



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3895

Introduced 1/21/2022, by Sen. Ann Gillespie

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-178

Amends the Property Tax Code. Provides that to receive a reduction in assessed value, an owner, for the purpose of the initial application and only until the building is put in service, may provide proof of either a deed restriction or participation in a government program that includes legally enforceable affordability requirements comparable to the requirements of this Code and the chief county assessment officer shall furnish a letter of intent to the applicant indicating that a preliminary assessment of the new construction or qualifying rehabilitation indicates that it will meet all eligibility requirements. Modifies "assessed value for the residential real property in the base year" to mean the assessed value used to calculate the tax bill, as certified by the Board of Review, for the tax year immediately prior to the tax year in which the building permit is issued; for property assessed as other than residential property, the "assessed value for the residential real property in the base year" means the assessed value that would have been obtained had the property been classified as residential as derived from the Board of Review's certified market value (currently, the value in effect at the end of the taxable year prior to the latter of: (1) the date of initial application; or (2) the date on which 20% of the total number of units in the property are occupied by eligible tenants paying eligible rent). Modifies "maximum income limits" to include when a property may be deemed to have satisfied the maximum income limits with a weighted average if municipal, state, or federal laws, ordinances, rules or regulations requires the use of a weighted average of no more than 60% of area median income for that property. Modifies "maximum rent" to include that a property may be deemed to have satisfied the maximum rent with a weighted average if municipal, state, or federal laws, ordinances, rules or regulations requires the use of a weighted average of no more than 60% of area median income for that property.

LRB102 24668 HLH 35207 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 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. Reduction in assessed value for affordable
8 rental housing construction or rehabilitation.

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

22 (b) Each chief county assessment officer shall implement
23 special assessment programs to reduce the assessed value of

1 all eligible newly constructed residential real property or
2 qualifying rehabilitation to all eligible existing residential
3 real property in accordance with subsection (c) for 10 taxable
4 years after the newly constructed residential real property or
5 improvements to existing residential real property are put in
6 service. Any county with less than 3,000,000 inhabitants may
7 decide not to implement one or both of the special assessment
8 programs defined in subparagraph (1) of subsection (c) of this
9 Section and subparagraph (2) of subsection (c) of this Section
10 upon passage of an ordinance by a majority vote of the county
11 board. Subsequent to a vote to opt out of this special
12 assessment program, any county with less than 3,000,000
13 inhabitants may decide to implement one or both of the special
14 assessment programs defined in subparagraph (1) of subsection
15 (c) of this Section and subparagraph (2) of subsection (c) of
16 this Section upon passage of an ordinance by a majority vote of
17 the county board. Property is eligible for the special
18 assessment program if and only if all of the following factors
19 have been met:

20 (1) at the conclusion of the new construction or
21 qualifying rehabilitation, the property consists of a
22 newly constructed multifamily building containing 7 or
23 more rental dwelling units or an existing multifamily
24 building that has undergone qualifying rehabilitation
25 resulting in 7 or more rental dwelling units; and

26 (2) the property meets the application requirements

1 defined in subsection (f).

2 (c) For those counties that are required to implement the
3 special assessment program and do not opt out of such special
4 assessment program, the chief county assessment officer for
5 that county shall require that residential real property is
6 eligible for the special assessment program if and only if one
7 of the additional factors have been met:

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

18 (2) except as defined in subparagraphs (E), (F), and
19 (G) of paragraph (1) of subsection (f) of this Section,
20 prior to the newly constructed residential real property
21 or improvements to existing residential real property
22 located in a low affordability community being put in
23 service, the owner of the residential real property
24 commits that, for a period of 30 years after the newly
25 constructed residential real property or improvements to
26 existing residential real property are put in service, at

1 least 20% of the multifamily building's units will have
2 rents as defined in this Section that are at or below
3 maximum rents and are occupied by households with
4 household incomes at or below maximum income limits.

5 If a reduction in assessed value is granted under one
6 special assessment program provided for in this Section, then
7 that same residential real property is not eligible for an
8 additional special assessment program under this Section at
9 the same time.

