

**100th General Assembly
State of Illinois
2017 and 2018
SB3512**

Introduced 2/16/2018 by Sen. Mattie Hunter. Amended 5/30/2018 by Sen. Mattie Hunter.

A BILL FOR

SB3512

AN ACT concerning local government.

Be it enacted by the People of the State of Illinois, represented in the general assembly:

Section 1. Short title. This Act may be cited as the Rent Control Act.

Section 5. Findings. The General Assembly finds that:

- (a) There is a significant shortage of safe, affordable, and healthy rental housing in the State of Illinois, especially for hundreds of thousands of lower-income Illinois renters. One-third of Illinoisans, or nearly 1.6 million Illinois households, depend on rental housing.
- (b) The rate at which rents have increased in the State of Illinois has continued to outpace the increase in Illinoisans' real wages, resulting in an increasing rent burden borne by Illinois households, especially vulnerable populations. This growing burden threatens the quality and stability of housing available to Illinois renters.
- (c) Many Illinois households who depend on rental housing are low-income and are rent-burdened, meaning that they pay more than 30% of their income on rent. Additionally, some of these households are severely cost-burdened, meaning that they must devote more than 50% of their income to paying rent, leaving little for other household necessities such as health care, education, vocational training, transportation, or utilities.
- (d) An inability to find affordable housing negatively impacts tenants' economic stability, health and wellbeing, and capacity to participate in their communities. A lack of stable housing may limit a parent's ability to maintain employment, a child's capacity to succeed at school, and, for lower-income families, potential to escape the cycle of poverty.
- (e) Tenants' inability to find and retain affordable housing results in increased rates of involuntary displacement, eviction, and property turnover, creating additional burdens for landlords and property owners, social service agencies, local governments, and the judicial system, as well as renter households.

- (f) Regional boards and local communities are best positioned through collaborative administration to implement rent control and address barriers to affordable housing in their communities.

Section 10. Purpose. The purpose of this Act is to promote the maintenance and expansion of the supply of affordable rental housing in the State of Illinois by establishing a system of rent control. This Act is designed to ensure that rent increases match general economic trends and tenants' ability to pay by enacting rent stabilization. The system of rent control established by this Act is applicable to rental units, rather than individual tenant households, and is not disrupted by tenants moving into or out of a particular unit or a change in the ownership or management of a particular unit. This Act is remedial in its general purpose to stabilize amounts charged for rental housing and should be construed liberally to achieve its objectives.

Section 15. Definitions. As used in this Act:

- (a) "Area Median Income" means the median income published annually for each metropolitan and nonmetropolitan area by the U.S. Department of Housing and Urban Development.
- (b) "Median Area Rent" means the median of Rents charged for residential dwelling units with the same number of bedrooms in each county or such other units of local government as defined by the Board.
- (c) "Board" means the Regional Rent Control Board established by Section 10 of this Act.
- (d) "Consumer Benchmark" means the index selected by a Board to determine the rate by which consumer prices and purchasing power have changed and in reference to which the Rent Stabilization Rate is set. If no index is selected by a Board, then the Consumer Benchmark shall be the Consumer Price Index for All Urban Consumers, also known as the CPI-U, for the Midwest Region, which is published by the Bureau of Labor Statistics of the U.S. Department of Labor.
- (e) "Dwelling" means any privately owned parcel of real property in the State of Illinois that is assessed and taxed as an undivided whole with one or more Dwelling Units rented or available for rent for residential use and occupancy on or after this Act's effective date. "Dwelling" shall include a Dwelling Unit within a common-interest community, including a condominium or cooperative building that is held out for rent and not occupied by the owner of record. "Dwelling" shall not include commercial units in mixed-use developments, Subsidized Housing, a hospital or

skilled nursing facility, or transitory Dwellings that are not ordinarily occupied by the same tenant for more than thirty-one (31) days.

- (f) " Dwelling Unit " refers to any building, structure, or part thereof, or land appurtenant thereto, or any other rental property rented or offered for rent for residential purposes, together with all common areas and recreational facilities held out for use by the Tenant. Dwelling Unit does not include Subsidized Housing.
- (g) " Landlord " means an owner of record, agent, lessor or sublessor, or the successor in interest of any of them, of a Dwelling or Dwelling Unit.
- (h) " Member " refers to an official elected to a Board.
- (i) " Person with a disability " has the meaning given to that term in paragraph (2) of Subsection 2FF of the Consumer Fraud and Deceptive Business Practices Act.
- (j) " Rent " means the consideration demanded or received in connection with the use and occupancy of a Dwelling Unit. Rent shall not include a security deposit or other fund held in trust for the Tenant but shall include other fees, costs, and consideration, regardless of whether they are denominated as rent. Such consideration includes, but is not limited to, monies and fair market value of goods and services rendered for the benefit of the Landlord under the Rental Agreement.
- (k) " Rent Control Registration Fee " means a fee payable not less than annually by Landlords to fund operations and activities of the Board.
- (l) " Rent Stabilization Rate " means the rate by which Rents are permitted to change in that region or other unit of local government within the region.
- (m) " Rental Agreement " means an agreement, oral, written, or implied, between a Landlord and Tenant for use or occupancy of a residential unit in a Dwelling and associated housing services.
- (n) " Subsidized Housing " has the meaning given to that term in Section 3 of the Subsidized Housing Joint Occupancy Act.
- (o) " Tenant " means a person entitled by a Rental Agreement, subtenancy approved by the landlord, or by sufferance, to occupy a residential unit within a Dwelling.

