



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0728

Introduced 2/7/2007, by Rep. Arthur L. Turner

SYNOPSIS AS INTRODUCED:

35 ILCS 200/31-10

35 ILCS 200/31-15

310 ILCS 65/3

310 ILCS 65/8

from Ch. 67 1/2, par. 1253

from Ch. 67 1/2, par. 1258

Amends the Real Estate Transfer Tax Law in the Property Tax Code. Makes changes to the amount of the tax imposed based upon the amount set forth in the transfer declaration. Amends the Illinois Affordable Housing Act. Requires that 20% of the moneys appropriated to the Affordable Housing Program Trust Fund be used to pay costs of crediting or preserving permanent supportive housing and sets forth requirements for these expenditures. Defines "permanent supportive housing". Makes other changes.

LRB095 05341 BDD 31041 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning housing.

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 Sections 31-10 and 31-15 as follows:

6 (35 ILCS 200/31-10)

7 Sec. 31-10. Imposition of tax.

8 (a) A tax is imposed on the privilege of transferring title
9 to real estate located in Illinois, on the privilege of
10 transferring a beneficial interest in real property located in
11 Illinois, and on the privilege of transferring a controlling
12 interest in a real estate entity owning property located in
13 Illinois, at the rate of:

14 (1) \$0.40 ~~50¢~~ for each \$500 of value or fraction of
15 \$500 not in excess of \$500,000 stated in the declaration
16 required by Section 31-25;

17 (2) \$1.50 for each \$500 of value or fraction of \$500 in
18 excess of \$500,000 but not in excess of \$1,000,000 stated
19 in the declaration required by Section 31-25;

20 (3) \$3.50 for each \$500 of value or fraction of \$500 in
21 excess of \$1,000,000 but not in excess of \$3,000,000 stated
22 in the declaration required by Section 31-25; and

23 (4) \$5.00 for each \$500 of value or fraction of \$500 in

1 excess of \$3,000,000 stated in the declaration required by
2 Section 31-25.

3 (b) If, however, the transferring document states that the
4 real estate, beneficial interest, or controlling interest is
5 transferred subject to a mortgage, the amount of the mortgage
6 remaining outstanding at the time of transfer shall not be
7 included in the basis of computing the tax. The tax is due if
8 the transfer is made by one or more related transactions or
9 involves one or more persons or entities and whether or not a
10 document is recorded.

11 (Source: P.A. 93-657, eff. 6-1-04; 93-1099, eff. 6-1-05.)

12 (35 ILCS 200/31-15)

13 Sec. 31-15. Collection of tax. The tax shall be collected
14 by the recorder or registrar of titles of the county in which
15 the property is situated through the sale of revenue stamps,
16 the design, denominations and form of which shall be prescribed
17 by the Department. If requested by the recorder or registrar of
18 titles of a county that has imposed a county real estate
19 transfer tax under Section 5-1031 of the Counties Code, the
20 Department shall design the stamps furnished to that county
21 under this Section so that the same stamp also provides
22 evidence of the payment of the county real estate transfer tax
23 and shall include in the design of the stamp the name of the
24 county and an indication that the stamp is evidence of the
25 payment of both State and county real estate transfer taxes.

1 The revenue stamps shall be sold by the Department to the
2 recorder or registrar of titles who shall cause them to be sold
3 for the purposes prescribed. The Department shall charge the
4 rates imposed under Section 31-10 ~~at a rate of 50¢ per \$500 of~~
5 ~~value~~ in units of not less than \$500. The recorder or registrar
6 of titles of the several counties shall sell the revenue stamps
7 at the rates imposed under Section 31-10 ~~a rate of 50¢ per \$500~~
8 ~~of value or fraction of \$500~~. The recorder or registrar of
9 titles may use the proceeds for the purchase of revenue stamps
10 from the Department. The Department must establish a system to
11 allow the recorder or registrar of titles to purchase the
12 revenue stamps electronically and must deliver the
13 electronically purchased stamps to the recorder or registrar of
14 titles.

