

1 AN ACT in relation to taxes.

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

23 (Source: P.A. 91-651, eff. 1-1-00; 92-16, eff. 6-28-01.)

24 (35 ILCS 200/10-245)

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

1 the low-income housing tax credit under Section 42 of the  
2 Internal Revenue Code, in assessing the project, local  
3 assessment officers must consider the actual or probable net  
4 operating income attributable to the project, using a vacancy  
5 rate of not more than 5%, capitalized at normal market rates.  
6 The interest rate to be used in developing the normal market  
7 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  
10 housing Section-515 project is located.  
11 (Source: P.A. 91-651, eff. 1-1-00; 91-884, eff. 6-30-00.)

12 (35 ILCS 200/10-250)  
13 Sec. 10-250. Certification procedure and effective date  
14 of implementation.

15 (a) After (i) an application for a Section 515  
16 low-income housing project certificate is filed with the  
17 State Director of the United States Department of Agriculture  
18 Rural 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  
21 low-income housing project as defined in Section 2 of this  
22 Act, the certificate must be presented to the appropriate  
23 local 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 and through taxable year 2003, all certified  
27 Section 515 low-income housing projects shall be assessed in  
28 accordance with Section 10-245.

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

1 appropriate local assessment officer that the owner or owner  
2 that qualifies for the low-income housing tax credit under  
3 Section 42 of the Internal Revenue Code for the property.

4 (Source: P.A. 91-651, eff. 1-1-00; 91-884, eff. 6-30-00.)

5 Section 99. Effective date. This Act takes effect on  
6 January 1, 2004.