



FOR IMMEDIATE RELEASE: Monday, June 3, 2024
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Assessor Kaegi celebrates passage of bill to spur new residential development

Cook County – Cook County Assessor Fritz Kaegi commends the Illinois state legislature for passing [House Bill 1377](#), which encourages development by creating a homestead exemption for new residential construction.

Under this legislation, homes built by municipalities on tax-exempt parcels will have their taxable value gradually phased in over 10 years. Homeowners who buy these properties will benefit from a reduction in their property taxes, while municipalities and other taxing districts will see an increase in the tax base that can lower tax rates for all residents.

“Getting new construction onto the tax rolls grows the base and shrinks the tax rate, helping everybody,” said Assessor Kaegi. “We want to help build strong communities that foster a sense of place and create support for local businesses and civic activities. I look forward to Governor Pritzker signing this bill into law.”

Properties built under this law and eligible for the exemption will receive a reduction in equalized assessed value (EAV) equal to 50% of their EAV for the first 8 years of eligibility, and 33% of their EAV in the final two years of eligibility.

The exemption will automatically renew, and applies to properties that have undergone environmental remediation.

This legislation aimed at incentivizing municipal-led residential development complements the Southland Reactivation Act, which was enacted in 2022 and reduces property assessments for new commercial or industrial developments on tax-exempt land.

State Rep. Norma Hernandez was chief sponsor of HB1377.

“Many Illinoisans are looking to achieve their American dream and buy their own home. Unfortunately, property tax burdens can make this dream unattainable, leaving these homes unsold or purchased by those not seeking to make that home their permanent residence. This leads to even less construction of new homes, further reducing the options available to potential home buyers,” said Rep. Hernandez.

“This new legislation will help new home buyers with property taxes and lead to greater utilization of existing land. This bill will not only provide immediate property tax relief, but will also promote the construction of more single-family homes in areas that have been neglected or overlooked for such construction. I am excited to see this legislation help more people achieve the American dream. I am happy to have passed this bill through this session.”

The legislation was also supported by Bellwood Mayor Andre Harvey.



Fritz Kaegi, Assessor

"We're ecstatic about the legislation passing. It's going to help us fill in vacant lots, revitalize our communities, and build homes that residents have been crying out for," said Mayor Harvey. Bellwood has been at the forefront of building homes for residents since 2016. "For example, we took an old warehouse, demolished it, built 12 homes and started a new subdivision."

"There are a lot of incentives for business owners but nothing for new homebuyers, and property taxes can be very high on new sales," Mayor Harvey said. "We got together with President [Toni] Preckwinkle, Assessor Kaegi, State Rep. Hernandez, and Senator Welch to sit down with us and figure out how this legislation could make sense. It was refreshing to see a team that really understood and wanted to help us out."

"We've been working on this for two to three years, and it's great to see it pass. It'll help other communities that are looking to revitalize and get rid of vacant lots," he continued. "It's been a whirlwind and a beautiful thing to work so closely together to get this passed."