15 (Source: P.A. 94-785, eff. 1-1-07.)

16 Section 10. The Illinois Affordable Housing Act is amended
17 by changing Sections 3 and 8 as follows:

18 (310 ILCS 65/3) (from Ch. 67 1/2, par. 1253)

19 Sec. 3. Definitions. As used in this Act:

20 (a) "Program" means the Illinois Affordable Housing
21 Program.

22 (b) "Trust Fund" means the Illinois Affordable Housing
23 Trust Fund.

24 (c) "Low-income household" means a single person, family or

1 unrelated persons living together whose adjusted income is more
2 than 50%, but less than 80%, of the median income of the area
3 of residence, adjusted for family size, as such adjusted income
4 and median income for the area are determined from time to time
5 by the United States Department of Housing and Urban
6 Development for purposes of Section 8 of the United States
7 Housing Act of 1937.

8 (d) "Very low-income household" means a single person,
9 family or unrelated persons living together whose adjusted
10 income is not more than 50% of the median income of the area of
11 residence, adjusted for family size, as such adjusted income
12 and median income for the area are determined from time to time
13 by the United States Department of Housing and Urban
14 Development for purposes of Section 8 of the United States
15 Housing Act of 1937.

16 (e) "Affordable housing" means residential housing that,
17 so long as the same is occupied by low-income households or
18 very low-income households, requires payment of monthly
19 housing costs, including utilities other than telephone, of no
20 more than 30% of the maximum allowable income as stated for
21 such households as defined in this Section; for residential
22 housing occupied by extremely low-income households, payment
23 of monthly housing costs, including utilities other than
24 telephone, of no more than 30% of the maximum allowable income
25 is the targeted guideline.

26 (f) "Multi-family housing" means a building or buildings

1 providing housing to 5 or more households.

2 (g) "Single-family housing" means a building containing
3 one to 4 dwelling units, including a mobile home as defined in
4 subsection (b) of Section 3 of the Mobile Home Landlord and
5 Tenant Rights Act, as amended.

6 (h) "Community-based organization" means a not-for-profit
7 entity whose governing body includes a majority of members who
8 reside in the community served by the organization.

9 (i) "Advocacy organization" means a not-for-profit
10 organization which conducts, in part or in whole, activities to
11 influence public policy on behalf of low-income or very
12 low-income households.

13 (j) "Program Administrator" means the Illinois Housing
14 Development Authority.

15 (k) "Funding Agent" means the Illinois Department of
16 Revenue.

17 (l) "Commission" means the Affordable Housing Advisory
18 Commission.

19 (m) "Congregate housing" means a building or structure in
20 which 2 or more households, inclusive, share common living
21 areas and may share child care, cleaning, cooking and other
22 household responsibilities.

23 (n) "Eligible applicant" means a proprietorship,
24 partnership, for-profit corporation, not-for-profit
25 corporation or unit of local government which seeks to use fund
26 assets as provided in this Article.

1 (o) "Moderate income household" means a single person,
2 family or unrelated persons living together whose adjusted
3 income is more than 80% but less than 120% of the median income
4 of the area of residence, adjusted for family size, as such
5 adjusted income and median income for the area are determined
6 from time to time by the United States Department of Housing
7 and Urban Development for purposes of Section 8 of the United
8 States Housing Act of 1937.

9 (p) "Affordable Housing Program Trust Fund Bonds or Notes"
10 means the bonds or notes issued by the Program Administrator
11 under the Illinois Housing Development Act to further the
12 purposes of this Act.

13 (q) "Trust Fund Moneys" means all moneys, deposits,
14 revenues, income, interest, dividends, receipts, taxes,
15 proceeds and other amounts or funds deposited or to be
16 deposited in the Trust Fund pursuant to Section 5(b) of this
17 Act and any proceeds, investments or increase thereof.