Section 20. Establishment of Regional Rent Control Board; Membership.

(a) Six Regional Rent Control Boards shall be established in the State of Illinois, organized into the following geographic regions:

- (1) Cook County, DuPage County, Grundy County, Kane County, Kendall County, Lake County, McHenry County & Will County.
- (2) Boone County, Bureau County, Carroll County, DeKalb County, Henry County, Jo Daviess County, LaSalle County, Lee County, Marshall County, Ogle County, Putnam County, Rock Island County, Stark County, Stephenson County, Whiteside County & Winnebago County.
- (3) Adams County, Brown County, Cass County, Fulton County, Hancock County, Henderson County, Knox County, Mason County, McDonough County, Menard County, Mercer County, Morgan County, Peoria County, Pike County, Sangamon County, Schuyler County, Scott County, Tazewell County, Warren County & Woodford County.
- (4) Champaign County, Clark County, Coles County, Cumberland County, DeWitt County, Douglas County, Edgar County, Ford County, Iroquois County, Kankakee County, Livingston County, Logan County, Macon County, McLean County, Moultrie County, Piatt County, Shelby County & Vermillion County.
- (5) Bond County, Calhoun County, Christian County, Effingham County, Fayette County, Greene County, Jersey County, Madison County, Macoupin County, Monroe County, Montgomery County, Randolph County & St. Clair County.
- (6) Alexander County, Clay County, Clinton County, Crawford County, Edwards County, Franklin County, Gallatin County, Hardin County, Hamilton County, Jackson County, Jasper County, Jefferson County, Johnson County, Lawrence County, Massac County, Marion County, Perry County, Pope County, Pulaski County, Richland County, Saline County, Union County, Wabash County, Washington County, Wayne County, White County & Williamson County.

(b) Each Board shall consist of the seven following Members:

- (1) Three Members, each of whom is a Tenant residing in the region subject to regulation by the Board and

whose household earns less than 120% of the Area Median Income;

- (2) Two Members, each of whom is a Landlord and own a Dwelling in the region subject to regulation by the Board; and
 - (3) Two Members who are representatives of an organization that advocates for low-income Tenants in the region subject to regulation by the Board.
- (c) Candidates for Board membership shall be nominated in the same manner and form, and shall file nomination petitions in the manner and time as prescribed by the general election law, except that:
- (1) Political party name or affiliation may not appear on any nominating petition;
 - (2) Each nominating petition shall contain the candidate's residential address, which must include the candidate's county of residence; and
 - (3) Each nominating petition shall specify the position for which the candidate is running under paragraphs (1) through (3) of subsection (b).
- (d) Members shall be elected initially in the 2019 consolidated election, and the Members initially elected shall meet within 21 days after the election and determine by lot the terms for which they each shall serve. Of the Members initially selected, three Members shall serve two-year terms and four Members shall each serve four-year terms. At each consolidated election thereafter, each Member elected to succeed a Member whose term expires shall hold office for a term of four years. The term of office of each Member elected shall commence on the 1st Monday of the month following the month of that Member's election, and each Member shall serve until the Member's successor is elected and has qualified. No Member shall serve more than three consecutive terms.
- (e) The office of a Member shall be deemed vacant and shall be filled by appointment pursuant to subsection (f) for the remainder of the term if any Member does not continue to meet the requirements under the paragraph of subsection (b) under which the Member was elected.
- (f) If a vacancy in a Board occurs, either by death, resignation, failure to qualify, change of residence, change of income level, or for any other reason, a majority

of the remaining Members shall fill the vacancy by appointment of a person who shall meet the qualifications of the vacant Member position under the applicable paragraph of subsection (b). The appointed Member shall then assume the duties of the office for the unexpired term to which the person was appointed.

- (g) No Member may be a Tenant or Landlord in a jurisdiction that is exempted from the Act.

Section 25. Board Duties. A Board has the following duties:

- (a) A Board must provide support to and oversight of the units of local government within its region, including county, municipal, township, and village governments, in implementing the requirements of this Act.
- (b) A Board may from time to time establish regulations and penalties applicable within its region and consistent with this Act, and provide for enforcement of those regulations and penalties. A Board may enact regulations that are specific to a particular jurisdiction or area within its region. All regulations must be approved by a majority of the Members voting at a Board meeting.
- (c) A Board must monitor and compile publicly accessible data on Rents and evictions within its region. A Board may provide for data collection from units of local government, Landlords, and Tenants.
- (d) A Board must at least annually publish the Median Area Rent for Dwelling Units with certain numbers of bedrooms within each county of its region, or such other unit of local government as the Board may from time to time decide.
- (e) No more than once every twelve months, a Board must set the Rent Stabilization Rate for each county within its region, or such other units of local government within each county. A Board may provide separate rates for Tenants who are over 65 years of age, Tenants with a disability, or other subclasses of Tenants that a Board may from time to time define.
- (f) A Board must select a Consumer Benchmark to use when calculating the Rent Stabilization Rate.
- (g) A Board shall establish a Rent Control Registration Fee schedule that results in the collection of annual fees from Landlords for each Dwelling Unit in the region over which the Board exercises oversight. The Rent Control

Registration Fee shall be used solely to fund activities under this Act. A Board must maintain and update a publicly available online list of the current payment status of each Dwelling Unit subject to the Board's oversight. The publicly available list shall include the name of the Landlord responsible for the Dwelling Unit.

