



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5685

by Rep. Tim Butler

SYNOPSIS AS INTRODUCED:

35 ILCS 200/10-40
35 ILCS 200/10-55
35 ILCS 200/10-65 rep.

Amends the Property Tax Code. Makes the following changes in the Historic Residence Assessment Freeze Law: (1) replaces references to the Historic Preservation Agency with the Department of Natural Resources; (2) provides that, if the fair cash value of the historic building is reduced because the property is sold or because the property is found to have been overassessed for the year in which the rehabilitation period by the chief county assessment officer, the board of review, or the Property Tax Appeal Board, then the base year valuation shall be the reduced fair cash value; and (3) provides that, if an owner receives a certificate of rehabilitation, that same owner may not reapply for a new certificate of rehabilitation for the same property until 4 years after the last year of the adjustment valuation period. Repeals a Section concerning receipt of applications by a unit of local government.

LRB100 17784 HLH 32963 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Property Tax Code is amended by changing
5 Sections 10-40 and 10-55 as follows:

6 (35 ILCS 200/10-40)

7 Sec. 10-40. Historic Residence Assessment Freeze Law;
8 definitions. This Section and Sections 10-45 through 10-85 may
9 be cited as the Historic Residence Assessment Freeze Law. As
10 used in this Section and Sections 10-45 through 10-85:

11 (a) "Director" means the Director of Natural Resources
12 ~~Historic Preservation~~.

13 (b) "Approved county or municipal landmark ordinance"
14 means a county or municipal ordinance approved by the
15 Director.

16 (c) "Historic building" means an owner-occupied single
17 family residence or an owner-occupied multi-family
18 residence and the tract, lot or parcel upon which it is
19 located, or a building or buildings owned and operated as a
20 cooperative, if:

21 (1) individually listed on the National Register
22 of Historic Places or the Illinois Register of Historic
23 Places;

1 (2) individually designated pursuant to an
2 approved county or municipal landmark ordinance; or

3 (3) within a district listed on the National
4 Register of Historic Places or designated pursuant to
5 an approved county or municipal landmark ordinance, if
6 the Director determines that the building is of
7 historic significance to the district in which it is
8 located.

9 Historic building does not mean an individual unit of a
10 cooperative.

11 (d) "Assessment officer" means the chief county
12 assessment officer.

13 (e) "Certificate of rehabilitation" means the
14 certificate issued by the Director upon the renovation,
15 restoration, preservation or rehabilitation of an historic
16 building under this Code.

17 (f) "Rehabilitation period" means the period of time
18 necessary to renovate, restore, preserve or rehabilitate
19 an historic building as determined by the Director.

20 (g) "Standards for rehabilitation" means the Secretary
21 of Interior's standards for rehabilitation as promulgated
22 by the U.S. Department of the Interior.

23 (h) "Fair cash value" means the fair cash value of the
24 historic building, determined on the basis of the
25 assessment officer's property record card, representing
26 the value of the property prior to the commencement of

1 rehabilitation without consideration of any reduction
2 reflecting value during the rehabilitation work.

3 (i) "Base year valuation" means the fair cash value of
4 the historic building for the year in which the
5 rehabilitation period begins but prior to the commencement
6 of the rehabilitation and does not include any reduction in
7 value during the rehabilitation work; if the fair cash
8 value of the historic building for the year in which the
9 rehabilitation period begins is reduced because the
10 property is sold or because the property is found to have
11 been overassessed for the year in which the rehabilitation
12 period by the chief county assessment officer, the board of
13 review, or the Property Tax Appeal Board, then the base
14 year valuation shall be the reduced fair cash value.

15 (j) "Adjustment in value" means the difference for any
16 year between the then current fair cash value and the base
17 year valuation.

18 (k) "Eight-year valuation period" means the 8 years
19 from the date of the issuance of the certificate of
20 rehabilitation.

21 (l) "Adjustment valuation period" means the 4 years
22 following the 8 year valuation period.

23 (m) "Substantial rehabilitation" means interior or
24 exterior rehabilitation work that preserves the historic
25 building in a manner that significantly improves its
26 condition.

