and beneficent purposes and not leased or otherwise used with a view to profit, is exempt.

The controversy arises as follows: On September 15, 2014, Just Kids Child Care, Inc. (hereinafter “Just Kids”) filed an Application for Property Tax Exemption for the subject property with the Rock Island County Board of Review (hereinafter the “Board”). The Board reviewed the Application and subsequently recommended to the Illinois Department of Revenue

(hereinafter the “Department”) that the exemption be denied. The Department accepted the Board’s recommendation in a determination dated December 4, 2014, finding that the subject property was not in exempt ownership or use. On December 10, 2014, Just Kids filed a timely request for a hearing as to the denial of the exemption.

Just Kids and the Department submitted “Joint Stipulated Facts” in lieu of having an evidentiary hearing. Just Kids filed a “Brief in Support of Exemption” on January 19, 2016. The Department filed a “Brief in Response” on February 25, 2016. Just Kids filed a “Reply Brief” on March 9, 2016. Following a careful review of the Joint Stipulated Facts and the Briefs submitted by Just Kids and the Department, it is recommended that the Department’s determination that Rock Island P.I.N. 1626400006 was not in exempt ownership or use during 2014 should be affirmed.

JOINT STIPULATED FACTS:

1. Just Kids owns real estate in Rock Island County, Illinois, with Property Index Number 1626400006 located at 110 W. 20th Ave., Rock Island, Illinois 61264 (the “subject property”).

2. Just Kids, an Illinois not-for-profit corporation, is a 501(c)(3) entity and is exempt from Illinois sales tax (exemption number E-9968-1188).

3. Just Kids is protesting the Department’s denial of its application for a charitable exemption from property tax pursuant to section 15-65 of the Property Tax Code. It is Just Kids’ position that it meets all of the requirements of *Methodist Old Peoples Home v. Korzen*, 39 Ill. 2d 149 (1968), and therefore, it qualifies as an exempt organization. It is also Just Kids’ position that it uses its property for exempt purposes, as required by section 15-65.

4. It is the Department's position that the applicant's property is not used for exempt purposes and that the applicant does not meet the Korzen requirement that it derive its funds mainly from private and public charity.

5. The property at issue is used as a full day educational center for children aged fifteen months to five years old and provides educational, social and developmental activities for children. No other activities take place on the property. Exhibits A and B are true and correct copies of Affidavits of the Executive Director confirming how the property is used. If called as a witness in this proceeding, Vera Hinrichsen would testify as set forth in these Affidavits.

6. Exhibit C is a true and complete Financial Report and Independent Auditors' Report prepared by Timmer and Associates, P.C. that reflects, as of June 30, 2013, the income, expenses and financial position of Just Kids.

7. Exhibit D is a true and complete Financial Report and Independent Auditors' Report prepared by Timmer and Associates, P.C. that reflects, as of June 30, 2014, the income, expenses and financial position of Just Kids.

8. The total revenue of Just Kids for year-end June 30, 2013 was \$1,584,685. Exhibit C.

9. The total expenses of Just Kids for the year-end June 30, 2013 was \$1,641,640 which resulted in a net loss. Exhibit C.

10. The revenue for year-end June 30, 2013 represents \$1,225,452 in fees for services, \$192,686 in grants, \$823 in contributions, \$6,427 in United Way funds, \$431 in interest, \$102,784 from the "Child Care Food Program" to reimburse for food expenses and a \$103 loss on sale of assets. Grants, contributions, United Way funds and fundraising comprised \$199,936 or 12.62% of the total revenue. Exhibit C.

11. In 2013, \$3,037.90 in fees for services were waived. Exhibit E.

12. The total revenue of Just Kids for year-end June 30, 2014 was \$1,735,192. Exhibit D.

13. The total expenses of Just Kids Inc. for year-end June 30, 2014 was \$1,721,044. Exhibit D.

14. The revenue for year-end June 30, 2014 represents \$1,292,826 in fees for services, \$256,400 in grants, \$209 in contributions, \$6,820 in United Way funds, \$7,665 in fundraising income, \$447 in interest, \$107,211 from the Child Care Food Program to reimburse for food expenses and a \$2,040 loss on sale of assets. Grants, contributions, United Way funds, and fundraising comprised \$271,094 or 15.62% of the total revenue. Exhibit D.