- (h) A Board shall establish a complaint collection system that allows Tenants and Landlords to submit written and/or verbal complaints to the Board concerning Rents, the affordability and quality of Dwelling Units subject to the Board's oversight, and discriminatory rental practices by Landlords and Tenants subject to the Board's oversight. The Board shall not solicit, maintain, or report information concerning unlawful behavior by a Landlord and Tenant not related to the Rent of a Dwelling Unit, including drug use or possession, immigration status, or domestic relations. A Board shall not be required to adjudicate individual complaints but shall use complaints submitted through this process to improve and inform its activities under this Act.

Section 30. Board Meetings and Administration.

- (a) Every Board meeting shall be held in accordance with the Open Meetings Act and all records of the Board shall be subject to the Freedom of Information Act.
- (b) A Board shall initially meet no later than sixty days after the Board is established to enact regulations as set forth in this Act.
- (c) A Board shall meet at least quarterly and at other times as called by the chairperson of the Board.
- (d) A Board shall hire such staff as is reasonably required to carry out its functions under this Act.
- (e) Members of the Board shall serve without compensation, but shall be reimbursed for their reasonable expenses necessarily incurred in the performance of their duties and the exercise of their powers under this Act.

Section 35. Rent Control Regulation. A Board shall establish regulations consistent with the following for Dwelling Units subject to this Act:

- (a) A Board may change the Rent Stabilization Rate no more than once every twelve months. The change in Rent allowable by

the Rent Stabilization Rate shall not be larger than the change in the Consumer Benchmark for the same twelve-month period.

- (b) No more often than once every twelve months, upon 90 days' written notice, a Landlord may increase the Rent for a Dwelling Unit in which a Tenant resides by a rate no greater than the Rent Stabilization Rate currently in effect. A Landlord may not increase the Rent more often than once every twelve months or at a rate greater than the Rent Stabilization Rate then in effect regardless of whether a Tenant moves out of, or is otherwise displaced from, the Dwelling Unit, another Tenant moves into the Dwelling Unit, or ownership or management of the Dwelling Unit has changed. If a Landlord has not increased the Rent within twelve months before a Tenant moves into the Dwelling Unit, the Landlord may only increase the Rent to the extent allowed by the Rent Stabilization Rate currently in effect.
- (c) A Landlord who has not paid the Rent Control Registration Fee within the past twelve months for a particular Dwelling Unit may not increase the Rent charged for the Dwelling Unit until the Landlord pays in full the Rent Control Registration Fee currently due for the Dwelling Unit.
- (d) A Board shall enact regulations that require Landlords subject to subsection (b) to create and maintain a reserve account for repairs and capital improvements. A Landlord must deposit, at least monthly, 10% of the Landlord's Rent proceeds, after monthly expenses are paid, into the reserve account. A Landlord shall not be liable for failure to create and maintain a reserve account in conformity with this subsection if the owner of the Dwelling Unit owns no more than twelve Dwelling Units, occupies one Dwelling Unit as the owner's principal residence, and charges Rents that on average do not exceed the applicable Median Area Rent.

Section 40. Small Rental Property Owner Repairs & Improvement Fund.

- (a) Each Board shall establish a fund supported by the Rent Stabilization Registration Fee that provides financial support in the form of grants, zero-interest loans, or low-interest loans, to owners who own no more than twelve Dwelling Units in the region subject to the Board's oversight, at least one of which is occupied by the owner as the owner's principal residence, who seek to conduct capital improvements or significant repairs that would bring one or more Dwelling Units into material compliance

with habitability and healthy homes standards. To be eligible to receive financial support through the Small Rental Property Owner Repairs and Improvement Fund, the owner must not charge rents that exceed the applicable Median Area Rent.

- (b) When considering and prioritizing applications for the Small Rental Property Owner Repairs & Improvement Fund, the Board may prioritize, among other factors, applications from Landlords who:
 - (1) Have not increased Rent within the past twelve months;
 - (2) Have paid the Rent Stabilization Registration Fee for the current year;
 - (3) Have not previously received funding from the Small Landlord Repairs & Improvement Fund;
 - (4) Have maintained a reserve account for maintenance and repairs;
 - (5) Lack insurance coverage for the repairs to be conducted;
 - (6) Have encountered unexpected repairs that significantly reduce the habitability, health, or safety of the Dwelling; or
 - (7) Meet such other criteria as the Board shall from time to time require.

Section 45. Home Rule Unit Exemption & Preemption.

- (a) A home rule unit may only exempt itself from coverage of this Act by enacting a rent stabilization regime that includes:
 - (1) A board, commission, department, agency, committee, or other body to oversee implementation and enforcement of the local rent stabilization regime, provided that such entity is publicly accountable, subject to the requirements of the Open Meeting Act and Freedom of Information Act, transparent in its proceedings, and solicitous of public input and participation;
 - (2) A system for determining the maximum rate by which Rents are permitted to increase within the home rule unit that provides adequate assurance that Rents will

remain affordable for a sufficient number of lower- and middle-income renter households and will not increase at a rate significantly greater than real growth in lower- and middle-income consumers' spending power, as measured by a reputable objective standard;

- (3) A system for enforcing adherence to the local stabilization regime that includes public and private enforcement mechanisms and remedies not less than those provided by this Act;
 - (4) Definitions of Dwelling, Dwelling Unit, and Tenant covered by the local rent stabilization regime that are not less inclusive than the definition of Dwelling, Dwelling Unit, and Tenant established by this Act; and
 - (5) A system for collecting and publishing data on Rent trends, Average Rent, and evictions.
- (b) A home rule unit that is not exempted from this Act may not regulate rent control in a manner that directly conflicts with, interferes with, or otherwise diminishes or undermines the protections of this Act, or regulations enacted pursuant to this Act. This subsection is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

Section 50. Private Enforcement.

