



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?

IL SHPO—Tax Incentives
Illinois Department of Natural Resources
One Natural Resources Way
Springfield, Illinois 62702
(217) 782-4836 or shpo.freeze@illinois.gov
<https://dnrhistoric.illinois.gov/preserve/taxfreeze.html>