18 (r) "Program Escrow" means accounts, except those accounts
19 relating to any Affordable Housing Program Trust Fund Bonds or
20 Notes, designated by the Program Administrator, into which
21 Trust Fund Moneys are deposited.

22 (s) "Extremely low-income household" means a single
23 person, a family, or unrelated persons living together whose
24 adjusted income is not more than 30% of the median income of
25 the area of residence, adjusted for family size, as such
26 adjusted income and median income for the area are determined

1 from time to time by the United States Department of Housing
2 and Urban Development for purposes of Section 8 of the United
3 States Housing Act of 1937.

4 (t) "Household with special needs" means a household that
5 is homeless or imminently at risk of becoming homeless; or that
6 is or is imminently at risk of living in institutional settings
7 because of the unavailability of suitable housing; or that has
8 one or more members with disabilities, including but not
9 limited to physical disabilities, developmental disabilities,
10 mental illness, or HIV/AIDS.

11 (u) "Supportive services" means a flexible array of
12 comprehensive services provided to households with special
13 needs that may include case management; mental health
14 counseling; substance abuse counseling; medical services;
15 training in basic living skills, such as money management and
16 household establishment; and employment counseling and
17 training. "Supportive services", however, does not include
18 personal care assistance.

19 (v) "Permanent supportive housing" means affordable
20 housing where an extremely low-income household with special
21 needs has a lease or similar form of occupancy agreement under
22 which the tenancy is renewable so long as the tenant abides by
23 the conditions of the lease or occupancy agreement and where
24 the permanent supportive housing provider guarantees all its
25 households access to voluntary on-site or off-site supportive
26 services closely connected to the housing.

1 (Source: P.A. 91-357, eff. 7-29-99.)

2 (310 ILCS 65/8) (from Ch. 67 1/2, par. 1258)

3 Sec. 8. Uses of Trust Fund.

4 (a) Subject to annual appropriation to the Funding Agent
5 and subject to the prior dedication, allocation, transfer and
6 use of Trust Fund Moneys as provided in Sections 8(b), 8(c) and
7 9 of this Act, the Trust Fund may be used to make grants,
8 mortgages, or other loans to acquire, construct, rehabilitate,
9 develop, operate, insure, and retain affordable single-family
10 and multi-family housing in this State for low-income, ~~and~~ very
11 low-income, and extremely low-income households. The majority
12 of monies appropriated to the Trust Fund in any given year are
13 to be used for affordable housing for very low-income
14 households. For the fiscal year beginning July 1, 2006 only,
15 the Department of Human Services is authorized to receive
16 appropriations and spend moneys from the Illinois Affordable
17 Housing Trust Fund for the purpose of developing and
18 coordinating public and private resources targeted to meet the
19 affordable housing needs of low-income, very low-income, and
20 special needs households in the State of Illinois.

21 (b) For each fiscal year commencing with fiscal year 1994,
22 the Program Administrator shall certify from time to time to
23 the Funding Agent, the Comptroller and the State Treasurer
24 amounts, up to an aggregate in any fiscal year of \$10,000,000,
25 of Trust Fund Moneys expected to be used or pledged by the

1 Program Administrator during the fiscal year for the purposes
2 and uses specified in Sections 8(c) and 9 of this Act. Subject
3 to annual appropriation, upon receipt of such certification,
4 the Funding Agent and the Comptroller shall dedicate and the
5 State Treasurer shall transfer not less often than monthly to
6 the Program Administrator or its designated payee, without
7 requisition or further request therefor, all amounts
8 accumulated in the Trust Fund within the State Treasury and not
9 already transferred to the Loan Commitment Account prior to the
10 Funding Agent's receipt of such certification, until the
11 Program Administrator has received the aggregate amount
12 certified by the Program Administrator, to be used solely for
13 the purposes and uses authorized and provided in Sections 8(c)
14 and 9 of this Act. Neither the Comptroller nor the Treasurer
15 shall transfer, dedicate or allocate any of the Trust Fund
16 Moneys transferred or certified for transfer by the Program
17 Administrator as provided above to any other fund, nor shall
18 the Governor authorize any such transfer, dedication or
19 allocation, nor shall any of the Trust Fund Moneys so
20 dedicated, allocated or transferred be used, temporarily or
21 otherwise, for interfund borrowing, or be otherwise used or
22 appropriated, except as expressly authorized and provided in
23 Sections 8(c) and 9 of this Act for the purposes and subject to
24 the priorities, limitations and conditions provided for
25 therein until such obligations, uses and dedications as therein
26 provided, have been satisfied.

