

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 with 3,000,000 or
11 more inhabitants may reduce the assessed value of improvements
12 to residential real property in accordance with subsection (b)
13 for 10 taxable years after the improvements are put in service,
14 if and only if all of the 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;

18 (3) the parcel is located in a targeted area of a
19 county with 3,000,000 or more inhabitants;

20 (4) for single family homes, the taxpayer occupies the
21 improvements on the parcel as his or her primary residence;
22 for residences of one to 6 units that will not be
23 owner-occupied, the taxpayer replaces 2 primary building

1 systems as outlined in this Section;

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

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

12 (7) the parcel is clear of unreleased liens and has no
13 outstanding tax liabilities attached against it.

14 To be eligible for the benefit conferred by this Section,
15 residential units must be owner-occupied or in need of
16 substantial rehabilitation. "Substantial rehabilitation"
17 means, at a minimum, compliance with local building codes and
18 the replacement or renovation of at least 2 primary building
19 systems. Although the cost of each primary building system may
20 vary, the combined expenditure for making the building
21 compliant with local codes and replacing primary building
22 systems must be at least \$5 per square foot, adjusted by the
23 Consumer Price Index for All Urban Consumers, as published
24 annually by the U.S. Department of Labor. "Primary building
25 systems", together with their related rehabilitations,
26 specifically approved for this program are:

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

4 (A) installing individual equipment and appliance
5 branch circuits as required by code (the minimum being
6 a kitchen appliance branch circuit);

7 (B) installing a new emergency service, including
8 emergency lighting with all associated conduits and
9 wiring;

10 (C) rewiring all existing feeder conduits ("home
11 runs") from the main switchgear to apartment area
12 distribution panels;

13 (D) installing new in-wall conduits for
14 receptacles, switches, appliances, equipment, and
15 fixtures;

16 (E) replacing power wiring for receptacles,
17 switches, appliances, equipment, and fixtures;

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

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

23 (H) installing a new main service, including
24 conduit, cables into the building, and main disconnect
25 switch; and

26 (I) installing new distribution panels, including

1 all panel wiring, terminals, circuit breakers, and all
2 other panel devices.

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

6 (A) installing a new system to replace one of the
7 following heat distribution systems: (i) piping and
8 heat radiating units, including new main line venting
9 and radiator venting; or (ii) duct work, diffusers, and
10 cold air returns; or (iii) any other type of existing
11 heat distribution and radiation/diffusion components;
12 or

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

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

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

25 (A) replacing all rotted roof decks and
26 insulation; or

1 (B) replacing or repairing leaking roof membranes
2 (10% is the suggested minimum replacement of
3 membrane); restoration of the entire roof is an
4 acceptable substitute for membrane replacement.

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

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

11 (A) floors must have new carpeting, vinyl tile,
12 ceramic, refurbished wood finish, or a similar
13 substitute;

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

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

18 (7) Exterior walls.

19 (A) replace loose or crumbling mortar and masonry
20 with new material;

21 (B) replace or paint wall siding and trim as
22 needed;

23 (C) bring porches and balconies to a sound
24 condition; or

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

26 (8) Elevators. Where applicable, at least 4 of the

1 following 7 alternatives must be accomplished:

2 (A) replace or rebuild the machine room controls
3 and refurbish the elevator machine (or equivalent
4 mechanisms in the case of hydraulic elevators);

5 (B) replace hoistway electro-mechanical items
6 including: ropes, switches, limits, buffers, levelers,
7 and deflector sheaves (or equivalent mechanisms in the
8 case of hydraulic elevators);

9 (C) replace hoistway wiring;

10 (D) replace door operators and linkage;

11 (E) replace door panels at each opening;

12 (F) replace hall stations, car stations, and
13 signal fixtures; or

14 (G) rebuild the car shell and refinish the
15 interior.

16 (9) Health and safety.

17 (A) install or replace fire suppression systems;

18 (B) install or replace security systems; or

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

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

25 (A) installing or replacing reflective roof
26 coatings (flat roofs);

- 1 (B) installing or replacing R-38 roof insulation;
2 (C) installing or replacing R-19 perimeter wall
3 insulation;
4 (D) installing or replacing insulated entry doors;
5 (E) installing or replacing Low E, insulated
6 windows;
7 (F) installing or replacing low-flow plumbing
8 fixtures;
9 (G) installing or replacing 90% sealed combustion
10 heating systems;
11 (H) installing or replacing direct exhaust hot
12 water heaters;
13 (I) installing or replacing mechanical ventilation
14 to exterior for kitchens and baths;
15 (J) installing or replacing Energy Star
16 appliances;
17 (K) installing low VOC interior paints on interior
18 finishes;
19 (L) installing or replacing fluorescent lighting
20 in common areas; or
21 (M) installing or replacing grading and
22 landscaping to promote on-site water retention.

23 (b) For the first 7 years after the improvements are placed
24 in service, those improvements shall be valued at 10% of their
25 assessed value. The chief county assessment officer shall
26 increase the assessed value of the improvements to 35% of the

1 assessed value of those improvements for the eighth taxable
2 year, 65% of the assessed value of those improvements for the
3 ninth taxable year, and 100% of the assessed value of those
4 improvements for the tenth taxable year, if and only if all of
5 the factors in subsection (a) of this Section continue to be
6 met. The benefit will cease after the improvements have been
7 assessed at 100% of the assessed value on the tenth taxable
8 year.

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

13 (1) the owner's name;

14 (2) the postal address and permanent index number of
15 the parcel;

16 (3) a deed or other instrument conveying the parcel to
17 the current owner;

18 (4) certification that the parcel was unoccupied at the
19 time of conveyance to the current owner;

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

23 (6) 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) The benefit conferred by this Section will continue
6 in the event of a transfer of ownership during the period
7 of the assessment freeze, so long as all requirements of
8 this Section continue to be met.

9 (f) If the taxpayer does not occupy or intend to occupy the
10 residential dwelling as his or her principal residence, the
11 taxpayer must:

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

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

18 (3) complete rehabilitation within 18 months of
19 conveyance.

20 (g) For the purposes of this Section,

21 "Secure" means that:

22 (1) all doors and windows are closed and secured
23 using secure doors, windows without broken or cracked
24 panes, commercial-quality metal security panels filled
25 with like-kind material as the surrounding wall, or
26 plywood installed and secured in accordance with local

1 ordinances; at least one building entrance shall be
2 accessible from the exterior and secured with a door
3 that is locked to allow access only to authorized
4 persons;

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

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

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

14 (5) the property is winterized when appropriate;

15 (6) the exterior of the improvements are
16 reasonably maintained to ensure the safety of
17 passersby; and

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

20 "Targeted Area" means a census tract in a county of
21 3,000,000 or more where more than 10% of the residences
22 have had at least one foreclosure filing since the 2005
23 calendar year, according to the 2010 federal decennial
24 census.