- (a) Landlords who are found liable in a judicial or administrative proceeding, including an eviction action, to a Tenant of a Dwelling Unit for charging an amount of Rent for that Dwelling Unit in excess of that allowed under this Act must pay the prevailing Tenant damages equal to three times the total monthly Rent charged, together with the actual damages, the Tenant's costs, and reasonable attorney's fees.
- (b) It shall be a germane affirmative defense and counterclaim in any eviction action that the Landlord has charged Rent in excess of the amount allowed under this Act.
- (c) No Landlord may terminate or threaten to terminate a tenancy, refuse to renew a tenancy, increase Rent, or decrease services for a Dwelling Unit on the ground that the Tenant has complained to the Landlord, any governmental authority, community organization, or media organization of a bona fide violation of this Act, or worked collectively

to organize a tenant association or other group to advocate for the Tenant's rights under this Act. Any provision in a Rental Agreement or other agreement or understanding purporting to waive the protection provided by this subsection is void and unenforceable. If a Landlord is found to have acted in violation of this subsection, the Tenant shall be entitled to recover damages in the amount of three times the monthly Rent charged, together with the Tenant's actual damages, the Tenant's costs, and reasonable attorney's fees. In an action brought under this subsection, the Tenant may also seek to recover possession of the Dwelling Unit or terminate the Rental Agreement.

Section 95. Applicability. The provisions of this Act may be enforced only against Landlords who hold Dwelling Units out for rent. Each Board may only prescribe regulations applicable to its region, excluding home rule units that have been validly exempted from coverage under this Act.

Section 900. The Election Code is amended by changing Section 2A-1.2 as follows:

Sec. 2A.1.2. Consolidated Schedule of Elections - Offices Designated.

- (a) At the general election in the appropriate even-numbered years, the following offices shall be filled or shall be on the ballot as otherwise required by this Code:
 - (1) Elector of the President and Vice-President of the United States;
 - (2) United States Senator and United States Representative;
 - (3) State Executive Branch elected officers;
 - (4) State Senator and State Representative;
 - (5) County elected officers, including State's Attorney, County Board member, County Commissioners, and elected President of the County Board or County Chief Executive;
 - (6) Circuit Court Clerk;
 - (7) Regional Superintendent of Schools, except in counties or educational service regions in which that office has been abolished;

- (8) Judges of the Supreme, Appellate, and Circuit Courts, on which the question of retention, to fill vacancies and newly created judicial offices;
 - (9) (Blank);
 - (10) Trustee of the Metropolitan Sanitary District of Chicago, and elected Trustee of other Sanitary Districts;
 - (11) Special District elected officers, not otherwise designated in this Section, where the statute creating or authorizing the creation of the district requires an annual election and permits or requires election of candidates of political parties.
- (b) At the general primary election:
- (1) in each even-numbered year candidates of political parties shall be nominated for those offices to be filled at the general election in that year, except where pursuant to law nomination of candidates of political parties is made by caucus.
 - (2) in the appropriate even-numbered years the political party offices of State central committeeman, township committeeman, ward committeeman, and precinct committeeman shall be filled and delegates and alternate delegates to the National nominating conventions shall be elected as may be required pursuant to this Code. In the even-numbered years in which a Presidential election is to be held, candidates in the Presidential preference primary shall also be on the ballot.
 - (3) in each even-numbered year, where the municipality has provided for annual elections to elect municipal officers pursuant to Section 6(f) or Section 7 of Article VII of the Constitution, pursuant to the Illinois Municipal Code or pursuant to the municipal charter, the offices of such municipal officers shall be filled at an election held on the date of the general primary election, provided that the municipal election shall be a nonpartisan election where required by the Illinois Municipal Code. For partisan municipal elections in even-numbered years, a primary to nominate candidates for municipal office to be elected at the general primary election shall be held on the Tuesday 6 weeks preceding that election.
 - (4) in each school district which has adopted the provisions of Article 33 of the School Code,

successors to the members of the board of education whose terms expire in the year in which the general primary is held shall be elected.

- (c) At the consolidated election in the appropriate odd-numbered years, the following offices shall be filled:
- (1) Municipal officers, provided that in municipalities in which candidates are not permitted by law to be candidates of political parties, the runoff election where required by law, or the nonpartisan election where required by law, shall be held on the date of the consolidated election; and provided further, in the case of municipal officers provided for by an ordinance providing the form of government of the municipality pursuant to Section 7 of Article VII of the Constitution, such offices shall be filled by election or by runoff election as may be provided by such ordinance;
 - (2) Village and incorporated town library directors;
 - (3) City boards of stadium commissioners;
 - (4) Commissioners of park districts;
 - (5) Trustees of public library districts;
 - (6) Special District elected officers, not otherwise designated in this section, where the statute creating or authorizing the creation of the district permits or requires election of candidates of political parties;
 - (7) Township officers, including township park commissioners, township library directors, and boards of managers of community buildings, and Multi-Township Assessors;
 - (8) Highway commissioners and road district clerks;
 - (9) Members of school boards in school districts which adopt Article 33 of the School Code;
 - (10) The directors and chairman of the Chain O Lakes - Fox River Waterway Management Agency;
 - (11) Forest preserve district commissioners elected under Section 3.5 of the Downstate Forest Preserve District Act;
 - (12) Elected members of school boards, school trustees, directors of boards of school directors, trustees of

county boards of school trustees (except in counties or educational service regions having a population of 2,000,000 or more inhabitants) and members of boards of school inspectors, except school boards in school districts that adopt Article 33 of the School Code;

- (13) Members of Community College district boards;
- (14) Trustees of Fire Protection Districts;
- (15) Commissioners of the Springfield Metropolitan Exposition and Auditorium Authority;
- (16) Elected Trustees of Tuberculosis Sanitarium Districts;
- (17) Elected Officers of special districts not otherwise designated in this Section for which the law governing those districts does not permit candidates of the political parties; and
- (18) Members of Regional Rent Control Boards under the Rent Control Act, provided that these offices shall not be listed on the ballots in home rule units that have been exempted from oversight by the Regional Rent Control Boards.

