

## Firm News

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09/25/2018

### Neal Gerber Eisenberg Obtains Unanimous Supreme Court Decision for Illinois Health and Hospital Association

On September 20, 2018, Neal Gerber Eisenberg was successful in defending the constitutionality of the Illinois hospital property tax exemption law on behalf of its client, the Illinois Health and Hospital Association (IHA). In a unanimous decision, the Illinois Supreme Court rejected the plaintiff's argument that the statute was facially unconstitutional because its criteria for when not-for-profit hospitals "shall" be issued exemptions did not expressly require compliance with the Illinois Constitution's requirement that the property be used exclusively for charitable purposes. Steven Pflaum, Tonya Newman and Collette Brown represented the IHA.

The challenged hospital property tax exemption law, enacted in 2012, is designed to promote the delivery of healthcare to low-income and underserved individuals. It requires that the value of the free healthcare and other charitable activities engaged in by not-for-profit hospitals, measured at cost, equals or exceeds the amount of tax the hospitals would pay if their property was not exempt.

Coverage of the decision can be found in the *Chicago Tribune*, *State Journal-Register*, *News-Gazette*, *Crain's Chicago Business*, *Chicago Daily Law Bulletin*, *Cook County Record*, *NPR Illinois*, and *Law360*.

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#### CLIENT SERVICES

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Taxation

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#### RELATED PEOPLE

Tonya G. Newman  
Steven F. Pflaum