15. For the year-end June 30, 2014, the program services provided by Just Kids cost \$1,465,169 while fees for services were \$1,292,826. Exhibit D.

16. In 2014, \$7,113.14 in fees for services were waived by Just Kids. The parties agree that Exhibit E is submitted solely for purposes of establishing waivers for the year 2014. Exhibit E.

17. A true and correct copy of a letter from the Illinois Department of Human Services (hereinafter "DHS"), Associate Director Linda Saterfield, states in part that services provided by Just Kids cannot be provided at anything other than the state rate. Exhibit F.

18. The Illinois state DHS rates for child care services are shown on Exhibit G.

19. KinderKare, a for-profit facility in Rock Island, charges the rates shown on Exhibit H.

20. If called as a witness, Vera Hinrichsen would testify that in addition to providing tuition waivers, Just Kids also provides parents and families with counseling about other government or charitable programs that might help them with tuition, meals, clothing, and

mental health services and also connects parents and families with those services, completing and submitting paperwork on behalf of parents and families, all free of charge. Exhibit I, paragraph 3.

21. A true and correct copy of Just Kids' Bylaws dated April 23, 2014, is provided as Exhibit J.

22. The Bylaws provide that the objective of Just Kids is "to provide services and facilities related to the goals of educational, social and physical development." "Such services and facilities shall be provided at reduced cost or waived cost based on an individual's ability to pay." Exhibit J, Article II.

23. If called as a witness, Vera Hinrichsen would also testify that all revenue of Just Kids is used to pay the expenses of providing services and facilities related to the education and social and physical development of the children in its care. Exhibit I, Paragraph 4.

24. A "Family Handbook" and Sliding Fee Scale used by Just Kids is provided to all persons who request services. Exhibit K.

25. Just Kids has no capital, capital stock or shareholders and does not profit from the enterprise.

26. Just Kids has met all procedural requirements by filing a PTAX-300 Application with necessary supporting documents and timely appealed the denial of property tax exemption to the Illinois Department of Revenue.

27. If called as a witness, Vera Hinrichsen would also testify that property taxes charged against the facilities of Just Kids will cause the program significant hardship and will most likely cost the facility its accreditations which are based generally on staff being trained and having sufficient staff/student ratios. Exhibit I, Paragraph 5.

28. If called as a witness, Vera Hinrichsen would also testify that Just Kids deliberately charges less than the market rate for services, waives tuition whenever requested and has no surplus with which to pay real estate taxes. Vera Hinichsen would further testify that any real estate taxes on the facility will necessarily cut into training and staffing budgets. Exhibit I, Paragraph 6.

CONCLUSIONS OF LAW:

An examination of the record establishes that Just Kids has not demonstrated, by the presentation of testimony, exhibits and argument, evidence sufficient to warrant an exemption from 2014 real estate taxes for the subject property. In support thereof, I make the following conclusions.

Article IX, Section 6 of the Illinois Constitution of 1970 limits the General Assembly's power to exempt property from taxation 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 General Assembly may not broaden or enlarge the tax exemptions permitted by the constitution or grant exemptions other than those authorized by the constitution. Board of Certified Safety Professionals v. Johnson, 112 Ill. 2d 542 (1986). Furthermore, Article IX, Section 6 does not, in and of itself, grant any exemptions. Rather, it merely authorizes the General Assembly to confer tax exemptions within the limits imposed by the constitution. Locust Grove Cemetery v. Rose, 16 Ill. 2d 132 (1959). Thus, the General Assembly is not constitutionally required to exempt any property from taxation and may place restrictions on those exemptions it chooses to grant. Village of Oak Park v. Rosewell, 115 Ill. App. 3d 497 (1st Dist. 1983).

