



Rep. Arthur Turner

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LRB098 10538 HLH 60426 a

1 AMENDMENT TO SENATE BILL 1740

2 AMENDMENT NO. _____. Amend Senate Bill 1740 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by adding
5 Section 15-174 as follows:

6 (35 ILCS 200/15-174 new)

7 Sec. 15-174. Community stabilization assessment freeze
8 pilot program.

9 (a) Beginning January 1, 2015 and ending June 30, 2029, the
10 chief county assessment officer of any county may reduce the
11 assessed value of improvements to residential real property in
12 accordance with subsection (b) for 10 taxable years after the
13 improvements are put in service, if and only if all of the
14 following factors have been met:

15 (1) the improvements are residential;

16 (2) the parcel was purchased or otherwise conveyed to

1 the taxpayer after January 1 of the taxable year and that
2 conveyance was not a tax sale as required under the
3 Property Tax Code;

4 (3) the parcel is located in a targeted area;

5 (4) for single family homes, the taxpayer occupies the
6 improvements on the parcel as his or her primary residence;
7 for residences of one to 6 units that will not be
8 owner-occupied, the taxpayer replaces 2 primary building
9 systems as outlined in this Section;

10 (5) the transfer from the holder of the prior mortgage
11 to the taxpayer was an arm's length transaction, in that
12 the taxpayer has no legal relationship to the holder of the
13 prior mortgage;

14 (6) an existing residential dwelling structure of no
15 more than 6 units on the parcel was unoccupied at the time
16 of conveyance for a minimum of 6 months, or the parcel was
17 ordered by a court of competent jurisdiction to be
18 deconverted in accordance with the provisions governing
19 distressed condominiums as provided in the Condominium
20 Property Act;

21 (7) the parcel is clear of unreleased liens and has no
22 outstanding tax liabilities attached against it; and

23 (8) the purchase price did not exceed the Federal
24 Housing Administration's loan limits then in place for the
25 area in which the improvement is located.

26 To be eligible for the benefit conferred by this Section,

1 residential units must (i) meet local building codes, or if
2 there are no local building codes, Housing Quality Standards,
3 as determined by the U.S. Department of Housing and Urban
4 Development from time to time and (ii) be owner-occupied or in
5 need of substantial rehabilitation. "Substantial
6 rehabilitation" means, at a minimum, compliance with local
7 building codes and the replacement or renovation of at least 2
8 primary building systems. Although the cost of each primary
9 building system may vary, the combined expenditure for making
10 the building compliant with local codes and replacing primary
11 building systems must be at least \$5 per square foot, adjusted
12 by the Consumer Price Index for All Urban Consumers, as
13 published annually by the U.S. Department of Labor. "Primary
14 building systems", together with their related
15 rehabilitations, specifically approved for this program are:

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

19 (A) installing individual equipment and appliance
20 branch circuits as required by code (the minimum being
21 a kitchen appliance branch circuit);

22 (B) installing a new emergency service, including
23 emergency lighting with all associated conduits and
24 wiring;

25 (C) rewiring all existing feeder conduits ("home
26 runs") from the main switchgear to apartment area

1 distribution panels;

2 (D) installing new in-wall conduits for
3 receptacles, switches, appliances, equipment, and
4 fixtures;

5 (E) replacing power wiring for receptacles,
6 switches, appliances, equipment, and fixtures;

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

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

12 (H) installing a new main service, including
13 conduit, cables into the building, and main disconnect
14 switch; and

15 (I) installing new distribution panels, including
16 all panel wiring, terminals, circuit breakers, and all
17 other panel devices.

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

21 (A) installing a new system to replace one of the
22 following heat distribution systems: (i) piping and
23 heat radiating units, including new main line venting
24 and radiator venting; or (ii) duct work, diffusers, and
25 cold air returns; or (iii) any other type of existing
26 heat distribution and radiation/diffusion components;

1 or

2 (B) installing a new system to replace one of the
3 following heat generating units: (i) hot water/steam
4 boiler; (ii) gas furnace; or (iii) any other type of
5 existing heat generating unit.