- (d) At the consolidated primary election in each odd-numbered year, candidates of political parties shall be nominated for those officers to be filled at the consolidated election in that year, except where pursuant to law nomination of candidates of political parties is made by caucus, and except those offices listed in paragraphs (12) through (17) of subsection (c).

At the consolidated primary election in the appropriate odd-numbered years, the mayor, clerk, treasurer, and aldermen shall be elected in municipalities in which candidates for mayor, clerk, treasurer, or alderman are not permitted by law to be candidates of political parties, subject to runoff elections to be held at the consolidated election as may be required by law, and municipal officers shall be nominated in a nonpartisan election in municipalities in which pursuant to law candidates for such office are not permitted to be candidates of political parties.

At the consolidated primary election in the appropriate odd-numbered years, municipal officers shall be nominated or elected, or elected subject to a runoff, as may be provided by an ordinance providing a form of government of the municipality pursuant to Section 7 of Article VII of the Constitution.

- (e) (Blank).

- (f) At any election established in Section 2A-1.1, public questions may be submitted to voters pursuant to this Code and any special election otherwise required or authorized by law or by court order may be conducted pursuant to this Code.

Notwithstanding the regular dates for election of officers established in this Article, whenever a referendum is held for the establishment of a political subdivision whose officers are to be elected, the initial officers shall be elected at the election at which such referendum is held if otherwise so provided by law. In such cases, the election of the initial officers shall be subject to the referendum.

Notwithstanding the regular dates for election of officials established in this Article, any community college district which becomes effective by operation of law pursuant to Section 6-6.1 of the Public Community College Act, as now or hereinafter amended, shall elect the initial district board members at the next regularly scheduled election following the effective date of the new district.

- (g) At any election established in Section 2A-1.1, if in any precinct there are no offices or public questions required to be on the ballot under this Code then no election shall be held in the precinct on that date.
- (h) There may be conducted a referendum in accordance with the provisions of Division 6-4 of the Counties Code.

Section 905. The Illinois Income Tax Act is amended by adding Section 227 as follows:

(35 ILCS 5/227 new)

Sec. 227. Rent-controlled property credit; rental property capital improvement credit.

- Tax Credit*
- (a) For taxable years beginning after this amendatory Act of the 100th General Assembly, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 equal to 3% of the real property taxes paid by a qualified taxpayer for each Dwelling that the qualified taxpayer owns and that contains at least one Dwelling Unit for which a Rent Control Registration Fee was paid. To be qualified to claim this credit, the taxpayer must own no more than twelve Dwelling Units in the region subject to a single Board's oversight, occupy one such Dwelling Unit as the taxpayer's principal residence, and not charge Rents that exceed the applicable Median Area Rent, as determined by the Board for that taxable year.

- (b) For taxable years beginning after this amendatory Act of the 100th General Assembly, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to the amount of Capital Improvements to a Dwelling that a taxpayer owns and that contains at least one Dwelling Unit for which a Rent Control Registration Fee was paid. The credit allowed under this subsection in no case may exceed 25% of the real property taxes paid by the taxpayer for the Dwelling for which improvements are claimed.
- (c) A taxpayer may apply for a tax credit under subsection (a) or (b), or both.
- (d) To obtain a tax credit or tax credits pursuant to this Section, the taxpayer must apply with the Department of Commerce and Economic Opportunity. The Department of Commerce and Economic Opportunity shall determine the amount of eligible amounts under subsection (a) or Capital Improvements under subsection (b). Upon approval of a tax credit, the Department of Commerce and Economic Opportunity shall issue a certificate in the amount of the eligible credits. The taxpayer must attach the certificate to the tax return on which the credits are to be claimed. The Department of Commerce and Economic Opportunity may adopt rules to implement this Section.
- (e) The tax credit under subsection (a) or (b), or both, may not reduce the taxpayer's liability to less than zero.
- (f) As used in this Section, "Dwelling," "Dwelling Unit," and "Rent Control Registration Fee," "Median Area Rent," and "Board" have the meanings given to those terms in the Rent Control Act. "Capital Improvements" are capital improvements allowed under Section 263 of the Internal Revenue Code, as codified at Title 26 of the U.S. Code.

Section 910. The Code of Civil Procedure is amended by adding Section 9-205.5 and changing Sections 9-207, 9-209, 9-210, and 9-211 as follows:

Sec. 9-205.5. Refusal To Renew. In all tenancies or leases for a term of one year or more, after the lease expires, the lessee refuses to renew or extend the rental agreement within fourteen (14) days after receiving written notice requesting that the lessee renew the tenancy on substantially similar terms as existed under the prior lease, the lessee's tenancy shall terminate not fewer than thirty (30) days after such 14-day decision period expires.

