

AN ACT concerning revenue.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Property Tax Code is amended by adding Section 15-174.5 as follows:

(35 ILCS 200/15-174.5 new)

Sec. 15-174.5. Special homestead exemption for certain municipality-built homes.

(a) This Section applies to property located in a county with 3,000,000 or more inhabitants. This Section also applies to property located in a county with fewer than 3,000,000 inhabitants if the county board of that county has so provided by ordinance or resolution.

(b) For tax year 2024 and thereafter, eligible property qualifies for a homestead exemption under this Section for a 10-year period beginning with the tax year following the year in which the property is first sold by the municipality to a private homeowner. Eligible property is not eligible for a refund of taxes paid for tax years prior to the year in which this amendatory Act of the 103rd General Assembly takes effect. In the case of mixed-use property, the exemption under this Section applies only to the residential portion of the property that is used as a primary residence by the owner.

(c) The exemption under this Section shall be a reduction in the equalized assessed value of the property equal to:

(1) in the first 8 years of eligibility, 50% of the equalized assessed value of the property in the year following the initial sale by the municipality; and

(2) in the ninth and tenth years of eligibility, 33% of the equalized assessed value of the property in the year following the initial sale by the municipality.

(d) A homeowner seeking the exemption under this Section shall file an application with the chief county assessment officer. Once approved by the assessor, the exemption shall renew annually and automatically without another application, unless the exemption is waived by the current homeowner as provided in this subsection. The exemption under this Section is transferable to new owners of the home, provided that (i) the exemption runs from the sale of the property by a municipality to the first private owner, (ii) the new owner notifies the assessor that they have taken possession of the property, and (iii) the property is used by the owner as their principal residence. A property owner who has received a reduction under this Section may waive the exemption at any time prior to the expiration of the 10-year exemption period and begin to receive the benefits of other exemptions at their sole and irrevocable discretion. Owners who decide to waive the exemption shall notify the assessor on a form provided by the assessor. The current property owner shall notify the

assessor and waive the exemption if the property ceases to be their primary residence.

(e) Notwithstanding any other provision of law, no property that receives an exemption under this Section may simultaneously receive a reduction or exemption under Section 15-168 (persons with disabilities), Section 15-169 (standard homestead for veterans with disabilities); Section 15-170 (senior citizens), Section 15-172 (low-income senior citizens), or Section 15-175 (general homestead). In the first year following the expiration or waiver of the exemption under this Section, a property owner that is eligible for the Low-Income Senior Citizen Assessment Freeze exemption in that year may establish a base amount under Section 15-172 at the value of their home in their first year of eligibility for that exemption during the time when they were receiving this exemption, provided that they demonstrate retrospectively that they were eligible for that exemption at that point in time while receiving this exemption.

(f) As used in this Section:

"Eligible property" means property that:

(1) contains a single family residence that was built no earlier than January 1, 2021 by a municipality and was sold to a private homeowner before January 1, 2035;

(2) is zoned for residential or mixed use; and

(3) meets either or both of the following criteria:

(A) the property was exempt from property taxes

prior to the construction of the home; or

(B) the municipality conducted environmental  
remediation on the property pursuant to Title XVII of  
the Environmental Protection Act.

Section 99. Effective date. This Act takes effect upon becoming law.