

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 changing
5 Section 15-178 as follows:

6 (35 ILCS 200/15-178)

7 Sec. 15-178. Affordable housing special assessment
8 programs; reduction ~~Reduction~~ in assessed value for affordable
9 rental housing construction or rehabilitation.

10 (a) The General Assembly finds that there is a shortage of
11 high quality affordable rental homes for low-income and
12 very-low-income households throughout Illinois; that owners
13 and developers of rental housing face significant challenges
14 building newly constructed apartments or undertaking
15 rehabilitation of existing properties that results in rents
16 that are affordable for low-income and very-low-income
17 households; and that it will help Cook County and other parts
18 of Illinois address the extreme shortage of affordable rental
19 housing by developing a statewide policy to determine the
20 assessed value for newly constructed and rehabilitated
21 affordable rental housing that both encourages investment and
22 incentivizes property owners to keep rents affordable.

23 (b) Each chief county assessment officer shall implement

1 special assessment programs to reduce the assessed value of
2 all eligible newly constructed residential real property or
3 qualifying rehabilitation to all eligible existing residential
4 real property in accordance with subsection (c) for 10 taxable
5 years after the newly constructed residential real property or
6 the qualifying rehabilitation of a ~~improvements to existing~~
7 residential real property is ~~are~~ put in service. Any county
8 with less than 3,000,000 inhabitants may decide not to
9 implement one or both of the special assessment programs
10 defined in subparagraph (1) of subsection (c) of this Section
11 and subparagraph (2) of subsection (c) of this Section upon
12 passage of an ordinance by a majority vote of the county board.
13 Subsequent to a vote to opt out of this special assessment
14 program, any county with less than 3,000,000 inhabitants may
15 decide to implement one or both of the special assessment
16 programs defined in subparagraph (1) of subsection (c) of this
17 Section and subparagraph (2) of subsection (c) of this Section
18 upon passage of an ordinance by a majority vote of the county
19 board. A county opting out shall not disqualify or shorten the
20 maximum eligibility periods for any property approved to
21 receive a reduced valuation prior to the county opting out.
22 The special assessment programs available under this Section
23 shall be available to all qualifying developments regardless
24 of whether or not the property has or is currently receiving
25 any other public financing or subsidies or subject to any
26 regulatory agreements with any public entity, or both. The

1 changes made to this subsection by this amendatory Act of the
2 104th General Assembly are declarative of existing law and
3 shall not be construed as a new enactment. Property is
4 eligible for the special assessment program if and only if all
5 of the following factors have been met:

6 (1) at the conclusion of the new construction or
7 qualifying rehabilitation, the property is a qualifying
8 development ~~consists of a newly constructed multifamily~~
9 ~~building containing 7 or more rental dwelling units or an~~
10 ~~existing multifamily building that has undergone~~
11 ~~qualifying rehabilitation resulting in 7 or more rental~~
12 ~~dwelling units; and~~

13 (2) the property meets the application requirements
14 defined in subsection (f).

15 (c) For those counties that are required to implement the
16 special assessment program and do not opt out of such special
17 assessment program, the chief county assessment officer for
18 that county shall require that residential real property is
19 eligible for the special assessment program if and only if one
20 of the additional factors have been met:

21 (1) except as defined in subparagraphs (E), (F), and
22 (G) of paragraph (1) of subsection (f) of this Section,
23 prior to the newly constructed residential real property
24 or the qualifying rehabilitation of ~~improvements to~~
25 ~~existing~~ residential real property being put in service,
26 the owner of the residential real property commits that,

1 for a period of 10 years, at least 15% of the multifamily
2 building's units will have rents as defined in this
3 Section that are at or below maximum rents and are
4 occupied by households with household incomes at or below
5 maximum income limits; or

6 (2) except as defined in subparagraphs (E), (F), and
7 (G) of paragraph (1) of subsection (f) of this Section,
8 prior to the newly constructed residential real property
9 or the qualifying rehabilitation of ~~improvements to~~
10 ~~existing~~ residential real property located in a low
11 affordability community being put in service, the owner of
12 the residential real property commits that, for a period
13 of 30 years after the newly constructed residential real
14 property or the qualifying rehabilitation of ~~improvements~~
15 ~~to existing~~ residential real property is ~~are~~ put in
16 service, at least 20% of the multifamily building's units
17 will have rents as defined in this Section that are at or
18 below maximum rents and are occupied by households with
19 household incomes at or below maximum income limits.

