



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

**HB4495**

Introduced 1/21/2022, by Rep. Michael J. Zalewski

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-178

Amends the Property Tax Code. In provisions concerning a reduction in assessed value for affordable rental housing construction or rehabilitation, provides that, for the purpose of an initial application and only until the building is put in service, an owner may provide proof of either a deed restriction or participation in a government program that includes legally enforceable affordability requirements comparable to the requirements set forth in those provisions, and the chief county assessment officer shall furnish a letter of intent to the applicant. Makes changes to the definition of "assessed value for the residential real property in the base year". Effective immediately.

LRB102 24953 HLH 34208 b

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 15-178 as follows:

6 (35 ILCS 200/15-178)

7 Sec. 15-178. Reduction in assessed value for affordable  
8 rental housing construction or rehabilitation.

9 (a) The General Assembly finds that there is a shortage of  
10 high quality affordable rental homes for low-income and  
11 very-low-income households throughout Illinois; that owners  
12 and developers of rental housing face significant challenges  
13 building newly constructed apartments or undertaking  
14 rehabilitation of existing properties that results in rents  
15 that are affordable for low-income and very-low-income  
16 households; and that it will help Cook County and other parts  
17 of Illinois address the extreme shortage of affordable rental  
18 housing by developing a statewide policy to determine the  
19 assessed value for newly constructed and rehabilitated  
20 affordable rental housing that both encourages investment and  
21 incentivizes property owners to keep rents affordable.

22 (b) Each chief county assessment officer shall implement  
23 special assessment programs to reduce the assessed value of

1 all eligible newly constructed residential real property or  
2 qualifying rehabilitation to all eligible existing residential  
3 real property in accordance with subsection (c) for 10 taxable  
4 years after the newly constructed residential real property or  
5 improvements to existing residential real property are put in  
6 service. Any county with less than 3,000,000 inhabitants may  
7 decide not to implement one or both of the special assessment  
8 programs defined in subparagraph (1) of subsection (c) of this  
9 Section and subparagraph (2) of subsection (c) of this Section  
10 upon passage of an ordinance by a majority vote of the county  
11 board. Subsequent to a vote to opt out of this special  
12 assessment program, any county with less than 3,000,000  
13 inhabitants may decide to implement one or both of the special  
14 assessment programs defined in subparagraph (1) of subsection  
15 (c) of this Section and subparagraph (2) of subsection (c) of  
16 this Section upon passage of an ordinance by a majority vote of  
17 the county board. Property is eligible for the special  
18 assessment program if and only if all of the following factors  
19 have been met:

20 (1) at the conclusion of the new construction or  
21 qualifying rehabilitation, the property consists of a  
22 newly constructed multifamily building containing 7 or  
23 more rental dwelling units or an existing multifamily  
24 building that has undergone qualifying rehabilitation  
25 resulting in 7 or more rental dwelling units; and

26 (2) the property meets the application requirements

1 defined in subsection (f).

2 (c) For those counties that are required to implement the  
3 special assessment program and do not opt out of such special  
4 assessment program, the chief county assessment officer for  
5 that county shall require that residential real property is  
6 eligible for the special assessment program if and only if one  
7 of the additional factors have been met:

8 (1) except as defined in subparagraphs (E), (F), and  
9 (G) of paragraph (1) of subsection (f) of this Section,  
10 prior to the newly constructed residential real property  
11 or improvements to existing residential real property  
12 being put in service, the owner of the residential real  
13 property commits that, for a period of 10 years, at least  
14 15% of the multifamily building's units will have rents as  
15 defined in this Section that are at or below maximum rents  
16 and are occupied by households with household incomes at  
17 or below maximum income limits; or

18 (2) except as defined in subparagraphs (E), (F), and  
19 (G) of paragraph (1) of subsection (f) of this Section,  
20 prior to the newly constructed residential real property  
21 or improvements to existing residential real property  
22 located in a low affordability community being put in  
23 service, the owner of the residential real property  
24 commits that, for a period of 30 years after the newly  
25 constructed residential real property or improvements to  
26 existing residential real property are put in service, at

1           least 20% of the multifamily building's units will have  
2           rents as defined in this Section that are at or below  
3           maximum rents and are occupied by households with  
4           household incomes at or below maximum income limits.

