



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB5538

by Rep. Barbara Flynn Currie

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-173

Amends the Property Tax Code. Expands the housing opportunity area abatement program to also include long-term project-based Section 8 contracts (currently only housing choice voucher contracts). Provides that the portions of the program relating to long-term project-based Section 8 contracts shall be administered by the Illinois Housing Development Authority. Defines "long-term project-based Section 8 contract" and "Section 8", redefines "housing opportunity area", and makes other conforming changes. Extends the housing opportunity area abatement program through tax year 2024 (currently tax year 2014). Effective immediately.

LRB098 19074 HLH 54224 b

FISCAL NOTE ACT
MAY APPLY

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 area
12 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 under
17 the United States Housing Act of 1937 to administer a housing
18 choice voucher program, or the authorized agent of such a
19 housing authority that is authorized to act upon that
20 authority's behalf.

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

1 voucher by a housing authority.

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

14 "Housing opportunity unit" means a dwelling unit located in
15 residential property that is located in a housing opportunity
16 area, that is owned by the applicant, and that is rented to and
17 occupied by a tenant who is participating in a housing choice
18 voucher program administered by a housing authority, or whose
19 unit is covered by a project-based Section 8 contract, as of
20 January 1st of the tax year for which the application is made.

21 "Long-term project-based Section 8 contract" means
22 project-based rental subsidies provided to a private owner of
23 certain properties pursuant to a Housing Assistance Payment
24 Contract with a term of 10 years or more under Section 8 of the
25 United States Housing Act.

26 "Qualified units" means the number of housing opportunity

1 units located in the property with the limitation that no more
2 than 2 units or 20% of the total units contained within the
3 property, whichever is greater, may be considered qualified
4 units. Further, no unit may be considered qualified unless the
5 property in which it is contained is in substantial compliance
6 with local building codes, and, moreover, no unit may be
7 considered qualified unless it meets the United States
8 Department of Housing and Urban Development's housing quality
9 standards as of the most recent housing authority inspection or
10 decent, safe, and sanitary standards as of the most recent Real
11 Estate Assessment Center inspection.

12 ~~"Qualified township" means a township located within a~~
13 ~~county with 200,000 or more inhabitants whose tax capacity~~
14 ~~exceeds 80% of the average tax capacity of the county in which~~
15 ~~it is located, except for townships located within a county~~
16 ~~with 3,000,000 or more inhabitants, where a qualified township~~
17 ~~means a township whose tax capacity exceeds 115% of the average~~
18 ~~tax capacity of the county except for townships located wholly~~
19 ~~within a municipality with 1,000,000 or more inhabitants. All~~
20 ~~townships located wholly within a municipality with 1,000,000~~
21 ~~or more inhabitants are considered qualified townships.~~

22 "Section 8" means Section 8 of the United States Housing
23 Act.

24 ~~"Tax capacity" means the equalized assessed value of all~~
25 ~~taxable real estate located within a township or county divided~~
26 ~~by the total population of that township or county.~~

1 (c) The owner of property located within a housing
2 opportunity area who has a housing choice voucher contract or a
3 long-term project-based Section 8 contract may annually apply
4 for a housing opportunity area tax abatement. Owners with
5 housing choice voucher contracts must submit applications to
6 the housing authority that administers the housing choice
7 voucher contract. Owners with long-term project-based Section
8 8 contracts must submit applications to the Illinois Housing
9 Development Authority. ~~with a housing authority may apply for a~~
10 ~~housing opportunity area tax abatement by annually submitting~~
11 ~~an application to the housing authority that administers the~~
12 ~~housing choice voucher contract.~~ The application must include
13 the number of housing opportunity units as well as the total
14 number of dwelling units contained within the property. The
15 owner must, under oath, self-certify as to the total number of
16 dwelling units in the property and must self-certify that the
17 property is in substantial compliance with local building
18 codes. The housing authority shall annually determine the
19 number of qualified units located within each property for
20 which an application is made. The Illinois Housing Development
21 Authority shall annually determine the number of qualified
22 project-based Section 8 units within each property for which an
23 application is made.

24 The housing authority and the Illinois Housing Development
25 Authority shall establish rules and procedures governing the
26 application processes and may each charge an application fee.

1 The county clerk may audit the applications to determine that
2 the properties subject to the tax abatement meet the
3 requirements of this Section. The determination of eligibility
4 of a property for the housing opportunity area abatement shall
5 be made annually; ~~however, no property may receive an abatement~~
6 ~~for more than 10 tax years.~~

7 (d) The housing authority and the Illinois Housing
8 Development Authority shall determine housing opportunity
9 areas within their ~~its~~ service areas ~~area~~ and annually deliver
10 to the county clerk, in a manner determined by the county
11 clerk, a list of all properties containing qualified units
12 within those ~~that~~ service areas ~~area~~ by December 31st of the
13 tax year for which the property is eligible for abatement; the
14 list shall include the number of qualified units and the total
15 number of dwelling units for each property.

16 The county clerk shall deliver annually to a housing
17 authority or to the Illinois Housing Development Authority,
18 upon ~~that housing authority's~~ request, the most recent
19 available equalized assessed value for the county as a whole
20 and for those taxing districts and townships so specified by
21 the requesting housing authority or the Illinois Housing
22 Development Authority.

23 (e) The county clerk shall abate the tax attributed to a
24 portion of the property determined to be eligible for a housing
25 opportunity area abatement. The portion eligible for abatement
26 shall be determined by reducing the equalized assessment value

1 by a percentage calculated using the following formula: 38% ~~19%~~
2 of the equalized assessed value of the property multiplied by a
3 fraction where the numerator is the number of qualified units
4 and denominator is the total number of dwelling units located
5 within the property.

6 (f) Any municipality, except for municipalities with
7 1,000,000 or more inhabitants, may annually petition the county
8 clerk to be excluded from a housing opportunity area if it is
9 able to demonstrate that more than 2.5% of the total
10 residential units located within that municipality are
11 occupied by tenants under the housing choice voucher program or
12 the project-based Section 8 program. Properties located within
13 an excluded municipality shall not be eligible for the housing
14 opportunity area abatement for the tax year in which the
15 petition is made.

16 (g) Applicability. This Section applies to tax years 2004
17 through 2024 ~~2014~~, unless extended by law.

18 (Source: P.A. 96-685, eff. 8-25-09.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.