It is well established in Illinois that statutes exempting property from taxation must be strictly construed against exemption, with all facts construed and debatable questions resolved in favor of taxation. Gas Research Institute v. Department of Revenue, 154 Ill. App. 3d 430 (1st Dist. 1987). Based on these rules of construction, Illinois courts have placed the burden of proof on the party seeking exemption, and have required such party to prove, by clear and convincing evidence, that it falls within the appropriate statutory exemption. Immanuel Evangelical Lutheran Church of Springfield v. Department of Revenue, 267 Ill. App. 3d 678 (4th Dist. 1994). In this case, Just Kids had the burden of proving, by clear and convincing evidence, that it was a charitable organization and that it used the subject property for charitable purposes in 2014.

The provisions of the Property Tax Code that govern charitable exemptions are found in Section 15-65. In relevant part, the provision states as follows:

All property of the following is exempt when actually and exclusively used for charitable or beneficent purposes, and not leased or otherwise used with a view to profit.

- (a) institutions of public charity.
- (b) ***
- (c) old people's homes, facilities for persons with a developmental disability, and not-for-profit organizations providing services or facilities related to the goals of educational, social and physical development, if, upon making application for exemption, the applicant provides affirmative evidence that the home or facility is an exempt organization under paragraph (3) of Section 501(c) of the Internal Revenue Code or its successor and either: (i) the bylaws of the home or facility or not-for-profit organization provide for a waiver or reduction, based on an individual's ability to pay, of any entrance fee, assignment of assets, or fee for services, or (ii) ***

35 ILCS 200/15-65. Illinois courts have consistently refused to grant relief under section 200/15-65 of the Property Tax Code absent appropriate evidence that the subject property is

owned by an entity that qualifies as an “institution of public charity” and that the property is “exclusively used” for purposes that qualify as “charitable” within the meaning of Illinois law and that the property is not leased or otherwise used with a view to profit. 35 ILCS 200/15-65.

Just Kids has taken the position that the applicable statutory subsections were 35 ILCS 200/15-65(a) and (c) and proceeded to apply the guidelines articulated in Methodist Old People's Home v. Korzen, 39 Ill. 2d 149 (1968) (hereinafter "Korzen"). Just Kids, an Illinois not-for-profit corporation, is a 501(c)(3) entity and is exempt from Illinois sales tax. Just Kids' Bylaws, in effect in 2014, mirror the wording of 35 ILCS 200/15-65(c). According to the Bylaws, Just Kids' objective is “to provide services and facilities related to the goals of educational, social and physical development.” “Such services and facilities shall be provided at reduced cost or waived cost based on an individual's ability to pay.” Exhibit J, Article II.

This provision in Just Kids' Bylaws does not signify “*ipso facto*” that Just Kids is a charitable organization or that the subject property is used for a charitable purpose. In Eden Retirement Center v. Dept. of Revenue, 213 Ill. 2d 273, 287 (2004) the Supreme Court held that even if an applicant met the requirements of a subsection of 35 ILCS 200/15-65, the applicant still “must comply unequivocally with the constitutional requirement of exclusive charitable use.” Therefore, consideration and analysis of Just Kids under the relevant Korzen guidelines is necessary for determining the “constitutional requirement” of charitable use of its property under either 35 ILCS 200/15-65(a) or (c).

In Korzen, the Court articulated the criteria and guidelines for resolving the constitutional question of exclusive charitable use of property. These guidelines are (1) the organization's funds are derived mainly from private and public charity, and the funds are held in trust for the objects and purposes expressed in the charter; (2) the organization has no capital, capital stock or

shareholders and does not provide gain or profit in a private sense to any person connected with it; (3) the benefits derived are for an indefinite number of persons, for their general welfare or in some way reducing the burdens on government; (4) the charity is dispensed to all who need and apply for it; (5) the organization does not appear to place obstacles of any character in the way of those who need and would avail themselves of the charitable benefits it dispenses; and (6) the exclusive (primary) use of the property is for charitable purposes. Korzen at 156-157. In its Brief, the Department argued that Just Kids' did not possess three of the Korzen characteristics. Just Kids' funds were not derived from private and public charity. Just Kids did not relieve a burden on government and Just Kids did not use the subject property for exclusively charitable purposes.

