This memo summarizes recent activity in Springfield as it relates to housing and community development issues that may be of interest to local governments. This memo was produced in partnership with Housing Action Illinois, which has been monitoring state legislation and budgetary activity on housing and community issues.

**Governor JB Pritzker’s Budget for FY ’20**

On February 20, Illinois Governor J.B. Pritzker released a proposed budget for fiscal year 2020. One part of this proposal includes the diversion of 50% of the revenue which is typically deposited into the Illinois Affordable Trust Fund be diverted into the General Revenue Fund. Based on the anticipated revenue of $85 million for the Real Estate Transfer Tax, one half of which goes to the Housing Trust Fund, that would be a reduction in $21.25 million in available resources for FY 2020.

The Trust Fund has supported numerous state investments that help advance local housing goals, including direct investments from the Illinois Housing Development Authority (IHDA) in affordable housing projects, home modification programs through IHDA’s Home Accessibility Program, and direct technical assistance through programs like *Homes for a Changing Region*.

The full budget is available here: [https://www2.illinois.gov/sites/budget/Pages/default.aspx](https://www2.illinois.gov/sites/budget/Pages/default.aspx)

**General Assembly Legislation Overview**

This overview only details those housing and community development bills that affect or may be of interest to local governments.

According to partner Housing Action Illinois, there have been over 50 bills filed related to housing this session. Most of these bills remain in Committee, and many do not directly affect local governments. Since the General Assembly convened, there have been developments on five sets of bills:

- **Abandonment:** SB 2052 and 2097 streamline the abandonment petition and adjudication process for local governments and land banks. These were developed through recommendations of IHDA’s Community Revitalization Task Force. These bills passed committee in March.

- **Foreclosure Filing:** HB 3360 and SB 1500 renew the graduated foreclosure filing fee, 70% of which provides revenue for IHDA’s Abandoned Properties Program. SB 1500 passed committee
in March, renewing the fee until January 1, 2025. Opposition to the bill was addressed by reducing the amount of the fee in stages, eventually reducing the fee 50%, starting in 2021.

- **Rent Control:** There are four bills in committee on this topic. They differ significantly in their impact on local governments. HB 255 and SB 2063 enable local governments to pass local ordinances for rent control. HB 2192 and 3207 override local governments in favor of statewide or countywide regulatory boards. None of these bills have passed committee, but they have been the focus of considerable public debate. IML supports HB 255 and opposes HB 2192 and HB 3207.

- **Residential Inspections:** HB 2206 provides that except for a fire, medical, or police emergency or as otherwise permitted by specified provisions of the Fire Investigation Act, a unit of local government may not conduct a physical inspection of residential property without the voluntary consent of the owner or occupant of the property, a lawful warrant, or court order. It passed committee in March unanimously, despite opposition from IML based on the fact that the bill limits home rule powers. The Illinois REALTORS support it.

- **Mobile Home Penalties:** Supported by the Lake County, Treasurer, the bill amends the Mobile Home Local Services Tax Act, providing that the penalty for delinquent local services taxes shall not exceed the lesser of $100 or 50% of the original tax imposed (currently, $100). HB 925 passed committee in March unanimously. IML opposed.

A complete description of all bills is attached as an appendix to this memo. Please note that the Caucus has only included those bills which focus on housing or community development and that affect local governments. If you are interested in learning more about these bills, or setting aside Committee time to discuss and formulate a position, please do not hesitate to reach out to me. I will work with our partners to understand more about them and how they might affect local governments.
Appendix: Full Summary of Bills

HB 43: Southland Revitalization Act
The Southland Reactivation Act is a pilot program for the south suburbs of Chicago that utilizes the existing South Suburban Land Bank and Development Authority to alleviate the property tax burden and attract and successfully revitalize blighted or underperforming property. This tool would apply to commercial and industry property, but its utilization of land banking may be of interest.
Status: Passed Revenue and Finance Committee (Mar 21)

HB 251: Amendment to the Property Tax Code
Sponsors: Larry Walsh Jr., Tony McCombie
Amends the Property Tax Code. Provides that the notice of application for judgment and sale may be mailed by first-class mail (currently, registered or certified mail). Provides that the envelope containing the notice shall be clearly marked "Notice of Judgment and Sale of Unpaid Property Taxes". Removes a requirement that the county collector must present proof of the mailing to the court along with the application for judgement.
Status: Referred to Property Tax Subcommittee (Feb 7)

HB 255: Rent Control Preemption Act
Sponsors: Reps. Will Guzzardi, Theresa Mah, Camille Y. Lilly, Celina Villanueva, Lamont J. Robinson, Jr., Kelly M. Cassidy, Anne Stava-Murray, Aaron M. Ortiz and Delia C. Ramirez
This bill repeals the Rent Control Preemption Act of 1997, which prohibits municipalities from enacting, maintaining or enforcing measures that control the amount of rent charged for leasing a residential property.
Status: Referred to Commercial Law Subcommittee (Feb 20)

HB 925: Amendment to the Mobile Home Services Act
This amendment provides that the penalty for delinquent local services taxes shall not exceed the lesser of $100 or 50% of the original tax imposed (currently, $100).
Status: Passed Revenue and Finance Committee (Mar 21)

