



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3207

by Rep. Aaron M. Ortiz

SYNOPSIS AS INTRODUCED:

See Index

Creates the Rent Control Act. Establishes County Rent Control Boards in every county on the date all initial members of a Board are elected and qualified. Provides for nomination and election of Board members. Includes provisions relating to qualifications of members, vacancy of a Board member seat, and meetings of a Board. Provides for duties of a Board, including establishing countywide rent-controlled amounts for renting to households of specified income levels and calculating an average rent for dwellings in the county. Provides that a Board must establish regulations concerning rent for households of specified income levels, including: restrictions on increasing rent-controlled amounts; notice to tenants before increasing rent; creation of a reserve account by property owners for repairs and capital improvements; and other regulations. Defines terms. Limits home rule powers. Amends the Election Code by making conforming changes relating to the election of Board members. Amends the Illinois Income Tax Act. Adds an income tax credit equal to the difference between the rent-controlled amount and the average rent established by a County Rent Control Board and an income tax credit for an amount equal to the amount of capital improvements to property a taxpayer owns and rents to households of specified income levels. Repeals the Rent Control Preemption Act.

LRB101 09953 AWJ 55055 b

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Rent
5 Control Act.

6 Section 5. Definitions. As used in this Act:

7 "Average rent" means the average of the rents charged for
8 dwellings with the same number of bedrooms.

9 "Board" means a County Rent Control Board.

10 "Consumer price index-u" means the index published by the
11 Bureau of Labor Statistics of the United States Department of
12 Labor that measures the rent of primary residence by all urban
13 renters, United States city average, all items, 1982-84 = 100,
14 or as otherwise redefined by a Board.

15 "Dwelling" means units in privately-owned housing
16 developments and single-family homes. "Dwelling" does not
17 include subsidized housing, owner-occupied developments with
18 fewer than 6 units, or commercial units in mixed-use
19 developments.

20 "Person with a disability" has the meaning given to that
21 term in paragraph (2) of Subsection 2FF of the Consumer Fraud
22 and Deceptive Business Practices Act.

23 "Subsidized housing" has the meaning given to that term in

1 Section 3 of the Subsidized Housing Joint Occupancy Act.

2 "Tier 1 household" means a household earning not more than
3 60% of a county's area median income as calculated by the
4 Department of Housing and Urban Development.

5 "Tier 2 household" means a household earning not more than
6 120% of a county's area median income as calculated by the
7 Department of Housing and Urban Development.

8 Section 10. Establishment of County Rent Control Board;
9 membership.

10 (a) A County Rent Control Board in each county is
11 established on the date all initial members of a Board are
12 elected and qualified as provided in this Section.

13 (b) A Board shall consist of the following members:

14 (1) Two members who are residents of the county, from
15 Tier 1 households, and renting their residence.

16 (2) Two members who are residents of the county, from
17 Tier 2 households, and renting their residence.

18 (3) Three members who own property in the county.

19 (4) Two members who are representatives of an
20 organization that advocates for low-income housing
21 residents.

22 (c) Candidates for Board membership shall be nominated in
23 the same manner and form as prescribed by the general election
24 law, except that (i) party name or affiliation may not appear
25 on any nominating petition, (ii) each nominating petition shall

1 contain the candidate's residence address, which must include
2 the candidate's county of residence, (iii) each nominating
3 petition shall specify the member position he or she is running
4 for under paragraphs (1) through (4) of subsection (b), and
5 (iv) each nominating petition shall provide documentation
6 evidencing the qualifications necessary under paragraphs (1)
7 through (4) of subsection (b). Candidates for election as Board
8 members shall file nomination petitions in the manner and at
9 the time prescribed by the general election law.

10 (d) Members shall be elected initially in the 2021
11 consolidated election, and the members initially elected shall
12 meet within 21 days after the election and determine by lot the
13 terms for which they each shall serve. Of the members initially
14 elected, 3 members shall each serve 2-year terms and 4 members
15 shall each serve 4-year terms. At each consolidated election
16 thereafter, each member elected to succeed a member whose term
17 expires shall hold office for a term of 4 years. The term of
18 office of each member elected shall commence on the 1st Monday
19 of the month following the month of that member's election, and
20 each member shall serve until her or his successor is elected
21 and has qualified.

22 (e) The office of a member shall be deemed vacant and shall
23 be filled by appointment pursuant to paragraph (f) for the
24 remainder of the term if any member elected under paragraphs
25 (1) through (4) of subsection (b) does not continue to meet the
26 requirements of the paragraph under which he or she was

1 elected.

2 (f) If a vacancy in a Board occurs, either by death,
3 resignation, failure to qualify, change of residence, change of
4 income level, or for any other reason, a majority of the
5 remaining members of a Board shall fill the vacancy by
6 appointment of a person who shall meet the qualifications of
7 the vacant member position under paragraphs (1) through (4) of
8 subsection (b). The appointed member shall then assume the
9 duties of the office for the unexpired term to which the person
10 was appointed.