Courts consider and balance the criteria and guidelines by examining the facts of each case and focusing on whether and how the institution serves the public interest and lessens the State's burden. DuPage County Board of Review v. Joint Com'n on Accreditation of HealthCare Organizations, 274 Ill. App. 3d 461 (2d Dist. 1965). Based on the Joint Stipulated Facts and Briefs, I conclude that Just Kids does not possess the three characteristics of a charitable organization, mentioned above.

Korzen factor (1): The organization's funds are derived mainly from private and public charity, and the funds are held in trust for the objects and purposes expressed in the charter: With respect to this Korzen factor, Just Kids has failed to prove that the majority of its funds were derived from public and private donations.¹ It is suggested that the reasoning behind this guideline is that an "exclusively" charitable organization meets its needs by soliciting and

¹ Just Kids provided Financial Statements for year-end June 30, 2013. The property tax exemption at issue here is for the 2014 assessment year. The year-end June 30, 2013, Financial Statements are irrelevant to the 2014 assessment year and I am only relying on the year-end June 30, 2014, Financial Statements in this Recommendation. Just Kids should have submitted year-end June 30, 2015, Financial Statements which would have given a clearer picture of the financial results for the last 6 months of 2014.

receiving donations from individuals and others with charitable impulses. The “exclusively” charitable organization then holds the donations in trust and exercises its expertise and experience to apply the donations to an identifiable charitable need. This is not the case with Just Kids.

The total revenue of Just Kids for year-end June 30, 2014 was \$1,735,192. This revenue includes \$1,292,826 in “fees for services,” \$256,400 in “grants” from the State of Illinois, \$209 in contributions, \$6,820 in United Way funds, \$7,665 in fundraising income, \$447 in interest, \$107,211 from the Child Care Food Program to reimburse for food expenses and a \$2,040 loss on sale of assets. Exhibit D. Just Kids Executive Director stated in an Affidavit that at the end of 2014, Just Kids had 45 children enrolled, and that 24 of those enrollees received State assistance and 4 received United Way funds. Exhibit B. The “fees for services” of \$1,292,826, which represents 75% of Just Kids total revenue, evidently includes tuition paid by the State of Illinois, co-pays paid by parents whose child care is subsidized by the State and tuition paid by parents who pay full fare for their children. It is unclear from the record how much of the “fees for services” is paid by the State or by parents.

Clearly, the majority of Just Kids funding is from the provision of child care services. In 2014, the year at issue in the property tax case, approximately 75% of Just Kids’ revenue is from providing child care services, whether paid by parents or by the State of Illinois. In Riverside Medical Ctr. v. Dept. of Revenue, 324 Ill. App. 3d 603, 608 (3rd Dist. 2003), the court noted that 97% of Riverside’s net revenue of \$10 million came from patient billing for hospital services. According to the court, “this level of revenue is not consistent with the provision of charity.” Similarly, in Alivio Medical Ctr. v. Department of Revenue, 299 Ill. App. 3d 647 (1st Dist. 1998), Alivio argued that 59% of its revenue was from patient fees for hospital services and 25%

was derived from charitable contributions. The court found that Alivio was not a charitable institution. In Small v. Pangle, 60 Ill. 2d 510, 516 (1975), the court noted that a main source of income resulting from current charges, rather than gifts, bequests and donations, did not suggest a charitable use of property.

As the above cases indicate, revenue received from providing a service does not constitute public or private charity and does not indicate that an organization is charitable. The exchange of services for payment, at the level enjoyed by Just Kids, is not a “use” of property that has been recognized by Illinois courts as “charitable.” Charity is an act of kindness or benevolence. “There is nothing particularly kind or benevolent about selling somebody something.” Provena Covenant Medical Center v. Department of Revenue, 384 Ill. App. 3d 734, 750 (4th Dist. 2008), aff’d, 236 Ill. 2d 368 (2010).² I suggest further that there is nothing particularly kind or benevolent about selling child care services, whether the services are paid for by parents or by the State. In this case, the high percentage of revenue earned by Just Kids from providing child care services indicates that the primary use of the subject property is not to provide charity, but rather to provide child care services for payment. Just Kids has failed to prove that the majority of the organization’s funding is from public and private charity and Just Kids’ use of the subject property is not consistent with this characteristic of a charitable organization.

