

1 AN ACT concerning 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 adding
5 Section 18-173 as follows:

6 (35 ILCS 200/18-173 new)

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

20 "Housing choice voucher" means a tenant voucher issued by
21 a housing authority under Section 8 of the United States
22 Housing Act of 1937.

23 "Housing opportunity area" means a census tract where
24 less than 10% of the residents live below the poverty level,
25 as defined by the United States government and determined by
26 the most recent United States census, that is located within
27 a qualified township.

28 "Housing opportunity unit" means a dwelling unit located
29 in residential property that is located in a housing
30 opportunity area, that is owned by the applicant, and that is
31 rented to and occupied by a tenant who is participating in a

1 housing choice voucher program administered by a housing
2 authority as of January 1st of the tax year for which the
3 application is made.

4 "Qualified units" means the number of housing opportunity
5 units located in the property with the limitation that no
6 more than 2 units or 20% of the total units contained within
7 the property, whichever is greater, may be considered
8 qualified units. Further, no unit may be considered qualified
9 unless the property in which it is contained is in
10 substantial compliance with local building codes, and,
11 moreover, no unit may be considered qualified unless it meets
12 the United States Department of Housing and Urban
13 Development's housing quality standards as of the most recent
14 housing authority inspection.

15 "Qualified township" means a township located within a
16 county with 200,000 or more inhabitants whose tax capacity
17 exceeds 100% of the average tax capacity of the county in
18 which it is located, except for townships located within a
19 county with 3,000,000 or more inhabitants, where a qualified
20 township means a township whose tax capacity exceeds 115% of
21 the average tax capacity of the county except for townships
22 located wholly within a municipality with 1,000,000 or more
23 inhabitants. All townships located wholly within a
24 municipality with 1,000,000 or more inhabitants are
25 considered qualified townships.

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

29 (c) The owner of property located within a housing
30 opportunity area who has a housing choice voucher contract
31 with a housing authority may apply for a housing opportunity
32 area tax abatement by annually submitting an application to
33 the housing authority that administers the housing choice
34 voucher contract. The application must include the number of

1 housing opportunity units as well as the total number of
2 dwelling units contained within the property. The housing
3 authority shall annually certify the number of qualified
4 units located within each property for which an application
5 is made.

6 The housing authority shall establish rules and
7 procedures governing the application and certification
8 processes. The county clerk may audit the applications and
9 certification process to determine that the properties
10 subject to the tax abatement meet the requirements of this
11 Section. The certification of a property for the housing
12 opportunity area abatement shall be made annually; however,
13 no property may receive an abatement for more than 10 tax
14 years.

15 (d) The housing authority shall determine housing
16 opportunity areas within its service area and annually
17 deliver to the county clerk, in a manner determined by the
18 county clerk, a list of all properties containing qualified
19 units within that county by December 31st of the tax year for
20 which the property is eligible for abatement; the list shall
21 include the number of qualified units and the total number of
22 dwelling units for each property.

23 The county clerk shall deliver annually to a housing
24 authority, upon that housing authority's request, the most
25 recent available equalized assessed value for the county as a
26 whole and for those taxing districts and townships so
27 specified by the requesting housing authority.

28 (e) The county clerk shall abate the tax attributed to a
29 portion of the property determined to be eligible for a
30 housing opportunity area abatement. The portion eligible for
31 abatement shall be determined by reducing the equalized
32 assessment value by a percentage calculated using the
33 following formula: 19% of the equalized assessed value of the
34 property multiplied by a fraction where the numerator is the

1 number of qualified units and denominator is the total number
2 of dwelling units located within the property.

3 (f) Any municipality, except for municipalities with
4 1,000,000 or more inhabitants, may petition the county clerk
5 to be excluded from a housing opportunity area if it is able
6 to demonstrate that more than 2.5% of the total residential
7 units located within that municipality are occupied by
8 tenants under the housing choice voucher program. Properties
9 located within an excluded municipality shall not be eligible
10 for the housing opportunity area abatement.

11 (g) Applicability. This Section applies to tax years
12 2004 through 2014, unless extended by law.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.