



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5839

Introduced 11/10/2020, by Rep. Ryan Spain

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-180

Amends the Property Tax Code. Provides that the abatement for property located in an area of urban decay also applies to newly remodeled single-family or duplex residential dwelling units (currently, only newly constructed single-family or duplex dwelling units). Provides that provisions requiring the abatement to be reduced in 20% increments annually during the last 4 years of the abatement period apply only to abatements granted prior to the effective date.

LRB101 22285 HLH 73326 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 Section 18-180 as follows:

6 (35 ILCS 200/18-180)

7 Sec. 18-180. Abatement; urban decay.

8 (a) Except as provided below, a home rule municipality upon
9 adoption of an ordinance by majority vote of its governing
10 authority, may order the county clerk to abate, for a period
11 not to exceed 10 years, any percentage of the taxes levied by
12 the municipality and any other taxing district on each parcel
13 of property located in an area of urban decay within the
14 corporate limits of the municipality and upon which a newly
15 constructed or newly remodeled single-family or duplex
16 residential dwelling unit is located, except that the total
17 abatement for any levy year shall not be in an amount in excess
18 of 2% of the taxes extended by all taxing districts on all
19 parcels located within the township that contain residential
20 dwelling units of 6 units or less. In the case of a newly
21 remodeled single-family or duplex residential dwelling unit,
22 the amount of the abatement may not exceed the amount of
23 property taxes attributable to the improvements, and no

1 abatement shall be granted with respect to the value of the
2 land. An abatement adopted under this Section shall be extended
3 to all subsequent owners of an eligible property during the
4 abatement period. The ordinance shall provide that the same
5 percentage abatement of taxes shall apply to all eligible
6 property subject to the abatement ordinance, except that any
7 abatement granted for any parcel that is within a redevelopment
8 area created under Division 74.4 of Article 11 of the Illinois
9 Municipal Code at the time the ordinance is adopted shall not
10 exceed the amount of taxes allocable to taxing districts. No
11 abatement adopted under this Section shall apply to a parcel of
12 property if the owner does not live in the single-family or one
13 of the duplex residential units. Before final adoption of an
14 abatement ordinance under this Section, the governing
15 authority of the home rule municipality shall notify by mail
16 each affected taxing district of the pending ordinance. This
17 Section does not apply to property annexed by a municipality
18 after January 1, 1989. For the purposes of this Section, a zero
19 lot line dwelling, such as a townhouse or development, is
20 considered a single-family residence.

21 (b) The governing authority of each affected taxing
22 district shall within 10 days appoint one member to serve on an
23 Abatement Review Board to review the terms and conditions of
24 the proposed abatement ordinance. The Board shall be convened
25 by the mayor or village president of the municipality
26 considering the abatement ordinance. The ordinance shall not be

1 adopted less than 45 days after the Board is convened. Failure
2 to appoint a member to the Board does not affect work of the
3 Board. The Board shall report the findings and conclusions to
4 the governing authority of the municipality not later than 30
5 days after it is convened.

6 (c) Any abatement granted under this Section prior to the
7 effective date of this amendatory Act of the 101st General
8 Assembly shall be reduced in 20% increments annually during the
9 last 4 years of the abatement period for the property.

10 (d) For purposes of this Section:

11 (1) "Area of urban decay" means an area demonstrating
12 conditions of a "blighted area" or "conservation area" as
13 defined by Section 11-74.4-3 of the Illinois Municipal
14 Code, notwithstanding the minimum acreage requirement
15 contained in the definition of a "redevelopment project
16 area" under that Section. Qualifying factors of blight or
17 conservation shall be defined as those present within the
18 year prior to adoption of the ordinance designating the
19 area of urban decay.

20 (2) "Duplex" means a 2 family residence that is not
21 more than 2 stories plus a basement in height and is
22 located on a single parcel of property.

23 (3) "Newly constructed" means constructed and ready
24 for occupancy not earlier than one year before the date the
25 municipality first orders the abatement for the parcel
26 under this Section.

1 (4) "Newly remodeled" means that the property contains
2 improvements that were completed not earlier than one year
3 before the date the municipality first orders the abatement
4 for the parcel under this Section.

5 (Source: P.A. 87-1189; 88-455.)