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

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

14 (A) replacing all rotted roof decks and
15 insulation; or

16 (B) replacing or repairing leaking roof membranes
17 (10% is the suggested minimum replacement of
18 membrane); restoration of the entire roof is an
19 acceptable substitute for membrane replacement.

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

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

26 (A) floors must have new carpeting, vinyl tile,

1 ceramic, refurbished wood finish, or a similar
2 substitute;

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

5 (C) new ceilings must be either drywall, suspended
6 type, or a similar substitute.

7 (7) Exterior walls.

8 (A) replace loose or crumbling mortar and masonry
9 with new material;

10 (B) replace or paint wall siding and trim as
11 needed;

12 (C) bring porches and balconies to a sound
13 condition; or

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

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

17 (A) replace or rebuild the machine room controls
18 and refurbish the elevator machine (or equivalent
19 mechanisms in the case of hydraulic elevators);

20 (B) replace hoistway electro-mechanical items
21 including: ropes, switches, limits, buffers, levelers,
22 and deflector sheaves (or equivalent mechanisms in the
23 case of hydraulic elevators);

24 (C) replace hoistway wiring;

25 (D) replace door operators and linkage;

26 (E) replace door panels at each opening;

1 (F) replace hall stations, car stations, and
2 signal fixtures; or

3 (G) rebuild the car shell and refinish the
4 interior.

5 (9) Health and safety.

6 (A) install or replace fire suppression systems;

7 (B) install or replace security systems; or

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

10 (10) Energy conservation improvements undertaken to
11 limit the amount of solar energy absorbed by a building's
12 roof or to reduce energy use for the property, including
13 any of the following activities:

14 (A) installing or replacing reflective roof
15 coatings (flat roofs);

16 (B) installing or replacing R-38 roof insulation;

17 (C) installing or replacing R-19 perimeter wall
18 insulation;

19 (D) installing or replacing insulated entry doors;

20 (E) installing or replacing Low E, insulated
21 windows;

22 (F) installing or replacing low-flow plumbing
23 fixtures;

24 (G) installing or replacing 90% sealed combustion
25 heating systems;

26 (H) installing or replacing direct exhaust hot

1 water heaters;

2 (I) installing or replacing mechanical ventilation
3 to exterior for kitchens and baths;

4 (J) installing or replacing Energy Star
5 appliances;

6 (K) installing low VOC interior paints on interior
7 finishes;

8 (L) installing or replacing fluorescent lighting
9 in common areas; or

10 (M) installing or replacing grading and
11 landscaping to promote on-site water retention.

12 (b) For the first 7 years after the improvements are placed
13 in service, the assessed value of the improvements shall be
14 reduced by an amount equal to 90% of the difference between the
15 base year assessed value of the improvements and the assessed
16 value of the improvements in the current taxable year. The
17 property will continue to be eligible for the benefits under
18 this Section in the eighth and ninth taxable years after the
19 improvements are placed in service, calculated as follows, if
20 and only if all of the factors in subsection (a) of this
21 Section continue to be met: in the eighth taxable year, the
22 assessed value of the improvements shall be reduced by an
23 amount equal to 65% of the difference between the base year
24 assessed value of the improvements and the assessed value of
25 the improvements in the current taxable year, and in the ninth
26 taxable year, the assessed value of the improvements shall be

1 reduced by an amount equal to 35% of the difference between the
2 base year assessed value of the improvements and the assessed
3 value of the improvements in the current taxable year. The
4 benefit will cease in the tenth taxable year.

5 (c) In order to receive benefits under this Section, in
6 addition to any information required by the chief county
7 assessment officer, the taxpayer must also submit the following
8 information to the chief county assessment officer for review:

9 (1) the owner's name;

10 (2) the postal address and permanent index number of
11 the parcel;

12 (3) a deed or other instrument conveying the parcel to
13 the current owner;

14 (4) evidence that the purchase price is within the
15 Federal Housing Administration's loan limits for the area
16 in which the improvement is located;

17 (5) certification that the parcel was unoccupied at the
18 time of conveyance to the current owner for a minimum of at
19 least 6 months;

20 (6) evidence that the parcel is clear of unreleased
21 liens and has no outstanding tax liabilities attached
22 against it;

23 (7) evidence that the improvements meet local building
24 codes, or if there are no local building codes, Housing
25 Quality Standards, as determined by the U.S. Department of
26 Housing and Urban Development from time to time, which may

1 be shown by a certificate of occupancy issued by the
2 appropriate local government or the certification by a home
3 inspector licensed by the State of Illinois; and

4 (8) any additional information as reasonably required
5 by the chief county assessment officer.