1 (n) "Approved local government" means a local
2 government that has been certified by the Director as:

3 (1) enforcing appropriate legislation for the
4 designation of historic buildings;

5 (2) having established an adequate and qualified
6 historic review commission;

7 (3) maintaining a system for the survey and
8 inventory of historic properties;

9 (4) providing for adequate public participation in
10 the local historic preservation program; and

11 (5) maintaining a system for reviewing
12 applications under this Section in accordance with
13 rules and regulations promulgated by the Director.

14 (o) "Cooperative" means a building or buildings and the
15 tract, lot, or parcel on which the building or buildings
16 are located, if the building or buildings are devoted to
17 residential uses by the owners and fee title to the land
18 and building or buildings is owned by a corporation or
19 other legal entity in which the shareholders or other
20 co-owners each also have a long-term proprietary lease or
21 other long-term arrangement of exclusive possession for a
22 specific unit of occupancy space located within the same
23 building or buildings.

24 (p) "Owner", in the case of a cooperative, means the
25 Association.

26 (q) "Association", in the case of a cooperative, means

1 the entity responsible for the administration of a
2 cooperative, which entity may be incorporated or
3 unincorporated, profit or nonprofit.

4 (r) "Owner-occupied single family residence" means a
5 residence in which the title holder of record (i) holds fee
6 simple ownership and (ii) occupies the property as his,
7 her, or their principal residence.

8 (s) "Owner-occupied multi-family residence" means
9 residential property comprised of not more than 6 living
10 units in which the title holder of record (i) holds fee
11 simple ownership and (ii) occupies one unit as his, her, or
12 their principal residence. The remaining units may be
13 leased.

14 The changes made to this Section by this amendatory Act of
15 the 91st General Assembly are declarative of existing law and
16 shall not be construed as a new enactment.

17 (Source: P.A. 90-114, eff. 1-1-98; 91-806, eff. 1-1-01.)

18 (35 ILCS 200/10-55)

19 Sec. 10-55. Application process and application period.

20 (a) The Director shall receive applications for
21 certificates of rehabilitation in a form and manner provided by
22 him or her by rule. The Director shall promptly notify the
23 assessment officer of receipt of such applications. The rules
24 shall provide that an applicant may request preliminary
25 approval of rehabilitation before the rehabilitation period

1 begins.

2 (b) The Director shall approve an application for a
3 certificate of rehabilitation when he or she finds that the
4 restoration, preservation or rehabilitation:

5 (1) involves an historic building;

6 (2) has a cost, including architectural fees, equal to
7 or greater than 25% of the base year valuation;

8 (3) (blank) ~~is for a building for which no certificate~~
9 ~~of rehabilitation has been approved within 4 years after~~
10 ~~the last year of the adjustment valuation period;~~

11 (4) was or will be done in accordance with the
12 standards for rehabilitation; and

13 (5) was or will be a substantial rehabilitation.

14 (c) The Director shall determine the length of the
15 rehabilitation period, which shall not exceed 2 years unless
16 the Director finds:

17 (1) it is economically unfeasible to complete the
18 rehabilitation in that period; or

19 (2) the magnitude of the project is such that a good
20 faith attempt to complete the rehabilitation in that period
21 would not succeed.

22 (d) Upon approval of the application, the Director shall
23 issue a certificate of rehabilitation to the applicant and
24 transmit a copy to the assessment officer. The certificate
25 shall identify the rehabilitation period.

26 (e) If during the 8-year valuation period and the

1 adjustment valuation period, the Director determines, in
2 accordance with the Illinois Administrative Procedure Act,
3 that an historic building for which a certificate of
4 rehabilitation has been issued has not been the subject of
5 repair, renovation, remodeling or improvement in accordance
6 with the standards for rehabilitation, he or she shall revoke
7 the certificate of rehabilitation by written notice to the
8 taxpayer of record and transmit a copy of the revocation to the
9 assessment officer.

10 (f) If an owner receives a certificate of rehabilitation,
11 that same owner may not reapply for a new certificate of
12 rehabilitation for the same property until 4 years after the
13 last year of the adjustment valuation period.

14 The provisions in Section 10-40 through 10-85 apply to
15 certified rehabilitation projects for which an application for
16 a certificate of rehabilitation has been filed with the
17 Director within 2 years of the rehabilitation period.

18 (Source: P.A. 91-357, eff. 7-29-99; 91-806, eff. 1-1-01.)

19 (35 ILCS 200/10-65 rep.)

20 Section 10. The Property Tax Code is amended by repealing
21 Section 10-65.