



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4834

Introduced 1/27/2022, by Rep. Chris Bos

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-174
35 ILCS 200/15-174.5 new

Amends the Property Tax Code. Provides that the community stabilization assessment freeze pilot program is extended until June 30, 2039 (currently, June 30, 2029). Removes a requirement that the community stabilization assessment freeze pilot program applies only to parcels located in a targeted area. Removes a requirement that there must be an existing residential dwelling structure of no more than 6 units on the parcel that was unoccupied at the time of conveyance for a minimum of 6 months, or that the parcel was ordered by a court to be deconverted. Provides that, if a countywide voter referendum establishing a community stabilization freeze is adopted, then the chief county assessment officer of the county must make the reduction provided by law. Contains provisions concerning referendum requirements. Effective immediately.

LRB102 22329 HLH 31466 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 and 15-174 and by adding Section 15-174.5 as follows:

6 (35 ILCS 200/15-174)

7 Sec. 15-174. Community stabilization assessment freeze
8 pilot program.

9 (a) Beginning January 1, 2015 and ending June 30, 2039
10 ~~June 30, 2029~~, the chief county assessment officer of any
11 county may reduce, or if the community stabilization freeze is
12 adopted by countywide voter referendum as provided in Section
13 15-174.5, the chief county assessment officer of the county
14 must reduce, the assessed value of improvements to residential
15 real property in accordance with subsection (b) for 10 taxable
16 years after the improvements are put in service, if and only if
17 all of the following factors have been met:

18 (1) the improvements are residential;

19 (2) the parcel was purchased or otherwise conveyed to
20 the taxpayer after January 1 of the taxable year and that
21 conveyance was not a tax sale as required under the
22 Property Tax Code;

23 (3) (blank); ~~the parcel is located in a targeted area;~~

1 (4) for single family homes, the taxpayer occupies the
2 improvements on the parcel as his or her primary
3 residence; for residences of one to 6 units that will not
4 be owner-occupied, the taxpayer replaces 2 primary
5 building systems as outlined in this Section;

6 (5) the transfer from the holder of the prior mortgage
7 to the taxpayer was an arm's length transaction, in that
8 the taxpayer has no legal relationship to the holder of
9 the prior mortgage;

10 (6) (blank); ~~an existing residential dwelling~~
11 ~~structure of no more than 6 units on the parcel was~~
12 ~~unoccupied at the time of conveyance for a minimum of 6~~
13 ~~months, or the parcel was ordered by a court of competent~~
14 ~~jurisdiction to be deconverted in accordance with the~~
15 ~~provisions governing distressed condominiums as provided~~
16 ~~in the Condominium Property Act;~~

17 (7) the parcel is clear of unreleased liens and has no
18 outstanding tax liabilities attached against it; and

19 (8) the purchase price did not exceed the Federal
20 Housing Administration's loan limits then in place for the
21 area in which the improvement is located.

22 To be eligible for the benefit conferred by this Section,
23 residential units must (i) meet local building codes, or if
24 there are no local building codes, Housing Quality Standards,
25 as determined by the U.S. Department of Housing and Urban
26 Development from time to time and (ii) be owner-occupied or in

1 need of substantial rehabilitation. "Substantial
2 rehabilitation" means, at a minimum, compliance with local
3 building codes and the replacement or renovation of at least 2
4 primary building systems. Although the cost of each primary
5 building system may vary, the combined expenditure for making
6 the building compliant with local codes and replacing primary
7 building systems must be at least \$5 per square foot, adjusted
8 by the Consumer Price Index for All Urban Consumers, as
9 published annually by the U.S. Department of Labor. "Primary
10 building systems", together with their related
11 rehabilitations, specifically approved for this program are:

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

15 (A) installing individual equipment and appliance
16 branch circuits as required by code (the minimum being
17 a kitchen appliance branch circuit);

18 (B) installing a new emergency service, including
19 emergency lighting with all associated conduits and
20 wiring;

21 (C) rewiring all existing feeder conduits ("home
22 runs") from the main switchgear to apartment area
23 distribution panels;

24 (D) installing new in-wall conduits for
25 receptacles, switches, appliances, equipment, and
26 fixtures;

1 (E) replacing power wiring for receptacles,
2 switches, appliances, equipment, and fixtures;

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

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

8 (H) installing a new main service, including
9 conduit, cables into the building, and main disconnect
10 switch; and

11 (I) installing new distribution panels, including
12 all panel wiring, terminals, circuit breakers, and all
13 other panel devices.

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

17 (A) installing a new system to replace one of the
18 following heat distribution systems: (i) piping and
19 heat radiating units, including new main line venting
20 and radiator venting; or (ii) duct work, diffusers,
21 and cold air returns; or (iii) any other type of
22 existing heat distribution and radiation/diffusion
23 components; or

24 (B) installing a new system to replace one of the
25 following heat generating units: (i) hot water/steam
26 boiler; (ii) gas furnace; or (iii) any other type of

1 existing heat generating unit.