20 If a reduction in assessed value is granted under one
21 special assessment program provided for in this Section, then
22 that same residential real property is not eligible for an
23 additional special assessment program under this Section at
24 the same time.

25 (d) The amount of the reduction in assessed value for
26 residential real property meeting the conditions set forth in

1 subparagraph (1) of subsection (c) shall be calculated as
2 follows:

3 (1) if the owner of the residential real property
4 commits for a period of at least 10 years that at least 15%
5 but fewer than 35% of the multifamily building's units
6 have rents at or below maximum rents and are occupied by
7 households with household incomes at or below maximum
8 income limits, the assessed value of the property used to
9 calculate the tax bill shall be reduced by an amount equal
10 to 25% of the assessed value of the property as determined
11 by the assessor for the property in the current taxable
12 year for either the newly constructed residential real
13 property or based on the qualifying rehabilitation of a
14 residential real property ~~improvements to an existing~~
15 ~~residential real property~~; and

16 (2) if the owner of the residential real property
17 commits for a period of at least 10 years that at least 35%
18 of the multifamily building's units have rents at or below
19 maximum rents and are occupied by households with
20 household incomes at or below maximum income limits, the
21 assessed value of the property used to calculate the tax
22 bill shall be reduced by an amount equal to 35% of the
23 assessed value of the property as determined by the
24 assessor for the property in the current assessment year
25 for either the newly constructed residential real property
26 or based on the qualifying rehabilitation of a residential

1 real property ~~improvements to an existing residential real~~
2 ~~property.~~

3 (e) The amount of the reduction for residential real
4 property meeting the conditions set forth in subparagraph (2)
5 of subsection (c) shall be calculated as follows:

6 (1) for the first, second, and third taxable year
7 after the residential real property is placed in service,
8 the residential real property is entitled to a reduction
9 in its assessed value in an amount equal to the difference
10 between the assessed value in the year for which the
11 incentive is sought and the assessed value for the
12 residential real property in the base year;

13 (2) for the fourth, fifth, and sixth taxable year
14 after the residential real property is placed in service,
15 the property is entitled to a reduction in its assessed
16 value in an amount equal to 80% of the difference between
17 the assessed value in the year for which the incentive is
18 sought and the assessed value for the residential real
19 property in the base year;

20 (3) for the seventh, eighth, and ninth taxable year
21 after the property is placed in service, the residential
22 real property is entitled to a reduction in its assessed
23 value in an amount equal to 60% of the difference between
24 the assessed value in the year for which the incentive is
25 sought and the assessed value for the residential real
26 property in the base year;

1 (4) for the tenth, eleventh, and twelfth taxable year
2 after the residential real property is placed in service,
3 the residential real property is entitled to a reduction
4 in its assessed value in an amount equal to 40% of the
5 difference between the assessed value in the year for
6 which the incentive is sought and the assessed value for
7 the residential real property in the base year; and

8 (5) for the thirteenth through the thirtieth taxable
9 year after the residential real property is placed in
10 service, the residential real property is entitled to a
11 reduction in its assessed value in an amount equal to 20%
12 of the difference between the assessed value in the year
13 for which the incentive is sought and the assessed value
14 for the residential real property in the base year.

15 (f) Application requirements.

16 (1) In order to receive the reduced valuation under
17 this Section, the owner must submit an application
18 containing the following information to the chief county
19 assessment officer for review in the form and by the date
20 required by the chief county assessment officer or, in the
21 absence of forms issued by the chief county assessment
22 officer, the Department:

23 (A) the owner's name;

24 (B) the postal address and permanent index number
25 or numbers of the parcel or parcels for which the owner
26 is applying to receive reduced valuation under this

1 Section;

2 (C) a deed or other instrument conveying the
3 parcel or parcels to the current owner;

4 (D) written evidence that the new construction or
5 qualifying rehabilitation has been completed with
6 respect to the residential real property, including,
7 but not limited to, copies of building permits, a
8 notarized contractor's affidavit, and photographs of
9 the interior and exterior of the building after new
10 construction or rehabilitation is completed;

11 (E) written evidence that the residential real
12 property meets local building codes, or if there are
13 no local building codes, Housing Quality Standards, as
14 determined by the United States Department of Housing
15 and Urban Development;

