



Rep. Arthur Turner

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1 AMENDMENT TO SENATE BILL 336

2 AMENDMENT NO. _____. Amend Senate Bill 336, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Property Tax Code is amended by adding
6 Section 15-174 as follows:

7 (35 ILCS 200/15-174 new)

8 Sec. 15-174. Community stabilization assessment freeze
9 pilot program.

10 (a) Beginning January 1, 2015 and ending June 30, 2029, the
11 chief county assessment officer of any county may reduce the
12 assessed value of improvements to residential real property in
13 accordance with subsection (b) for 10 taxable years after the
14 improvements are put in service, if and only if all of the
15 following factors have been met:

16 (1) the improvements are residential;

1 (2) the parcel was purchased or otherwise conveyed to
2 the taxpayer after January 1 of the taxable year and that
3 conveyance was not a tax sale as required under the
4 Property Tax Code;

5 (3) the parcel is located in a targeted area;

6 (4) for single family homes, the taxpayer occupies the
7 improvements on the parcel as his or her primary residence;
8 for residences of one to 6 units that will not be
9 owner-occupied, the taxpayer replaces 2 primary building
10 systems as outlined in this Section;

11 (5) the transfer from the holder of the prior mortgage
12 to the taxpayer was an arm's length transaction, in that
13 the taxpayer has no legal relationship to the holder of the
14 prior mortgage;

15 (6) an existing residential dwelling structure of no
16 more than 6 units on the parcel was unoccupied at the time
17 of conveyance for a minimum of 6 months, or the parcel was
18 ordered by a court of competent jurisdiction to be
19 deconverted in accordance with the provisions governing
20 distressed condominiums as provided in the Condominium
21 Property Act;

22 (7) the parcel is clear of unreleased liens and has no
23 outstanding tax liabilities attached against it; and

24 (8) the purchase price did not exceed the Federal
25 Housing Administration's loan limits then in place for the
26 area in which the improvement is located.

1 To be eligible for the benefit conferred by this Section,
2 residential units must (i) meet local building codes, or if
3 there are no local building codes, Housing Quality Standards,
4 as determined by the U.S. Department of Housing and Urban
5 Development from time to time and (ii) be owner-occupied or in
6 need of substantial rehabilitation. "Substantial
7 rehabilitation" means, at a minimum, compliance with local
8 building codes and the replacement or renovation of at least 2
9 primary building systems. Although the cost of each primary
10 building system may vary, the combined expenditure for making
11 the building compliant with local codes and replacing primary
12 building systems must be at least \$5 per square foot, adjusted
13 by the Consumer Price Index for All Urban Consumers, as
14 published annually by the U.S. Department of Labor. "Primary
15 building systems", together with their related
16 rehabilitations, specifically approved for this program are:

17 (1) Electrical. All electrical work must comply with
18 applicable codes; it may consist of a combination of any of
19 the following alternatives:

20 (A) installing individual equipment and appliance
21 branch circuits as required by code (the minimum being
22 a kitchen appliance branch circuit);

23 (B) installing a new emergency service, including
24 emergency lighting with all associated conduits and
25 wiring;

26 (C) rewiring all existing feeder conduits ("home

1 runs") from the main switchgear to apartment area
2 distribution panels;

3 (D) installing new in-wall conduits for
4 receptacles, switches, appliances, equipment, and
5 fixtures;

6 (E) replacing power wiring for receptacles,
7 switches, appliances, equipment, and fixtures;

8 (F) installing new light fixtures throughout the
9 building including closets and central areas;

10 (G) replacing, adding, or doing work as necessary
11 to bring all receptacles, switches, and other
12 electrical devices into code compliance;

13 (H) installing a new main service, including
14 conduit, cables into the building, and main disconnect
15 switch; and

16 (I) installing new distribution panels, including
17 all panel wiring, terminals, circuit breakers, and all
18 other panel devices.

19 (2) Heating. All heating work must comply with
20 applicable codes; it may consist of a combination of any of
21 the following alternatives:

22 (A) installing a new system to replace one of the
23 following heat distribution systems: (i) piping and
24 heat radiating units, including new main line venting
25 and radiator venting; or (ii) duct work, diffusers, and
26 cold air returns; or (iii) any other type of existing

1 heat distribution and radiation/diffusion components;

2 or

3 (B) installing a new system to replace one of the
4 following heat generating units: (i) hot water/steam
5 boiler; (ii) gas furnace; or (iii) any other type of
6 existing heat generating unit.

7 (3) Plumbing. All plumbing work must comply with
8 applicable codes. Replace all or a part of the in-wall
9 supply and waste plumbing; however, main supply risers,
10 waste stacks and vents, and code-conforming waste lines
11 need not be replaced.

