

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 adding  
5 Section 15-174 as follows:

6 (35 ILCS 200/15-174 new)

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

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

15 (1) the improvements are residential;

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

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

21 (4) for single family homes, the taxpayer occupies the  
22 improvements on the parcel as his or her primary residence;  
23 for residences of one to 6 units that will not be

1 owner-occupied, the taxpayer replaces 2 primary building  
2 systems as outlined in this Section;

3 (5) the transfer from the holder of the prior mortgage  
4 to the taxpayer was an arm's length transaction, in that  
5 the taxpayer has no legal relationship to the holder of the  
6 prior mortgage;

7 (6) an existing residential dwelling structure of no  
8 more than 6 units on the parcel was unoccupied at the time  
9 of conveyance for a minimum of 6 months, or the parcel was  
10 ordered by a court of competent jurisdiction to be  
11 deconverted in accordance with the provisions governing  
12 distressed condominiums as provided in the Condominium  
13 Property Act;

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

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

19 To be eligible for the benefit conferred by this Section,  
20 residential units must (i) meet local building codes, or if  
21 there are no local building codes, Housing Quality Standards,  
22 as determined by the U.S. Department of Housing and Urban  
23 Development from time to time and (ii) be owner-occupied or in  
24 need of substantial rehabilitation. "Substantial  
25 rehabilitation" means, at a minimum, compliance with local  
26 building codes and the replacement or renovation of at least 2

1 primary building systems. Although the cost of each primary  
2 building system may vary, the combined expenditure for making  
3 the building compliant with local codes and replacing primary  
4 building systems must be at least \$5 per square foot, adjusted  
5 by the Consumer Price Index for All Urban Consumers, as  
6 published annually by the U.S. Department of Labor. "Primary  
7 building systems", together with their related  
8 rehabilitations, specifically approved for this program are:

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

12 (A) installing individual equipment and appliance  
13 branch circuits as required by code (the minimum being  
14 a kitchen appliance branch circuit);

15 (B) installing a new emergency service, including  
16 emergency lighting with all associated conduits and  
17 wiring;

18 (C) rewiring all existing feeder conduits ("home  
19 runs") from the main switchgear to apartment area  
20 distribution panels;

21 (D) installing new in-wall conduits for  
22 receptacles, switches, appliances, equipment, and  
23 fixtures;

24 (E) replacing power wiring for receptacles,  
25 switches, appliances, equipment, and fixtures;

26 (F) installing new light fixtures throughout the

1 building including closets and central areas;

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

5 (H) installing a new main service, including  
6 conduit, cables into the building, and main disconnect  
7 switch; and

8 (I) installing new distribution panels, including  
9 all panel wiring, terminals, circuit breakers, and all  
10 other panel devices.

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

14 (A) installing a new system to replace one of the  
15 following heat distribution systems: (i) piping and  
16 heat radiating units, including new main line venting  
17 and radiator venting; or (ii) duct work, diffusers, and  
18 cold air returns; or (iii) any other type of existing  
19 heat distribution and radiation/diffusion components;  
20 or

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

25 (3) Plumbing. All plumbing work must comply with  
26 applicable codes. Replace all or a part of the in-wall

1 supply and waste plumbing; however, main supply risers,  
2 waste stacks and vents, and code-conforming waste lines  
3 need not be replaced.

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

7 (A) replacing all rotted roof decks and  
8 insulation; or

9 (B) replacing or repairing leaking roof membranes  
10 (10% is the suggested minimum replacement of  
11 membrane); restoration of the entire roof is an  
12 acceptable substitute for membrane replacement.

13 (5) Exterior doors and windows. Replace the exterior  
14 doors and windows. Renovation of ornate entry doors is an  
15 acceptable substitute for replacement.

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

19 (A) floors must have new carpeting, vinyl tile,  
20 ceramic, refurbished wood finish, or a similar  
21 substitute;

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

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

26 (7) Exterior walls.

1           (A) replace loose or crumbling mortar and masonry  
2           with new material;

3           (B) replace or paint wall siding and trim as  
4           needed;

5           (C) bring porches and balconies to a sound  
6           condition; or

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

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

10           (A) replace or rebuild the machine room controls  
11           and refurbish the elevator machine (or equivalent  
12           mechanisms in the case of hydraulic elevators);

13           (B) replace hoistway electro-mechanical items  
14           including: ropes, switches, limits, buffers, levelers,  
15           and deflector sheaves (or equivalent mechanisms in the  
16           case of hydraulic elevators);

17           (C) replace hoistway wiring;

18           (D) replace door operators and linkage;

19           (E) replace door panels at each opening;

20           (F) replace hall stations, car stations, and  
21           signal fixtures; or

22           (G) rebuild the car shell and refinish the  
23           interior.