16 (F) a list identifying the affordable units in
17 residential real property and a written statement that
18 the affordable units are comparable to the market rate
19 units in terms of unit type, number of bedrooms per
20 unit, quality of exterior appearance, energy
21 efficiency, and overall quality of construction;

22 (G) a written schedule certifying the rents in
23 each affordable unit and a written statement that
24 these rents do not exceed the maximum rents allowable
25 for the area in which the residential real property is
26 located;

1 (H) documentation from the administering agency
2 verifying the owner's participation in a qualifying
3 income-based rental subsidy program as defined in
4 subsection (e) of this Section if units receiving
5 rental subsidies are to be counted among the
6 affordable units in order to meet the thresholds
7 defined in this Section;

8 (I) a written statement identifying the household
9 income for every household occupying an affordable
10 unit and certifying that the household income does not
11 exceed the maximum income limits allowable for the
12 area in which the residential real property is
13 located;

14 (J) a written statement that the owner has
15 verified and retained documentation of household
16 income for every household occupying an affordable
17 unit; and

18 (K) any additional information consistent with
19 this Section as reasonably required by the chief
20 county assessment officer, including, but not limited
21 to, any information necessary to ensure compliance
22 with applicable local ordinances and to ensure the
23 owner is complying with the provisions of this
24 Section.

25 (1.1) In order for a development to receive the
26 reduced valuation under subsection (e), the owner must

1 provide evidence to the county assessor's office of a
2 fully executed project labor agreement entered into with
3 the applicable local building trades council, prior to
4 commencement of any and all construction, building,
5 renovation, demolition, or any material change to the
6 structure or land.

7 (2) The application requirements contained in
8 paragraph (1) of subsection (f) are continuing
9 requirements for the duration of the reduction in assessed
10 value received and may be annually or periodically
11 verified by the chief county assessment officer for the
12 county whereby the benefit is being issued.

13 (3) In lieu of submitting an application containing
14 the information prescribed in paragraph (1) of subsection
15 (f), the chief county assessment officer may allow for
16 submission of a substantially similar certification
17 granted by the Illinois Housing Development Authority or a
18 comparable local authority provided that the chief county
19 assessment officer independently verifies the veracity of
20 the certification with the Illinois Housing Development
21 Authority or comparable local authority.

22 (4) The chief county assessment officer shall notify
23 the owner as to whether or not the property meets the
24 requirements of this Section. If the property does not
25 meet the requirements of this Section, the chief county
26 assessment officer shall provide written notice of any

1 deficiencies to the owner, who shall then have 30 days
2 from the date of notification to provide supplemental
3 information showing compliance with this Section. The
4 chief county assessment officer shall, in its discretion,
5 grant additional time to cure any deficiency. If the owner
6 does not exercise this right to cure the deficiency, or if
7 the information submitted, in the sole judgment of the
8 chief county assessment officer, is insufficient to meet
9 the requirements of this Section, the chief county
10 assessment officer shall provide a written explanation of
11 the reasons for denial.

12 (5) The chief county assessment officer may charge a
13 reasonable application fee to offset the administrative
14 expenses associated with the program.

15 (6) The reduced valuation conferred by this Section is
16 limited as follows:

17 (A) The owner is eligible to apply for the reduced
18 valuation conferred by this Section beginning in the
19 first assessment year after the effective date of this
20 amendatory Act of the 102nd General Assembly through
21 December 31, 2034 ~~2027~~. If approved, the reduction
22 will be effective for the current assessment year,
23 which will be reflected in the tax bill issued in the
24 following calendar year. Owners that are approved for
25 the reduced valuation under paragraph (1) of
26 subsection (c) of this Section before December 31,

1 2034 ~~2027~~ shall, at minimum, be eligible for annual
2 renewal of the reduced valuation during an initial
3 10-year period if annual certification requirements
4 are met for each of the 10 years, as described in
5 subparagraph (B) of paragraph (4) of subsection (d) of
6 this Section. If an owner is approved for the reduced
7 valuation conferred by this Section prior to December
8 31, 2034 and this Section is not subsequently
9 extended, this shall not disqualify or shorten the
10 maximum eligibility periods for any property approved
11 to receive a reduced valuation.

12 (B) Property receiving a reduction outlined in
13 paragraph (1) of subsection (c) of this Section shall
14 continue to be eligible for an initial period of up to
15 10 years if annual certification requirements are met
16 for each of the 10 years, but shall be extended for up
17 to 2 additional 10-year periods with annual renewals
18 if the owner continues to meet the requirements of
19 this Section, including annual certifications, and
20 excluding the requirements regarding new construction
21 or qualifying rehabilitation defined in subparagraph
22 (D) of paragraph (1) of this subsection.

