

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

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

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

29 "Housing opportunity unit" means a dwelling unit located  
30 in residential property that is located in a housing  
31 opportunity area, that is owned by the applicant, and that is

1 rented to and occupied by a tenant who is participating in a  
2 housing choice voucher program administered by a housing  
3 authority as of January 1st of the tax year for which the  
4 application is made.

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

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

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

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

1 voucher contract. The application must include the number of  
2 housing opportunity units as well as the total number of  
3 dwelling units contained within the property. The owner  
4 must, under oath, self-certify as to the total number of  
5 dwelling units in the property and must self-certify that the  
6 property is in substantial compliance with local building  
7 codes. The housing authority shall annually determine the  
8 number of qualified units located within each property for  
9 which an application is made.

10 The housing authority shall establish rules and  
11 procedures governing the application processes and may charge  
12 an application fee. The county clerk may audit the  
13 applications to determine that the properties subject to the  
14 tax abatement meet the requirements of this Section. The  
15 determination of eligibility of a property for the housing  
16 opportunity area abatement shall be made annually; however,  
17 no property may receive an abatement for more than 10 tax  
18 years.

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

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

32 (e) The county clerk shall abate the tax attributed to a  
33 portion of the property determined to be eligible for a  
34 housing opportunity area abatement. The portion eligible for

1 abatement shall be determined by reducing the equalized  
2 assessment value by a percentage calculated using the  
3 following formula: 19% of the equalized assessed value of the  
4 property multiplied by a fraction where the numerator is the  
5 number of qualified units and denominator is the total number  
6 of dwelling units located within the property.

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

16 (g) Applicability. This Section applies to tax years  
17 2004 through 2014, unless extended by law.

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.