To provide the lessor the right to terminate the tenancy under this section, the written notice must include substantially the following language: "You must notify your landlord of your decision to continue or renew your tenancy within fourteen days of the date of this notice. If you do not continue or renew your lease, then your tenancy at the premises now occupied by you, being, etc. (here describe the premises), shall terminate within 30 days of this date (dated at least fourteen days after this notice). If you choose not to renew or continue your lease, nothing in this notice shall affect your obligation to pay rent through (here insert date on which the tenancy may be terminated if the lessee does not elect to renew or continue the lease).

Sec. 9-207. ~~Notice to terminate tenancy for less than a year.~~
Termination of a Tenancy for Other Good Cause.

(a) Except as provided in Section 9-207.5 of this Code, in all cases of tenancy from week to week, where the tenant holds over without special agreement, the landlord may terminate the tenancy by 7 days' notice, in writing, and may maintain an action for eviction or ejection. Occupation by Landlord or Qualified Relative. The lessor may seek in good faith to recover possession of the premises so that the lessor or the lessor's spouse, domestic partner, child, parent, grandparent, sibling, or grandchild may occupy the premises as that person's principal residence for a period of no fewer than 24 continuous months. The lessor or such qualified relative must move into the premises within three months after the original lessee vacates the unit. The lessor must provide the lessee with written notice of no fewer than 120 days that the lessor intends to occupy the premises before the lessor may terminate the lease. Such notice shall be dated and shall identify the date, at least 120 days after the notice is served, on which the lessee's tenancy is terminated. Such notice shall also state that the lessee is entitled to relocation assistance in the amount of \$3,000 or three month's rent, whichever is greater, payable within fourteen days before the termination of the lessee's tenancy.

(1) If the lessor recovers possession under this subsection, and continuous occupancy by the lessor or the lessor's qualified relative is for fewer than 24 months, the lessor shall be presumed to be in violation of this subsection and liable to the original lessee for twice the relocation assistance due to such tenant prior to such tenant's move from the premises.

(2) If the lessor recovers possession under this subsection, but the lessor or the lessor's qualified relative fails to occupy the premises within three

months of the expiration of the notice period, the lessor shall be presumed to be in violation of this subsection and liable to the original lessee for twice the relocation assistance due to such tenant prior to such tenant's move from the premises.

(3) The lessor may not recover possession of the premises under this subsection if the lessee notified the lessor, prior to the lessor's recovery of the premises, that the lessee (A) has a disability, as that term is defined under the Americans with Disabilities Act (Section 12102(1) of Title 42 of the U.S. Code), as amended, or (B) is suffering from a life-threatening illness as certified by the lessee's treating physician.

(4) If a substantially equivalent replacement dwelling unit is vacant and available, that unit may be made available to the original lessee at a substantially similar rental rate as the lessee's current lease. The lessee may reject this substitute unit without prejudice to the lessee's rights in bona fide repossession.

(b) Except as provided in Section 9-207.5 of this Code, in all cases of tenancy for any term less than one year, other than tenancy from week to week, where the tenant holds over without special agreement, the landlord may terminate the tenancy by 30 days' notice, in writing, and may maintain an action for eviction or ejection. Significant Repairs. If the lessor in good faith seeks to recover possession of the premises in order to comply with an order from a competent governmental authority to vacate the premises, or seeks to recover possession in order to substantially rehabilitate, remodel, or repair the premises, which, according to a professional licensed to conduct such rehabilitation, remodeling, or repairs, will render the premises not reasonably fit for residential use for the duration of the rehabilitation, remodeling, or repair, the lessor must provide the lessee written notice of no fewer than 90 days to vacate the premises and shall attach to such notice the applicable order or licensed professional's opinion. Such notice shall be dated and shall identify the date, at least 90 days after the notice is served, on which the lessee's tenancy is terminated. If the lessor offers the lessee a substantially equivalent replacement unit that is vacant and available and offered at a substantially similar rental rate as the original premises, the lessee may reject the lessor's offer of such replacement unit without prejudicing the lessee's right to relocation assistance. Such notice shall also state that the lessee is entitled to relocation assistance in the amount of \$3,000 or three month's rent,

whichever is greater, payable within fourteen days before the termination of the lessee's tenancy. If the lessee prevails on a claim that the lessor did not act in good faith in seeking to recover possession under this subsection, the lessor shall be liable for twice the relocation assistance that would be due to the lessee had the lessor acted in compliance with the requirements of this subsection, together with the lessee's reasonable attorney's fees and costs.

- (c) Demolition or Removal. If the lessor in good faith intends to recover possession of the premises to demolish or permanently remove the premises from residential use, the lessor must provide the lessee with no less than 90 days' written notice of such intent before the lessor may terminate the lease. Such notice shall be dated and shall identify the date, at least 120 days after the notice is served, on which the lessee's tenancy is terminated. Such notice shall also state that the lessee is entitled to relocation assistance in the amount of \$3,000 or three month's rent, whichever is greater, payable within fourteen days before the termination of the lessee's tenancy. If the lessee prevails on a claim that the lessor did not act in good faith in seeking to recover possession under this subsection, the lessor shall be liable for twice the relocation assistance that would be due to the lessee had the lessor acted in compliance with the requirements of this subsection, together with the lessee's reasonable attorney's fees and costs.
- (d) If relocation assistance due under this section is not paid within fourteen days prior to the date set for termination of the lessee's tenancy, the lessor shall pay to the lessee twice the amount of relocation assistance originally due to the lessee. If the lessee prevails on a claim that the lessor failed to pay relocation assistance required by this section, the lessee shall be entitled to recover the lessee's reasonable attorney's fees and costs. Failure to pay such relocation assistance shall constitute a germane affirmative defense and counterclaim to any action initiated under this Act. If the lessee prevails on a claim that the lessor did not act in good faith in seeking to recover possession under this subsection, the lessor shall be liable for twice the relocation assistance that would be due to the lessee had the lessor acted in compliance with the requirements of this subsection, together with the lessee's reasonable attorney's fees and costs.