Korzen factor (3): The benefits derived are for an indefinite number of persons, for their general welfare or in some way reducing the burden on government: Just Kids has contracted with the State of Illinois to provide child care services at a specified rate. A letter from the Associate Director of the Office of Early Childhood at DHS, states that Just Kids has

² In this Recommendation, the Provena Appellate Court case will be cited as “Provena (1)” and the Provena Supreme Court case will be cited as “Provena (2).”

had a contract for many years with the State to provide affordable, accessible high quality early learning care and education services. “As a contractor, they must accept the state rate for payment and they may not pass on costs to the families they serve.” “Our contract with Just Kids enables low income parents to work or pursue education or training so that they may better support their families while at the same time promotes the learning and development of their children.” Exhibit F. The State of Illinois DHS rates for child care services, which vary by County, are shown on Exhibit G.

“The fundamental ground upon which all exemptions in favor of charitable institutions are based is the benefit conferred upon the public by them and a consequent relief, to some extent, of the burdens upon the state to care for and advance the interests of its citizens.” School of Domestic Arts and Sciences v. Carr, 322 Ill. 562 (1926). It is a *sine qua non* of charitable status that those seeking a charitable exemption are able to demonstrate that their activities will help alleviate some financial burden incurred by the affected taxing bodies in performing their governmental functions. Provena (2) at 395. There is no credible evidence in the record of this case showing that Just Kids’ operations on the subject property reduce a burden on government. Just Kids’ income is partially derived from fees paid by the State pursuant to a contract for child care services. The State is paying Just Kids for these child care services and it is not reasonable to conclude that these payments lessen a financial burden on the State.

But Just Kids argues further that the organization qualifies as a charity because the amount paid by the State is less than the cost of the services provided. Counsel for Just Kids argued in its Brief that “it would be fundamentally unfair to hold against Just Kids the fact that a major source of revenue is program service revenue paid by the State of Illinois, when, in order to qualify for that revenue, Just Kids had to agree to only provide services at a below cost state

determined rate.” Just Kids’ Brief, p. 5. Illinois courts have consistently rejected the argument that providing services paid for by the State at a rate below market constituted charity.

For example, there is a well-developed body of case law in Illinois with regard to whether the unreimbursed costs of Medicare and Medicaid are “charity.” Illinois courts have consistently rejected the argument that unreimbursed costs of Medicare and Medicaid constitute charitable care. In Riverside Medical Ctr. v. Dept. of Revenue, 342 Ill. App. 3d 603 (3rd Dist. 2003), Riverside argued, as does Just Kids, that the institution’s charity care included “discounted care to patients through Medicare, Medicaid and private insurance.” Riverside claimed to provide this care at 50% of actual cost. The court stated that it was “unpersuaded” by Riverside’s arguments that the unreimbursed amounts constituted charitable care. The court was “confident that these discounts are not charitable and do not warrant a finding in favor of Riverside.” *Id.* at 610. A similar argument was advanced in Alivio Medical Ctr. v. Dept. of Revenue, 299 Ill. App. 3d 647 (1st Dist. 1998), where Alivio argued, *inter alia*, that 78% of its patient fees came from Medicaid reimbursement and 2% came from Medicare reimbursement. The court found that Alivio was not a charitable organization and its use of the property was not charitable.

More recently, Provena Hospital argued before the Illinois Supreme Court that its shortfall from treatment of Medicare and Medicaid patients should be considered charitable expenditures because the payments it received for treating such patients did not cover the full cost of care. The Supreme Court noted that hospital participation in Medicare and Medicaid is not mandatory and stated the following: “While it is consistent with Provena Hospitals’ mission, it also serves the organization’s financial interests.” “In exchange for agreeing to accept less than its ‘established’ rate, the corporation receives a reliable stream of revenue and is able to generate

income from hospital resources that might otherwise be underutilized.” Provena (2) at 401-402. Similarly, Just Kids contract with the State of Illinois is not mandatory and the contract allows Just Kids to receive a ”reliable stream of revenue” from resources that might otherwise be underutilized.

