

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 Section 15-174.5 as follows:

6 (35 ILCS 200/15-174.5 new)

7 Sec. 15-174.5. Special homestead exemption for certain
8 municipality-built homes.

9 (a) This Section applies to property located in a county
10 with 3,000,000 or more inhabitants. This Section also applies
11 to property located in a county with fewer than 3,000,000
12 inhabitants if the county board of that county has so provided
13 by ordinance or resolution.

14 (b) For tax year 2024 and thereafter, eligible property
15 qualifies for a homestead exemption under this Section for a
16 10-year period beginning with the tax year following the year
17 in which the property is first sold by the municipality to a
18 private homeowner. Eligible property is not eligible for a
19 refund of taxes paid for tax years prior to the year in which
20 this amendatory Act of the 103rd General Assembly takes
21 effect. In the case of mixed-use property, the exemption under
22 this Section applies only to the residential portion of the
23 property that is used as a primary residence by the owner.

1 (c) The exemption under this Section shall be a reduction
2 in the equalized assessed value of the property equal to:

3 (1) in the first 8 years of eligibility, 50% of the
4 equalized assessed value of the property in the year
5 following the initial sale by the municipality; and

6 (2) in the ninth and tenth years of eligibility, 33%
7 of the equalized assessed value of the property in the
8 year following the initial sale by the municipality.

9 (d) A homeowner seeking the exemption under this Section
10 shall file an application with the chief county assessment
11 officer. Once approved by the assessor, the exemption shall
12 renew annually and automatically without another application,
13 unless the exemption is waived by the current homeowner as
14 provided in this subsection. The exemption under this Section
15 is transferable to new owners of the home, provided that (i)
16 the exemption runs from the sale of the property by a
17 municipality to the first private owner, (ii) the new owner
18 notifies the assessor that they have taken possession of the
19 property, and (iii) the property is used by the owner as their
20 principal residence. A property owner who has received a
21 reduction under this Section may waive the exemption at any
22 time prior to the expiration of the 10-year exemption period
23 and begin to receive the benefits of other exemptions at their
24 sole and irrevocable discretion. Owners who decide to waive
25 the exemption shall notify the assessor on a form provided by
26 the assessor. The current property owner shall notify the

1 assessor and waive the exemption if the property ceases to be
2 their primary residence.

3 (e) Notwithstanding any other provision of law, no
4 property that receives an exemption under this Section may
5 simultaneously receive a reduction or exemption under Section
6 15-168 (persons with disabilities), Section 15-169 (standard
7 homestead for veterans with disabilities); Section 15-170
8 (senior citizens), Section 15-172 (low-income senior
9 citizens), or Section 15-175 (general homestead). In the first
10 year following the expiration or waiver of the exemption under
11 this Section, a property owner that is eligible for the
12 Low-Income Senior Citizen Assessment Freeze exemption in that
13 year may establish a base amount under Section 15-172 at the
14 value of their home in their first year of eligibility for that
15 exemption during the time when they were receiving this
16 exemption, provided that they demonstrate retrospectively that
17 they were eligible for that exemption at that point in time
18 while receiving this exemption.

19 (f) As used in this Section:

20 "Eligible property" means property that:

21 (1) contains a single family residence that was built
22 no earlier than January 1, 2021 by a municipality and was
23 sold to a private homeowner before January 1, 2035;

24 (2) is zoned for residential or mixed use; and

25 (3) meets either or both of the following criteria:

26 (A) the property was exempt from property taxes

1 prior to the construction of the home; or
2 (B) the municipality conducted environmental
3 remediation on the property pursuant to Title XVII of
4 the Environmental Protection Act.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.