5           If a reduction in assessed value is granted under one  
6           special assessment program provided for in this Section, then  
7           that same residential real property is not eligible for an  
8           additional special assessment program under this Section at  
9           the same time.

10           (d) The amount of the reduction in assessed value for  
11           residential real property meeting the conditions set forth in  
12           subparagraph (1) of subsection (c) shall be calculated as  
13           follows:

14                   (1) if the owner of the residential real property  
15                   commits for a period of at least 10 years that at least 15%  
16                   but fewer than 35% of the multifamily building's units  
17                   have rents at or below maximum rents and are occupied by  
18                   households with household incomes at or below maximum  
19                   income limits, the assessed value of the property used to  
20                   calculate the tax bill shall be reduced by an amount equal  
21                   to 25% of the assessed value of the property as determined  
22                   by the assessor for the property in the current taxable  
23                   year for the newly constructed residential real property  
24                   or based on the improvements to an existing residential  
25                   real property; and

26                   (2) if the owner of the residential real property

1           commits for a period of at least 10 years that at least 35%  
2           of the multifamily building's units have rents at or below  
3           maximum rents and are occupied by households with  
4           household incomes at or below maximum income limits, the  
5           assessed value of the property used to calculate the tax  
6           bill shall be reduced by an amount equal to 35% of the  
7           assessed value of the property as determined by the  
8           assessor for the property in the current assessment year  
9           for the newly constructed residential real property or  
10          based on the improvements to an existing residential real  
11          property.

12          (e) The amount of the reduction for residential real  
13          property meeting the conditions set forth in subparagraph (2)  
14          of subsection (c) shall be calculated as follows:

15                 (1) for the first, second, and third taxable year  
16                 after the residential real property is placed in service,  
17                 the residential real property is entitled to a reduction  
18                 in its assessed value in an amount equal to the difference  
19                 between the assessed value in the year for which the  
20                 incentive is sought and the assessed value for the  
21                 residential real property in the base year;

22                 (2) for the fourth, fifth, and sixth taxable year  
23                 after the residential real property is placed in service,  
24                 the property is entitled to a reduction in its assessed  
25                 value in an amount equal to 80% of the difference between  
26                 the assessed value in the year for which the incentive is

1 sought and the assessed value for the residential real  
2 property in the base year;

3 (3) for the seventh, eighth, and ninth taxable year  
4 after the property is placed in service, the residential  
5 real property is entitled to a reduction in its assessed  
6 value in an amount equal to 60% of the difference between  
7 the assessed value in the year for which the incentive is  
8 sought and the assessed value for the residential real  
9 property in the base year;

10 (4) for the tenth, eleventh, and twelfth taxable year  
11 after the residential real property is placed in service,  
12 the residential real property is entitled to a reduction  
13 in its assessed value in an amount equal to 40% of the  
14 difference between the assessed value in the year for  
15 which the incentive is sought and the assessed value for  
16 the residential real property in the base year; and

17 (5) for the thirteenth through the thirtieth taxable  
18 year after the residential real property is placed in  
19 service, the residential real property is entitled to a  
20 reduction in its assessed value in an amount equal to 20%  
21 of the difference between the assessed value in the year  
22 for which the incentive is sought and the assessed value  
23 for the residential real property in the base year.

24 (f) Application requirements.

25 (1) In order to receive the reduced valuation under  
26 this Section, the owner must submit an application

1 containing the following information to the chief county  
2 assessment officer for review in the form and by the date  
3 required by the chief county assessment officer:

4 (A) the owner's name;

5 (B) the postal address and permanent index number  
6 or numbers of the parcel or parcels for which the owner  
7 is applying to receive reduced valuation under this  
8 Section;

9 (C) a deed or other instrument conveying the  
10 parcel or parcels to the current owner;

11 (D) written evidence that the new construction or  
12 qualifying rehabilitation has been completed with  
13 respect to the residential real property, including,  
14 but not limited to, copies of building permits, a  
15 notarized contractor's affidavit, and photographs of  
16 the interior and exterior of the building after new  
17 construction or rehabilitation is completed;

18 (E) written evidence that the residential real  
19 property meets local building codes, or if there are  
20 no local building codes, Housing Quality Standards, as  
21 determined by the United States Department of Housing  
22 and Urban Development;