10 (d) The amount of the reduction in assessed value for
11 residential real property meeting the conditions set forth in
12 subparagraph (1) of subsection (c) shall be calculated as
13 follows:

14 (1) if the owner of the residential real property
15 commits for a period of at least 10 years that at least 15%
16 but fewer than 35% of the multifamily building's units
17 have rents at or below maximum rents and are occupied by
18 households with household incomes at or below maximum
19 income limits, the assessed value of the property used to
20 calculate the tax bill shall be reduced by an amount equal
21 to 25% of the assessed value of the property as determined
22 by the assessor for the property in the current taxable
23 year for the newly constructed residential real property
24 or based on the improvements to an existing residential
25 real property; and

26 (2) if the owner of the residential real property

1 commits for a period of at least 10 years that at least 35%
2 of the multifamily building's units have rents at or below
3 maximum rents and are occupied by households with
4 household incomes at or below maximum income limits, the
5 assessed value of the property used to calculate the tax
6 bill shall be reduced by an amount equal to 35% of the
7 assessed value of the property as determined by the
8 assessor for the property in the current assessment year
9 for the newly constructed residential real property or
10 based on the improvements to an existing residential real
11 property.

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

15 (1) for the first, second, and third taxable year
16 after the residential real property is placed in service,
17 the residential real property is entitled to a reduction
18 in its assessed value in an amount equal to the difference
19 between the assessed value in the year for which the
20 incentive is sought and the assessed value for the
21 residential real property in the base year;

22 (2) for the fourth, fifth, and sixth taxable year
23 after the residential real property is placed in service,
24 the property is entitled to a reduction in its assessed
25 value in an amount equal to 80% of the difference between
26 the assessed value in the year for which the incentive is

1 sought and the assessed value for the residential real
2 property in the base year;

3 (3) for the seventh, eighth, and ninth taxable year
4 after the property is placed in service, the residential
5 real property is entitled to a reduction in its assessed
6 value in an amount equal to 60% of the difference between
7 the assessed value in the year for which the incentive is
8 sought and the assessed value for the residential real
9 property in the base year;

10 (4) for the tenth, eleventh, and twelfth taxable year
11 after the residential real property is placed in service,
12 the residential real property is entitled to a reduction
13 in its assessed value in an amount equal to 40% of the
14 difference between the assessed value in the year for
15 which the incentive is sought and the assessed value for
16 the residential real property in the base year; and

17 (5) for the thirteenth through the thirtieth taxable
18 year after the residential real property is placed in
19 service, the residential real property is entitled to a
20 reduction in its assessed value in an amount equal to 20%
21 of the difference between the assessed value in the year
22 for which the incentive is sought and the assessed value
23 for the residential real property in the base year.

24 (f) Application requirements.

25 (1) In order to receive the reduced valuation under
26 this Section, the owner must submit an application

1 containing the following information to the chief county
2 assessment officer for review in the form and by the date
3 required by the chief county assessment officer:

4 (A) the owner's name;

5 (B) the postal address and permanent index number
6 or numbers of the parcel or parcels for which the owner
7 is applying to receive reduced valuation under this
8 Section;

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

11 (D) written evidence that the new construction or
12 qualifying rehabilitation has been completed with
13 respect to the residential real property, including,
14 but not limited to, copies of building permits, a
15 notarized contractor's affidavit, and photographs of
16 the interior and exterior of the building after new
17 construction or rehabilitation is completed;

18 (E) written evidence that the residential real
19 property meets local building codes, or if there are
20 no local building codes, Housing Quality Standards, as
21 determined by the United States Department of Housing
22 and Urban Development;

23 (F) a list identifying the affordable units in
24 residential real property and a written statement that
25 the affordable units are comparable to the market rate
26 units in terms of unit type, number of bedrooms per

1 unit, quality of exterior appearance, energy
2 efficiency, and overall quality of construction;

3 (G) a written schedule certifying the rents in
4 each affordable unit and a written statement that
5 these rents do not exceed the maximum rents allowable
6 for the area in which the residential real property is
7 located;

8 (H) documentation from the administering agency
9 verifying the owner's participation in a qualifying
10 income-based rental subsidy program as defined in
11 subsection (e) of this Section if units receiving
12 rental subsidies are to be counted among the
13 affordable units in order to meet the thresholds
14 defined in this Section;

15 (I) a written statement identifying the household
16 income for every household occupying an affordable
17 unit and certifying that the household income does not
18 exceed the maximum income limits allowable for the
19 area in which the residential real property is
20 located;

21 (J) a written statement that the owner has
22 verified and retained documentation of household
23 income for every household occupying an affordable
24 unit; and

25 (K) any additional information consistent with
26 this Section as reasonably required by the chief

1 county assessment officer, including, but not limited
2 to, any information necessary to ensure compliance
3 with applicable local ordinances and to ensure the
4 owner is complying with the provisions of this
5 Section.