6 (d) The chief county assessment officer shall notify the
7 taxpayer as to whether or not the parcel meets the requirements
8 of this Section. If the parcel does not meet the requirements
9 of this Section, the chief county assessment officer shall
10 provide written notice of any deficiencies to the taxpayer, who
11 will then have 14 days from the date of notification to provide
12 supplemental information showing compliance with this Section.
13 If the taxpayer does not exercise this right to cure the
14 deficiency, or if the information submitted, in the sole
15 judgment of the chief county assessment officer, is
16 insufficient to meet the requirements of this Section, the
17 chief county assessment officer shall provide a written
18 explanation of the reasons for denial. A taxpayer may
19 subsequently reapply for the benefit if the deficiencies are
20 cured at a later date, but no later than 2019. The chief county
21 assessment officer may charge a reasonable application fee to
22 offset the administrative expenses associated with the
23 program.

24 (e) The benefit conferred by this Section is limited as
25 follows:

26 (1) The owner is eligible to apply for the benefit

1 conferred by this Section beginning January 1, 2015 through
2 December 31, 2019. If approved, the reduction will be
3 effective for the current taxable year, which will be
4 reflected in the tax bill issued in the following taxable
5 year.

6 (2) The reduction outlined in this Section shall
7 continue for a period of 10 years, and may not be extended
8 or renewed for any additional period.

9 (3) At the completion of the assessment freeze period
10 described here, the entire parcel will be assessed as
11 otherwise provided in this Code.

12 (4) If there is a transfer of ownership during the
13 period of the assessment freeze, then the benefit conferred
14 by this Section shall not apply on or after the date of
15 that transfer unless (i) the property is conveyed by an
16 owner who does not occupy the improvements as a primary
17 residence to an owner who will occupy the improvements as a
18 primary residence and (ii) all requirements of this Section
19 continue to be met.

20 (f) If the taxpayer does not occupy or intend to occupy the
21 residential dwelling as his or her principal residence within a
22 reasonable time, as determined by the chief county assessment
23 officer, the taxpayer must:

24 (1) immediately secure the residential dwelling in
25 accordance with the requirements of this Section;

26 (2) complete sufficient rehabilitation to bring the

1 improvements into compliance with local building codes,
2 including, without limitation, regulations concerning
3 lead-based paint and asbestos remediation; and

4 (3) complete rehabilitation within 18 months of
5 conveyance.

6 (g) For the purposes of this Section,

7 "Base year" means the taxable year prior to the taxable
8 year in which the property is purchased by the eligible
9 homeowner.

10 "Secure" means that:

11 (1) all doors and windows are closed and secured
12 using secure doors, windows without broken or cracked
13 panes, commercial-quality metal security panels filled
14 with like-kind material as the surrounding wall, or
15 plywood installed and secured in accordance with local
16 ordinances; at least one building entrance shall be
17 accessible from the exterior and secured with a door
18 that is locked to allow access only to authorized
19 persons;

20 (2) all grass and weeds on the vacant residential
21 property are maintained below 10 inches in height,
22 unless a local ordinance imposes a lower height;

23 (3) debris, trash, and litter on any portion of the
24 exterior of the vacant residential property is removed
25 in compliance with local ordinance;

26 (4) fences, gates, stairs, and steps that lead to

1 the main entrance of the building are maintained in a
2 structurally sound and reasonable manner;

3 (5) the property is winterized when appropriate;

4 (6) the exterior of the improvements are
5 reasonably maintained to ensure the safety of
6 passersby; and

7 (7) vermin and pests are regularly exterminated on
8 the exterior and interior of the property.

9 "Targeted Area" means a distressed community that
10 meets the geographic, poverty, and unemployment criteria
11 for a distressed community set forth in 12 C.F.R.
12 1806.200."