24           (9) Health and safety.

25           (A) install or replace fire suppression systems;

26           (B) install or replace security systems; or

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

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

7           (A) installing or replacing reflective roof  
8           coatings (flat roofs);

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

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

12          (D) installing or replacing insulated entry doors;

13          (E) installing or replacing Low E, insulated  
14          windows;

15          (F) installing or replacing low-flow plumbing  
16          fixtures;

17          (G) installing or replacing 90% sealed combustion  
18          heating systems;

19          (H) installing or replacing direct exhaust hot  
20          water heaters;

21          (I) installing or replacing mechanical ventilation  
22          to exterior for kitchens and baths;

23          (J) installing or replacing Energy Star  
24          appliances;

25          (K) installing low VOC interior paints on interior  
26          finishes;

1           (L) installing or replacing fluorescent lighting  
2           in common areas; or

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

5           (b) For the first 7 years after the improvements are placed  
6           in service, the assessed value of the improvements shall be  
7           reduced by an amount equal to 90% of the difference between the  
8           base year assessed value of the improvements and the assessed  
9           value of the improvements in the current taxable year. The  
10           property will continue to be eligible for the benefits under  
11           this Section in the eighth and ninth taxable years after the  
12           improvements are placed in service, calculated as follows, if  
13           and only if all of the factors in subsection (a) of this  
14           Section continue to be met: in the eighth taxable year, the  
15           assessed value of the improvements shall be reduced by an  
16           amount equal to 65% of the difference between the base year  
17           assessed value of the improvements and the assessed value of  
18           the improvements in the current taxable year, and in the ninth  
19           taxable year, the assessed value of the improvements shall be  
20           reduced by an amount equal to 35% of the difference between the  
21           base year assessed value of the improvements and the assessed  
22           value of the improvements in the current taxable year. The  
23           benefit will cease in the tenth taxable year.

24           (c) In order to receive benefits under this Section, in  
25           addition to any information required by the chief county  
26           assessment officer, the taxpayer must also submit the following

1 information to the chief county assessment officer for review:

2 (1) the owner's name;

3 (2) the postal address and permanent index number of  
4 the parcel;

5 (3) a deed or other instrument conveying the parcel to  
6 the current owner;

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

10 (5) certification that the parcel was unoccupied at the  
11 time of conveyance to the current owner for a minimum of at  
12 least 6 months;

13 (6) evidence that the parcel is clear of unreleased  
14 liens and has no outstanding tax liabilities attached  
15 against it;

16 (7) evidence that the improvements meet local building  
17 codes, or if there are no local building codes, Housing  
18 Quality Standards, as determined by the U.S. Department of  
19 Housing and Urban Development from time to time, which may  
20 be shown by a certificate of occupancy issued by the  
21 appropriate local government or the certification by a home  
22 inspector licensed by the State of Illinois; and

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

25 (d) The chief county assessment officer shall notify the  
26 taxpayer as to whether or not the parcel meets the requirements

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

17 (e) The benefit conferred by this Section is limited as  
18 follows:

19 (1) The owner is eligible to apply for the benefit  
20 conferred by this Section beginning January 1, 2015 through  
21 December 31, 2019. If approved, the reduction will be  
22 effective for the current taxable year, which will be  
23 reflected in the tax bill issued in the following taxable  
24 year.

25 (2) The reduction outlined in this Section shall  
26 continue for a period of 10 years, and may not be extended

1 or renewed for any additional period.

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

5 (4) If there is a transfer of ownership during the  
6 period of the assessment freeze, then the benefit conferred  
7 by this Section shall not apply on or after the date of  
8 that transfer unless (i) the property is conveyed by an  
9 owner who does not occupy the improvements as a primary  
10 residence to an owner who will occupy the improvements as a  
11 primary residence and (ii) all requirements of this Section  
12 continue to be met.

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

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

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

23 (3) complete rehabilitation within 18 months of  
24 conveyance.

25 (g) For the purposes of this Section,

26 "Base year" means the taxable year prior to the taxable

1 year in which the property is purchased by the eligible  
2 homeowner.

3 "Secure" means that:

4 (1) all doors and windows are closed and secured  
5 using secure doors, windows without broken or cracked  
6 panes, commercial-quality metal security panels filled  
7 with like-kind material as the surrounding wall, or  
8 plywood installed and secured in accordance with local  
9 ordinances; at least one building entrance shall be  
10 accessible from the exterior and secured with a door  
11 that is locked to allow access only to authorized  
12 persons;

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

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

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

22 (5) the property is winterized when appropriate;

23 (6) the exterior of the improvements are  
24 reasonably maintained to ensure the safety of  
25 passersby; and

26 (7) vermin and pests are regularly exterminated on

1           the exterior and interior of the property.

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