6 (L) For the purpose of the initial application and
7 only until the building is put in service, an owner may
8 provide proof of either a deed restriction or
9 participation in a government program that includes
10 legally enforceable affordability requirements
11 comparable to the requirements of any or all of
12 subparagraphs (F), (G), (H), (I), and (J) of this
13 paragraph (1), and the chief county assessment officer
14 shall furnish a letter of intent to the applicant
15 indicating that a preliminary assessment of the new
16 construction or qualifying rehabilitation indicates
17 that it will meet all eligibility requirements of this
18 Section. A letter of intent issued under this
19 subparagraph (L) does not guarantee that the owner
20 will receive any benefits provided under this Section
21 and is not legally binding upon the chief county
22 assessment officer who issues it.

23 (1.1) In order for a development to receive the
24 reduced valuation under subsection (e), the owner must
25 provide evidence to the county assessor's office of a
26 fully executed project labor agreement entered into with

1 the applicable local building trades council, prior to
2 commencement of any and all construction, building,
3 renovation, demolition, or any material change to the
4 structure or land.

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

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

20 (4) The chief county assessment officer shall notify
21 the owner as to whether or not the property meets the
22 requirements of this Section. If the property does not
23 meet the requirements of this Section, the chief county
24 assessment officer shall provide written notice of any
25 deficiencies to the owner, who shall then have 30 days
26 from the date of notification to provide supplemental

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

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

13 (6) The reduced valuation conferred by this Section is
14 limited as follows:

15 (A) The owner is eligible to apply for the reduced
16 valuation conferred by this Section beginning in the
17 first assessment year after the effective date of this
18 amendatory Act of the 102nd General Assembly through
19 December 31, 2027. If approved, the reduction will be
20 effective for the current assessment year, which will
21 be reflected in the tax bill issued in the following
22 calendar year. Owners that are approved for the
23 reduced valuation under paragraph (1) of subsection
24 (c) of this Section before December 31, 2027 shall, at
25 minimum, be eligible for annual renewal of the reduced
26 valuation during an initial 10-year period if annual

1 certification requirements are met for each of the 10
2 years, as described in subparagraph (B) of paragraph
3 (4) of subsection (d) of this Section.

4 (B) Property receiving a reduction outlined in
5 paragraph (1) of subsection (c) of this Section shall
6 continue to be eligible for an initial period of up to
7 10 years if annual certification requirements are met
8 for each of the 10 years, but shall be extended for up
9 to 2 additional 10-year periods with annual renewals
10 if the owner continues to meet the requirements of
11 this Section, including annual certifications, and
12 excluding the requirements regarding new construction
13 or qualifying rehabilitation defined in subparagraph
14 (D) of paragraph (1) of this subsection.

15 (C) The annual certification materials in the year
16 prior to final year of eligibility for the reduction
17 in assessed value must include a dated copy of the
18 written notice provided to tenants informing them of
19 the date of the termination if the owner is not seeking
20 a renewal.

21 (D) If the property is sold or transferred, the
22 purchaser or transferee must comply with all
23 requirements of this Section, excluding the
24 requirements regarding new construction or qualifying
25 rehabilitation defined in subparagraph (D) of
26 paragraph (1) of this subsection, in order to continue

1 receiving the reduction in assessed value. Purchasers
2 and transferees who comply with all requirements of
3 this Section excluding the requirements regarding new
4 construction or qualifying rehabilitation defined in
5 subparagraph (D) of paragraph (1) of this subsection
6 are eligible to apply for renewal on the schedule set
7 by the initial application.

