

## 104TH GENERAL ASSEMBLY

### State of Illinois

### 2025 and 2026

### SB2115

Introduced 2/7/2025, by Sen. Willie Preston

#### SYNOPSIS AS INTRODUCED:

New Act  
310 ILCS 65/5

from Ch. 67 1/2, par. 1255

Creates the House Illinois Families Act. Imposes on each applicable taxpayer an annual tax of 10% of the property value for each single-family residence that the applicable taxpayer owns in excess of 25 single-family residences. Provides that "applicable taxpayer" means a taxpayer that is not any of the following: (i) a mortgage note holder that owns a single-family residence through foreclosure; (ii) an organization that is described in Section 501(c)(3) of the Internal Revenue Code and exempt from tax under Section 501(a); (iii) an organization primarily engaged in the construction or rehabilitation of single-family residences; or (v) a person who owns federally subsidized housing. Defines "single-family residence" as residential property consisting of not more than 4 dwelling units. Provides that this tax must be deposited into the Illinois Affordable Housing Trust Fund to fund housing programs for justice involved individuals and provide rental and mortgage assistance. Requires an applicable taxpayer to report to the Department of Revenue information about applicable single-family residences. Imposes a penalty of \$50,000 for failure to comply with these notice provisions. Provides that the applicable taxpayer must give notice to each tenant of a single-family residence of the taxpayer's intent to sell this residence. Provides the tenant with a right of first refusal in which the tenant has the right to purchase the property to continue to live there as a residence. Creates a process for the tenant to purchase the single-family residence. Amends the Illinois Affordable Housing Act. Allows the Trust Fund in that Act to receive moneys that are designated for deposit into the Trust Fund as provided in the House Illinois Families Act. Makes other changes. Effective immediately.

LRB104 03306 HLH 13328 b

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 1. Short title. This Act may be cited as the House  
5 Illinois Families Act.

6 Section 5. Definitions. As used in this Act:

7 "Applicable taxpayer" means a taxpayer that is not:

8 (i) a mortgage note holder that owns a single-family  
9 residence through foreclosure;

10 (ii) an organization that is described in Section  
11 501(c)(3) and exempt from tax under Section 501(a);

12 (iii) an organization primarily engaged in the  
13 construction or rehabilitation of single-family  
14 residences; or

15 (iv) a person who owns federally subsidized housing.

16 "Disqualified sale" means a sale or transfer to:

17 (i) a corporation or entity engaged in a trade or  
18 business;

19 (ii) a group of more than 2 individuals; or

20 (iii) a person who owns any other single-family  
21 residence.

22 "Department" means the Department of Revenue.

23 "Single-family residence" means a residential property

1 consisting of not more than 4 dwelling units.

2 "Own" means having a direct majority ownership interest in  
3 the single-family residence.

4 Section 10. Excess single-family residences.

5 (a) There is imposed on each applicable taxpayer for each  
6 taxable year a tax of 10% of the property value of each  
7 single-family residence owned by the taxpayer as of the last  
8 day of the taxable year in excess of 25 single-family  
9 residences.

10 (b) The tax collected shall be deposited into the Illinois  
11 Affordable Housing Trust Fund with the purpose of funding  
12 housing programs for justice involved individuals and  
13 providing rental and mortgage assistance.

14 Section 15. Special rule for certain sales. A  
15 single-family residence that is sold or transferred in a  
16 disqualified sale during the taxable year shall be treated as  
17 a single-family residence that is owned by the applicable  
18 taxpayer on of the last day of such taxable year.

19 Section 20. Reporting.

20 (a) The Department shall adopt rules to administer and  
21 enforce the provisions of this Act. Those rules shall require  
22 such reporting as the Department determines necessary or  
23 appropriate to carry out the purposes of this Act, including

1 reporting with respect to:

2 (i) the dates on which single-family residences owned  
3 by an applicable taxpayer were acquired by the taxpayer;

4 (ii) the dates on which single-family residences owned  
5 by an applicable taxpayer are sold by the taxpayer in  
6 accordance with this Act; and

7 (iii) whether any person acquiring a single-family  
8 residence from an applicable taxpayer owns any other  
9 single-family residences.

10 (b) Any applicable taxpayer who fails to report in  
11 accordance with this Section or who fails to include correct  
12 information in the report shall pay a penalty of \$50,000, on  
13 notice and demand of the Department, to be deposited into the  
14 Illinois Affordable Housing Trust Fund with the purpose of  
15 funding housing programs for justice involved individuals and  
16 providing rental and mortgage payment assistance.