23 (C) The annual certification materials in the year
24 prior to final year of eligibility for the reduction
25 in assessed value must include a dated copy of the
26 written notice provided to tenants informing them of

1 the date of the termination if the owner is not seeking
2 a renewal.

3 (D) If the property is sold or transferred, the
4 purchaser or transferee must comply with all
5 requirements of this Section, excluding the
6 requirements regarding new construction or qualifying
7 rehabilitation defined in subparagraph (D) of
8 paragraph (1) of this subsection, in order to continue
9 receiving the reduction in assessed value. Purchasers
10 and transferees who comply with all requirements of
11 this Section excluding the requirements regarding new
12 construction or qualifying rehabilitation defined in
13 subparagraph (D) of paragraph (1) of this subsection
14 are eligible to apply for renewal on the schedule set
15 by the initial application.

16 (E) (Blank). ~~The owner may apply for the reduced~~
17 ~~valuation if the residential real property meets all~~
18 ~~requirements of this Section and the newly constructed~~
19 ~~residential real property or improvements to existing~~
20 ~~residential real property were put in service on or~~
21 ~~after January 1, 2015. However, the initial 10-year~~
22 ~~eligibility period or 30-year eligibility period,~~
23 ~~depending on the applicable program, shall be reduced~~
24 ~~by the number of years between the placed in service~~
25 ~~date and the date the owner first receives this~~
26 ~~reduced valuation.~~

1 (F) The owner may apply for the reduced valuation
2 within 2 years after the newly constructed residential
3 real property or the qualifying rehabilitation of
4 ~~improvements to existing~~ residential real property is
5 ~~are~~ put in service. However, the initial 10-year
6 eligibility period or 30-year eligibility period,
7 depending on the applicable program, shall be reduced
8 for the number of years between the placed in service
9 date and the date the owner first receives this
10 reduced valuation.

11 (G) Owners of a multifamily building receiving a
12 reduced valuation through the Cook County Class 9
13 program during the year in which this amendatory Act
14 of the 102nd General Assembly takes effect shall be
15 deemed automatically eligible for the reduced
16 valuation defined in paragraph (1) of subsection (c)
17 of this Section in terms of meeting the criteria for
18 new construction or substantial rehabilitation for a
19 specific multifamily building regardless of when the
20 newly constructed residential real property or
21 improvements to existing residential real property
22 were put in service. If a Cook County Class 9 owner had
23 Class 9 status revoked on or after January 1, 2017 but
24 can provide documents sufficient to prove that the
25 revocation was in error or any deficiencies leading to
26 the revocation have been cured, the chief county

1 assessment officer may deem the owner to be eligible.
2 However, owners may not receive both the reduced
3 valuation under this Section and the reduced valuation
4 under the Cook County Class 9 program in any single
5 assessment year. In addition, the number of years
6 during which an owner has participated in the Class 9
7 program shall count against the 3 10-year periods of
8 eligibility for the reduced valuation as defined in
9 subparagraph (1) of subsection (c) of this Section.

10 (H) When the property exits the special assessment
11 program, the entire parcel shall be assessed as
12 otherwise provided by law ~~At the completion of the~~
13 ~~assessment reduction period described in this Section:~~
14 ~~the entire parcel will be assessed as otherwise~~
15 ~~provided by law.~~ At any time prior to exiting the
16 special assessment program, a property owner may apply
17 for a renewed 30-year eligibility period, to begin on
18 the first day of the year following approval.

19 (H-5) Any property that has reached or will reach
20 the end of its 30-year eligibility period before
21 December 31, 2025 may remain in the program pending a
22 reapplication filed by December 31, 2026. Those
23 applications shall cite qualifying expenditures made
24 in the 2 years before the application. This
25 subparagraph (H-5) is inoperative on and after January
26 31, 2027.

1 (7) If the chief county assessment officer has not
2 created application forms, the chief county assessment
3 officer shall make publicly available and accept
4 applications forms that shall be available to local
5 governments from the Illinois Department of Revenue. If a
6 county Internet website exists, the application materials,
7 as well as any other program requirements used by the
8 county (such as application deadlines, fees, and other
9 procedures required by the application) must be published
10 on that website, otherwise it must be available to the
11 public upon request at the office of the chief county
12 assessment officer.