23 (F) a list identifying the affordable units in  
24 residential real property and a written statement that  
25 the affordable units are comparable to the market rate  
26 units in terms of unit type, number of bedrooms per



1 unit, quality of exterior appearance, energy  
2 efficiency, and overall quality of construction;

3 (G) a written schedule certifying the rents in  
4 each affordable unit and a written statement that  
5 these rents do not exceed the maximum rents allowable  
6 for the area in which the residential real property is  
7 located;

8 (H) documentation from the administering agency  
9 verifying the owner's participation in a qualifying  
10 income-based rental subsidy program as defined in  
11 subsection (e) of this Section if units receiving  
12 rental subsidies are to be counted among the  
13 affordable units in order to meet the thresholds  
14 defined in this Section;

15 (I) a written statement identifying the household  
16 income for every household occupying an affordable  
17 unit and certifying that the household income does not  
18 exceed the maximum income limits allowable for the  
19 area in which the residential real property is  
20 located;

21 (J) a written statement that the owner has  
22 verified and retained documentation of household  
23 income for every household occupying an affordable  
24 unit; and

25 (K) any additional information consistent with  
26 this Section as reasonably required by the chief

1 county assessment officer, including, but not limited  
2 to, any information necessary to ensure compliance  
3 with applicable local ordinances and to ensure the  
4 owner is complying with the provisions of this  
5 Section.

6 (L) For the purpose of an initial application and  
7 only until the building is put in service, an owner may  
8 provide proof of either a deed restriction or  
9 participation in a government program that includes  
10 legally enforceable affordability requirements  
11 comparable to the requirements of any or all of  
12 subparagraphs (F), (G), (H), (I), and (J) of this  
13 paragraph (1), and the chief county assessment officer  
14 shall furnish a letter of intent to the applicant  
15 indicating that a preliminary assessment of the new  
16 construction or qualifying rehabilitation indicates  
17 that it will meet all eligibility requirements of this  
18 Section.

19 (1.1) In order for a development to receive the  
20 reduced valuation under subsection (e), the owner must  
21 provide evidence to the county assessor's office of a  
22 fully executed project labor agreement entered into with  
23 the applicable local building trades council, prior to  
24 commencement of any and all construction, building,  
25 renovation, demolition, or any material change to the  
26 structure or land.

1           (2) The application requirements contained in  
2 paragraph (1) of subsection (f) are continuing  
3 requirements for the duration of the reduction in assessed  
4 value received and may be annually or periodically  
5 verified by the chief county assessment officer for the  
6 county whereby the benefit is being issued.

7           (3) In lieu of submitting an application containing  
8 the information prescribed in paragraph (1) of subsection  
9 (f), the chief county assessment officer may allow for  
10 submission of a substantially similar certification  
11 granted by the Illinois Housing Development Authority or a  
12 comparable local authority provided that the chief county  
13 assessment officer independently verifies the veracity of  
14 the certification with the Illinois Housing Development  
15 Authority or comparable local authority.

16           (4) The chief county assessment officer shall notify  
17 the owner as to whether or not the property meets the  
18 requirements of this Section. If the property does not  
19 meet the requirements of this Section, the chief county  
20 assessment officer shall provide written notice of any  
21 deficiencies to the owner, who shall then have 30 days  
22 from the date of notification to provide supplemental  
23 information showing compliance with this Section. The  
24 chief county assessment officer shall, in its discretion,  
25 grant additional time to cure any deficiency. If the owner  
26 does not exercise this right to cure the deficiency, or if

1 the information submitted, in the sole judgment of the  
2 chief county assessment officer, is insufficient to meet  
3 the requirements of this Section, the chief county  
4 assessment officer shall provide a written explanation of  
5 the reasons for denial.

6 (5) The chief county assessment officer may charge a  
7 reasonable application fee to offset the administrative  
8 expenses associated with the program.

9 (6) The reduced valuation conferred by this Section is  
10 limited as follows:

11 (A) The owner is eligible to apply for the reduced  
12 valuation conferred by this Section beginning in the  
13 first assessment year after the effective date of this  
14 amendatory Act of the 102nd General Assembly through  
15 December 31, 2027. If approved, the reduction will be  
16 effective for the current assessment year, which will  
17 be reflected in the tax bill issued in the following  
18 calendar year. Owners that are approved for the  
19 reduced valuation under paragraph (1) of subsection  
20 (c) of this Section before December 31, 2027 shall, at  
21 minimum, be eligible for annual renewal of the reduced  
22 valuation during an initial 10-year period if annual  
23 certification requirements are met for each of the 10  
24 years, as described in subparagraph (B) of paragraph  
25 (4) of subsection (d) of this Section.