8 (E) The owner may apply for the reduced valuation
9 if the residential real property meets all
10 requirements of this Section and the newly constructed
11 residential real property or improvements to existing
12 residential real property were put in service on or
13 after January 1, 2015. However, the initial 10-year
14 eligibility period or 30-year eligibility period,
15 depending on the applicable program, shall be reduced
16 by the number of years between the placed in service
17 date and the date the owner first receives this
18 reduced valuation.

19 (F) The owner may apply for the reduced valuation
20 within 2 years after the newly constructed residential
21 real property or improvements to existing residential
22 real property are put in service. However, the initial
23 10-year eligibility period or 30-year eligibility
24 period, depending on the applicable program, shall be
25 reduced for the number of years between the placed in
26 service date and the date the owner first receives

1 this reduced valuation.

2 (G) Owners of a multifamily building receiving a
3 reduced valuation through the Cook County Class 9
4 program during the year in which this amendatory Act
5 of the 102nd General Assembly takes effect shall be
6 deemed automatically eligible for the reduced
7 valuation defined in paragraph (1) of subsection (c)
8 of this Section in terms of meeting the criteria for
9 new construction or substantial rehabilitation for a
10 specific multifamily building regardless of when the
11 newly constructed residential real property or
12 improvements to existing residential real property
13 were put in service. If a Cook County Class 9 owner had
14 Class 9 status revoked on or after January 1, 2017 but
15 can provide documents sufficient to prove that the
16 revocation was in error or any deficiencies leading to
17 the revocation have been cured, the chief county
18 assessment officer may deem the owner to be eligible.
19 However, owners may not receive both the reduced
20 valuation under this Section and the reduced valuation
21 under the Cook County Class 9 program in any single
22 assessment year. In addition, the number of years
23 during which an owner has participated in the Class 9
24 program shall count against the 3 10-year periods of
25 eligibility for the reduced valuation as defined in
26 subparagraph (1) of subsection (c) of this Section.

1 (H) At the completion of the assessment reduction
2 period described in this Section: the entire parcel
3 will be assessed as otherwise provided by law.

4 (g) ~~(e)~~ As used in this Section:

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

7 "Assessed value for the residential real property in the
8 base year" means the assessed value used to calculate the tax
9 bill, as certified by the board of review, for the tax year
10 immediately prior to the tax year in which the building permit
11 is issued. For property assessed as other than residential
12 property, the "assessed value for the residential real
13 property in the base year" means the assessed value that would
14 have been obtained had the property been classified as
15 residential as derived from the board of review's certified
16 market value ~~the value in effect at the end of the taxable year~~
17 ~~prior to the latter of: (1) the date of initial application; or~~
18 ~~(2) the date on which 20% of the total number of units in the~~
19 ~~property are occupied by eligible tenants paying eligible rent~~
20 ~~under this Section.~~

21 "Household income" includes the annual income for all the
22 people who occupy a housing unit that is anticipated to be
23 received from a source outside of the family during the
24 12-month period following admission or the annual
25 recertification, including related family members and all the
26 unrelated people who share the housing unit. Household income

1 includes the total of the following income sources: wages,
2 salaries and tips before any payroll deductions; net business
3 income; interest and dividends; payments in lieu of earnings,
4 such as unemployment and disability compensation, worker's
5 compensation and severance pay; Social Security income,
6 including lump sum payments; payments from insurance policies,
7 annuities, pensions, disability benefits and other types of
8 periodic payments, alimony, child support, and other regular
9 monetary contributions; and public assistance, except for
10 assistance from the Supplemental Nutrition Assistance Program
11 (SNAP). "Household income" does not include: earnings of
12 children under age 18; temporary income such as cash gifts;
13 reimbursement for medical expenses; lump sums from
14 inheritance, insurance payments, settlements for personal or
15 property losses; student financial assistance paid directly to
16 the student or to an educational institution; foster child
17 care payments; receipts from government-funded training
18 programs; assistance from the Supplemental Nutrition
19 Assistance Program (SNAP).

20 "Low affordability community" means (1) a municipality or
21 jurisdiction with less than 1,000,000 inhabitants in which 40%
22 or less of its total year-round housing units are affordable,
23 as determined by the Illinois Housing Development Authority
24 during the exemption determination process under the
25 Affordable Housing Planning and Appeal Act; (2) "D" zoning
26 districts as now or hereafter designated in the Chicago Zoning

1 Ordinance; or (3) a jurisdiction located in a municipality
2 with 1,000,000 or more inhabitants that has been designated as
3 a low affordability community by passage of a local ordinance
4 by that municipality, specifying the census tract or property
5 by permanent index number or numbers.

