

1 AMENDMENT TO HOUSE BILL 860

2 AMENDMENT NO. _____. Amend House Bill 860 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing
5 Sections 10-235, 10-245, and 10-250 as follows:

6 (35 ILCS 200/10-235)

7 Sec. 10-235. ~~Section--515~~ Low-income housing project
8 valuation policy; intent. It is the policy of this State that
9 low-income housing projects receiving a low-income housing
10 tax credit under Section 42 of the Internal Revenue Code
11 ~~under--Section-515-of-the-federal-Housing-Act~~ shall be valued
12 at 33 and one-third percent of the fair market value of their
13 economic productivity to the owners of the projects to help
14 insure that their valuation for property taxation does not
15 result in taxes so high that rent levels must be raised to
16 cover this project expense, which can cause excess vacancies,
17 project loan defaults, and eventual loss of rental housing
18 facilities for those most in need of them, low-income
19 families and the elderly. It is the intent of this State
20 that the valuation required by this Division is the closest
21 representation of cash value required by law and is the
22 method established as proper and fair.

1 (Source: P.A. 91-651, eff. 1-1-00; 92-16, eff. 6-28-01.)

2 (35 ILCS 200/10-245)

3 Sec. 10-245. Method of valuation of Section--515
4 low-income housing projects. Notwithstanding Section 1-55
5 and except in counties with a population of more than 200,000
6 that classify property for the purposes of taxation, to
7 determine 33 and one-third percent of the fair cash value of
8 any Section--515 low-income housing project receiving a
9 low-income housing tax credit under Section 42 of the
10 Internal Revenue Code, in assessing the project, local
11 assessment officers must consider the actual or probable net
12 operating income attributable to the project, using a vacancy
13 rate of not more than 5%, capitalized at normal market rates.
14 The interest rate to be used in developing the normal market
15 value capitalization rate shall be one that reflects the
16 prevailing cost of cash for other types of commercial real
17 estate in the geographic market in which the low-income
18 housing Section-515 project is located.

19 (Source: P.A. 91-651, eff. 1-1-00; 91-884, eff. 6-30-00.)

20 (35 ILCS 200/10-250)

21 Sec. 10-250. Certification procedure and effective date
22 of implementation.

23 (a) After (i) an application for a Section 515
24 low-income housing project certificate is filed with the
25 State Director of the United States Department of Agriculture
26 Rural Development Office in a manner and form prescribed in
27 regulations issued by the office and (ii) the certificate is
28 issued certifying that the housing is a Section 515
29 low-income housing project as defined in Section 2 of this
30 Act, the certificate must be presented to the appropriate
31 local assessment officer to receive the property assessment
32 valuation under this Division. The local assessment officer

1 must assess the property according to this Act. Beginning on
2 January 1, 2000 and through taxable year 2003, all certified
3 Section 515 low-income housing projects shall be assessed in
4 accordance with Section 10-245.

5 (b) Beginning with taxable year 2004, all low-income
6 housing projects receiving a low-income housing tax credit
7 under Section 42 of the Internal Revenue Code shall be
8 assessed in accordance with Section 10-245 if the owner or
9 owners of the low-income housing project certify to the
10 appropriate local assessment officer that the owner or owner
11 is receiving a low-income housing tax credit under Section 42
12 of the Internal Revenue Code for the property.

13 (Source: P.A. 91-651, eff. 1-1-00; 91-884, eff. 6-30-00.)

14 Section 99. Effective date. This Act takes effect on
15 January 1, 2004."