13 (g) As used in this Section:

14 "Affordable units" means units that have rents that do not
15 exceed the maximum rents as defined in this Section.

16 "Assessed value for the residential real property in the
17 base year" means the assessed value used to calculate the tax
18 bill, as certified by the board of review, for the tax year
19 immediately prior to the tax year in which the building permit
20 is issued. For property assessed as other than residential
21 property, the "assessed value for the residential real
22 property in the base year" means the assessed value that would
23 have been obtained had the property been classified as
24 residential as derived from the board of review's certified
25 market value.

26 "Consumer Price Index-u" means the index published by the

1 Bureau of Labor Statistics of the United States Department of
2 Labor that measures the average change in prices of goods and
3 services purchased by all urban consumers, United States city
4 average, not seasonally adjusted, all items, 1982-84 = 100.

5 "Household income" includes the annual income for all the
6 people who occupy a housing unit that is anticipated to be
7 received from a source outside of the family during the
8 12-month period following admission or the annual
9 recertification, including related family members and all the
10 unrelated people who share the housing unit. Household income
11 includes the total of the following income sources: wages,
12 salaries and tips before any payroll deductions; net business
13 income; interest and dividends; payments in lieu of earnings,
14 such as unemployment and disability compensation, worker's
15 compensation and severance pay; Social Security income,
16 including lump sum payments; payments from insurance policies,
17 annuities, pensions, disability benefits and other types of
18 periodic payments, alimony, child support, and other regular
19 monetary contributions; and public assistance, except for
20 assistance from the Supplemental Nutrition Assistance Program
21 (SNAP). "Household income" does not include: earnings of
22 children under age 18; temporary income such as cash gifts;
23 reimbursement for medical expenses; lump sums from
24 inheritance, insurance payments, settlements for personal or
25 property losses; student financial assistance paid directly to
26 the student or to an educational institution; foster child

1 care payments; receipts from government-funded training
2 programs; assistance from the Supplemental Nutrition
3 Assistance Program (SNAP).

4 "Low affordability community" means (1) a municipality or
5 jurisdiction with less than 1,000,000 inhabitants in which 40%
6 or less of its total year-round housing units are affordable,
7 as determined by the Illinois Housing Development Authority
8 during the exemption determination process under the
9 Affordable Housing Planning and Appeal Act; (2) "D" zoning
10 districts as now or hereafter designated in the Chicago Zoning
11 Ordinance; or (3) a jurisdiction located in a municipality
12 with 1,000,000 or more inhabitants that has been designated as
13 a low affordability community by passage of a local ordinance
14 by that municipality, specifying the census tract or property
15 by permanent index number or numbers.

16 "Maximum income limits" means the maximum regular income
17 limits for 60% of area median income for the geographic area in
18 which the multifamily building is located for multifamily
19 programs as determined by the United States Department of
20 Housing and Urban Development and published annually by the
21 Illinois Housing Development Authority. A property may be
22 deemed to have satisfied the maximum income limits with a
23 weighted average if municipal, state, or federal laws,
24 ordinances, rules, or regulations requires the use of a
25 weighted average of no more than 60% of area median income for
26 that property.

1 "Maximum rent" means the maximum regular rent for 60% of
2 the area median income for the geographic area in which the
3 multifamily building is located for multifamily programs as
4 determined by the United States Department of Housing and
5 Urban Development and published annually by the Illinois
6 Housing Development Authority. To be eligible for the reduced
7 valuation defined in this Section, maximum rents are to be
8 consistent with the Illinois Housing Development Authority's
9 rules; or if the owner is leasing an affordable unit to a
10 household with an income at or below the maximum income limit
11 who is participating in qualifying income-based rental subsidy
12 program, "maximum rent" means the maximum rents allowable
13 under the guidelines of the qualifying income-based rental
14 subsidy program. A property may be deemed to have satisfied
15 the maximum rent with a weighted average if municipal, state,
16 or federal laws, ordinances, rules, or regulations requires
17 the use of a weighted average of no more than 60% of area
18 median income for that property.