Sec. 9-209. Demand for rent - eviction action. A landlord or his or her agent may, any time after rent is due, demand payment thereof and notify the tenant, in writing, that unless payment is made within

a time mentioned in such notice, not less than five days after service thereof, the lease will be terminated. If the tenant does not pay the rent due within the time stated in the notice under this Section, the landlord may consider the lease ended and commence an eviction or ejection action without further notice or demand. A claim for rent may be joined in the complaint, including a request for the pro rata amount of rent due for any period that a judgment is stayed, and a judgment obtained for the amount of rent found due, in any action or proceeding brought, in an eviction action under this section.

Notice made pursuant to this Section shall, as hereinafter stated, not be invalidated by payments of past due rent demanded in the notice, when the payments do not, at the end of the notice period, total the amount demanded in the notice. The landlord may, however, agree in writing to continue the lease in exchange for receiving partial payment. To prevent invalidation, the notice must prominently state:

"Only FULL PAYMENT of the rent demanded in this notice will waive the landlord's right to terminate the lease under this notice, unless the landlord agrees in writing to continue the lease in exchange for receiving partial payment."

Collection by the landlord Tender of past rent due after the filing of a suit for eviction or ejection pursuant to failure of the tenant to pay the rent demanded in the notice shall not invalidate the suit, provided that the rent then due is tendered prior to trial being had in the suit for eviction or ejection.

Sec. 9-210. Notice to quit. When default is made in any of the material terms of a lease that results in a significant disturbance of the peaceful enjoyment of the property; significant damage to the property caused willfully or negligently; use of any part of the property for criminal activity that significantly threatens health, safety, or peaceful enjoyment of the property, or has a significant adverse effect on the management of the property; or wrongful denial of access to the premises on three or more occasions in a twelve-month period to persons duly authorized by the lessor to enter the premises, provided the legal requirements for such entries were observed, it is not necessary to give more than 10 days' notice to quit, or of the termination of such tenancy, and the same may be terminated on giving such notice to quit at any time after such default in any of the material terms of the lease, provided that such notice instructs how the alleged default may be cured before the end of the notice period and allows the lessee to meet to discuss the alleged default with the lessor or the lessor's agent that affords the lessee with a meaningful opportunity to remedy the alleged default. Such notice may be substantially in the following form:

"To A.B.: You are hereby notified that in consequence of your default in (here insert the character of the default) of the premises now occupied by you, being, etc. (here describe the premises), I have elected to terminate your lease, and you are hereby notified to quit and deliver up possession of the same to me within 10 days of this date (dated, etc.). You may request to meet with [here identify the

lessor's agent] within 10 days of (dated, etc.) to discuss this notice and how an eviction action can be avoided. IF YOU DO NOT VACATE OR CURE THIS DEFAULT WITHIN 10 DAYS BY (here explain how the alleged default may be cured within the notice period), THEN AN EVICTION ACTION MAY BE FILED AGAINST YOU."

This notice is to be signed by the lessor or his or her agent, and no other notice or demand of possession or termination of such tenancy is necessary, provided that the lessee has not timely cured the alleged default.

Sec. 9-211. Service of demand or notice. Any demand may be made or notice served by delivering a written or printed, or partially written and printed, copy thereof to the tenant, or by leaving the same with some person of the age of 13 years or upwards, residing on or in possession of the premises; or by sending a copy of the notice to the tenant by certified or registered mail, with a returned receipt from the addressee; and in case no one is in actual possession of the premises, then by posting the same on the premises.

Any demand or notice served must be accessible to the tenant, including by being presented in the language the lessor knows or should know is the lessee's primary language; containing an explicit statement of the basis for the notice or demand with sufficient specificity to allow the lessee to prepare a defense; and bearing the following statement: "You may wish to contact a lawyer or local legal aid or housing counseling agency to discuss any rights that you may have."

Section 915. The Condominium Property Act is amended by changing Section 30 as follows:

Sec. 30. Conversion condominiums; notice; recording.

- (a) (1) No real estate may be submitted to the provisions of the Act as a conversion condominium unless (i) a notice of intent to submit the real estate to this Act (notice of intent) has been given to all persons who were tenants of the building located on the real estate on the date the notice is given. Such notice shall be given at least 30 days, and not more than 1 year prior to the recording of the declaration which submits the real estate to this Act; and (ii) the developer executes and acknowledges a certificate which shall be attached to and made a part of the declaration and which provides that the developer, prior to the execution by him or his agent of any agreement for the sale of a unit, has given a copy of the notice of intent to all persons who were tenants of the building located on the real estate on the date the notice of intent was given.