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

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

10 (A) replacing all rotted roof decks and
11 insulation; or

12 (B) replacing or repairing leaking roof membranes
13 (10% is the suggested minimum replacement of
14 membrane); restoration of the entire roof is an
15 acceptable substitute for membrane replacement.

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

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

22 (A) floors must have new carpeting, vinyl tile,
23 ceramic, refurbished wood finish, or a similar
24 substitute;

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

1 (C) new ceilings must be either drywall, suspended
2 type, or a similar substitute.

3 (7) Exterior walls.

4 (A) replace loose or crumbling mortar and masonry
5 with new material;

6 (B) replace or paint wall siding and trim as
7 needed;

8 (C) bring porches and balconies to a sound
9 condition; or

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

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

13 (A) replace or rebuild the machine room controls
14 and refurbish the elevator machine (or equivalent
15 mechanisms in the case of hydraulic elevators);

16 (B) replace hoistway electro-mechanical items
17 including: ropes, switches, limits, buffers, levelers,
18 and deflector sheaves (or equivalent mechanisms in the
19 case of hydraulic elevators);

20 (C) replace hoistway wiring;

21 (D) replace door operators and linkage;

22 (E) replace door panels at each opening;

23 (F) replace hall stations, car stations, and
24 signal fixtures; or

25 (G) rebuild the car shell and refinish the
26 interior.

- 1 (9) Health and safety.
- 2 (A) install or replace fire suppression systems;
- 3 (B) install or replace security systems; or
- 4 (C) environmental remediation of lead-based paint,
- 5 asbestos, leaking underground storage tanks, or radon.
- 6 (10) Energy conservation improvements undertaken to
- 7 limit the amount of solar energy absorbed by a building's
- 8 roof or to reduce energy use for the property, including
- 9 any of the following activities:
- 10 (A) installing or replacing reflective roof
- 11 coatings (flat roofs);
- 12 (B) installing or replacing R-38 roof insulation;
- 13 (C) installing or replacing R-19 perimeter wall
- 14 insulation;
- 15 (D) installing or replacing insulated entry doors;
- 16 (E) installing or replacing Low E, insulated
- 17 windows;
- 18 (F) installing or replacing low-flow plumbing
- 19 fixtures;
- 20 (G) installing or replacing 90% sealed combustion
- 21 heating systems;
- 22 (H) installing or replacing direct exhaust hot
- 23 water heaters;
- 24 (I) installing or replacing mechanical ventilation
- 25 to exterior for kitchens and baths;
- 26 (J) installing or replacing Energy Star

1 appliances;

2 (K) installing low VOC interior paints on interior
3 finishes;

4 (L) installing or replacing fluorescent lighting
5 in common areas; or

6 (M) installing or replacing grading and
7 landscaping to promote on-site water retention.

8 (b) For the first 7 years after the improvements are
9 placed in service, the assessed value of the improvements
10 shall be reduced by an amount equal to 90% of the difference
11 between the base year assessed value of the improvements and
12 the assessed value of the improvements in the current taxable
13 year. The property will continue to be eligible for the
14 benefits under this Section in the eighth and ninth taxable
15 years after the improvements are placed in service, calculated
16 as follows, if and only if all of the factors in subsection (a)
17 of this Section continue to be met: in the eighth taxable year,
18 the assessed value of the improvements shall be reduced by an
19 amount equal to 65% of the difference between the base year
20 assessed value of the improvements and the assessed value of
21 the improvements in the current taxable year, and in the ninth
22 taxable year, the assessed value of the improvements shall be
23 reduced by an amount equal to 35% of the difference between the
24 base year assessed value of the improvements and the assessed
25 value of the improvements in the current taxable year. The
26 benefit will cease in the tenth taxable year.

1 (c) In order to receive benefits under this Section, in
2 addition to any information required by the chief county
3 assessment officer, the taxpayer must also submit the
4 following information to the chief county assessment officer
5 for review:

6 (1) the owner's name;

7 (2) the postal address and permanent index number of
8 the parcel;

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

11 (4) evidence that the purchase price is within the
12 Federal Housing Administration's loan limits for the area
13 in which the improvement is located;

14 (5) (blank); ~~certification that the parcel was~~
15 ~~unoccupied at the time of conveyance to the current owner~~
16 ~~for a minimum of at least 6 months;~~

17 (6) evidence that the parcel is clear of unreleased
18 liens and has no outstanding tax liabilities attached
19 against it;

20 (7) evidence that the improvements meet local building
21 codes, or if there are no local building codes, Housing
22 Quality Standards, as determined by the U.S. Department of
23 Housing and Urban Development from time to time, which may
24 be shown by a certificate of occupancy issued by the
25 appropriate local government or the certification by a
26 home inspector licensed by the State of Illinois; and

1 (8) any additional information as reasonably required
2 by the chief county assessment officer.

