

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 changing Section 18-173 as follows:

(35 ILCS 200/18-173)

Sec. 18-173. Housing opportunity area abatement program.

(a) For the purpose of promoting access to housing near work and in order to promote economic diversity throughout Illinois and to alleviate the concentration of low-income households in areas of high poverty, a housing opportunity area tax abatement program is created.

(b) As used in this Section:

"Housing authority" means either a housing authority created under the Housing Authorities Act or other government agency that is authorized by the United States government under the United States Housing Act of 1937 to administer a housing choice voucher program, or the authorized agent of such a housing authority that is authorized to act upon that authority's behalf.

"Housing choice voucher" means a tenant voucher issued by a housing authority under Section 8 of the United States Housing Act of 1937 and a tenant voucher converted to a project-based

voucher by a housing authority.

"Housing opportunity area" means a census tract where less than 10% of the residents live below the poverty level, as defined by the United States government and determined by the most recent United States census, that is located within a qualified township, except for census tracts located within any township that is located wholly within a municipality with 1,000,000 or more inhabitants. A census tract that is located within a township that is located wholly within a municipality with 1,000,000 or more inhabitants is considered a housing opportunity area if less than 12% of the residents of the census tract live below the poverty level.

"Housing opportunity unit" means a dwelling unit located in residential property that is located in a housing opportunity area, that is owned by the applicant, and that is rented to and occupied by a tenant who is participating in a housing choice voucher program administered by a housing authority as of January 1st of the tax year for which the application is made.

"Qualified units" means the number of housing opportunity units located in the property with the limitation that no more than 2 units or 20% of the total units contained within the property, whichever is greater, may be considered qualified units. Further, no unit may be considered qualified unless the property in which it is contained is in substantial compliance with local building codes, and, moreover, no unit may be considered qualified unless it meets the United States

Department of Housing and Urban Development's housing quality standards as of the most recent housing authority inspection.

"Qualified township" means a township located within a county with 200,000 or more inhabitants whose tax capacity exceeds 80% ~~100%~~ of the average tax capacity of the county in which it is located, except for townships located within a county with 3,000,000 or more inhabitants, where a qualified township means a township whose tax capacity exceeds 115% of the average tax capacity of the county except for townships located wholly within a municipality with 1,000,000 or more inhabitants. All townships located wholly within a municipality with 1,000,000 or more inhabitants are considered qualified townships.

"Tax capacity" means the equalized assessed value of all taxable real estate located within a township or county divided by the total population of that township or county.

(c) The owner of property located within a housing opportunity area who has a housing choice voucher contract with a housing authority may apply for a housing opportunity area tax abatement by annually submitting an application to the housing authority that administers the housing choice voucher contract. The application must include the number of housing opportunity units as well as the total number of dwelling units contained within the property. The owner must, under oath, self-certify as to the total number of dwelling units in the property and must self-certify that the property is in

substantial compliance with local building codes. The housing authority shall annually determine the number of qualified units located within each property for which an application is made.

The housing authority shall establish rules and procedures governing the application processes and may charge an application fee. The county clerk may audit the applications to determine that the properties subject to the tax abatement meet the requirements of this Section. The determination of eligibility of a property for the housing opportunity area abatement shall be made annually; however, no property may receive an abatement for more than 10 tax years.

(d) The housing authority shall determine housing opportunity areas within its service area and annually deliver to the county clerk, in a manner determined by the county clerk, a list of all properties containing qualified units within that service area by December 31st of the tax year for which the property is eligible for abatement; the list shall include the number of qualified units and the total number of dwelling units for each property.

The county clerk shall deliver annually to a housing authority, upon that housing authority's request, the most recent available equalized assessed value for the county as a whole and for those taxing districts and townships so specified by the requesting housing authority.

(e) The county clerk shall abate the tax attributed to a

portion of the property determined to be eligible for a housing opportunity area abatement. The portion eligible for abatement shall be determined by reducing the equalized assessment value by a percentage calculated using the following formula: 19% of the equalized assessed value of the property multiplied by a fraction where the numerator is the number of qualified units and denominator is the total number of dwelling units located within the property.

(f) Any municipality, except for municipalities with 1,000,000 or more inhabitants, may annually petition the county clerk to be excluded from a housing opportunity area if it is able to demonstrate that more than 2.5% of the total residential units located within that municipality are occupied by tenants under the housing choice voucher program. Properties located within an excluded municipality shall not be eligible for the housing opportunity area abatement for the tax year in which the petition is made.

(g) Applicability. This Section applies to tax years 2004 through 2014, unless extended by law.

(Source: P.A. 93-316, eff. 7-23-03.)

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