19 "Qualifying development" means:

20 (1) property containing a newly constructed
21 multifamily building containing 7 or more rental dwelling
22 units; or

23 (2) property containing an existing multifamily
24 building that has undergone qualifying rehabilitation
25 resulting in 7 or more rental dwelling units; or

26 (3) in counties with a population of 3,000,000 or more

1 inhabitants, property in a portfolio of properties
2 consisting of 7 or more total rental dwelling units across
3 2 or more multifamily rental buildings that are each newly
4 constructed or have undergone qualifying rehabilitation if
5 the portfolio meets all the following additional
6 requirements:

7 (A) all of the properties in the portfolio must be
8 under common ownership and must be part of a single
9 financial entity or treated as a single entity for the
10 purposes of financing, regulatory agreements, or
11 participation in a qualifying income-based subsidy
12 program;

13 (B) the portfolio, as a whole, must participate in
14 a qualifying income-based subsidy program; and

15 (C) if the portfolio includes units supported by
16 tenant-based rental assistance, including, but not
17 limited to, the Housing Choice Voucher program, the
18 portfolio must also:

19 (i) operate under a regulatory agreement with
20 a federal, State, or local housing agency that
21 imposes affordability restrictions; or

22 (ii) participate in an additional qualifying
23 income-based subsidy program beyond tenant-based
24 assistance.

25 "Qualifying income-based rental subsidy program" means a
26 Housing Choice Voucher issued by a housing authority under

1 Section 8 of the United States Housing Act of 1937, a tenant
2 voucher converted to a project-based voucher by a housing
3 authority or any other program administered or funded by a
4 housing authority, the Illinois Housing Development Authority,
5 another State agency, a federal agency, or a unit of local
6 government where participation is limited to households with
7 incomes at or below the maximum income limits as defined in
8 this Section and the tenants' portion of the rent payment is
9 based on a percentage of their income or a flat amount that
10 does not exceed the maximum rent as defined in this Section.

11 "Qualifying rehabilitation" means, at a minimum,
12 compliance with local building codes and the replacement or
13 renovation of at least 2 primary building systems to be
14 approved for the reduced valuation under paragraph (1) of
15 subsection (d) of this Section and at least 5 primary building
16 systems to be approved for the reduced valuation under
17 subsection (e) of this Section. Although the cost of each
18 primary building system may vary, to be approved for the
19 reduced valuation under paragraph (1) of subsection (d) of
20 this Section, for work completed between January 1, 2021 and
21 December 31, 2021, the combined expenditure for making the
22 building compliant with local codes and replacing primary
23 building systems must be at least \$8 per square foot ~~for work~~
24 ~~completed between January 1 of the year in which this~~
25 ~~amendatory Act of the 102nd General Assembly takes effect and~~
26 ~~December 31 of the year in which this amendatory Act of the~~

1 ~~102nd General Assembly takes effect and, in subsequent years,~~
2 ~~\$8 adjusted by the Consumer Price Index for All Urban~~
3 ~~Consumers, as published annually by the U.S. Department of~~
4 ~~Labor. For work completed in calendar years beginning on or~~
5 ~~after January 1, 2022, that combined expenditure amount shall~~
6 ~~be the combined expenditure amount necessary to be approved~~
7 ~~for the reduced valuation under paragraph (1) of subsection~~
8 ~~(d) of this Section in the immediately preceding calendar~~
9 ~~year, multiplied by one plus the percentage increase, if any,~~
10 ~~in the Consumer Price Index-u during the immediately preceding~~
11 ~~calendar year and rounded to the nearest penny. To be approved~~
12 ~~for the reduced valuation under paragraph (2) of subsection~~
13 ~~(d) of this Section, for work completed between January 1,~~
14 ~~2021 and December 31, 2021, the combined expenditure for~~
15 ~~making the building compliant with local codes and replacing~~
16 ~~primary building systems must be at least \$12.50 per square~~
17 ~~foot for work completed between January 1 of the year in which~~
18 ~~this amendatory Act of the 102nd General Assembly takes effect~~
19 ~~and December 31 of the year in which this amendatory Act of the~~
20 ~~102nd General Assembly takes effect, and in subsequent years,~~
21 ~~\$12.50 adjusted by the Consumer Price Index for All Urban~~
22 ~~Consumers, as published annually by the U.S. Department of~~
23 ~~Labor. For work completed in calendar years beginning on or~~
24 ~~after January 1, 2022, that combined expenditure amount shall~~
25 ~~be the combined expenditure amount necessary to be approved~~
26 ~~for the reduced valuation under paragraph (2) of subsection~~