26 (B) Property receiving a reduction outlined in

1 paragraph (1) of subsection (c) of this Section shall  
2 continue to be eligible for an initial period of up to  
3 10 years if annual certification requirements are met  
4 for each of the 10 years, but shall be extended for up  
5 to 2 additional 10-year periods with annual renewals  
6 if the owner continues to meet the requirements of  
7 this Section, including annual certifications, and  
8 excluding the requirements regarding new construction  
9 or qualifying rehabilitation defined in subparagraph  
10 (D) of paragraph (1) of this subsection.

11 (C) The annual certification materials in the year  
12 prior to final year of eligibility for the reduction  
13 in assessed value must include a dated copy of the  
14 written notice provided to tenants informing them of  
15 the date of the termination if the owner is not seeking  
16 a renewal.

17 (D) If the property is sold or transferred, the  
18 purchaser or transferee must comply with all  
19 requirements of this Section, excluding the  
20 requirements regarding new construction or qualifying  
21 rehabilitation defined in subparagraph (D) of  
22 paragraph (1) of this subsection, in order to continue  
23 receiving the reduction in assessed value. Purchasers  
24 and transferees who comply with all requirements of  
25 this Section excluding the requirements regarding new  
26 construction or qualifying rehabilitation defined in

1           subparagraph (D) of paragraph (1) of this subsection  
2           are eligible to apply for renewal on the schedule set  
3           by the initial application.

4           (E) The owner may apply for the reduced valuation  
5           if the residential real property meets all  
6           requirements of this Section and the newly constructed  
7           residential real property or improvements to existing  
8           residential real property were put in service on or  
9           after January 1, 2015. However, the initial 10-year  
10          eligibility period or 30-year eligibility period,  
11          depending on the applicable program, shall be reduced  
12          by the number of years between the placed in service  
13          date and the date the owner first receives this  
14          reduced valuation.

15          (F) The owner may apply for the reduced valuation  
16          within 2 years after the newly constructed residential  
17          real property or improvements to existing residential  
18          real property are put in service. However, the initial  
19          10-year eligibility period or 30-year eligibility  
20          period, depending on the applicable program, shall be  
21          reduced for the number of years between the placed in  
22          service date and the date the owner first receives  
23          this reduced valuation.

24          (G) Owners of a multifamily building receiving a  
25          reduced valuation through the Cook County Class 9  
26          program during the year in which this amendatory Act

1 of the 102nd General Assembly takes effect shall be  
2 deemed automatically eligible for the reduced  
3 valuation defined in paragraph (1) of subsection (c)  
4 of this Section in terms of meeting the criteria for  
5 new construction or substantial rehabilitation for a  
6 specific multifamily building regardless of when the  
7 newly constructed residential real property or  
8 improvements to existing residential real property  
9 were put in service. If a Cook County Class 9 owner had  
10 Class 9 status revoked on or after January 1, 2017 but  
11 can provide documents sufficient to prove that the  
12 revocation was in error or any deficiencies leading to  
13 the revocation have been cured, the chief county  
14 assessment officer may deem the owner to be eligible.  
15 However, owners may not receive both the reduced  
16 valuation under this Section and the reduced valuation  
17 under the Cook County Class 9 program in any single  
18 assessment year. In addition, the number of years  
19 during which an owner has participated in the Class 9  
20 program shall count against the 3 10-year periods of  
21 eligibility for the reduced valuation as defined in  
22 subparagraph (1) of subsection (c) of this Section.

23 (H) At the completion of the assessment reduction  
24 period described in this Section: the entire parcel  
25 will be assessed as otherwise provided by law.

26 (g) ~~(e)~~ As used in this Section:

1 "Affordable units" means units that have rents that do not  
2 exceed the maximum rents as defined in this Section.

