



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4852

by Rep. Jed Davis

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Owner-Occupied Housing Incentive Act. Requires the Illinois Housing Development Authority to administer an owner-occupant housing incentive program that provides financial incentives to qualifying purchasers for the purchase of moderately priced owner-occupied homes. Requires the Authority to develop necessary forms, establish verification procedures, and adopt rules to implement the program that are consistent with the provisions of the Act. Requires the Authority to provide a \$7,500 owner-occupant housing incentive to any qualifying purchaser of an eligible property. Provides that the owner-occupant housing incentive may be provided as a grant, closing cost credit, down payment assistance, or any other similar mechanism approved by the Authority, subject to available appropriations. Contains provisions concerning eligibility requirements; hardship exemptions; program restrictions; verification and compliance; and penalties and repayment. Provides that the Act shall be construed narrowly to promote owner-occupied home purchases and that nothing in the Act shall be interpreted to regulate or restrict lawful rental housing, landlord activity, or property ownership outside the scope of the incentive created under the Act. Effective immediately.

LRB104 18447 KTG 31889 b

1 AN ACT concerning housing.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Owner-Occupied Housing Incentive Act.

6 Section 5. Legislative findings and purpose. The General  
7 Assembly finds that:

8 (1) Home ownership strengthens families, neighborhoods,  
9 and local communities.

10 (2) Rising housing costs and investor-driven purchasing  
11 have made it more difficult for individuals and families to  
12 purchase homes they intend to occupy as their primary  
13 residence.

14 (3) Targeted incentives for owner-occupied purchases can  
15 improve housing stability without disrupting the broader  
16 housing market.

17 The purpose of this Act is to provide a narrowly tailored  
18 housing incentive for purchasers who intend to live in the  
19 home they buy, while preventing use of the incentive by  
20 landlords, investors, or speculative purchasers.

21 Section 10. Definitions. As used in this Act:

22 "Authority" means the Illinois Housing Development

1 Authority.

2 "Eligible property" means a residential dwelling unit  
3 intended for use as a single primary residence, but does not  
4 include: (1) multi-unit residential buildings; (2) properties  
5 containing 2 or more dwelling units; (3) properties purchased  
6 in whole by any entity other than a natural person; or (4) any  
7 property purchased by or titled in the name of a corporation,  
8 limited liability company, partnership, or similar  
9 non-natural-person entity, except a revocable living trust  
10 used solely for estate planning purposes by the occupant.

11 "Incentive" means the \$7,500 financial benefit provided  
12 under Section 20.

13 "Owner-occupant" means a natural person who purchases an  
14 eligible property and intends to occupy the property as the  
15 purchaser's primary residence.

16 "Owner-occupant housing incentive" means a grant, credit,  
17 subsidy, or other financial assistance provided under this Act  
18 by the Authority.

19 "Primary residence" means the dwelling in which a person  
20 resides for the majority of the calendar year and which is  
21 listed as the person's primary residence for tax and legal  
22 purposes.

23 "Regional price cap" means a purchase price not exceeding  
24 110% of the median sale price for single-family homes in the  
25 county in which the property is located, as determined  
26 annually by the Authority using publicly available market

1 data.

2 "Straw buyer" means any individual who purchases property  
3 on behalf of, or for the beneficial use of, an investor entity.

4 Section 15. Administration. The Authority shall administer  
5 an owner-occupant housing incentive program that provides  
6 financial incentives to qualifying purchasers for the purchase  
7 of moderately priced owner-occupied homes. The Authority shall  
8 develop necessary forms, establish verification procedures,  
9 and adopt rules to implement the program that are consistent  
10 with the provisions of this Act.

11 Section 20. Incentive. The Authority shall provide a  
12 \$7,500 owner-occupant housing incentive to any qualifying  
13 purchaser of an eligible property meeting the requirements of  
14 this Act. The owner-occupant housing incentive may be provided  
15 as a grant, closing cost credit, down payment assistance, or  
16 any other similar mechanism approved by the Authority.  
17 Owner-occupant housing incentives shall be distributed subject  
18 to available appropriations.

19 Section 25. Eligibility requirements. To qualify for an  
20 owner-occupant housing incentive, a purchaser must:

21 (1) be a natural person;

22 (2) purchase an eligible property under any applicable  
23 regional price cap established by the Authority;

1           (3) certify intent to occupy the property as the  
2 purchaser's primary residence for a minimum of 12 consecutive  
3 months following closing;

4           (4) be or intend to become an Illinois resident by the time  
5 of closing;

6           (5) not have purchased more than 2 residential properties  
7 in the preceding 3 years, excluding the purchaser's primary  
8 residence; and

9           (6) execute an owner-occupancy affidavit prescribed by the  
10 Authority.

11           Section 30. Hardship exemptions. A qualifying purchaser  
12 shall not be subject to repayment or penalty under Section 45  
13 if the qualifying purchaser sells the property within 12  
14 months due to:

15           (1) military orders, deployment, or permanent change of  
16 station;

17           (2) medical hardship, including serious illness or  
18 disability of the purchaser or a dependent household member;

19           (3) employment relocation requiring a move of more than 50  
20 miles from the property; or

21           (4) material loss of income, defined as an involuntary  
22 reduction of household income of 20% or more, verified through  
23 documentation as required by the Authority.

24           Section 35. Restrictions.

1           (a) An owner-occupant housing incentive may not be awarded  
2 to any purchaser acting as a straw buyer or on behalf of  
3 another person or entity.

4           (b) An owner-occupant housing incentive may not be awarded  
5 for any property intended to be rented, leased, or otherwise  
6 occupied by a person other than the purchaser.

7           Section 40. Verification and compliance.

8           (a) The Authority may require documentation reasonably  
9 necessary to verify eligibility and continued compliance with  
10 this Act.

11           (b) The Authority may conduct targeted audits based on  
12 reasonable evidence of noncompliance.

13           Section 45. Penalties and repayment.

14           (a) If a purchaser fails to satisfy the owner-occupancy  
15 requirements of this Act and no hardship exemption applies,  
16 the purchaser shall: (1) repay the full owner-occupant housing  
17 incentive received; and (2) pay a civil penalty equal to 25% of  
18 the incentive amount.

19           (b) The Authority may request that the Attorney General  
20 bring a civil action to recover amounts owed under this  
21 Section.

22           (c) No lien shall be filed or recorded against an eligible  
23 property solely for repayment of an incentive or civil penalty  
24 under this Act.

1 Section 50. Construction.

2 (a) This Act shall be construed narrowly to promote  
3 owner-occupied home purchases.

4 (b) Nothing in this Act shall be interpreted to regulate  
5 or restrict lawful rental housing, landlord activity, or  
6 property ownership outside the scope of the incentive created  
7 by this Act.

8 (c) This Act does not create a private cause of action.

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law.