

Illinois Supreme Court Grants Petition to Appeal Ruling on Constitutionality of Illinois Hospitals' Property Tax Exemption Law

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Illinois hospitals continue to face uncertainty regarding the law under which they may seek exemption from property taxes. As reported in our [March 30, 2017, Health Law Alert](#), the Illinois Supreme Court declined to rule on the constitutionality of hospital property tax exemption legislation approved in 2012 by the Illinois General Assembly. (*Carle Foundation v. Cunningham Township*) The Supreme Court sent the case back to the Circuit Court of Champaign County for further consideration.

In a separate case, the First District Appellate Court held that the 2002 legislation did not violate the Illinois constitution. (*Oswald v. Hamer*) A petition to appeal the *Oswald* ruling was granted by the Supreme Court on September 27, 2017. The Supreme Court again has the opportunity to decide whether or not the 2012 legislation is unconstitutional on its face because “it creates a statutory standard for charitable exemption that conflicts with Article IX, Section 6 of the Illinois Constitution.”

If the Supreme Court rules the 2012 legislation is unconstitutional, the financial viability of many Illinois inner-city and rural hospitals will be placed at risk, seriously jeopardizing their patients' access to care.

The Illinois Department of Revenue resumed processing exemption applications following the ruling in *Carle*. It is unclear whether the IDOR will suspend process applications pending decision of the Illinois Supreme Court in the *Oswald* case.

For more information, please contact [Stephen Moore](#) or your [Hinshaw attorney](#).

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