3 "Assessed value for the residential real property in the  
4 base year" means the assessed value used to calculate the tax  
5 bill, as certified by the board of review, for the tax year  
6 immediately prior to the tax year in which the building permit  
7 is issued. For property assessed as other than residential  
8 property, the "assessed value for the residential real  
9 property in the base year" means the assessed value that would  
10 have been obtained had the property been classified as  
11 residential as derived from the board of review's certified  
12 market value ~~the value in effect at the end of the taxable year~~  
13 ~~prior to the latter of: (1) the date of initial application; or~~  
14 ~~(2) the date on which 20% of the total number of units in the~~  
15 ~~property are occupied by eligible tenants paying eligible rent~~  
16 ~~under this Section.~~

17 "Household income" includes the annual income for all the  
18 people who occupy a housing unit that is anticipated to be  
19 received from a source outside of the family during the  
20 12-month period following admission or the annual  
21 recertification, including related family members and all the  
22 unrelated people who share the housing unit. Household income  
23 includes the total of the following income sources: wages,  
24 salaries and tips before any payroll deductions; net business  
25 income; interest and dividends; payments in lieu of earnings,  
26 such as unemployment and disability compensation, worker's



1 compensation and severance pay; Social Security income,  
2 including lump sum payments; payments from insurance policies,  
3 annuities, pensions, disability benefits and other types of  
4 periodic payments, alimony, child support, and other regular  
5 monetary contributions; and public assistance, except for  
6 assistance from the Supplemental Nutrition Assistance Program  
7 (SNAP). "Household income" does not include: earnings of  
8 children under age 18; temporary income such as cash gifts;  
9 reimbursement for medical expenses; lump sums from  
10 inheritance, insurance payments, settlements for personal or  
11 property losses; student financial assistance paid directly to  
12 the student or to an educational institution; foster child  
13 care payments; receipts from government-funded training  
14 programs; assistance from the Supplemental Nutrition  
15 Assistance Program (SNAP).

16 "Low affordability community" means (1) a municipality or  
17 jurisdiction with less than 1,000,000 inhabitants in which 40%  
18 or less of its total year-round housing units are affordable,  
19 as determined by the Illinois Housing Development Authority  
20 during the exemption determination process under the  
21 Affordable Housing Planning and Appeal Act; (2) "D" zoning  
22 districts as now or hereafter designated in the Chicago Zoning  
23 Ordinance; or (3) a jurisdiction located in a municipality  
24 with 1,000,000 or more inhabitants that has been designated as  
25 a low affordability community by passage of a local ordinance  
26 by that municipality, specifying the census tract or property

1 by permanent index number or numbers.

2 "Maximum income limits" means the maximum regular income  
3 limits for 60% of area median income for the geographic area in  
4 which the multifamily building is located for multifamily  
5 programs as determined by the United States Department of  
6 Housing and Urban Development and published annually by the  
7 Illinois Housing Development Authority.

8 "Maximum rent" means the maximum regular rent for 60% of  
9 the area median income for the geographic area in which the  
10 multifamily building is located for multifamily programs as  
11 determined by the United States Department of Housing and  
12 Urban Development and published annually by the Illinois  
13 Housing Development Authority. To be eligible for the reduced  
14 valuation defined in this Section, maximum rents are to be  
15 consistent with the Illinois Housing Development Authority's  
16 rules; or if the owner is leasing an affordable unit to a  
17 household with an income at or below the maximum income limit  
18 who is participating in qualifying income-based rental subsidy  
19 program, "maximum rent" means the maximum rents allowable  
20 under the guidelines of the qualifying income-based rental  
21 subsidy program.

22 "Qualifying income-based rental subsidy program" means a  
23 Housing Choice Voucher issued by a housing authority under  
24 Section 8 of the United States Housing Act of 1937, a tenant  
25 voucher converted to a project-based voucher by a housing  
26 authority or any other program administered or funded by a

1 housing authority, the Illinois Housing Development Authority,  
2 another State agency, a federal agency, or a unit of local  
3 government where participation is limited to households with  
4 incomes at or below the maximum income limits as defined in  
5 this Section and the tenants' portion of the rent payment is  
6 based on a percentage of their income or a flat amount that  
7 does not exceed the maximum rent as defined in this Section.