17 (c) No penalty shall be imposed under this Section with  
18 respect to any failure if it is shown that the failure is due  
19 to reasonable cause and not to willful neglect.

20 Section 25. Sale of single-family residences; right of  
21 first refusal.

22 (a) An applicable taxpayer shall give notice to each  
23 tenant of an single-family residence of the taxpayer's intent  
24 to sell the single-family residence in which the tenant  
25 resides. The notice under this subsection shall be mailed by

1 certified mail.

2 (b) Before an single-family residence may be sold, the  
3 applicable taxpayer shall give notice to each tenant of the  
4 residence, by certified mail, of any third-party bona fide  
5 offer for sale that the taxpayer intends to accept. The notice  
6 shall include the price and the terms and conditions of the  
7 offer. The price shall be calculated as a single lump-sum  
8 amount that reflects (i) the total purchase price of the  
9 residence or (ii) the present value of any installment  
10 payments offered in lieu of cash payments.

11 (c) Upon receiving notice of any third-party bona fide  
12 offer, the tenant of that residence shall have the right to  
13 purchase the subject property for the purpose of continuing  
14 the use of the property as the tenant's residence. The tenant  
15 shall (1) submit to the applicable taxpayer notice of the  
16 tenant's interest in purchasing the single-family residence;  
17 (2) submit to the applicable taxpayer a proposed purchase and  
18 sale agreement on substantially equivalent terms and  
19 conditions within 45 days after receipt of notice of the bona  
20 fide offer made; (3) obtain a binding commitment for any  
21 necessary financing or guarantees within an additional 90 days  
22 after execution of the purchase and sale agreement; and (4)  
23 close on the purchase within an additional 90 days after the  
24 end of the 90-day period described in item (3).

25 No applicable taxpayer shall unreasonably refuse to enter  
26 into, or unreasonably delay the execution or closing on, a

1 purchase and sale or lease agreement with tenants who have  
2 made a bona fide offer to meet the price and substantially  
3 equivalent terms and conditions of an offer for which notice  
4 is required to be given under to subsection (b). Failure of the  
5 tenants to submit a purchase and sale agreement within the  
6 first 45-day period, to obtain a binding commitment for  
7 financing within the additional 90-day period, or to close on  
8 the purchase within the second 90-day period shall serve to  
9 terminate the rights of the residents to purchase the  
10 single-family residence. The time periods provided in this  
11 Section may be extended by agreement. Nothing in this Section  
12 shall be construed to require an applicable taxpayer to  
13 provide financing to tenants except to the extent the  
14 financing would be provided to the third-party offeror.

15 (d) The right of first refusal created in this Section  
16 shall inure to the tenants for the time periods set forth in  
17 this Section, beginning on the date of notice to the tenants  
18 under paragraph (b). The effective period for the right of  
19 first refusal shall obtain separately for each substantially  
20 different bona fide offer to purchase the single-family  
21 residence, and for each offer substantially equivalent to an  
22 offer made more than 3 months before the later offer;  
23 provided, however, that in the case of a substantially  
24 equivalent offer made by a prospective buyer who has  
25 previously made an offer for which notice to tenants was  
26 required by subsection (b), the right of first refusal shall

1 obtain only if the subsequent offer is made more than 6 months  
2 after the earlier offer. The right of first refusal shall not  
3 apply with respect to any offer received by the applicable  
4 taxpayer for which a notice is not required under subsection  
5 (b). No right of first refusal shall apply to a government  
6 taking by eminent domain or negotiated purchase, a forced sale  
7 under a foreclosure by an unrelated third party, transfer by  
8 gift, or devise by operation of law.

9 (e) If the tenants of the single-family residence are not  
10 the successful purchasers, the applicable taxpayer shall  
11 provide evidence of compliance with this Section by filing an  
12 affidavit of compliance with the Department within 7 days  
13 after the sale or lease.