3 (d) The chief county assessment officer shall notify the
4 taxpayer as to whether or not the parcel meets the
5 requirements of this Section. If the parcel does not meet the
6 requirements of this Section, the chief county assessment
7 officer shall provide written notice of any deficiencies to
8 the taxpayer, who will then have 14 days from the date of
9 notification to provide supplemental information showing
10 compliance with this Section. If the taxpayer does not
11 exercise this right to cure the deficiency, or if the
12 information submitted, in the sole judgment of the chief
13 county assessment officer, is insufficient to meet the
14 requirements of this Section, the chief county assessment
15 officer shall provide a written explanation of the reasons for
16 denial. A taxpayer may subsequently reapply for the benefit if
17 the deficiencies are cured at a later date, but no later than
18 2019. The chief county assessment officer may charge a
19 reasonable application fee to offset the administrative
20 expenses associated with the program.

21 (e) The benefit conferred by this Section is limited as
22 follows:

23 (1) The owner is eligible to apply for the benefit
24 conferred by this Section beginning January 1, 2015
25 through December 31, 2019 and again beginning January 1,
26 2021 through December 31, 2029. If approved, the reduction

1 will be effective for the current taxable year, which will
2 be reflected in the tax bill issued in the following
3 taxable year.

4 (2) The reduction outlined in this Section shall
5 continue for a period of 10 years, and may not be extended
6 or renewed for any additional period. No property shall be
7 eligible under this Section for 2 or more separate
8 reductions.

9 (3) At the completion of the assessment freeze period
10 described here, the entire parcel will be assessed as
11 otherwise provided in this Code.

12 (4) If there is a transfer of ownership during the
13 period of the assessment freeze, then the benefit
14 conferred by this Section shall not apply on or after the
15 date of that transfer unless (i) the property is conveyed
16 by an owner who does not occupy the improvements as a
17 primary residence to an owner who will occupy the
18 improvements as a primary residence and (ii) all
19 requirements of this Section continue to be met.

20 (f) If the taxpayer does not occupy or intend to occupy the
21 residential dwelling as his or her principal residence within
22 a reasonable time, as determined by the chief county
23 assessment officer, the taxpayer must:

24 (1) immediately secure the residential dwelling in
25 accordance with the requirements of this Section;

26 (2) complete sufficient rehabilitation to bring the

1 improvements into compliance with local building codes,
2 including, without limitation, regulations concerning
3 lead-based paint and asbestos remediation; and

4 (3) complete rehabilitation within 18 months of
5 conveyance.

6 (g) For the purposes of this Section,

7 "Base year" means the taxable year prior to the
8 taxable year in which the property is purchased by the
9 eligible homeowner.

10 "Secure" means that:

11 (1) all doors and windows are closed and secured
12 using secure doors, windows without broken or cracked
13 panes, commercial-quality metal security panels filled
14 with like-kind material as the surrounding wall, or
15 plywood installed and secured in accordance with local
16 ordinances; at least one building entrance shall be
17 accessible from the exterior and secured with a door
18 that is locked to allow access only to authorized
19 persons;

20 (2) all grass and weeds on the vacant residential
21 property are maintained below 10 inches in height,
22 unless a local ordinance imposes a lower height;

23 (3) debris, trash, and litter on any portion of
24 the exterior of the vacant residential property is
25 removed in compliance with local ordinance;

26 (4) fences, gates, stairs, and steps that lead to

1 the main entrance of the building are maintained in a
2 structurally sound and reasonable manner;

3 (5) the property is winterized when appropriate;

4 (6) the exterior of the improvements are
5 reasonably maintained to ensure the safety of
6 passersby; and

7 (7) vermin and pests are regularly exterminated on
8 the exterior and interior of the property.

9 "Targeted area" means a distressed community that
10 meets the geographic, poverty, and unemployment criteria
11 for a distressed community set forth in 12 C.F.R.
12 1806.200.

13 (Source: P.A. 98-789, eff. 1-1-15.)

14 (35 ILCS 200/15-174.5 new)

15 Sec. 15-174.5. Petition requirements; notice.

16 (a) Subject to the petition requirements of Section 28-3
17 of the Election Code, petitions for a referendum to adopt a
18 Community Stabilization Assessment Freeze pilot program must
19 be filed with the governing board of the county not less than
20 122 days prior to any election held throughout the county.

21 Petitions must include:

22 (1) the name of the county; and

23 (2) a number of signatures equal to or greater than
24 the larger of: (i) 5% of the total ballots cast in the
25 county in the immediately preceding election that is of an

1 election type comparable to the election for which the
2 petition is being filed; or (ii) 2,500 signatures; all
3 signatures gathered under this paragraph (2) must be
4 signed within 180 days prior to the filing of a petition.

5 (b) If a valid petition is filed under subsection (a),
6 then the county clerk shall, by publication in one or more
7 newspapers of general circulation within the county and on the
8 county's website, not less than 90 days prior to the election
9 at which the referendum is to be voted on, give notice in
10 substantially the following form:

11 NOTICE OF PETITION TO ADOPT A COMMUNITY STABILIZATION
12 ASSESSMENT FREEZE BY PILOT PROGRAM.

13 Residents of (County) are notified that a petition has
14 been filed with (the County) requesting a referendum to adopt
15 a Community Stabilization Assessment Freeze throughout
16 (County).

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