



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3350

Introduced 2/14/2020, by Sen. Elgie R. Sims, Jr.

SYNOPSIS AS INTRODUCED:

35 ILCS 200/Art. 10 Div. 21 heading new
35 ILCS 200/10-800 new

Amends the Property Tax Code. Provides that certain property located in Bloom, Bremen, Calumet, Rich, Thornton, or Worth Township may be certified by the South Suburban Land Bank and Development Authority, the Cook County Land Bank Development Authority, or both collectively, as a southland reactivation site. Sets forth valuation procedures for southland reactivation property. Provides that, for the first 3 tax years after the property is certified as southland reactivation property, the aggregate tax liability for the property shall be no greater than \$100,000 per year. Provides that, beginning with the fourth tax year after the property is certified as southland reactivation property and continuing through the twelfth tax year after the property is certified as southland reactivation property, the property's tax liability shall be increased over the tax liability for the preceding year by 5% or the percentage change in the Consumer Price Index, whichever is less. Effective immediately.

LRB101 18504 HLH 67955 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 adding
5 Division 21 to Article 10 as follows:

6 (35 ILCS 200/Art. 10 Div. 21 heading new)

7 Division 21. Southland reactivation property

8 (35 ILCS 200/10-800 new)

9 Sec. 10-800. Southland reactivation property.

10 (a) For the purposes of this Section:

11 "Base year" means the last tax year prior to the date of
12 the application during which the property was occupied and
13 assessed and for which taxes were collected.

14 "Cook County Land Bank Authority" means the Cook County
15 Land Bank Authority created by ordinance of the Cook County
16 Board.

17 "Participating entity" means the South Suburban Land Bank
18 and Development Authority, the Cook County Land Bank
19 Development Authority, or both collectively.

20 "Southland reactivation property" means property that:

21 (1) has been designated by the municipality by
22 resolution as a priority tax reactivation parcel, site, or

1 property due to its clear pattern of stagnation or decline
2 in real estate taxes for 3 of the last 5 years as a result
3 of its depressed condition;

4 (2) is held by a participating entity; and

5 (3) meets the following criteria:

6 (A) the property has been acquired, and is
7 currently held, by a participating entity for purposes
8 of stabilizing the tax base and enhancing economic
9 activities that promote sustainable, healthy, and
10 stable communities and align with local government
11 plans and priorities;

12 (B) the property has had its past property and ad
13 valorem taxes cleared and is now classified as exempt;

14 (C) the property is zoned for commercial or
15 industrial use;

16 (D) the property is vacant land or contains empty
17 non-residential property that has been vacant for 12
18 months or more;

19 (E) the property does not have a current, lawful
20 occupant, as attested to by a supporting affidavit;

21 (F) sale or transfer of the property, following
22 southland reactivation designation, to a developer
23 would result in investment which would trigger a new
24 higher equalized assessed valuation;

25 (G) an owner or a person holding, or having held,
26 an interest in or a lien on the property cannot

1 purchase the property through the participating
2 entity;

3 (H) reoccupation of abandoned property and
4 subsequent substantial rehabilitation is planned, an
5 application for southland reactivation designation is
6 filed, and a resolution passed by the corporate
7 authorities of the municipality prior to the
8 commencement of reoccupation and rehabilitation;

9 (I) but for the southland reactivation
10 designation, development or redevelopment will not
11 occur; and

12 (J) the property is located in any of the following
13 Townships in Cook County: Bloom, Bremen, Calumet, Rich,
14 Thornton, or Worth.

15 "South Suburban Land Bank and Development Authority" means
16 the South Suburban Land Bank and Development Authority created
17 in 2012 by an intergovernmental agreement between 3 south
18 suburban municipalities, which now serves more than 20
19 communities.

20 "Tax year" means the calendar year for which assessed value
21 is determined as of January 1 of that year.

22 (b) Southland reactivation designation shall be considered
23 at a lawful public meeting of the designating municipality.
24 Impacted taxing districts shall receive prior notification of
25 the agenda item to consider designation of the site.

26 (c) Within 5 years after the effective date of this

1 amendatory Act of the 101st General Assembly, purchasers of
2 real property from the participating entity may submit an
3 application, along with a resolution approved by the respective
4 corporate authorities of the municipalities in which the
5 property is located, to the participating entity to have the
6 property certified as a southland Reactivation property. If the
7 property meets the criteria for southland reactivation
8 property set forth in subsection (a), then the participating
9 entity, has 5 years from the effective date of this amendatory
10 Act of the 101st General Assembly within which it may certify
11 the property as southland reactivation property for the
12 purposes of promoting rehabilitation of vacant and
13 underutilized property in order to attract and enhance economic
14 activities and investment that stabilize, restore, and grow the
15 tax base in severely blighted areas within Chicago's south
16 suburbs. This certification is nonrenewable and shall be
17 transmitted, by the municipality or the participating entity on
18 behalf of the municipality, to the chief county assessment
19 officer as soon as possible after the property is certified.
20 Southland reactivation designation is limited to the original
21 applicant unless expressly approved by the local municipal
22 corporate authorities and the property has no change in use.

23 (d) Beginning with the first tax year after the property is
24 certified as southland reactivation property and continuing
25 through the twelfth tax year after the property is certified as
26 southland reactivation property, for the purpose of taxation

1 under this Code, the property shall be valued at the last known
2 equalized assessed value, as established by the chief county
3 assessment officer, before the property was exempt. For the
4 first 3 tax years after the property is certified as southland
5 reactivation property, the aggregate tax liability for the
6 property shall be no greater than \$100,000 per year. That
7 aggregate tax liability, once collected, shall be distributed
8 to the taxing districts in which the property is located
9 according to each taxing district's proportionate share of that
10 aggregate liability. Beginning with the fourth tax year after
11 the property is certified as southland reactivation property
12 and continuing through the twelfth tax year after the property
13 is certified as southland reactivation property, the
14 property's tax liability for each taxing district in which the
15 property is located shall be increased over the tax liability
16 for the preceding year by 5% or the percentage change in the
17 Consumer Price Index For All Urban Consumers, as determined by
18 the United States Department of Labor, whichever is less. In no
19 event shall the purchaser's annual tax liability decrease.

20 (e) No later than March 1 of each year before taxes are
21 extended for the prior tax year, the municipality or the
22 participating entity on behalf of the municipality, shall
23 certify to the county clerk of the county in which the property
24 is located a percentage reduction to be applied to property
25 taxes to limit the aggregate tax liability for southland
26 reactivation property in accordance with this Section.

1 (f) The participating entity shall collect annually for the
2 pilot program period information about the number of
3 applicants, project location, proposed use, investment, job
4 creation, and certifications of southland reactivation sites
5 to allow for the evaluation and assessment of the effectiveness
6 of southland reactivation designation. The participating
7 entity shall annually notify units of local government with
8 taxing jurisdiction within the 6 eligible townships of the
9 participating entity's intent to present to their governing
10 board all collected metrics related to southland reactivation
11 sites so designated to assess outcomes and desired results and
12 report findings to members of the General Assembly at the
13 conclusion of the 5-year designation period.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.