1 (c) Notwithstanding Section 5(b) of this Act, any Trust
2 Fund Moneys transferred to the Program Administrator pursuant
3 to Section 8(b) of this Act, or otherwise obtained, paid to or
4 held by or for the Program Administrator, or pledged pursuant
5 to resolution of the Program Administrator, for Affordable
6 Housing Program Trust Fund Bonds or Notes under the Illinois
7 Housing Development Act, and all proceeds, payments and
8 receipts from investments or use of such moneys, including any
9 residual or additional funds or moneys generated or obtained in
10 connection with any of the foregoing, may be held, pledged,
11 applied or dedicated by the Program Administrator as follows:

12 (1) as required by the terms of any pledge of or
13 resolution of the Program Administrator authorized under
14 Section 9 of this Act in connection with Affordable Housing
15 Program Trust Fund Bonds or Notes issued pursuant to the
16 Illinois Housing Development Act;

17 (2) to or for costs of issuance and administration and
18 the payments of any principal, interest, premium or other
19 amounts or expenses incurred or accrued in connection with
20 Affordable Housing Program Trust Fund Bonds or Notes,
21 including rate protection contracts and credit support
22 arrangements pertaining thereto, and, provided such
23 expenses, fees and charges are obligations, whether
24 recourse or nonrecourse, and whether financed with or paid
25 from the proceeds of Affordable Housing Program Trust Fund
26 Bonds or Notes, of the developers, mortgagors or other

1 users, the Program Administrator's expenses and servicing,
2 administration and origination fees and charges in
3 connection with any loans, mortgages, or developments
4 funded or financed or expected to be funded or financed, in
5 whole or in part, from the issuance of Affordable Housing
6 Program Trust Fund Bonds or Notes;

7 (3) to or for costs of issuance and administration and
8 the payments of principal, interest, premium, loan fees,
9 and other amounts or other obligations of the Program
10 Administrator, including rate protection contracts and
11 credit support arrangements pertaining thereto, for loans,
12 commercial paper or other notes or bonds issued by the
13 Program Administrator pursuant to the Illinois Housing
14 Development Act, provided that the proceeds of such loans,
15 commercial paper or other notes or bonds are paid or
16 expended in connection with, or refund or repay, loans,
17 commercial paper or other notes or bonds issued or made in
18 connection with bridge loans or loans for the construction,
19 renovation, redevelopment, restructuring, reorganization
20 of Affordable Housing and related expenses, including
21 development costs, technical assistance, or other amounts
22 to construct, preserve, improve, renovate, rehabilitate,
23 refinance, or assist Affordable Housing, including
24 financially troubled Affordable Housing, permanent or
25 other financing for which has been funded or financed or is
26 expected to be funded or financed in whole or in part by

1 the Program Administrator through the issuance of or use of
2 proceeds from Affordable Housing Program Trust Fund Bonds
3 or Notes;

4 (4) to or for direct expenditures or reimbursement for
5 development costs, technical assistance, or other amounts
6 to construct, preserve, improve, renovate, rehabilitate,
7 refinance, or assist Affordable Housing, including
8 financially troubled Affordable Housing, permanent or
9 other financing for which has been funded or financed or is
10 expected to be funded or financed in whole or in part by
11 the Program Administrator through the issuance of or use of
12 proceeds from Affordable Housing Program Trust Fund Bonds
13 or Notes; and

14 (5) for deposit into any residual, sinking, reserve or
15 revolving fund or pool established by the Program
16 Administrator, whether or not pledged to secure Affordable
17 Housing Program Trust Fund Bonds or Notes, to support or be
18 utilized for the issuance, redemption, or payment of the
19 principal, interest, premium or other amounts payable on or
20 with respect to any existing, additional or future
21 Affordable Housing Program Trust Fund Bonds or Notes, or to
22 or for any other expenditure authorized by this Section
23 8(c).