12 (4) Roofing. All roofing work must comply with
13 applicable codes; it may consist of either of the following
14 alternatives, separately or in combination:

15 (A) replacing all rotted roof decks and
16 insulation; or

17 (B) replacing or repairing leaking roof membranes
18 (10% is the suggested minimum replacement of
19 membrane); restoration of the entire roof is an
20 acceptable substitute for membrane replacement.

21 (5) Exterior doors and windows. Replace the exterior
22 doors and windows. Renovation of ornate entry doors is an
23 acceptable substitute for replacement.

24 (6) Floors, walls, and ceilings. Finishes must be
25 replaced or covered over with new material. Acceptable
26 replacement or covering materials are as follows:

1 (A) floors must have new carpeting, vinyl tile,
2 ceramic, refurbished wood finish, or a similar
3 substitute;

4 (B) walls must have new drywall, including joint
5 taping and painting; or

6 (C) new ceilings must be either drywall, suspended
7 type, or a similar substitute.

8 (7) Exterior walls.

9 (A) replace loose or crumbling mortar and masonry
10 with new material;

11 (B) replace or paint wall siding and trim as
12 needed;

13 (C) bring porches and balconies to a sound
14 condition; or

15 (D) any combination of (A), (B), and (C).

16 (8) Elevators. Where applicable, at least 4 of the
17 following 7 alternatives must be accomplished:

18 (A) replace or rebuild the machine room controls
19 and refurbish the elevator machine (or equivalent
20 mechanisms in the case of hydraulic elevators);

21 (B) replace hoistway electro-mechanical items
22 including: ropes, switches, limits, buffers, levelers,
23 and deflector sheaves (or equivalent mechanisms in the
24 case of hydraulic elevators);

25 (C) replace hoistway wiring;

26 (D) replace door operators and linkage;

1 (E) replace door panels at each opening;

2 (F) replace hall stations, car stations, and
3 signal fixtures; or

4 (G) rebuild the car shell and refinish the
5 interior.

6 (9) Health and safety.

7 (A) install or replace fire suppression systems;

8 (B) install or replace security systems; or

9 (C) environmental remediation of lead-based paint,
10 asbestos, leaking underground storage tanks, or radon.

11 (10) Energy conservation improvements undertaken to
12 limit the amount of solar energy absorbed by a building's
13 roof or to reduce energy use for the property, including
14 any of the following activities:

15 (A) installing or replacing reflective roof
16 coatings (flat roofs);

17 (B) installing or replacing R-38 roof insulation;

18 (C) installing or replacing R-19 perimeter wall
19 insulation;

20 (D) installing or replacing insulated entry doors;

21 (E) installing or replacing Low E, insulated
22 windows;

23 (F) installing or replacing low-flow plumbing
24 fixtures;

25 (G) installing or replacing 90% sealed combustion
26 heating systems;

1 (H) installing or replacing direct exhaust hot
2 water heaters;

3 (I) installing or replacing mechanical ventilation
4 to exterior for kitchens and baths;

5 (J) installing or replacing Energy Star
6 appliances;

7 (K) installing low VOC interior paints on interior
8 finishes;

9 (L) installing or replacing fluorescent lighting
10 in common areas; or

11 (M) installing or replacing grading and
12 landscaping to promote on-site water retention.

13 (b) For the first 7 years after the improvements are placed
14 in service, the assessed value of the improvements shall be
15 reduced by an amount equal to 90% of the difference between the
16 base year assessed value of the improvements and the assessed
17 value of the improvements in the current taxable year. The
18 property will continue to be eligible for the benefits under
19 this Section in the eighth and ninth taxable years after the
20 improvements are placed in service, calculated as follows, if
21 and only if all of the factors in subsection (a) of this
22 Section continue to be met: in the eighth taxable year, the
23 assessed value of the improvements shall be reduced by an
24 amount equal to 65% of the difference between the base year
25 assessed value of the improvements and the assessed value of
26 the improvements in the current taxable year, and in the ninth

1 taxable year, the assessed value of the improvements shall be
2 reduced by an amount equal to 35% of the difference between the
3 base year assessed value of the improvements and the assessed
4 value of the improvements in the current taxable year. The
5 benefit will cease in the tenth taxable year.

