



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**HB5302**

Introduced 01/25/06, by Rep. Susana A Mendoza

**SYNOPSIS AS INTRODUCED:**

35 ILCS 200/10-235  
35 ILCS 200/10-245  
35 ILCS 200/10-250

Amends the Property Tax Code. Makes technical changes to Sections concerning low-income housing.

LRB094 17792 BDD 53091 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 10-235, 10-245, and 10-250 as follows:

6 (35 ILCS 200/10-235)

7 Sec. 10-235. Low-income housing project valuation policy;  
8 intent. It is the ~~the~~ policy of this State that low-income  
9 housing projects developed under Section 515 of the federal  
10 Housing Act or that qualify for the low-income housing tax  
11 credit under Section 42 of the Internal Revenue Code shall be  
12 valued at 33 and one-third percent of the fair market value of  
13 their economic productivity to the owners of the projects to  
14 help insure that their valuation for property taxation does not  
15 result in taxes so high that rent levels must be raised to  
16 cover this project expense, which can cause excess vacancies,  
17 project loan defaults, and eventual loss of rental housing  
18 facilities for those most in need of them, low-income families  
19 and the elderly. It is the intent of this State that the  
20 valuation required by this Division is the closest  
21 representation of cash value required by law and is the method  
22 established as proper and fair.

23 (Source: P.A. 92-16, eff. 6-28-01; 93-533, eff. 1-1-04; 93-755,  
24 eff. 7-16-04.)

25 (35 ILCS 200/10-245)

26 Sec. 10-245. Method of valuation of low-income housing  
27 projects. Notwithstanding Section 1-55 and except in counties  
28 with a population of more than 200,000 that classify property  
29 for the ~~the~~ purposes of taxation, to determine 33 and one-third  
30 percent of the fair cash value of any low-income housing  
31 project developed under the Section 515 program or that

1 qualifies for the low-income housing tax credit under Section  
2 42 of the Internal Revenue Code, in assessing the project,  
3 local assessment officers must consider the actual or probable  
4 net operating income attributable to the project, using a  
5 vacancy rate of not more than 5%, capitalized at normal market  
6 rates. The interest rate to be used in developing the normal  
7 market value capitalization rate shall be one that reflects the  
8 prevailing cost of cash for other types of commercial real  
9 estate in the geographic market in which the low-income housing  
10 project is located.

11 (Source: P.A. 93-533, eff. 1-1-04; 93-755, eff. 7-16-04.)

12 (35 ILCS 200/10-250)

13 Sec. 10-250. Certification procedure and effective date of  
14 implementation.

15 (a) After (i) an application for a Section 515 low-income  
16 housing project certificate is filed with the ~~the~~ State  
17 Director of the United States Department of Agriculture Rural  
18 Development Office in a manner and form prescribed in  
19 regulations issued by the office and (ii) the certificate is  
20 issued certifying that the housing is a Section 515 low-income  
21 housing project as defined in Section 2 of this Act, the  
22 certificate must be presented to the appropriate local  
23 assessment officer to receive the property assessment  
24 valuation under this Division. The local assessment officer  
25 must assess the property according to this Act. Beginning on  
26 January 1, 2000, all certified Section 515 low-income housing  
27 projects shall be assessed in accordance with Section 10-245.

28 (b) Beginning with taxable year 2004, all low-income  
29 housing projects that qualify for the low-income housing tax  
30 credit under Section 42 of the Internal Revenue Code shall be  
31 assessed in accordance with Section 10-245 if the owner or  
32 owners of the low-income housing project certify to the  
33 appropriate local assessment officer that the owner or owners  
34 qualify for the low-income housing tax credit under Section 42  
35 of the Internal Revenue Code for the property.

1 (Source: P.A. 93-533, eff. 1-1-04; 93-755, eff. 7-16-04.)