



## 103RD GENERAL ASSEMBLY

### State of Illinois

### 2023 and 2024

#### HB4424

Introduced 1/16/2024, by Rep. Kelly M. Burke

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/10-40  
35 ILCS 200/10-50

Amends the Property Tax Code. In provisions concerning the Historic Residence Assessment Freeze Law, provides that the fair cash value of the property shall be based on the final determination by the assessment officer, board of review, Property Tax Appeal Board, or court. Provides that, after the expiration of the 8-year valuation period, if the current fair cash value is less than the adjusted base year valuation, then the assessment shall be based on the current fair cash value. Provides that the changes are declarative of existing law.

LRB103 36577 HLH 66686 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 Sections 10-40 and 10-50 as follows:

6 (35 ILCS 200/10-40)

7 Sec. 10-40. Historic Residence Assessment Freeze Law;  
8 definitions. This Section and Sections 10-45 through 10-85 may  
9 be cited as the Historic Residence Assessment Freeze Law. As  
10 used in this Section and Sections 10-45 through 10-85:

11 (a) "Director" means the Director of Historic  
12 Preservation.

13 (b) "Approved county or municipal landmark ordinance"  
14 means a county or municipal ordinance approved by the  
15 Director.

16 (c) "Historic building" means an owner-occupied single  
17 family residence or an owner-occupied multi-family  
18 residence and the tract, lot or parcel upon which it is  
19 located, or a building or buildings owned and operated as  
20 a cooperative, if:

21 (1) individually listed on the National Register  
22 of Historic Places or the Illinois Register of  
23 Historic Places;

1           (2) individually designated pursuant to an  
2 approved county or municipal landmark ordinance; or

3           (3) within a district listed on the National  
4 Register of Historic Places or designated pursuant to  
5 an approved county or municipal landmark ordinance, if  
6 the Director determines that the building is of  
7 historic significance to the district in which it is  
8 located.

9 Historic building does not mean an individual unit of a  
10 cooperative.

11           (d) "Assessment officer" means the chief county  
12 assessment officer.

13           (e) "Certificate of rehabilitation" means the  
14 certificate issued by the Director upon the renovation,  
15 restoration, preservation or rehabilitation of an historic  
16 building under this Code.

17           (f) "Rehabilitation period" means the period of time  
18 necessary to renovate, restore, preserve or rehabilitate  
19 an historic building as determined by the Director.

20           (g) "Standards for rehabilitation" means the Secretary  
21 of Interior's standards for rehabilitation as promulgated  
22 by the U.S. Department of the Interior.

23           (h) "Fair cash value" means the fair cash value of the  
24 historic building, as finally determined for that year by  
25 the assessment officer, board of review, Property Tax  
26 Appeal Board, or court ~~on the basis of the assessment~~

1 ~~officer's property record card~~, representing the value of  
2 the property prior to the commencement of rehabilitation  
3 without consideration of any reduction reflecting value  
4 during the rehabilitation work. The changes made to this  
5 Section by this amendatory Act of the 103rd General  
6 Assembly are declarative of existing law and shall not be  
7 construed as a new enactment.

8 (i) "Base year valuation" means the fair cash value of  
9 the historic building for the year in which the  
10 rehabilitation period begins but prior to the commencement  
11 of the rehabilitation and does not include any reduction  
12 in value during the rehabilitation work.

13 (j) "Adjustment in value" means the difference for any  
14 year between the then current fair cash value and the base  
15 year valuation.

16 (k) "Eight-year valuation period" means the 8 years  
17 from the date of the issuance of the certificate of  
18 rehabilitation.

19 (l) "Adjustment valuation period" means the 4 years  
20 following the 8 year valuation period.

21 (m) "Substantial rehabilitation" means interior or  
22 exterior rehabilitation work that preserves the historic  
23 building in a manner that significantly improves its  
24 condition.

25 (n) "Approved local government" means a local  
26 government that has been certified by the Director as:

1 (1) enforcing appropriate legislation for the  
2 designation of historic buildings;

3 (2) having established an adequate and qualified  
4 historic review commission;

5 (3) maintaining a system for the survey and  
6 inventory of historic properties;

7 (4) providing for adequate public participation in  
8 the local historic preservation program; and

9 (5) maintaining a system for reviewing  
10 applications under this Section in accordance with  
11 rules and regulations promulgated by the Director.

12 (o) "Cooperative" means a building or buildings and  
13 the tract, lot, or parcel on which the building or  
14 buildings are located, if the building or buildings are  
15 devoted to residential uses by the owners and fee title to  
16 the land and building or buildings is owned by a  
17 corporation or other legal entity in which the  
18 shareholders or other co-owners each also have a long-term  
19 proprietary lease or other long-term arrangement of  
20 exclusive possession for a specific unit of occupancy  
21 space located within the same building or buildings.

22 (p) "Owner", in the case of a cooperative, means the  
23 Association.

24 (q) "Association", in the case of a cooperative, means  
25 the entity responsible for the administration of a  
26 cooperative, which entity may be incorporated or

1 unincorporated, profit or nonprofit.

2 (r) "Owner-occupied single family residence" means a  
3 residence in which the title holder of record (i) holds  
4 fee simple ownership and (ii) occupies the property as  
5 his, her, or their principal residence.

6 (s) "Owner-occupied multi-family residence" means  
7 residential property comprised of not more than 6 living  
8 units in which the title holder of record (i) holds fee  
9 simple ownership and (ii) occupies one unit as his, her,  
10 or their principal residence. The remaining units may be  
11 leased.

12 The changes made to this Section by this amendatory Act of  
13 the 91st General Assembly are declarative of existing law and  
14 shall not be construed as a new enactment.

15 (Source: P.A. 90-114, eff. 1-1-98; 91-806, eff. 1-1-01.)

16 (35 ILCS 200/10-50)

17 Sec. 10-50. Valuation after 8 year valuation period.

18 (a) For the 4 years after the expiration of the 8-year  
19 valuation period, the valuation for purposes of computing the  
20 assessed valuation shall not exceed the following ~~be as~~  
21 ~~follows:~~

22 For the first year, the base year valuation plus 25%  
23 of the adjustment in value.

24 For the second year, the base year valuation plus 50%  
25 of the adjustment in value.

1           For the third year, the base year valuation plus 75%  
2           of the adjustment in value.

3           For the fourth year, the then current fair cash value.

4           (b) If the current fair cash value during the adjustment  
5           valuation period is less than the base year valuation with the  
6           applicable adjustment, the assessment shall be based on the  
7           current fair cash value. The changes made to this Section by  
8           this amendatory Act of the 103rd General Assembly are  
9           declarative of existing law and shall not be construed as a new  
10          enactment.

11          (Source: P.A. 82-1023; 88-455.)