24 (d) All or a portion of the Trust Fund Moneys on deposit or
25 to be deposited in the Trust Fund not already certified for
26 transfer or transferred to the Program Administrator pursuant

1 to Section 8(b) of this Act may be used to secure the repayment
2 of Affordable Housing Program Trust Fund Bonds or Notes, or
3 otherwise to supplement or support Affordable Housing funded or
4 financed or intended to be funded or financed, in whole or in
5 part, by Affordable Housing Program Trust Fund Bonds or Notes.

6 (e) Assisted housing may include housing for special needs
7 populations such as the homeless, single-parent families, the
8 elderly, or the physically and mentally disabled. The Trust
9 Fund shall be used to implement a demonstration congregate
10 housing project for any such special needs population.

11 (f) Grants from the Trust Fund may include, but are not
12 limited to, rental assistance and security deposit subsidies
13 for low and very low-income households.

14 (g) The Trust Fund may be used to pay actual and reasonable
15 costs for Commission members to attend Commission meetings, and
16 any litigation costs and expenses, including legal fees,
17 incurred by the Program Administrator in any litigation related
18 to this Act or its action as Program Administrator.

19 (h) The Trust Fund may be used to make grants for (1) the
20 provision of technical assistance, (2) outreach, and (3)
21 building an organization's capacity to develop affordable
22 housing projects.

23 (i) Amounts on deposit in the Trust Fund may be used to
24 reimburse the Program Administrator and the Funding Agent for
25 costs incurred in the performance of their duties under this
26 Act, excluding costs and fees of the Program Administrator

1 associated with the Program Escrow to the extent withheld
2 pursuant to paragraph (8) of subsection (b) of Section 5.

3 (j) 20% of the funds appropriated to the Trust Fund in any
4 fiscal year, pursuant to Section 5(b)(6) of this Act, must be
5 used to make loans, grants, or other investments to finance or
6 otherwise pay the costs of creating or preserving permanent
7 supportive housing. Moneys allocated for creating or
8 preserving permanent supportive housing, under this
9 subsection, may be used as set forth under subsection (c) of
10 this Section, along with the following special uses:

11 (1) to fund capitalized operating reserves for new or
12 expiring permanent supportive housing projects, where such
13 reserves supplement traditional operating subsidies, serve
14 as the sole source of rental subsidy, or protect against
15 the potential loss of rental subsidy contracts, and where
16 such reserves are capitalized over a period of years,
17 provided that no more than 20% of the amount made available
18 under this subsection may be used for such capitalized
19 operating reserves; or

20 (2) to fund capitalized supportive service directly
21 associated with permanent supportive housing projects,
22 where such reserves supplement traditional sources of
23 funding for supportive services or serve as the sole source
24 of funding for supportive services but no more than 20% of
25 the amount made available under this subsection may be used
26 for the provision of these services.

1 (k) If, in any fiscal year, the Program Administrator does
2 not allocate the full amount provided under subsection (j)
3 because it has not received enough applications meeting the
4 Program Administrator's screening criteria, then the remaining
5 balance of these moneys must be allocated to make loans,
6 grants, or other investments to finance or otherwise pay the
7 costs of creating or preserving the following types of
8 affordable housing in the following order of priority:

9 (1) Housing units for extremely low-income households,
10 as provided in subsection (c);

11 (2) Housing units for very low-income households, as
12 provided in subsection (c); and

13 (3) Third, for any other purpose permitted under this
14 Act.

15 (Source: P.A. 94-839, eff. 6-6-06.)