6 (c) In order to receive benefits under this Section, in
7 addition to any information required by the chief county
8 assessment officer, the taxpayer must also submit the following
9 information to the chief county assessment officer for review:

10 (1) the owner's name;

11 (2) the postal address and permanent index number of
12 the parcel;

13 (3) a deed or other instrument conveying the parcel to
14 the current owner;

15 (4) evidence that the purchase price is within the
16 Federal Housing Administration's loan limits for the area
17 in which the improvement is located;

18 (5) certification that the parcel was unoccupied at the
19 time of conveyance to the current owner for a minimum of at
20 least 6 months;

21 (6) evidence that the parcel is clear of unreleased
22 liens and has no outstanding tax liabilities attached
23 against it;

24 (7) evidence that the improvements meet local building
25 codes, or if there are no local building codes, Housing
26 Quality Standards, as determined by the U.S. Department of

1 Housing and Urban Development from time to time, which may
2 be shown by a certificate of occupancy issued by the
3 appropriate local government or the certification by a home
4 inspector licensed by the State of Illinois; and

5 (8) any additional information as reasonably required
6 by the chief county assessment officer.

7 (d) The chief county assessment officer shall notify the
8 taxpayer as to whether or not the parcel meets the requirements
9 of this Section. If the parcel does not meet the requirements
10 of this Section, the chief county assessment officer shall
11 provide written notice of any deficiencies to the taxpayer, who
12 will then have 14 days from the date of notification to provide
13 supplemental information showing compliance with this Section.
14 If the taxpayer does not exercise this right to cure the
15 deficiency, or if the information submitted, in the sole
16 judgment of the chief county assessment officer, is
17 insufficient to meet the requirements of this Section, the
18 chief county assessment officer shall provide a written
19 explanation of the reasons for denial. A taxpayer may
20 subsequently reapply for the benefit if the deficiencies are
21 cured at a later date, but no later than 2019. The chief county
22 assessment officer may charge a reasonable application fee to
23 offset the administrative expenses associated with the
24 program.

25 (e) The benefit conferred by this Section is limited as
26 follows:

1 (1) The owner is eligible to apply for the benefit
2 conferred by this Section beginning January 1, 2015 through
3 December 31, 2019. If approved, the reduction will be
4 effective for the current taxable year, which will be
5 reflected in the tax bill issued in the following taxable
6 year.

7 (2) The reduction outlined in this Section shall
8 continue for a period of 10 years, and may not be extended
9 or renewed for any additional period.

10 (3) At the completion of the assessment freeze period
11 described here, the entire parcel will be assessed as
12 otherwise provided in this Code.

13 (4) If there is a transfer of ownership during the
14 period of the assessment freeze, then the benefit conferred
15 by this Section shall not apply on or after the date of
16 that transfer unless (i) the property is conveyed by an
17 owner who does not occupy the improvements as a primary
18 residence to an owner who will occupy the improvements as a
19 primary residence and (ii) all requirements of this Section
20 continue to be met.

21 (f) If the taxpayer does not occupy or intend to occupy the
22 residential dwelling as his or her principal residence within a
23 reasonable time, as determined by the chief county assessment
24 officer, the taxpayer must:

25 (1) immediately secure the residential dwelling in
26 accordance with the requirements of this Section;

1 (2) complete sufficient rehabilitation to bring the
2 improvements into compliance with local building codes,
3 including, without limitation, regulations concerning
4 lead-based paint and asbestos remediation; and

5 (3) complete rehabilitation within 18 months of
6 conveyance.

7 (g) For the purposes of this Section,

8 "Base year" means the taxable year prior to the taxable
9 year in which the property is purchased by the eligible
10 homeowner.

11 "Secure" means that:

12 (1) all doors and windows are closed and secured
13 using secure doors, windows without broken or cracked
14 panes, commercial-quality metal security panels filled
15 with like-kind material as the surrounding wall, or
16 plywood installed and secured in accordance with local
17 ordinances; at least one building entrance shall be
18 accessible from the exterior and secured with a door
19 that is locked to allow access only to authorized
20 persons;

21 (2) all grass and weeds on the vacant residential
22 property are maintained below 10 inches in height,
23 unless a local ordinance imposes a lower height;

24 (3) debris, trash, and litter on any portion of the
25 exterior of the vacant residential property is removed
26 in compliance with local ordinance;

1 (4) fences, gates, stairs, and steps that lead to
2 the main entrance of the building are maintained in a
3 structurally sound and reasonable manner;

4 (5) the property is winterized when appropriate;

5 (6) the exterior of the improvements are
6 reasonably maintained to ensure the safety of
7 passersby; and

8 (7) vermin and pests are regularly exterminated on
9 the exterior and interior of the property.

10 "Targeted Area" means a distressed community that
11 meets the geographic, poverty, and unemployment criteria
12 for a distressed community set forth in 12 C.F.R.
13 1806.200."