



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5540

Introduced 1/27/2006, by Rep. Aaron Schock

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-177 new
65 ILCS 5/Art. 11 Div. 74.7 heading new
65 ILCS 5/11-74.7-1 new
65 ILCS 5/11-74.7-5 new
65 ILCS 5/11-74.7-10 new
65 ILCS 5/11-74.7-15 new
30 ILCS 805/8.30 new

Amends the Property Tax Code and the Illinois Municipal Code. Authorizes corporate authorities of a municipality may designate an area of the municipality as a blighted homestead area. Sets forth the requirements and the procedures for making this designation. Provides that the designation for a blighted homestead area becomes effective at the beginning of the next taxable year after the ordinance is adopted and continues for the next 6 taxable years thereafter. Provides that blighted homestead property is entitled to an annual homestead exemption in an amount equal to the equalized assessed value of the residence in that current taxable year minus the equalized assessed value of the residence during the taxable year in which a municipality designated the property to be a blighted homestead. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

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FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 15-177 as follows:

6 (35 ILCS 200/15-177 new)

7 Sec. 15-177. Blighted homestead area freeze exemption.

8 (a) As used in this Section:

9 "Base amount" means the base year equalized assessed value
10 of the residence.

11 "Base year" means the taxable year in which a municipality
12 designated the property to be a blighted homestead.

13 "Blighted homestead" means any property that is included
14 within a blighted homestead area created under Division 74.7 of
15 Article 11 of the Illinois Municipal Code.

16 "Equalized assessed value" means the assessed value as
17 equalized by the Department.

18 "Taxable year" means the calendar year during which ad
19 valorem property taxes payable in the next succeeding year are
20 levied.

21 (b) Blighted homestead property is entitled to an annual
22 homestead exemption. The amount of the exemption is the
23 equalized assessed value of the residence in that taxable year
24 minus the base amount.

25 (c) Notwithstanding Sections 6 and 8 of the State Mandates
26 Act, no reimbursement by the State is required for the
27 implementation of any mandate created by this Section.

28 Section 10. The Illinois Municipal Code is amended by
29 adding Division 74.7 to Article 11 as follows:

30 (65 ILCS 5/Art. 11 Div. 74.7 heading new)

1 DIVISION 74.7. BLIGHTED HOMESTEAD AREAS

2 (65 ILCS 5/11-74.7-1 new)

3 Sec. 11-74.7-1. Designation of blighted homestead areas.

4 (a) The corporate authorities of a municipality may
5 designate an area of the municipality as a blighted homestead
6 area.

7 (b) To qualify as a blighted homestead area, an area within
8 the municipality must:

9 (1) consist of parcels of real property used only for
10 single-family residences;

11 (2) be contiguous and compact;

12 (3) be outside any redevelopment project area under
13 Division 74.4 of this Act and be outside any enterprise
14 zone under the Illinois Enterprise Zone Act; and

15 (4) suffer from blight.

16 (c) For the purpose of this Section, "blight" means
17 unsanitary or unsafe conditions, deterioration of site
18 improvements, improper subdivision or obsolete platting, or
19 the existence of conditions that endanger life or property by
20 fire or other causes, or any combination of those factors, that
21 retards the provision of housing accommodations or constitutes
22 an economic or social liability or a menace to the public
23 health, safety, morals, or welfare in its present condition and
24 use.

25 (65 ILCS 5/11-74.7-5 new)

26 Sec. 11-74.7-5. Procedures for the designation of a
27 blighted homestead area. The corporate authorities must comply
28 with all of the following procedures to designate an area as a
29 blighted homestead area:

30 (1) The municipality must, by ordinance, set the place
31 and date for a public hearing.

32 (2) At least 45 days before the date set for the public
33 hearing, the municipality must mail notice of the public
34 hearing to each taxing district of which taxable property

1 is included in the proposed blighted homestead area.

2 (3) At least 14 days, but no more than 28 days, before
3 the date set for the public hearing, the municipality must
4 mail notice of the public hearing to each person residing
5 in the boundaries of the proposed blighted homestead area.

6 (4) Before the date of the public hearing, the
7 municipality must publish notice of the public hearing
8 twice, the first notice not to be published more than 30 or
9 less than 10 days before the public hearing. The notice
10 must be published in a newspaper having general circulation
11 in the municipality.

12 (5) The notice required under items (2), (3), and (4)
13 must:

14 (A) describe the boundaries of the proposed
15 blighted homestead area;

16 (B) state the amount of the equalized assessed
17 value of the property within the proposed blighted
18 homestead area according to the last assessment of the
19 property;

20 (C) contain a statement that all interested
21 persons will be given an opportunity to be heard at the
22 public hearing;

23 (D) state the time and place of the public hearing;
24 and

25 (E) contain any other matters that the
26 municipality deems appropriate.

27 (6) At the public hearing, any interested person or
28 representative of an affected taxing district may be heard
29 orally and may file, with the person conducting the
30 meeting, statements that pertain to the subject matter of
31 the meeting.

32 (7) Not sooner than 14 days and not later than 90 days
33 after the final adjournment of the public hearing, the
34 corporate authorities must introduce an ordinance to adopt
35 or reject the proposed blighted homestead area.

36 (8) If the municipality adopts an ordinance to approve

1 a designation of the blighted homestead area, then the
2 municipality must provide written notice of the
3 designation to each each taxing district of which taxable
4 property is included in the proposed blighted homestead
5 area and to the chief county assessment officer, as defined
6 in Section 1-15 of the Property Tax Code.

7 (65 ILCS 5/11-74.7-10 new)

8 Sec. 11-74.7-10. Tax treatment of property in a blighted
9 homestead. If a municipality designates a blighted homestead
10 area under Section 11-74.7-5, then each taxable lot, block,
11 tract, or parcel of real property in the blighted homestead
12 area is eligible to receive the blighted homestead freeze
13 exemption under Section 15-177 of the Property Tax Code for the
14 duration of the period of designation.

15 (65 ILCS 5/11-74.7-15 new)

16 Sec. 11-74.7-15. Duration of a designation. The
17 designation for a blighted homestead area becomes effective at
18 the beginning of the next taxable year after the ordinance is
19 adopted and continues for the next 6 taxable years thereafter.

20 Section 90. The State Mandates Act is amended by adding
21 Section 8.30 as follows:

22 (30 ILCS 805/8.30 new)

23 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
24 of this Act, no reimbursement by the State is required for the
25 implementation of any mandate created by this amendatory Act of
26 the 94th General Assembly.

27 Section 99. Effective date. This Act takes effect upon
28 becoming law.