11 Section 15. Board duties. A Board has the following duties:

12 (1) The Board must provide oversight to the units of
13 local government within its county in implementing the
14 requirements of this Act.

15 (2) The Board must establish regulations and penalties
16 consistent with this Act and enforce those regulations and
17 penalties for current dwellings and dwellings built in the
18 future.

19 (3) The Board must monitor rental rates in the county.

20 (4) The Board must set a countywide rent-controlled
21 amount for Tier 1 households and Tier 2 households with
22 consideration of rates of vacancy and rent burden among
23 Tier 1 and Tier 2 households as well as separate rates for
24 persons over 65 and persons with a disability who are in
25 Tier 1 and Tier 2 households.

1 (5) The Board must yearly calculate an average rent for
2 dwellings with various bedroom numbers in the county.

3 (6) The Board must decide which consumer price index
4 should be used to calculate rent-controlled amounts.

5 Section 20. Board meetings.

6 (a) Board meetings shall be held in accordance with the
7 Open Meetings Act.

8 (b) A Board shall initially meet no later than 60 days
9 after the Board is established to establish regulations as set
10 forth in Section 25.

11 (c) A Board shall meet at least quarterly and at other
12 times as called by the chairperson of the Board.

13 Section 25. Rent control regulation. A Board shall
14 establish regulations consistent with the following for Tier 1
15 and Tier 2 households:

16 (1) The Board may adjust the countywide
17 rent-controlled amount no more than once every 12 months.
18 An increase in rent under this paragraph is restricted to
19 the increase in consumer price index-u plus: no more than
20 1% for a maximum total increase of 5% annually for Tier 1
21 households; or no more than 2% for a maximum total increase
22 of 6% annually for Tier 2 households. Adjustments in rent
23 for persons over 65 years old or persons with a disability
24 under this paragraph are restricted to the increase in

1 consumer price index-u exclusively for a maximum total
2 increase of 4% annually.

3 (2) Before a property owner may increase rent based
4 upon a rent-control amount adjustment under paragraph (1),
5 the property owner must provide a tenant at least 90 days'
6 notice.

7 (3) A property owner may increase a tenant's rent above
8 the rent-controlled amount by no more than 10% if the
9 property owner petitions the Board for a waiver in the
10 event of a natural disaster or calamity outside of the
11 property owner's control requiring extensive repairs or
12 major capital improvements. Increased rent may not exceed
13 10% of the monthly rent-controlled amount for more than a
14 single 12-month period. If the waiver is approved, then the
15 property owner must give 30 days' notice to the tenant
16 before increasing rent.

17 (4) A property owner must create and fund a reserve
18 account for repairs and capital improvements. The property
19 owner must deposit, at least monthly, 10% of the property
20 owner's rent proceeds, after monthly expenses are paid,
21 into the reserve account. If a property owner is unable to
22 deposit the minimum of 10% into the reserve account, the
23 property owner must apply to the County Rent Control Board
24 for a hardship waiver and the Board may waive the
25 requirements of this paragraph for a period of up to 120
26 days.

1 (5) A Board must require that property owners
2 demonstrate suitable documented grounds for the eviction
3 of tenants pursuant to the tenants' lease agreements and
4 existing law.

5 (6) If a tenant who is not in a Tier 1 or Tier 2
6 household moves into a dwelling previously occupied by a
7 Tier 1 or 2 household, then the property owner must
8 maintain the rent in that dwelling at the rent-controlled
9 amount for a period of not less than 3 years.

10 Section 30. Home rule. The rent control regulations in this
11 Act are exclusive powers and functions of the State. A home
12 rule unit may not regulate rent control. This Section is a
13 denial and limitation of home rule powers and functions under
14 subsection (h) of Section 6 of Article VII of the Illinois
15 Constitution.

16 Section 98. Applicability. The provisions of this Act may
17 be enforced only against property owners who rent dwellings to
18 Tier 1 or Tier 2 households.

19 Section 900. The Election Code is amended by changing
20 Section 2A-1.2 as follows:

21 (10 ILCS 5/2A-1.2) (from Ch. 46, par. 2A-1.2)
22 Sec. 2A-1.2. Consolidated schedule of elections - offices

1 designated.