1 (d) of this Section in the immediately preceding calendar
2 year, multiplied by one plus the percentage increase, if any,
3 in the Consumer Price Index-u during the immediately preceding
4 calendar year and rounded to the nearest penny. To be approved
5 for the reduced valuation under subsection (e) of this
6 Section, for work completed between January 1, 2021 and
7 December 31, 2021, the combined expenditure for making the
8 building compliant with local codes and replacing primary
9 building systems must be at least \$60 per square foot ~~for work~~
10 ~~completed between January 1 of the year that this amendatory~~
11 ~~Act of the 102nd General Assembly becomes effective and~~
12 ~~December 31 of the year that this amendatory Act of the 102nd~~
13 ~~General Assembly becomes effective and, in subsequent years,~~
14 ~~\$60 adjusted by the Consumer Price Index for All Urban~~
15 ~~Consumers, as published annually by the U.S. Department of~~
16 ~~Labor.~~ For work completed in calendar years beginning on or
17 after January 1, 2022, that combined expenditure amount shall
18 be the combined expenditure amount necessary to be approved
19 for the reduced valuation under subsection (e) of this Section
20 in the immediately preceding calendar year, multiplied by one
21 plus the percentage increase, if any, in the Consumer Price
22 Index-u during the immediately preceding calendar year and
23 rounded to the nearest penny. This amendatory Act of the 104th
24 General Assembly is not intended to change the combined
25 expenditure amounts determined before the effective date of
26 this amendatory Act of the 104th General Assembly for any work

1 completed before January 1, 2026 and shall not be used as the
2 basis for any appeal filed with the chief county assessment
3 officer, the board of review, the Property Tax Appeal Board,
4 or the circuit court with respect to the scope or meaning of
5 the exemption under this Section for a tax year prior to tax
6 year 2026.

7 For the purposes of administering this Section, by
8 February 15, 2026, and by February 15 of each year thereafter,
9 the Department of Revenue shall publish on its website the
10 percentage increase, if any, in the Consumer Price Index-u for
11 the immediately preceding calendar year, including historical
12 annual increases in the Consumer Price Index-u going back to
13 calendar year 2022. In counties with a population of 3,000,000
14 or more, by March 15, 2026, and by March 15 of each year
15 thereafter, the county assessor shall, using the data
16 available on the Department of Revenue's website, calculate
17 and make available on its website the combined expenditure
18 amounts used in the definition of "qualified rehabilitation"
19 for the applicable taxable year.

20 "Primary building systems", together with their related
21 rehabilitations, specifically approved for this program are:

22 (1) Electrical. All electrical work must comply with
23 applicable codes; it may consist of a combination of any
24 of the following alternatives:

25 (A) installing individual equipment and appliance
26 branch circuits as required by code (the minimum being

1 a kitchen appliance branch circuit);

2 (B) installing a new emergency service, including
3 emergency lighting with all associated conduits and
4 wiring;

5 (C) rewiring all existing feeder conduits ("home
6 runs") from the main switchgear to apartment area
7 distribution panels;

8 (D) installing new in-wall conduits for
9 receptacles, switches, appliances, equipment, and
10 fixtures;

11 (E) replacing power wiring for receptacles,
12 switches, appliances, equipment, and fixtures;

13 (F) installing new light fixtures throughout the
14 building including closets and central areas;

15 (G) replacing, adding, or doing work as necessary
16 to bring all receptacles, switches, and other
17 electrical devices into code compliance;

18 (H) installing a new main service, including
19 conduit, cables into the building, and main disconnect
20 switch; and

21 (I) installing new distribution panels, including
22 all panel wiring, terminals, circuit breakers, and all
23 other panel devices.

24 (2) Heating. All heating work must comply with
25 applicable codes; it may consist of a combination of any
26 of the following alternatives:

1 (A) installing a new system to replace one of the
2 following heat distribution systems:

3 (i) piping and heat radiating units, including
4 new main line venting and radiator venting; or

5 (ii) duct work, diffusers, and cold air
6 returns; or

7 (iii) any other type of existing heat
8 distribution and radiation/diffusion components;

9 or

10 (B) installing a new system to replace one of the
11 following heat generating units:

12 (i) hot water/steam boiler;

13 (ii) gas furnace; or

14 (iii) any other type of existing heat
15 generating unit.

16 (3) Plumbing. All plumbing work must comply with
17 applicable codes. Replace all or a part of the in-wall
18 supply and waste plumbing; however, main supply risers,
19 waste stacks and vents, and code-conforming waste lines
20 need not be replaced.