8 "Qualifying rehabilitation" means, at a minimum,  
9 compliance with local building codes and the replacement or  
10 renovation of at least 2 primary building systems to be  
11 approved for the reduced valuation under paragraph (1) of  
12 subsection (d) of this Section and at least 5 primary building  
13 systems to be approved for the reduced valuation under  
14 subsection (e) of this Section. Although the cost of each  
15 primary building system may vary, to be approved for the  
16 reduced valuation under paragraph (1) of subsection (d) of  
17 this Section, the combined expenditure for making the building  
18 compliant with local codes and replacing primary building  
19 systems must be at least \$8 per square foot for work completed  
20 between January 1 of the year in which this amendatory Act of  
21 the 102nd General Assembly takes effect and December 31 of the  
22 year in which this amendatory Act of the 102nd General  
23 Assembly takes effect and, in subsequent years, \$8 adjusted by  
24 the Consumer Price Index for All Urban Consumers, as published  
25 annually by the U.S. Department of Labor. To be approved for  
26 the reduced valuation under paragraph (2) of subsection (d) of

1 this Section, the combined expenditure for making the building  
2 compliant with local codes and replacing primary building  
3 systems must be at least \$12.50 per square foot for work  
4 completed between January 1 of the year in which this  
5 amendatory Act of the 102nd General Assembly takes effect and  
6 December 31 of the year in which this amendatory Act of the  
7 102nd General Assembly takes effect, and in subsequent years,  
8 \$12.50 adjusted by the Consumer Price Index for All Urban  
9 Consumers, as published annually by the U.S. Department of  
10 Labor. To be approved for the reduced valuation under  
11 subsection (e) of this Section, the combined expenditure for  
12 making the building compliant with local codes and replacing  
13 primary building systems must be at least \$60 per square foot  
14 for work completed between January 1 of the year that this  
15 amendatory Act of the 102nd General Assembly becomes effective  
16 and December 31 of the year that this amendatory Act of the  
17 102nd General Assembly becomes effective and, in subsequent  
18 years, \$60 adjusted by the Consumer Price Index for All Urban  
19 Consumers, as published annually by the U.S. Department of  
20 Labor. "Primary building systems", together with their related  
21 rehabilitations, specifically approved for this program are:

22 (1) Electrical. All electrical work must comply with  
23 applicable codes; it may consist of a combination of any  
24 of the following alternatives:

25 (A) installing individual equipment and appliance  
26 branch circuits as required by code (the minimum being

1 a kitchen appliance branch circuit);

2 (B) installing a new emergency service, including  
3 emergency lighting with all associated conduits and  
4 wiring;

5 (C) rewiring all existing feeder conduits ("home  
6 runs") from the main switchgear to apartment area  
7 distribution panels;

8 (D) installing new in-wall conduits for  
9 receptacles, switches, appliances, equipment, and  
10 fixtures;

11 (E) replacing power wiring for receptacles,  
12 switches, appliances, equipment, and fixtures;

13 (F) installing new light fixtures throughout the  
14 building including closets and central areas;

15 (G) replacing, adding, or doing work as necessary  
16 to bring all receptacles, switches, and other  
17 electrical devices into code compliance;

18 (H) installing a new main service, including  
19 conduit, cables into the building, and main disconnect  
20 switch; and

21 (I) installing new distribution panels, including  
22 all panel wiring, terminals, circuit breakers, and all  
23 other panel devices.

24 (2) Heating. All heating work must comply with  
25 applicable codes; it may consist of a combination of any  
26 of the following alternatives:

1 (A) installing a new system to replace one of the  
2 following heat distribution systems:

3 (i) piping and heat radiating units, including  
4 new main line venting and radiator venting; or

5 (ii) duct work, diffusers, and cold air  
6 returns; or

7 (iii) any other type of existing heat  
8 distribution and radiation/diffusion components;

9 or

10 (B) installing a new system to replace one of the  
11 following heat generating units:

12 (i) hot water/steam boiler;

13 (ii) gas furnace; or

14 (iii) any other type of existing heat  
15 generating unit.

16 (3) Plumbing. All plumbing work must comply with  
17 applicable codes. Replace all or a part of the in-wall  
18 supply and waste plumbing; however, main supply risers,  
19 waste stacks and vents, and code-conforming waste lines  
20 need not be replaced.

21 (4) Roofing. All roofing work must comply with  
22 applicable codes; it may consist of either of the  
23 following alternatives, separately or in combination:

24 (A) replacing all rotted roof decks and  
25 insulation; or

26 (B) replacing or repairing leaking roof membranes

1 (10% is the suggested minimum replacement of  
2 membrane); restoration of the entire roof is an  
3 acceptable substitute for membrane replacement.