2 (a) At the general election in the appropriate
3 even-numbered years, the following offices shall be filled or
4 shall be on the ballot as otherwise required by this Code:

5 (1) Elector of President and Vice President of the
6 United States;

7 (2) United States Senator and United States
8 Representative;

9 (3) State Executive Branch elected officers;

10 (4) State Senator and State Representative;

11 (5) County elected officers, including State's
12 Attorney, County Board member, County Commissioners, and
13 elected President of the County Board or County Chief
14 Executive;

15 (6) Circuit Court Clerk;

16 (7) Regional Superintendent of Schools, except in
17 counties or educational service regions in which that
18 office has been abolished;

19 (8) Judges of the Supreme, Appellate and Circuit
20 Courts, on the question of retention, to fill vacancies and
21 newly created judicial offices;

22 (9) (Blank);

23 (10) Trustee of the Metropolitan Sanitary District of
24 Chicago, and elected Trustee of other Sanitary Districts;

25 (11) Special District elected officers, not otherwise
26 designated in this Section, where the statute creating or

1 authorizing the creation of the district requires an annual
2 election and permits or requires election of candidates of
3 political parties.

4 (b) At the general primary election:

5 (1) in each even-numbered year candidates of political
6 parties shall be nominated for those offices to be filled
7 at the general election in that year, except where pursuant
8 to law nomination of candidates of political parties is
9 made by caucus.

10 (2) in the appropriate even-numbered years the
11 political party offices of State central committeeperson,
12 township committeeperson, ward committeeperson, and
13 precinct committeeperson shall be filled and delegates and
14 alternate delegates to the National nominating conventions
15 shall be elected as may be required pursuant to this Code.
16 In the even-numbered years in which a Presidential election
17 is to be held, candidates in the Presidential preference
18 primary shall also be on the ballot.

19 (3) in each even-numbered year, where the municipality
20 has provided for annual elections to elect municipal
21 officers pursuant to Section 6(f) or Section 7 of Article
22 VII of the Constitution, pursuant to the Illinois Municipal
23 Code or pursuant to the municipal charter, the offices of
24 such municipal officers shall be filled at an election held
25 on the date of the general primary election, provided that
26 the municipal election shall be a nonpartisan election

1 where required by the Illinois Municipal Code. For partisan
2 municipal elections in even-numbered years, a primary to
3 nominate candidates for municipal office to be elected at
4 the general primary election shall be held on the Tuesday 6
5 weeks preceding that election.

6 (4) in each school district which has adopted the
7 provisions of Article 33 of the School Code, successors to
8 the members of the board of education whose terms expire in
9 the year in which the general primary is held shall be
10 elected.

11 (c) At the consolidated election in the appropriate
12 odd-numbered years, the following offices shall be filled:

13 (1) Municipal officers, provided that in
14 municipalities in which candidates for alderman or other
15 municipal office are not permitted by law to be candidates
16 of political parties, the runoff election where required by
17 law, or the nonpartisan election where required by law,
18 shall be held on the date of the consolidated election; and
19 provided further, in the case of municipal officers
20 provided for by an ordinance providing the form of
21 government of the municipality pursuant to Section 7 of
22 Article VII of the Constitution, such offices shall be
23 filled by election or by runoff election as may be provided
24 by such ordinance;

25 (2) Village and incorporated town library directors;

26 (3) City boards of stadium commissioners;

- 1 (4) Commissioners of park districts;
- 2 (5) Trustees of public library districts;
- 3 (6) Special District elected officers, not otherwise
4 designated in this Section, where the statute creating or
5 authorizing the creation of the district permits or
6 requires election of candidates of political parties;
- 7 (7) Township officers, including township park
8 commissioners, township library directors, and boards of
9 managers of community buildings, and Multi-Township
10 Assessors;
- 11 (8) Highway commissioners and road district clerks;
- 12 (9) Members of school boards in school districts which
13 adopt Article 33 of the School Code;
- 14 (10) The directors and chair of the Chain O Lakes - Fox
15 River Waterway Management Agency;
- 16 (11) Forest preserve district commissioners elected
17 under Section 3.5 of the Downstate Forest Preserve District
18 Act;
- 19 (12) Elected members of school boards, school
20 trustees, directors of boards of school directors,
21 trustees of county boards of school trustees (except in
22 counties or educational service regions having a
23 population of 2,000,000 or more inhabitants) and members of
24 boards of school inspectors, except school boards in school
25 districts that adopt Article 33 of the School Code;
- 26 (13) Members of Community College district boards;

- 1 (14) Trustees of Fire Protection Districts;
- 2 (15) Commissioners of the Springfield Metropolitan
3 Exposition and Auditorium Authority;
- 4 (16) Elected Trustees of Tuberculosis Sanitarium
5 Districts;
- 6 (17) Elected Officers of special districts not
7 otherwise designated in this Section for which the law
8 governing those districts does not permit candidates of
9 political parties.
- 10 (18) Members of County Rent Control Boards under the
11 Rent Control Act.