21 (4) Roofing. All roofing work must comply with
22 applicable codes; it may consist of either of the
23 following alternatives, separately or in combination:

24 (A) replacing all rotted roof decks and
25 insulation; or

26 (B) replacing or repairing leaking roof membranes

1 (10% is the suggested minimum replacement of
2 membrane); restoration of the entire roof is an
3 acceptable substitute for membrane replacement.

4 (5) Exterior doors and windows. Replace the exterior
5 doors and windows. Renovation of ornate entry doors is an
6 acceptable substitute for replacement.

7 (6) Floors, walls, and ceilings. Finishes must be
8 replaced or covered over with new material. Acceptable
9 replacement or covering materials are as follows:

10 (A) floors must have new carpeting, vinyl tile,
11 ceramic, refurbished wood finish, or a similar
12 substitute;

13 (B) walls must have new drywall, including joint
14 taping and painting; or

15 (C) new ceilings must be either drywall, suspended
16 type, or a similar material.

17 (7) Exterior walls.

18 (A) replace loose or crumbling mortar and masonry
19 with new material;

20 (B) replace or paint wall siding and trim as
21 needed;

22 (C) bring porches and balconies to a sound
23 condition; or

24 (D) any combination of (A), (B), and (C).

25 (8) Elevators. Where applicable, at least 4 of the
26 following 7 alternatives must be accomplished:

1 (A) replace or rebuild the machine room controls
2 and refurbish the elevator machine (or equivalent
3 mechanisms in the case of hydraulic elevators);

4 (B) replace hoistway electro-mechanical items
5 including: ropes, switches, limits, buffers, levelers,
6 and deflector sheaves (or equivalent mechanisms in the
7 case of hydraulic elevators);

8 (C) replace hoistway wiring;

9 (D) replace door operators and linkage;

10 (E) replace door panels at each opening;

11 (F) replace hall stations, car stations, and
12 signal fixtures; or

13 (G) rebuild the car shell and refinish the
14 interior.

15 (9) Health and safety.

16 (A) Install or replace fire suppression systems;

17 (B) install or replace security systems; or

18 (C) environmental remediation of lead-based paint,
19 asbestos, leaking underground storage tanks, or radon.

20 (10) Energy conservation improvements undertaken to
21 limit the amount of solar energy absorbed by a building's
22 roof or to reduce energy use for the property, including,
23 but not limited to, any of the following activities:

24 (A) installing or replacing reflective roof
25 coatings (flat roofs);

26 (B) installing or replacing R-49 roof insulation;

1 (C) installing or replacing R-19 perimeter wall
2 insulation;

3 (D) installing or replacing insulated entry doors;

4 (E) installing or replacing Low E, insulated
5 windows;

6 (F) installing or replacing WaterSense labeled
7 plumbing fixtures;

8 (G) installing or replacing 90% or better sealed
9 combustion heating systems;

10 (H) installing Energy Star hot water heaters;

11 (I) installing or replacing mechanical ventilation
12 to exterior for kitchens and baths;

13 (J) installing or replacing Energy Star
14 appliances;

15 (K) installing or replacing Energy Star certified
16 lighting in common areas; or

17 (L) installing or replacing grading and
18 landscaping to promote on-site water retention if the
19 retained water is used to replace water that is
20 provided from a municipal source.

21 (11) Accessibility improvements. All accessibility
22 improvements must comply with applicable codes. An owner
23 may make accessibility improvements to residential real
24 property to increase access for people with disabilities.
25 As used in this paragraph (11), "disability" has the
26 meaning given to that term in the Illinois Human Rights

1 Act. As used in this paragraph (11), "accessibility
2 improvements" means a home modification listed under the
3 Home Services Program administered by the Department of
4 Human Services (Part 686 of Title 89 of the Illinois
5 Administrative Code) including, but not limited to:
6 installation of ramps, grab bars, or wheelchair lifts;
7 widening doorways or hallways; re-configuring rooms and
8 closets; and any other changes to enhance the independence
9 of people with disabilities.

10 (12) Any applicant who has purchased the property in
11 an arm's length transaction not more than 90 days before
12 applying for this reduced valuation may use the cost of
13 rehabilitation or repairs required by documented code
14 violations, up to a maximum of \$2 per square foot, to meet
15 the qualifying rehabilitation requirements.

16 (Source: P.A. 102-175, eff. 7-29-21; 102-893, eff. 5-20-22.)