4 (5) Exterior doors and windows. Replace the exterior  
5 doors and windows. Renovation of ornate entry doors is an  
6 acceptable substitute for replacement.

7 (6) Floors, walls, and ceilings. Finishes must be  
8 replaced or covered over with new material. Acceptable  
9 replacement or covering materials are as follows:

10 (A) floors must have new carpeting, vinyl tile,  
11 ceramic, refurbished wood finish, or a similar  
12 substitute;

13 (B) walls must have new drywall, including joint  
14 taping and painting; or

15 (C) new ceilings must be either drywall, suspended  
16 type, or a similar material.

17 (7) Exterior walls.

18 (A) replace loose or crumbling mortar and masonry  
19 with new material;

20 (B) replace or paint wall siding and trim as  
21 needed;

22 (C) bring porches and balconies to a sound  
23 condition; or

24 (D) any combination of (A), (B), and (C).

25 (8) Elevators. Where applicable, at least 4 of the  
26 following 7 alternatives must be accomplished:

1 (A) replace or rebuild the machine room controls  
2 and refurbish the elevator machine (or equivalent  
3 mechanisms in the case of hydraulic elevators);

4 (B) replace hoistway electro-mechanical items  
5 including: ropes, switches, limits, buffers, levelers,  
6 and deflector sheaves (or equivalent mechanisms in the  
7 case of hydraulic elevators);

8 (C) replace hoistway wiring;

9 (D) replace door operators and linkage;

10 (E) replace door panels at each opening;

11 (F) replace hall stations, car stations, and  
12 signal fixtures; or

13 (G) rebuild the car shell and refinish the  
14 interior.

15 (9) Health and safety.

16 (A) Install or replace fire suppression systems;

17 (B) install or replace security systems; or

18 (C) environmental remediation of lead-based paint,  
19 asbestos, leaking underground storage tanks, or radon.

20 (10) Energy conservation improvements undertaken to  
21 limit the amount of solar energy absorbed by a building's  
22 roof or to reduce energy use for the property, including,  
23 but not limited to, any of the following activities:

24 (A) installing or replacing reflective roof  
25 coatings (flat roofs);

26 (B) installing or replacing R-49 roof insulation;



1 (C) installing or replacing R-19 perimeter wall  
2 insulation;

3 (D) installing or replacing insulated entry doors;

4 (E) installing or replacing Low E, insulated  
5 windows;

6 (F) installing or replacing WaterSense labeled  
7 plumbing fixtures;

8 (G) installing or replacing 90% or better sealed  
9 combustion heating systems;

10 (H) installing Energy Star hot water heaters;

11 (I) installing or replacing mechanical ventilation  
12 to exterior for kitchens and baths;

13 (J) installing or replacing Energy Star  
14 appliances;

15 (K) installing or replacing Energy Star certified  
16 lighting in common areas; or

17 (L) installing or replacing grading and  
18 landscaping to promote on-site water retention if the  
19 retained water is used to replace water that is  
20 provided from a municipal source.

21 (11) Accessibility improvements. All accessibility  
22 improvements must comply with applicable codes. An owner  
23 may make accessibility improvements to residential real  
24 property to increase access for people with disabilities.  
25 As used in this paragraph (11), "disability" has the  
26 meaning given to that term in the Illinois Human Rights

1 Act. As used in this paragraph (11), "accessibility  
2 improvements" means a home modification listed under the  
3 Home Services Program administered by the Department of  
4 Human Services (Part 686 of Title 89 of the Illinois  
5 Administrative Code) including, but not limited to:  
6 installation of ramps, grab bars, or wheelchair lifts;  
7 widening doorways or hallways; re-configuring rooms and  
8 closets; and any other changes to enhance the independence  
9 of people with disabilities.

10 (12) Any applicant who has purchased the property in  
11 an arm's length transaction not more than 90 days before  
12 applying for this reduced valuation may use the cost of  
13 rehabilitation or repairs required by documented code  
14 violations, up to a maximum of \$2 per square foot, to meet  
15 the qualifying rehabilitation requirements.

16 (Source: P.A. 102-175, eff. 7-29-21.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.