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(35 ILCS 200/) Property Tax Code.

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(35 ILCS 200/Art. 10 Div. 11 heading)
Division 11. Low-income housing

(35 ILCS 200/10-235)

Sec. 10-235. Low-income housing project valuation policy; intent. It is the policy of this State that low-income housing projects developed under Section 515 of the federal Housing Act or that qualify for the low-income housing tax credit under Section 42 of the Internal Revenue Code shall be valued at 33 and one-third percent of the fair market value of their economic productivity to the owners of the projects to help insure that their valuation for property taxation does not result in taxes so high that rent levels must be raised to cover this project expense, which can cause excess vacancies, project loan defaults, and eventual loss of rental housing facilities for those most in need of them, low-income families and the elderly. It is the intent of this State that the valuation required by this Division is the closest representation of cash value required by law and is the method established as proper and fair.

(Source: P.A. 92-16, eff. 6-28-01; 93-533, eff. 1-1-04; 93-755, eff. 7-16-04.)

(35 ILCS 200/10-240)

Sec. 10-240. Definition of Section 515 low-income housing projects. "Section 515 low-income housing projects" mean rental apartment facilities (i) developed and managed under a United States Department of Agriculture Rural Rental Housing Program designed to provide affordable housing to low to moderate income families and seniors in rural communities with populations under 20,000, (ii) that receive a subsidy in the form of a 1% loan interest rate and a 50-year amortization of the mortgage, (iii) that would not have been built without a Section 515 interest credit subsidy, and (iv) where the owners of the projects are limited to an annual profit of an 8% return on a 5% equity investment, which may result in a modest cash flow to owners of the projects unless actual expenses, including property taxes, exceed budget projections, in which case no profit may be realized.

(Source: P.A. 91-651, eff. 1-1-00; 92-16, eff. 6-28-01.)

(35 ILCS 200/10-245)

Sec. 10-245. Method of valuation of low-income housing

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projects. Notwithstanding Section 1-55 and except in counties with a population of more than 200,000 that classify property for the purposes of taxation, to determine 33 and one-third percent of the fair cash value of any low-income housing project developed under the Section 515 program or that qualifies for the low-income housing tax credit under Section 42 of the Internal Revenue Code, in assessing the project, local assessment officers must consider the actual or probable net operating income attributable to the property, using a vacancy rate of not more than 5%, capitalized at normal market rates. The interest rate to be used in developing the normal market value capitalization rate shall be one that reflects the prevailing cost of cash for other types of commercial real estate in the geographic market in which the low-income housing project is located.
(Source: P.A. 93-533, eff. 1-1-04; 93-755, eff. 7-16-04; 94-1086, eff. 1-19-07.)

(35 ILCS 200/10-250)

Sec. 10-250. Certification procedure and effective date of implementation.

(a) After (i) an application for a Section 515 low-income housing project certificate is filed with the State Director of the United States Department of Agriculture Rural Development Office in a manner and form prescribed in regulations issued by the office and (ii) the certificate is issued certifying that the housing is a Section 515 low-income housing project as defined in Section 2 of this Act, the certificate must be presented to the appropriate local assessment officer to receive the property assessment valuation under this Division. The local assessment officer must assess the property according to this Act. Beginning on January 1, 2000, all certified Section 515 low-income housing projects shall be assessed in accordance with Section 10-245.

(b) Beginning with taxable year 2004, all low-income housing projects that qualify for the low-income housing tax credit under Section 42 of the Internal Revenue Code shall be assessed in accordance with Section 10-245 if the owner or owners of the low-income housing project certify to the appropriate local assessment officer that the owner or owners qualify for the low-income housing tax credit under Section 42 of the Internal Revenue Code for the property.

(Source: P.A. 93-533, eff. 1-1-04; 93-755, eff. 7-16-04.)

(35 ILCS 200/10-255)

Sec. 10-255. Rules. The Department of Revenue may adopt rules to implement and administer this Division.

(Source: P.A. 91-651, eff. 1-1-00.)

(35 ILCS 200/10-260)

Sec. 10-260. Low-income housing. In determining the fair cash value of property receiving benefits from the Low-Income Housing Tax Credit authorized by Section 42 of the Internal Revenue Code, 26 U.S.C. 42, emphasis shall be given to the income approach, except in those circumstances where another method is clearly more appropriate.

(Source: P.A. 91-502, eff. 8-13-99; 92-16, eff. 6-28-01.)

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