- (2) If the owner fails to provide a tenant with notice of the intent to convert as defined in this Section, the tenant permanently vacates the premises as a direct result of non-renewal of his or her lease by the owner, and the tenant's unit is converted to a condominium by the filing of a declaration submitting a property to this Act without having provided the required notice, then the owner is liable to the tenant for the following:
- (A) The tenant's actual moving expenses incurred when moving from the subject property, not to exceed \$1,500;
 - (B) three month's rent at the subject property; and
 - (C) reasonable attorney's fees and court costs.
- (b) Any developer of a conversion condominium must, upon issuing the notice of intent, publish and deliver along with such notice of intent, a schedule of selling prices for all units subject to the condominium instruments and offer to sell such unit to the current tenants, except for units to be vacated for rehabilitation subsequent to such notice of intent. Such offer shall not expire earlier than 30 days after receipt of the offer by the current tenant, unless the tenant notifies the developer in writing of his election not to purchase the condominium unit.
- (c) Any tenant who was a tenant as of the date of the notice of intent and whose tenancy expires (other than for cause) prior to the expiration of 120 days from the date on which a copy of the notice of intent was given to the tenant shall have the right to extend his tenancy on the same terms and conditions and for the same rental until the expiration of such 120 day period by the giving of written notice thereof to the developer within 30 days of the date upon which a copy of the notice of intent was given to the tenant by the developer.
- (d) Each lessee in a conversion condominium shall be informed in writing by the developer at the time the notice of intent is given whether his or her tenancy will be renewed or terminated upon its expiration. If the tenancy is to be renewed, the tenant shall be informed of all charges, rental or otherwise, in connection with the new tenancy and the length of the term of occupancy proposed in conjunction therewith. If the tenancy is to be terminated upon expiration of the notice period, the tenant shall be entitled to relocation assistance in the amount of three times the rent charged for the unit or \$3,000, whichever is greater, payable to the tenant within fourteen (14) days prior to the expiration of the notice period. If the tenancy is to be terminated, the notice of intent shall

inform the tenant that relocation assistance shall be paid within fourteen days prior to the expiration of the notice period. The amount of relocation assistance due to the tenant shall be independent of the number of persons residing in the unit. If the relocation is not paid within fourteen days prior to the expiration of the notice period, then the lessor shall pay to the lessee twice the relocation assistance due to the lessee. If the lessee prevails on a claim that the lessor failed to pay relocation assistance required by this section, the lessee shall be entitled to recover the lessee's reasonable attorney's fees and costs. Failure to pay such relocation assistance shall constitute a germane affirmative defense and counterclaim to any action brought under the Eviction Act.

- (e) For a period of 120 days following his receipt of the notice of intent, any tenant who was a tenant on the date the notice of intent was given shall be given the right to purchase his unit on substantially the same terms and conditions as set forth in a duly executed contract to purchase the unit, which contract shall conspicuously disclose the existence of, and shall be subject to, the right of first refusal. The tenant may exercise the right of first refusal by giving notice thereof to the developer prior to the expiration of 30 days from the giving of notice by the developer to the tenant of the execution of the contract to purchase the unit. The tenant may exercise such right of first refusal within 30 days from the giving of notice by the developer of the execution of a contract to purchase the unit, notwithstanding the expiration of the 120 day period following the tenant's receipt of the notice of intent, if such contract was executed prior to the expiration of the 120 day period. The recording of the deed conveying the unit to the purchaser which contains a statement to the effect that the tenant of the unit either waived or failed to exercise the right of first refusal or option or had no right of first refusal or option with respect to the unit shall extinguish any legal or equitable right or interest to the possession or acquisition of the unit which the tenant may have or claim with respect to the unit arising out of the right of first refusal or option provided for in this Section. The foregoing provision shall not affect any claim which the tenant may have against the landlord for damages arising out of the right of first refusal provided for in this Section.
- (f) During the 30 day period after the giving of notice of an executed contract in which the tenant may exercise the right of first refusal, the developer shall grant to such tenant access to any portion of the building to inspect any of its features or systems and access to any reports,

warranties, or other documents in the possession of the developer which reasonably pertain to the condition of the building. Such access shall be subject to reasonable limitations, including as to hours. The refusal of the developer to grant such access is a business offense punishable by a fine of \$500. Each refusal to an individual lessee who is a potential purchaser is a separate violation.

- (g) Any notice provided for in this Section shall be deemed given when a written notice is delivered in person or mailed, certified or registered mail, return receipt requested to the party who is being given the notice.
- (h) Prior to their initial sale, units offered for sale in a conversion condominium and occupied by a tenant at the time of the offer shall be shown to prospective purchasers only a reasonable number of times and at appropriate hours. Units may only be shown to prospective purchasers during the last 90 days of any expiring tenancy.
- (i) Any provision in any lease or other rental agreement, or any termination of occupancy on account of condominium conversion, not authorized herein, or contrary to or waiving the foregoing provisions, shall be deemed to be void as against public policy.
- (j) A tenant is entitled to injunctive relief to enforce the provisions of subsections (a) and (c) of this Section.
- (k) A non-profit housing organization, suing on behalf of an aggrieved tenant under this Section, may also recover compensation for reasonable attorney's fees and court costs necessary for filing such action.
- (l) Nothing in this Section shall affect any provision in any lease or rental agreement in effect before this Act becomes law.
- (m) Nothing in this amendatory Act of 1978 shall be construed to imply that there was previously a requirement to record the notice provided for in this Section.

Section 920. The Rent Control Preemption Act is repealed. If any part of this Act is found to be unconstitutional or otherwise invalid, this shall not affect the repeal of the Rent Control Preemption Act.

Section 925. Prohibition of Waiver. The provisions of this Act may not be waived, and any term of any Rental Agreement, contract, or

other agreement that purports to waive or limit a Tenant's substantive or procedural rights under this Act is contrary to public policy, void, and unenforceable.

Section 930. Cumulative Rights, Obligations, and Remedies. The rights, obligations, and remedies set forth in this Act shall be cumulative and in addition to any others available at law or in equity.

Section 935. Severability. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity of that provision or application does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application.

Section 999. Effective date. This act shall be effective on the date it is enacted.