



**WILLIAM J. SCOTT**  
ATTORNEY GENERAL  
STATE OF ILLINOIS  
SPRINGFIELD

May 28, 1976

**FILE NO. S-1103**

**REVENUE:**  
**Eligibility of Property**  
**for Charitable Exemption**

**Mr. Frank A. Kirk**  
**Director, Dept. of Local**  
**Government Affairs**  
**303 East Monroe Street**  
**Springfield, Illinois 62706**

**Dear Mr. Kirk:**

I have your letter in which you pose the following question:

"Is property used exclusively for charitable purposes by a charitable organization, and being purchased by such organization from a non-exempt owner under a contract for deed, eligible for exemption from taxation?"

In my opinion the answer to your question is no.

Section 19 of the Revenue Act of 1939, as amended (Ill. Rev. Stat. 1975, ch. 120, par. 500), provides, in part:

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"§ 19. All property described in Sections 19.1 through 19.24 to the extent therein limited, is exempt from taxation. \* \* \* "

Section 19.7 of the Revenue Act of 1939, as amended (Ill. Rev. Stat. 1975, ch. 120, par. 500.7), provides, in part:

"§ 19.7 All property of institutions of public charity, all property of beneficent and charitable organizations, whether incorporated in this or any other state of the United States, and all property of old people's homes, when such property is actually and exclusively used for such charitable or beneficent purposes, and not leased or otherwise used with a view to profit; \* \* \*."

It is generally acknowledged in Illinois that statutes providing exemptions from taxation are to be strictly construed. (Small v. Pangle, 60 Ill. 2d 510.) With regard to the charitable exemption found in section 19.7 of the Revenue Act of 1939, the courts of Illinois have consistently held that in order to qualify, the property in question must both be owned and used by a charitable institution. Hoffman v. Lehnhausen, 48 Ill. 2d 323, 326; Coyne Electric School v. Paschen, 12 Ill. 2d 387, 397.

Thus, it is clear that until title ownership of property rests with a charitable institution, such property may not be exempt from taxation. Only when a contract for deed is satisfied and the deed has passed from a non-exempt

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owner to a charitable institution, may such property be considered for tax-exempt status.

Therefore, it is my opinion that property being purchased by a charitable institution from a non-exempt owner under a contract for deed, although already used exclusively for charitable purposes, is currently ineligible for exemption under section 19.7.

Very truly yours,

A T T O R N E Y   G E N E R A L