HB 2168: Amendment to the Property Tax Code
Provides for a reduction in the equalized assessed value of newly-constructed or rehabilitated rental property if the owner of the residential real property commits that, for a period of 10 years, at least 15% of the building's units will be affordable units. The act provides that Cook County will establish this incentive, while other counties may establish the incentive upon passage of county ordinance. Preservation Compact presented this concept to the Committee in December 2018.
Status: Referred to Property Tax Subcommittee (Feb 28)

HB 2192: Rent Control Act
HB 2206: Local Government Residential Inspection Limitation Act  
Sponsor: Rep. Sam Yingling, Dan Brady, and Keith Wheeler  
Provides that except for a fire, medical, or police emergency or as otherwise permitted by specified provisions of the Fire Investigation Act, a unit of local government may not conduct a physical inspection of residential property without the voluntary consent of the owner or occupant of the property, a lawful warrant, or court order.  
Status: Passed Counties & Townships Committee (Mar 21)

HB 2346: Creation of Municipal Land Bank Authorities Division in the Illinois Municipal Code  
Allows a municipality to create a land bank authority to use available resources to facilitate the return of vacant, abandoned, and tax-delinquent properties to productive use in order to combat community deterioration, create economic growth, and stabilize the housing and job market.  
Status: Referred to Cities & Villages Committee (Mar 6)

HB 2701: Amendment to the TIF Redevelopment Act of the Illinois Municipal Code  
Sponsor: Rep. Robert Martwick  
This bill provides that if an area is designated as blighted, the municipality must provide appraisal evidence to demonstrate that the equalized assessed value as declined for 3 of the last 5 calendar years.  
Status: Referred to Property Tax Subcommittee (Mar 6)

HB 3058: Abandoned Residential Property Act  
This bill imposes requirements on first lien mortgage holders concerning the inspecting, securing, and maintaining of abandoned residential property. It establishes a statewide abandoned residential property database and free hotline to report hazardous property. Violations of the Act may be heard either by the state or the municipality where the property is located.  
Status: Referred to Commercial Law Subcommittee (Mar 6)

HB 3207: Rent Control Act  
Sponsor: Rep. Aaron M. Ortiz  
This bill would establish County Rent Control Boards in every county. These Boards would establish regulations concerning rent, which include restrictions on increasing rent-controlled amounts; notice to tenants before increasing rent; creation of a reserve account by property owners for repairs and capital improvements; and other regulations. It repeals the Rent Control Preemption Act of 1997 (see above).  
Status: Referred to Commercial Law Subcommittee (Mar 6)
HB 3360: Amendment to the Mortgage Foreclosure Article of the Code of Civil Procedure
This bill would extend the Foreclosure Filing Fee for three years until January 1, 2023. One half of the proceeds from this fee funds the Abandoned Properties Program, managed by IHDA, which provides awards for local governments and land banks to acquire and address abandoned and troubled properties.
_Status: In Commercial Law Subcommittee (Last Amended Mar 20)_

SB 32: Amendment to the Mobile Home Landlord and Tenant Rights Act
_Sponsor: Sen. Melinda Bush_
This provides that a local government may enact an ordinance that restricts the ability of a mobile home park owner to increase rent, fees, or other charges if the park owner fails to correct health or life safety violations.
_Status: Referred to Assignments (Jan 10)_

SB 1401: Amendment to the Rent Control Preemption Act
_Sponsor: Sen. Iris Martinez_
This amendment makes a technical change in a Section concerning the short title.
_Status: Filed (Feb 13)_

SB 1500: Amendment to the Mortgage Foreclosure Article of the Code of Civil Procedure
_Sponsor: Emil Jones, III_
This bill would extend the Foreclosure Filing Fee for three years until January 1, 2023. One half of the proceeds from this fee funds the Abandoned Properties Program, managed by IHDA, which provides awards for local governments and land banks to acquire and address abandoned and troubled properties.
_Status: Passed Financial Institutions Committee (Mar 20)_

SB 2052: Amendment to the Local Government Property Transfer Act
_Sponsor: Sen. Steve Stadelman_
This amendment helps streamline the abandonment petition process for municipalities. It provides that a municipality or specified public agency may take actions against blighted buildings and properties, including petitioning a circuit court to have property declared abandoned, or dangerous or unsafe. It provides that liens for removal of dangerous buildings are superior to tax liens and modifies the requirements for properties to be declared abandoned.
_Status: Passed Local Government Committee (Mar 13)_

SB 2063: Rent Control Preemption Act
_Sponsor: Iris Martinez_
This bill repeals the Rent Control Preemption Act of 1997, which prohibits municipalities from enacting, maintaining or enforcing measures that control the amount of rent charged for leasing a residential property.
_Status: Filed with Secretary (Feb 15)_

SB 2097: Amendment to the Property Tax Code
_Sponsor: Sen. Steve Stadelman_
This bill provides that a taxing district may abate taxes on residential property for the purpose of revitalizing or stabilizing neighborhoods. It provides that, if a county purchases delinquent property, the
county may take steps to maintain it, including mowing, waste removal, or actions towards unsafe structures. It provides that the redemption period for property that has been declared abandoned or blighted is 6 months (rather than 2 years) from: (1) the date of sale, if the holder of the certificate of purchase is a unit of local government; or (2) the date the property was declared abandoned or blighted, if the holder of the certificate of purchase is not a unit of local government.

*Status: Passed Judiciary Committee (Mar 20)*