

Capitol Conference REALTOR® LOBBY DAY

— SPRING 2024 —

LEGISLATIVE ISSUES



Illinois REALTORS® Advocating for Housing Legislation

Illinois REALTORS® is working with state legislators this session to address critical housing issues facing the state. The key elements of our housing package include measures aimed at remedying discriminatory local housing laws and providing paths to future homeownership in Illinois through policy.

REALTOR® HOUSING INITIATIVES

SUPPORT – HB 5432 / SB 3680 Preserving Housing Stability by Banning Crime-Free Housing Ordinances

– Illinois REALTORS® and (Rep. Gong-Gershowitz, D-Glenview) have proposed **HB 5432**, which focuses on preserving housing stability and bans outright any so-called local crime-free housing ordinance and would render any existing version of a local, crime-free housing ordinance invalid and unenforceable. It would prohibit any municipality from creating a new, similar regulation. **SB 3680** (Sen. Am. #1) (Rep. Villa, D-West Chicago) is an identical bill in the Senate. The bills would not allow municipalities and counties to require property owners to impose a penalty on a property owner or landlord for the failure to do any of the following:

- ▶ Evict or penalize a tenant because of the tenant's association with another tenant or household member who has had contact with a law enforcement agency or has a criminal conviction.
- ▶ Evict, refuse to lease or renew a lease, or otherwise penalize a tenant because of the tenant's criminal history or alleged unlawful conduct or arrest.
- ▶ Include a provision in a lease or rental agreement that provides as grounds for eviction, any cause that conflicts with state or federal law.

Also, the bill would not allow municipalities to:

- ▶ Define a nuisance as any contact by a tenant with a law enforcement agency, any request by a tenant, landlord, resident, or property owner for emergency assistance.
- ▶ Requires a tenant to obtain a certificate of occupancy as a condition of tenancy.
- ▶ Establish, maintain, or promote a registry of tenants for the purposes of discouraging a landlord from renting to a tenant on the registry or excluding a tenant on the registry from rental housing within the local government's jurisdiction.

SUPPORT – SB 3497 Illinois Homebuyers Savings Account Act

– There are many contributing factors (some within our control, some not) that led us to our current situation, and it will take a concerted, ongoing effort to

restore a healthy housing sector. Illinois REALTORS® will continue to craft legislation to explore policy options that aim to provide new avenues and opportunities towards homeownership.

Illinois REALTORS® and (Sen. Castro, D-Elgin) have proposed **SB 3497**, The Illinois Homebuyers Savings Account Act:

- ▶ Allows for homebuyers to receive a tax deduction for funds they save and put toward their first home purchase.
- ▶ Single tax filers may create designated savings accounts and receive a tax deduction of up to \$5,000 per year,
- ▶ Joint filers or married couples can receive up to \$10,000 in deductions each year for contributions to their account.
- ▶ The bill caps tax deductions over the lifetime of the account at \$25,000 for single filers and \$50,000 for joint filers.

SB 3497 would create an easy and simple process for prospective homebuyers, banks and state agencies to understand and administer; **SB 3497** would provide financial security and a roadmap to the American Dream of Homeownership, so ask your legislator to **SUPPORT SB 3497**

SUPPORT – SB 3769 Electric Vehicle Oriented Housing Pilot to Address Missing Middle Housing

The Electric Vehicle Oriented (EVO) Pilot Program is one of the state's first major steps in reversing the steady decline of housing inventory by applying a recognized technique for incentivizing proximity-based construction to one of the state's fastest growing sectors – the electric vehicle and renewable fuels industry. **SB 3769** addresses the massive shortage of "missing middle" housing, a category of homes that includes starter homes. The EVO Housing Pilot program is a step in the direction of reprioritizing starter homes for Illinois working families.

The EVO Housing Pilot program specifically addresses this critical need in our housing supply, while continuing the focus

on our electric vehicle and renewable fuels economies. The pilot program would provide grants to developers building homes considered “affordable” to moderate income residents

- ▶ Residents who are between 80 percent and 120 percent of the area median income
- ▶ Home must be single family, duplex, triplex, fourplex or condominiums
- ▶ Development must be within 10 mile-radius of recognized REV project.
- ▶ Grants will subsidize land acquisition and development costs

These homes will not just provide necessary, stable housing for Illinois’ growing workforce, but will provide further economic development in those areas surrounding REV projects and mark the beginning of the end of housing scarcity in Illinois. Ask your legislator to [SUPPORT SB 3769](#).

REGULATORY/HUMAN RIGHTS

SUPPORT – SB 3740 / HB 5551 (Sen. Cervantes, D-1st, Chicago) (Rep. Douglass, D-45th, Westmont)

Through a collaborative relationship with IDFP, Illinois REALTORS® legal and legislative team have had a big hand in an agreed bill that amends the Real Estate License Act as follows:

Changes to Brokerage Agreements:

- ▶ Written brokerage agreements will now be required when a licensee acts as an agent for buyers and/or sellers.
 - Sellers commonly use written brokerage agreements when they list properties, so the biggest change is that buyer-side brokers will be required to have written agreements with their buyer clients.
 - These written agreements may be exclusive or non-exclusive, where the exclusive agreement must include minimum services and gives a higher level of protection to both the client and the brokerage company.

Other SUPPORTED changes to RELA:

- ▶ Brokers seeking to upgrade their licenses will only be required to take an Illinois state-specific exam to obtain their managing broker license.
- ▶ Fair Housing CE – Mandatory Core CE Hours will increase from four to six where two of the six will be mandatory Fair Housing-related courses.