12 (d) At the consolidated primary election in each
13 odd-numbered year, candidates of political parties shall be
14 nominated for those offices to be filled at the consolidated
15 election in that year, except where pursuant to law nomination
16 of candidates of political parties is made by caucus, and
17 except those offices listed in paragraphs (12) through (17) of
18 subsection (c).

19 At the consolidated primary election in the appropriate
20 odd-numbered years, the mayor, clerk, treasurer, and aldermen
21 shall be elected in municipalities in which candidates for
22 mayor, clerk, treasurer, or alderman are not permitted by law
23 to be candidates of political parties, subject to runoff
24 elections to be held at the consolidated election as may be
25 required by law, and municipal officers shall be nominated in a
26 nonpartisan election in municipalities in which pursuant to law

1 candidates for such office are not permitted to be candidates
2 of political parties.

3 At the consolidated primary election in the appropriate
4 odd-numbered years, municipal officers shall be nominated or
5 elected, or elected subject to a runoff, as may be provided by
6 an ordinance providing a form of government of the municipality
7 pursuant to Section 7 of Article VII of the Constitution.

8 (e) (Blank).

9 (f) At any election established in Section 2A-1.1, public
10 questions may be submitted to voters pursuant to this Code and
11 any special election otherwise required or authorized by law or
12 by court order may be conducted pursuant to this Code.

13 Notwithstanding the regular dates for election of officers
14 established in this Article, whenever a referendum is held for
15 the establishment of a political subdivision whose officers are
16 to be elected, the initial officers shall be elected at the
17 election at which such referendum is held if otherwise so
18 provided by law. In such cases, the election of the initial
19 officers shall be subject to the referendum.

20 Notwithstanding the regular dates for election of
21 officials established in this Article, any community college
22 district which becomes effective by operation of law pursuant
23 to Section 6-6.1 of the Public Community College Act, as now or
24 hereafter amended, shall elect the initial district board
25 members at the next regularly scheduled election following the
26 effective date of the new district.

1 (g) At any election established in Section 2A-1.1, if in
2 any precinct there are no offices or public questions required
3 to be on the ballot under this Code then no election shall be
4 held in the precinct on that date.

5 (h) There may be conducted a referendum in accordance with
6 the provisions of Division 6-4 of the Counties Code.

7 (Source: P.A. 100-1027, eff. 1-1-19.)

8 Section 905. The Illinois Income Tax Act is amended by
9 adding Section 229 as follows:

10 (35 ILCS 5/229 new)

11 Sec. 229. Rent-controlled property credit; rental property
12 capital improvements credit.

13 (a) For taxable years beginning after the effective date of
14 this amendatory Act of the 101st General Assembly, there shall
15 be allowed a tax credit against the tax imposed by subsections
16 (a) and (b) of Section 201 in an amount equal to the difference
17 between the rent-controlled amount established by a County Rent
18 Control Board and the county's average rent established by a
19 County Rent Control Board under the Rent Control Act for each
20 dwelling a taxpayer owns and rents to a Tier 1 household or a
21 Tier 2 household, but only if the rent-controlled amount is
22 lower than the average rent.

23 (b) For taxable years beginning after the effective date of
24 this amendatory Act of the 101st General Assembly, there shall

1 be allowed a tax credit against the tax imposed by subsections
2 (a) and (b) of Section 201 in an amount equal to the amount of
3 capital improvements to property the taxpayer owns that is
4 rented to Tier 1 households or Tier 2 households.

5 (c) A taxpayer may apply for a tax credit under subsection
6 (a) or (b) or both.

7 (d) To obtain a tax credit or tax credits pursuant to this
8 Section, the taxpayer must apply with the Department of
9 Commerce and Economic Opportunity. The Department of Commerce
10 and Economic Opportunity shall determine the amount of eligible
11 amounts under subsection (a) or capital improvements under
12 subsection (b). Upon approval of a tax credit, the Department
13 of Commerce and Economic Opportunity shall issue a certificate
14 in the amount of the eligible credits. The taxpayer must attach
15 the certificate to the tax return on which the credits are to
16 be claimed. The Department of Commerce and Economic Opportunity
17 may adopt rules to implement this Section.

18 (e) The tax credit under subsection (a) or (b), or both,
19 may not reduce the taxpayer's liability to less than zero.

20 (f) As used in this Section:

21 "Average rent", "dwelling", "Tier 1 household", and "Tier 2
22 household" have the meanings given to those terms in Section 5
23 of the Rent Control Act.

24 "Capital improvements" are capital improvements allowed
25 under 26 U.S.C. 263.

1 (50 ILCS 825/Act rep.)

2 Section 910. The Rent Control Preemption Act is repealed.

1

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2

Statutes amended in order of appearance

3

New Act

4

10 ILCS 5/2A-1.2

from Ch. 46, par. 2A-1.2

5

35 ILCS 5/229 new

6

50 ILCS 825/Act rep.