6 "Maximum income limits" means the maximum regular income
7 limits for 60% of area median income for the geographic area in
8 which the multifamily building is located for multifamily
9 programs as determined by the United States Department of
10 Housing and Urban Development and published annually by the
11 Illinois Housing Development Authority. A property may be
12 deemed to have satisfied the maximum income limits with a
13 weighted average if municipal, state, or federal laws,
14 ordinances, rules, or regulations requires the use of a
15 weighted average of no more than 60% of area median income for
16 that property.

17 "Maximum rent" means the maximum regular rent for 60% of
18 the area median income for the geographic area in which the
19 multifamily building is located for multifamily programs as
20 determined by the United States Department of Housing and
21 Urban Development and published annually by the Illinois
22 Housing Development Authority. To be eligible for the reduced
23 valuation defined in this Section, maximum rents are to be
24 consistent with the Illinois Housing Development Authority's
25 rules; or if the owner is leasing an affordable unit to a
26 household with an income at or below the maximum income limit

1 who is participating in qualifying income-based rental subsidy
2 program, "maximum rent" means the maximum rents allowable
3 under the guidelines of the qualifying income-based rental
4 subsidy program. A property may be deemed to have satisfied
5 the maximum rent with a weighted average if municipal, state,
6 or federal laws, ordinances, rules, or regulations requires
7 the use of a weighted average of no more than 60% of area
8 median income for that property.

9 "Qualifying income-based rental subsidy program" means a
10 Housing Choice Voucher issued by a housing authority under
11 Section 8 of the United States Housing Act of 1937, a tenant
12 voucher converted to a project-based voucher by a housing
13 authority or any other program administered or funded by a
14 housing authority, the Illinois Housing Development Authority,
15 another State agency, a federal agency, or a unit of local
16 government where participation is limited to households with
17 incomes at or below the maximum income limits as defined in
18 this Section and the tenants' portion of the rent payment is
19 based on a percentage of their income or a flat amount that
20 does not exceed the maximum rent as defined in this Section.

21 "Qualifying rehabilitation" means, at a minimum,
22 compliance with local building codes and the replacement or
23 renovation of at least 2 primary building systems to be
24 approved for the reduced valuation under paragraph (1) of
25 subsection (d) of this Section and at least 5 primary building
26 systems to be approved for the reduced valuation under

1 subsection (e) of this Section. Although the cost of each
2 primary building system may vary, to be approved for the
3 reduced valuation under paragraph (1) of subsection (d) of
4 this Section, the combined expenditure for making the building
5 compliant with local codes and replacing primary building
6 systems must be at least \$8 per square foot for work completed
7 between January 1 of the year in which this amendatory Act of
8 the 102nd General Assembly takes effect and December 31 of the
9 year in which this amendatory Act of the 102nd General
10 Assembly takes effect and, in subsequent years, \$8 adjusted by
11 the Consumer Price Index for All Urban Consumers, as published
12 annually by the U.S. Department of Labor. To be approved for
13 the reduced valuation under paragraph (2) of subsection (d) of
14 this Section, the combined expenditure for making the building
15 compliant with local codes and replacing primary building
16 systems must be at least \$12.50 per square foot for work
17 completed between January 1 of the year in which this
18 amendatory Act of the 102nd General Assembly takes effect and
19 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. To be approved for the reduced valuation under
24 subsection (e) of this Section, the combined expenditure for
25 making the building compliant with local codes and replacing
26 primary building systems must be at least \$60 per square foot

1 for work completed between January 1 of the year that this
2 amendatory Act of the 102nd General Assembly becomes effective
3 and December 31 of the year that this amendatory Act of the
4 102nd General Assembly becomes effective and, in subsequent
5 years, \$60 adjusted by the Consumer Price Index for All Urban
6 Consumers, as published annually by the U.S. Department of
7 Labor. "Primary building systems", together with their related
8 rehabilitations, specifically approved for this program are:

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

12 (A) installing individual equipment and appliance
13 branch circuits as required by code (the minimum being
14 a kitchen appliance branch circuit);