- ▶ Added language to emphasize and support the independent contractor relationship for a licensee conducting brokerage business when that is the nature of the agreement between the sponsoring broker and the licensee.
- ▶ Making it a violation not to have a written brokerage agreement.
- ▶ Department initiatives including:
 - Going away from broker reciprocity in favor of an endorsement program for non-resident licensees to obtain an Illinois license upon completion of certain requirements.
 - Several cleanups for departmental consistency and treatment of departmental funds.

Both [SB 3740](#) and [HB 5551](#) have passed committee and have been favorably sent to the Senate and House Floor, ask your legislator to vote [YES](#) on this agreed bill.

OPPOSE – SB 2818 (Sen. Am. #1) as currently drafted (Sen. Ventura, D-43rd, Joliet) – This legislation is a statewide version of the “Just Housing” ordinance enacted in Cook County several years ago. The bill sets up a specific written review a landlord must do when assessing whether to rent to a formerly incarcerated person. After this formal written dialogue between the landlord and prospective tenant, the landlord may either enter a lease, or deny the applicant in writing, along with a notice that the applicant may file a complaint with the Illinois Department of Human Rights. This law puts housing providers in the position of rendering a written decision about a person’s past criminal history and suitability for tenancy without any guidance or knowledge of criminal justice offenses and issues. **SB 2818** remains in the Senate.

OPPOSE – HB 5371 (Rep. Williams, D-11th, Chicago) Amends the Illinois Human Rights Act to change the definition of “real estate transaction” to include any act that “otherwise makes available” such a transaction or alters a person’s right to real property. The bill is attempting to “codify” federal court rulings regarding discriminatory effect. The bill is an initiative of the Illinois Attorney General’s office and the Illinois Department of Human Rights. At this moment, Illinois REALTORS® opposes this legislation and has offered an amendment. The bill is on Second Reading with the understanding the sponsor will continue to work with all parties involved to come to an agreement on the bill.

RENTAL HOUSING LEGISLATION

NEUTRAL – SB 3652 (Sen. Peters, D-13th, Chicago) HB 5550 (Rep. Mah, D-24th, Chicago) – Identical bills would require the Illinois Department of Human Rights to create a domestic violence victim’s summary of rights on the first page of residential leases. At our suggestion, both bills were amended to change the effective date to Jan. 1, 2026, giving landlords time to prepare new leases. Both bills are moving in the legislative process. With the amendment, the Illinois REALTORS® are **NEUTRAL**

OPPOSE – HB 5584 (Rep. Huynh, D-13th, Chicago) Requires mobile home park owners attempting to sell the park to give one year’s notice to residents to allow them time to purchase the park. Illinois REALTORS® has suggested amending the language to give park residents 60 days instead of one year to make an offer.

NEUTRAL – SB 2935 (Sen. Stadelman, D-34th, Rockford), is similar to HB 5584 – (above) but has been amended to mandate that park residents have 60 days to make an offer to purchase instead of one year.

NEUTRAL – HB 5023 (Rep. Olickal, D-16th, Chicago) Regarding evictions, replaces the term “seal” with “impound”. The bill is an initiative of the Chicago Bar Association and Illinois REALTORS® was originally opposed, seeking clarification of the legislative intent. We were concerned about the possibility of sealing of evictions and were reassured by the sponsor and Chicago Bar Association that the bill is to match up current terminology in existing criminal and civil code. **HB 5023** passed out of the Housing Committee and was placed on Second Reading.

NEUTRAL – HB 4796 (Rep. Cassidy, D-14th, Chicago) Requires landlords to disclose all non-optional fees on the first page of a lease. Illinois REALTORS® has asked for an amendment to extend the effective date for education and logistical purposes regarding lease documents. Currently, Illinois REALTORS® is neutral, but we will **OPPOSE** the bill if the effective date is not changed allowing landlords the appropriate amount of time to make the necessary adjustments.

NEUTRAL – SB 2601 (Sen. Porfirio D-11th, Burbank) Requires landlords to disclose that property is in FEMA’s Flood Hazard Area and disclose all historical flooding of lower levels. The bill moved to Third Reading in the Senate. Illinois REALTORS® is neutral.

OPPOSE – HB 4104 (Rep. Huynh, D-13th, Chicago) Creates the “Let the People Lift the Ban Act” and amends the “Rent Control Preemption Act” to say that any unit of local government enacting, maintaining, or enforcing an ordinance or resolution that would have the effect of controlling the amount of rent charged for leasing private residential or commercial property, does not apply if the voters of the unit of local government have approved a referendum allowing rent control. Includes provisions for regulation within districts, precincts, wards, or similar sub-division units of local government. The bill is in the House Rules Committee and is not expected to be heard this session.

NEUTRAL – SB 3658 (Sen. Syverson, D-35th, Cherry Valley) – Makes it illegal for anyone without legal standing to occupy property. This legislation attempts to solve a growing issue with people moving into vacant homes without the owner’s consent.

CONDOMINIUM LEGISLATION

SUPPORT – HB 5502 (Rep. Didech, D-59th, Buffalo Grove) – Illinois REALTORS® supports Amendment 1, which clarifies that a condo association may not exercise a right of first refusal or option to purchase that is based on discrimination or other unlawful purpose.

NEUTRAL – SB 2740 (Sen. McConchie, R- 26th, Lake Zurich) – Condominium board must adopt a policy to reasonably accommodate a unit owner with a disability. Makes various changes to requirements in new condominium development parking structures.

ENERGY AND ENVIRONMENT

OPPOSE – SB 3669 (Sen. Ellman – D-21st, Naperville) and HB 5386 (Rep. Moeller, D-43rd, Elgin) Illinois REALTORS® is part of a multi-industry coalition opposing this bill, which attempts to undo a U.S. Supreme Court decision exempting various wetlands and streams from being under the EPA jurisdiction. Illinois REALTORS® is concerned with bill language regarding restrictions and requirements of residential development on private property.



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