

# HB4657



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

**HB4657**

Introduced 2/6/2024, by Rep. Margaret Croke

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-173

Amends the Property Tax Code. Provides that provisions creating a housing opportunity abatement program apply through tax year 2034 (currently, 2024). Effective immediately.

LRB103 37270 HLH 67391 b

A BILL FOR

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 18-173 as follows:

6 (35 ILCS 200/18-173)

7 Sec. 18-173. Housing opportunity area abatement program.

8 (a) For the purpose of promoting access to housing near  
9 work and in order to promote economic diversity throughout  
10 Illinois and to alleviate the concentration of low-income  
11 households in areas of high poverty, a housing opportunity  
12 area tax abatement program is created.

13 (b) As used in this Section:

14 "Housing authority" means either a housing authority  
15 created under the Housing Authorities Act or other government  
16 agency that is authorized by the United States government  
17 under the United States Housing Act of 1937 to administer a  
18 housing choice voucher program, or the authorized agent of  
19 such a housing authority that is authorized to act upon that  
20 authority's behalf.

21 "Housing choice voucher" means a tenant voucher issued by  
22 a housing authority under Section 8 of the United States  
23 Housing Act of 1937 and a tenant voucher converted to a

1 project-based voucher by a housing authority.

2 "Housing opportunity area" means a census tract where less  
3 than 10% of the residents live below the poverty level, as  
4 defined by the United States government and determined by the  
5 most recent United States census, that is located within a  
6 qualified township, except for census tracts located within  
7 any township that is located wholly within a municipality with  
8 1,000,000 or more inhabitants. A census tract that is located  
9 within a township that is located wholly within a municipality  
10 with 1,000,000 or more inhabitants is considered a housing  
11 opportunity area if less than 12% of the residents of the  
12 census tract live below the poverty level.

13 "Housing opportunity unit" means a dwelling unit located  
14 in residential property that is located in a housing  
15 opportunity area, that is owned by the applicant, and that is  
16 rented to and occupied by a tenant who is participating in a  
17 housing choice voucher program administered by a housing  
18 authority as of January 1st of the tax year for which the  
19 application is made.

20 "Qualified units" means the number of housing opportunity  
21 units located in the property with the limitation that no more  
22 than 2 units or 20% of the total units contained within the  
23 property, whichever is greater, may be considered qualified  
24 units. Further, no unit may be considered qualified unless the  
25 property in which it is contained is in substantial compliance  
26 with local building codes, and, moreover, no unit may be

1 considered qualified unless it meets the United States  
2 Department of Housing and Urban Development's housing quality  
3 standards as of the most recent housing authority inspection.

4 "Qualified township" means a township located within a  
5 county with 200,000 or more inhabitants whose tax capacity  
6 exceeds 80% of the average tax capacity of the county in which  
7 it is located, except for townships located within a county  
8 with 3,000,000 or more inhabitants, where a qualified township  
9 means a township whose tax capacity exceeds 115% of the  
10 average tax capacity of the county except for townships  
11 located wholly within a municipality with 1,000,000 or more  
12 inhabitants. All townships located wholly within a  
13 municipality with 1,000,000 or more inhabitants are considered  
14 qualified townships.

15 "Tax capacity" means the equalized assessed value of all  
16 taxable real estate located within a township or county  
17 divided by the total population of that township or county.

18 (c) The owner of property located within a housing  
19 opportunity area who has a housing choice voucher contract  
20 with a housing authority may apply for a housing opportunity  
21 area tax abatement by annually submitting an application to  
22 the housing authority that administers the housing choice  
23 voucher contract. The application must include the number of  
24 housing opportunity units as well as the total number of  
25 dwelling units contained within the property. The owner must,  
26 under oath, self-certify as to the total number of dwelling

1 units in the property and must self-certify that the property  
2 is in substantial compliance with local building codes. The  
3 housing authority shall annually determine the number of  
4 qualified units located within each property for which an  
5 application is made.

6 The housing authority shall establish rules and procedures  
7 governing the application processes and may charge an  
8 application fee. The county clerk may audit the applications  
9 to determine that the properties subject to the tax abatement  
10 meet the requirements of this Section. The determination of  
11 eligibility of a property for the housing opportunity area  
12 abatement shall be made annually; however, no property may  
13 receive an abatement for more than 10 tax years.

14 (d) The housing authority shall determine housing  
15 opportunity areas within its service area and annually deliver  
16 to the county clerk, in a manner determined by the county  
17 clerk, a list of all properties containing qualified units  
18 within that service area by December 31st of the tax year for  
19 which the property is eligible for abatement; the list shall  
20 include the number of qualified units and the total number of  
21 dwelling units for each property.

22 The county clerk shall deliver annually to a housing  
23 authority, upon that housing authority's request, the most  
24 recent available equalized assessed value for the county as a  
25 whole and for those taxing districts and townships so  
26 specified by the requesting housing authority.

1 (e) The county clerk shall abate the tax attributed to a  
2 portion of the property determined to be eligible for a  
3 housing opportunity area abatement. The portion eligible for  
4 abatement shall be determined by reducing the equalized  
5 assessment value by a percentage calculated using the  
6 following formula: 19% of the equalized assessed value of the  
7 property multiplied by a fraction where the numerator is the  
8 number of qualified units and denominator is the total number  
9 of dwelling units located within the property.

10 (f) Any municipality, except for municipalities with  
11 1,000,000 or more inhabitants, may annually petition the  
12 county clerk to be excluded from a housing opportunity area if  
13 it is able to demonstrate that more than 2.5% of the total  
14 residential units located within that municipality are  
15 occupied by tenants under the housing choice voucher program.  
16 Properties located within an excluded municipality shall not  
17 be eligible for the housing opportunity area abatement for the  
18 tax year in which the petition is made.

19 (g) Applicability. This Section applies to tax years 2004  
20 through 2034 ~~2024~~, unless extended by law.

21 (Source: P.A. 98-957, eff. 8-15-14.)

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law.