



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2178

Introduced 2/26/2021, 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.

LRB102 11525 HLH 16859 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
13 following Townships in Cook County: Bloom,
14 Bremen, Calumet, Rich, 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
21 value 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 102nd General Assembly, purchasers of
2 real property from the participating entity may submit an
3 application, along with a resolution approved by the
4 respective corporate authorities of the municipalities in
5 which the property is located, to the participating entity to
6 have the property certified as a southland Reactivation
7 property. If the property meets the criteria for southland
8 reactivation property set forth in subsection (a), then the
9 participating entity, has 5 years from the effective date of
10 this amendatory Act of the 102nd General Assembly within which
11 it may certify the property as southland reactivation property
12 for the purposes of promoting rehabilitation of vacant and
13 underutilized property in order to attract and enhance
14 economic activities and investment that stabilize, restore,
15 and grow the tax base in severely blighted areas within
16 Chicago's south suburbs. This certification is nonrenewable
17 and shall be transmitted, by the municipality or the
18 participating entity on behalf of the municipality, to the
19 chief county assessment officer as soon as possible after the
20 property is certified. Southland reactivation designation is
21 limited to the original applicant unless expressly approved by
22 the local municipal corporate authorities and the property has
23 no change in use.

24 (d) Beginning with the first tax year after the property
25 is certified as southland reactivation property and continuing
26 through the twelfth tax year after the property is certified

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

22 (e) No later than March 1 of each year before taxes are
23 extended for the prior tax year, the municipality or the
24 participating entity on behalf of the municipality, shall
25 certify to the county clerk of the county in which the property
26 is located a percentage reduction to be applied to property

1 taxes to limit the aggregate tax liability for southland
2 reactivation property in accordance with this Section.

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

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