



Property Tax Assessment Freeze

What is it?

The Property Tax Assessment Freeze Program freezes the assessed value of a historic, owner-occupied, principal residence for eight years when the owner undertakes a substantial, approved rehabilitation. The assessed value is brought back to market level over a period of four years. The Program, administered by the Illinois State Historic Preservation Office (IL SHPO), is free to Illinois homeowners.

Benefits

The Program benefits both the owner-occupant and the community by: ► encouraging the preservation of historic buildings through promotion, recognition, designation, and reuse; ► increasing the value of the rehabilitated property; ► returning underutilized structures to the tax rolls; ► revitalizing and stabilizing neighborhoods and often increasing the amount of available housing within a community; and ► sustainably reusing the built environment.

Provisions

To qualify for the Program, a property must: ► be a certified historic structure, either by listing on the National Register of Historic Places individually or in a district, or by local landmark designation in a community with an approved historic-preservation ordinance; ► be a single-family, owner-occupied, principal residence; or a condominium building; or a cooperative building; or a residential building with up to six units as long as the building owner resides in a unit; ► undergo a rehabilitation whose budget exceeds 25% of the property's assessor's fair market value within a 24-month period; and ► undergo a rehabilitation that meets the Secretary of the Interior's "Standards for Rehabilitation."

How to apply

Step 1: Determine if you qualify ► Contact the IL SHPO or your local landmark commission to ask if your property qualifies as a certified historic structure. ► Determine the assessor's fair market value (or fair cash value) of your property by contacting your assessor or referring to your current property-tax bill. ► Decide whether the work (interior and exterior) will cost more than 25% of the assessor's fair market value. ► Contact the IL SHPO to discuss whether your work (interior and exterior) can meet the "Standards." **Step 2: Get your planned work approved** ► Consult IL SHPO's website for a more thorough explanation of the program, its application and instructions. ► Prior to construction, if possible, fill out and mail in Parts 1 and 2 of the application with the rehabilitation plans and pre-construction photographs. ► The IL SHPO will determine if the interior and exterior work complies with the "Standards." The IL SHPO's review may differ from that of your local commission. Once your Part 2 is approved by the IL SHPO, proceed with the rehabilitation. **Step 3: Get your finished work approved** ► When the project is finished, fill out and submit the Part 3 with photographs showing the completed work, a spreadsheet of expenses, and copies of receipts. ► If the IL SHPO determines the project meets all the requirements, it will mail you and the assessor a Certificate of Rehabilitation.

Important points

It is strongly recommended that you contact the IL SHPO early in the design process and submit Parts 1 and 2 prior to beginning any work. ► If the scope of work changes during construction, consult the IL SHPO to ensure the work continues to meet the "Standards." ► Applications must be submitted within two years of a project's completion. ► Any work done to the property during the freeze period must meet the "Standards." Contact the IL SHPO for their approval prior to commencing. ► If the property is sold within the twelve-year freeze period or if its use changes from that of a single-family, owner-occupied, principal residence, the freeze will be cancelled for the remainder of the freeze period. ► An owner may receive approval on Parts 1 and 2 and complete the rehabilitation, then sell the property to a new owner-occupant who signs and submits the Part 3 and takes the freeze. ► Condominiums and cooperatives should contact the IL SHPO to discuss how the Program may work best for their buildings.

Questions?

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<https://www2.illinois.gov/dnrhistoric/Preserve/Pages/taxfreeze.aspx>