15 (B) installing a new emergency service, including
16 emergency lighting with all associated conduits and
17 wiring;

18 (C) rewiring all existing feeder conduits ("home
19 runs") from the main switchgear to apartment area
20 distribution panels;

21 (D) installing new in-wall conduits for
22 receptacles, switches, appliances, equipment, and
23 fixtures;

24 (E) replacing power wiring for receptacles,
25 switches, appliances, equipment, and fixtures;

26 (F) installing new light fixtures throughout the

1 building including closets and central areas;

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

5 (H) installing a new main service, including
6 conduit, cables into the building, and main disconnect
7 switch; and

8 (I) installing new distribution panels, including
9 all panel wiring, terminals, circuit breakers, and all
10 other panel devices.

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

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

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

18 (ii) duct work, diffusers, and cold air
19 returns; or

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

22 or

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

25 (i) hot water/steam boiler;

26 (ii) gas furnace; or

1 (iii) any other type of existing heat
2 generating unit.

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

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

11 (A) replacing all rotted roof decks and
12 insulation; or

13 (B) replacing or repairing leaking roof membranes
14 (10% is the suggested minimum replacement of
15 membrane); restoration of the entire roof is an
16 acceptable substitute for membrane replacement.

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

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

23 (A) floors must have new carpeting, vinyl tile,
24 ceramic, refurbished wood finish, or a similar
25 substitute;

26 (B) walls must have new drywall, including joint

1 taping and painting; or

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

4 (7) Exterior walls.

5 (A) replace loose or crumbling mortar and masonry
6 with new material;

7 (B) replace or paint wall siding and trim as
8 needed;

9 (C) bring porches and balconies to a sound
10 condition; or

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

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

14 (A) replace or rebuild the machine room controls
15 and refurbish the elevator machine (or equivalent
16 mechanisms in the case of hydraulic elevators);

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

21 (C) replace hoistway wiring;

22 (D) replace door operators and linkage;

23 (E) replace door panels at each opening;

24 (F) replace hall stations, car stations, and
25 signal fixtures; or

26 (G) rebuild the car shell and refinish the

1 interior.

2 (9) Health and safety.

3 (A) Install or replace fire suppression systems;

4 (B) install or replace security systems; or

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

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

11 (A) installing or replacing reflective roof
12 coatings (flat roofs);

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

14 (C) installing or replacing R-19 perimeter wall
15 insulation;

16 (D) installing or replacing insulated entry doors;

17 (E) installing or replacing Low E, insulated
18 windows;

19 (F) installing or replacing WaterSense labeled
20 plumbing fixtures;

21 (G) installing or replacing 90% or better sealed
22 combustion heating systems;

23 (H) installing Energy Star hot water heaters;

24 (I) installing or replacing mechanical ventilation
25 to exterior for kitchens and baths;

26 (J) installing or replacing Energy Star

1 appliances;

2 (K) installing or replacing Energy Star certified
3 lighting in common areas; or

4 (L) installing or replacing grading and
5 landscaping to promote on-site water retention if the
6 retained water is used to replace water that is
7 provided from a municipal source.

8 (11) Accessibility improvements. All accessibility
9 improvements must comply with applicable codes. An owner
10 may make accessibility improvements to residential real
11 property to increase access for people with disabilities.
12 As used in this paragraph (11), "disability" has the
13 meaning given to that term in the Illinois Human Rights
14 Act. As used in this paragraph (11), "accessibility
15 improvements" means a home modification listed under the
16 Home Services Program administered by the Department of
17 Human Services (Part 686 of Title 89 of the Illinois
18 Administrative Code) including, but not limited to:
19 installation of ramps, grab bars, or wheelchair lifts;
20 widening doorways or hallways; re-configuring rooms and
21 closets; and any other changes to enhance the independence
22 of people with disabilities.

23 (12) Any applicant who has purchased the property in
24 an arm's length transaction not more than 90 days before
25 applying for this reduced valuation may use the cost of
26 rehabilitation or repairs required by documented code

1 violations, up to a maximum of \$2 per square foot, to meet
2 the qualifying rehabilitation requirements.

3 (Source: P.A. 102-175, eff. 7-29-21.)