14 Section 900. The Illinois Affordable Housing Act is  
15 amended by changing Section 5 as follows:

16 (310 ILCS 65/5) (from Ch. 67 1/2, par. 1255)

17 Sec. 5. Illinois Affordable Housing Trust Fund.

18 (a) There is hereby created the Illinois Affordable  
19 Housing Trust Fund, hereafter referred to in this Act as the  
20 "Trust Fund" to be held as a separate fund within the State  
21 Treasury and to be administered by the Program Administrator.  
22 The purpose of the Trust Fund is to finance projects of the  
23 Illinois Affordable Housing Program as authorized and approved  
24 by the Program Administrator. The Funding Agent shall

1 establish, within the Trust Fund, a General Account, a Bond  
2 Account, a Commitment Account and a Development Credits  
3 Account. The Funding Agent shall authorize distribution of  
4 Trust Fund moneys to the Program Administrator or a payee  
5 designated by the Program Administrator for purposes  
6 authorized by this Act. After receipt of the Trust Fund moneys  
7 by the Program Administrator or designated payee, the Program  
8 Administrator shall ensure that all those moneys are expended  
9 for a public purpose and only as authorized by this Act.

10 (b) Except as otherwise provided in Section 8(c) of this  
11 Act, there shall be deposited in the Trust Fund such amounts as  
12 may become available under the provisions of this Act,  
13 including, but not limited to:

14 (1) all receipts, including dividends, principal and  
15 interest repayments attributable to any loans or  
16 agreements funded from the Trust Fund;

17 (2) all proceeds of assets of whatever nature received  
18 by the Program Administrator, and attributable to default  
19 with respect to loans or agreements funded from the Trust  
20 Fund;

21 (3) any appropriations, grants or gifts of funds or  
22 property, or financial or other aid from any federal or  
23 State agency or body, local government or any other public  
24 organization or private individual made to the Trust Fund;

25 (4) any income received as a result of the investment  
26 of moneys in the Trust Fund;



1           (5) all fees or charges collected by the Program  
2 Administrator or Funding Agent pursuant to this Act;

3           (6) amounts as provided in Section 31-35 of the Real  
4 Estate Transfer Tax Law;

5           (7) other funds as appropriated by the General  
6 Assembly; and

7           (8) any income, less costs and fees associated with  
8 the Program Escrow, received by the Program Administrator  
9 that is derived from Trust Fund Moneys held in the Program  
10 Escrow prior to expenditure of such Trust Fund Moneys.

11          (c) Additional Trust Fund Purpose: Receipt and use of  
12 federal funding for programs responding to the COVID-19 public  
13 health emergency. Notwithstanding any other provision of this  
14 Act or any other law limiting or directing the use of the Trust  
15 Fund, the Trust Fund may receive, directly or indirectly,  
16 federal funds from the Homeowner Assistance Fund authorized  
17 under Section 3206 of the federal American Rescue Plan Act of  
18 2021 (Public Law 117-2). Any such funds shall be deposited  
19 into a Homeowner Assistance Account which shall be established  
20 within the Trust Fund by the Funding Agent so that such funds  
21 can be accounted for separately from other funds in the Trust  
22 Fund. Such funds may be used only in the manner and for the  
23 purposes authorized in Section 3206 of the American Rescue  
24 Plan Act of 2021 and in related federal guidance. Also, the  
25 Trust Fund may receive, directly or indirectly, federal funds  
26 from the Emergency Rental Assistance Program authorized under

1 Section 3201 of the federal American Rescue Plan Act of 2021  
2 and Section 501 of Subtitle A of Title V of Division N of the  
3 Consolidated Appropriations Act, 2021 (Public Law 116-260).  
4 Any such funds shall be deposited into an Emergency Rental  
5 Assistance Account which shall be established within the Trust  
6 Fund by the Funding Agent so that such funds can be accounted  
7 for separately from other funds in the Trust Fund. Such funds  
8 may be used only in the manner and for the purposes authorized  
9 in Section 3201 of the American Rescue Plan Act of 2021 and in  
10 related federal guidance. Expenditures under this subsection  
11 (c) are subject to annual appropriation to the Funding Agent.  
12 Unless used in this subsection (c), the defined terms set  
13 forth in Section 3 shall not apply to funds received pursuant  
14 to the American Rescue Plan Act of 2021. Notwithstanding any  
15 other provision of this Act or any other law limiting or  
16 directing the use of the Trust Fund, funds received under the  
17 American Rescue Plan Act of 2021 are not subject to the terms  
18 and provisions of this Act except as specifically set forth in  
19 this subsection (c).

20 (d) Additional Trust Fund Purpose. The Trust Fund may also  
21 receive moneys that are designated for deposit into the Trust  
22 Fund as provided in the House Illinois Families Act. Those  
23 moneys may be used as provided in that Act.

24 (Source: P.A. 102-16, eff. 6-17-21; 103-8, eff. 7-1-23.)

25 Section 999. Effective date. This Act takes effect upon  
26 becoming law.