The Illinois Supreme Court observed further that it would be “anomalous” to characterize services provided to Medicare and Medicaid patients as charity. Charity is, by definition, a type of gift and must be gratuitous. “Hospitals do not serve Medicare and Medicaid patients gratuitously. They are paid to do so.” Provena (2) at 402. “For a gift (and, therefore, charity) to occur, something of value must be given for free.” Provena (1) at 751.

In providing State subsidized child care, Just Kids is not giving something of value for free. Just Kids is operating a child care business, not a child care charity. The State of Illinois is paying Just Kids to provide a service through its child care business. Services extended for value received do not relieve the State of a burden. Willows v. Munson, 43 Ill. 2d 203 (1969). Based on the established case law in Illinois, I am unable to conclude that Just Kids unreimbursed child care costs constitute charity or that Just Kids reduces a burden on Illinois government.

Korzen factor 6: The exclusive (primary) use of the property is for charitable purposes: For year-end June 30, 2014, the program services provided by Just Kids cost \$1,465,169 while fees for services were \$1,292,826. Exhibit D. But while Just Kids argues, above, that it is providing child care services below cost, in looking at the entire operation, it must be noted that the June 30, 2014, “Statement of Activities” shows an excess of revenue over expenses (“net assets”) of \$14,148 for the year. The Property Tax Code proscribes charitable

exemption for properties operated “with a view to profit.” 35 ILCS 200/15-65(a). And Just Kids’ cumulative “net assets” on June 30, 2014 were \$341,018.³ Exhibit D.

In 2014, \$7,113.14 in fees were waived by Just Kids. Fee waivers ranged from \$744 to \$32. Exhibit E. The fee waivers were less than 1% of Just Kids’ “fees for services.” “To be charitable, an institution must give liberally.” Provena (1) at 750. I am unable to conclude that Just Kids has given “liberally” in 2014. The Property Tax Code allows exemptions for charitable use of property when the property is “exclusively” used for charitable purposes and not used with a view to profit. 35 ILCS 200/15-65. The disparity between Just Kids’ “fees for services” and its fee waivers is so extreme that it would not be reasonable to conclude that the primary use of the subject property is to provide charity, as required by 35 ILCS 200/15-65. The fee waiver amounts, representing less than 1% of Just Kids’ fees for services, falls far short of meeting the primary purpose standard.

I conclude that the primary use of Just Kids’ property is the exchange of child care services for payment. This payment is made either by the State, co-pays from the parents whose child care is subsidized by the State or by parents who pay full fare. I surmise that Just Kids thought that they were a “charitable” organization because some parents who send their children to Just Kids receive subsidized child care. However, Just Kids has chosen to operate its child care business by partially appealing to the market of parents who receive subsidized child care. This market choice does not provide a basis for exemption of property under the Property Tax Code.

Property tax exemptions are inherently injurious to public funds because they impose lost revenue costs on taxing bodies and the overall tax base. In order to minimize the harmful effects

³ I respectfully disagree with Joint Stipulated Fact No. 25 which states that Just Kids does “not profit from the enterprise.”

of such lost revenue costs, and thereby preserve the Constitutional and statutory limitations that protect the tax base, statutes conferring property tax exemptions are to be strictly construed in favor of taxation. People ex rel. Nordland v. Home for the Aged, 40 Ill. 2d 91 (1968). Great caution must be exercised in determining whether property is exempt so that only the limited class of properties meant to be exempt actually receives the exempt status that the Legislature intended to confer. Otherwise, any increases in lost revenue costs attributable to unwarranted application of the charitable exemption will cause damage to public treasuries and the overall tax base. In this case, Just Kids has failed to prove that the subject property falls within the limited class of properties meant to be exempt for charitable purposes.

WHEREFORE, for the reasons stated above, I recommend that the Department's determination which denied exemption for Rock Island Property Index Number 1626400006 on the grounds that the property was not in exempt ownership or use, should be affirmed and the subject property should not be exempt from 2014 real estate taxes.

June 22, 2016

Kenneth J. Galvin
Administrative Law Judge