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104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5777

by Rep. Will Guzzardi

SYNOPSIS AS INTRODUCED:

20 ILCS 3805/32.5 new
35 ILCS 200/15-77 new
310 ILCS 130/15

Amends the Illinois Housing Development Act. Provides that the Illinois Housing Development Authority shall ensure that program staff have expertise in the community land trust model and shall implement procedures that remove barriers to the timely and effective execution of approved community land trust projects. Amends the Property Tax Code. Provides that property that is owned by a non-profit community land trust, as defined in the Community Land Trust Home Ownership Act, and that is used exclusively for the creation and maintenance of permanently affordable owner occupied single-family or multifamily residences is exempt beginning with the taxable year in which the property is acquired by the community land trust and continuing through the taxable year in which the property is sold to a homeowner. Effective immediately.

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A BILL FOR

AN ACT concerning State government.

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

Section 5. The Illinois Housing Development Act is amended by adding Section 32.5 as follows:

(20 ILCS 3805/32.5 new)

Sec. 32.5. Community land trust program support. The Authority shall ensure that program staff have expertise in the community land trust model and shall implement procedures that remove barriers to the timely and effective execution of approved community land trust projects.

Section 10. The Property Tax Code is amended by adding Section 15-77 as follows:

(35 ILCS 200/15-77 new)

Sec. 15-77. Community land trusts. Beginning in taxable year 2027, property that is owned by a non-profit community land trust, as defined in the Community Land Trust Home Ownership Act, and that is used exclusively for the creation and maintenance of permanently affordable owner occupied single-family or multifamily residences is exempt beginning with the taxable year in which the property is acquired by the community land trust and continuing through the taxable year in which the property is sold to a homeowner.

Section 15. The Community Land Trust Home Ownership Act is amended by changing Section 15 as follows:

(310 ILCS 130/15)

Sec. 15. Definitions. As used in this Act:

"501(c)(3) organization" means a nonprofit organization that is exempt or qualified for exemption from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986.

"Community land trust" means a 501(c)(3) organization that has as its primary purposes the creation and maintenance of permanently affordable single-family or multifamily residences subject to all of the following criteria:

(1) All single-family residences or multifamily residences located on the land owned by the 501(c)(3) organization or its wholly owned subsidiary must be either:

(A) sold to a buyer who is qualified under the community land trust's program rules and occupied as the qualified buyer's primary residence; or

(B) rented to a person or persons whose household income does not exceed the maximum allowable gross household income, as determined by the community land trust, for that dwelling or unit.

(2) Land that is owned by the 501(c)(3) organization and that contains a single-family residence or multifamily residence that is sold to a qualified buyer described in subparagraph (A) of paragraph (1) shall be leased to the qualified buyer for the buyer's convenient occupation and use, subject to a ground lease with affordability restrictions, for a renewable term of 99 years for the purpose of maintaining dwellings or units that are permanently affordable.

(3) In the case of dwellings or units that are part of a condominium, cooperative, or other common interest development and that are located on land that is owned by a homeowners' association or a person other than the community land trust, the condominium unit or interest owned by the community land trust shall be sold to a qualified buyer for the buyer's convenient occupation and use, subject to a deed restriction or affordability covenant that incorporates affordability restrictions for a renewable term of at least 99 years and that is recorded against the unit or interest for the purpose of maintaining dwellings or units that are permanently affordable. ~~governed by a board of community land trusts residents, community residents, and public representatives that provide permanent or long-term affordability and shared equity homeownership opportunities.~~

(Source: P.A. 104-370, eff. 8-15-25.)

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