

HB2609



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB2609

by Rep. Sonya M. Harper

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172.5 new

Amends the Property Tax Code. Creates a resident low-income assessment freeze homestead exemption. Provides that the maximum income limitation is \$75,000 for applicants who have occupied the residence in a low-income area 5 years or more. Indexes the maximum limitation to the Consumer Price Index. Effective immediately.

LRB100 11066 HLH 21308 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by adding
5 Section 15-172.5 as follows:

6 (35 ILCS 200/15-172.5 new)

7 Sec. 15-172.5. Resident Low-Income Assessment Freeze
8 Homestead Exemption.

9 (a) This Section may be cited as the Resident Low-Income
10 Assessment Freeze Homestead Exemption.

11 (b) As used in this Section:

12 "Applicant" means an individual who has filed an
13 application under this Section.

14 "Base amount" means the base year equalized assessed value
15 of the residence plus the first year's equalized assessed value
16 of any added improvements which increased the assessed value of
17 the residence after the base year.

18 "Base year" means the taxable year prior to the taxable
19 year for which the applicant first qualifies and applies for
20 the exemption, provided that, in the prior taxable year, the
21 property was improved with a permanent structure that was
22 occupied as a residence by the applicant who was liable for
23 paying real property taxes on the property and who was either

1 (i) an owner of record of the property or had legal or
2 equitable interest in the property as evidenced by a written
3 instrument or (ii) had a legal or equitable interest as a
4 lessee in the parcel of property that was single family
5 residence.

6 "Chief County Assessment Officer" means the County
7 Assessor or Supervisor of Assessments of the county in which
8 the property is located.

9 "Equalized assessed value" means the assessed value of the
10 property as equalized by the Department of Revenue.

11 "Household" means the applicant, the spouse of the
12 applicant, and all persons using the residence of the applicant
13 as their principal place of residence.

14 "Household income" means the combined income of the members
15 of a household for the calendar year preceding the taxable
16 year.

17 "Income" has the same meaning as provided in Section 3.07
18 of the Senior Citizens and Persons with Disabilities Property
19 Tax Relief Act, but does not include veteran's benefits.

20 "Internal Revenue Code of 1986" means the United States
21 Internal Revenue Code of 1986 or any successor law or laws
22 relating to federal income taxes in effect for the year
23 preceding the taxable year.

24 "Life care facility that qualifies as a cooperative" means
25 a facility as defined in Section 2 of the Life Care Facilities
26 Act.

1 "Low-income area" means a census tract with a median income
2 at or below the Federal Poverty Level, issued by the United
3 States Department of Health and Human Services.

4 "Maximum income limitation" means:

5 (1) in taxable year 2017, (A) \$50,000 for applicants
6 who have occupied the residence for less than 5 years and
7 (B) \$75,000 for applicants who have occupied the residence
8 for 5 or more years; and

9 (2) in taxable year 2018 and thereafter, (A) for
10 applicants who have occupied the residence for less than 5
11 years, an amount equal to the maximum income limitation for
12 the immediately prior taxable year for applicants who have
13 occupied the residence for less than 5 years increased by
14 the lesser of (i) 2% or (ii) the percentage increase during
15 the immediately prior taxable year in the Consumer Price
16 Index for All Urban Consumers for all items published by
17 the United States Department of Labor Bureau of Labor
18 Statistics and (B) for applicants who have occupied the
19 residence for 5 or more years, an amount equal to the
20 maximum income limitation for the immediately prior
21 taxable year for applicants who have occupied the residence
22 for 5 or more years increased by the lesser of (i) 2% or
23 (ii) the percentage increase during the immediately prior
24 taxable year in the Consumer Price Index for All Urban
25 Consumers for all items published by the United States
26 Department of Labor Bureau of Labor Statistics.

1 "Residence" means the principal dwelling place and
2 appurtenant structures used for residential purposes in this
3 State occupied on January 1 of the taxable year by a household
4 and so much of the surrounding land, constituting the parcel
5 upon which the dwelling place is situated, as is used for
6 residential purposes. If the chief county assessment officer
7 has established a specific legal description for a portion of
8 property constituting the residence, then that portion of
9 property shall be deemed the residence for the purposes of this
10 Section.

11 "Taxable year" means the calendar year during which ad
12 valorem property taxes payable in the next succeeding year are
13 levied.

14 (c) Beginning in taxable year 2017, an assessment freeze
15 homestead exemption is granted for real property that is
16 improved with a permanent structure that is occupied as a
17 residence by an applicant who (i) resides in a low-income area,
18 (ii) has a household income that does not exceed the maximum
19 income limitation, (iii) is liable for paying real property
20 taxes on the property, (iv) is an owner of record of the
21 property or has a legal or equitable interest in the property
22 as evidenced by a written instrument, and (v) who has occupied
23 the residence for 5 years or more. This homestead exemption
24 shall also apply to a leasehold interest in a parcel of
25 property improved with a permanent structure that is a single
26 family residence that is occupied as a residence by a person

1 who (i) resides in a low-income area, (ii) has a household
2 income that does not exceed the maximum income limitation,
3 (iii) has a legal or equitable ownership interest in the
4 property as lessee, (iv) is liable for the payment of real
5 property taxes on that property, and (v) who has occupied this
6 residence for 5 years or more.

7 The amount of the exemption is the equalized assessed value
8 of the residence in the taxable year for which application is
9 made minus the base amount.

10 When the applicant is a surviving spouse of an applicant
11 for a prior year for the same residence for which an exemption
12 under this Section has been granted, the base year and base
13 amount for that residence are the same as for the applicant for
14 the prior year.

15 Each year at the time the assessment books are certified to
16 the County Clerk, the Board of Review or Board of Appeals shall
17 give to the County Clerk a list of the assessed values of
18 improvements on each parcel qualifying for this exemption that
19 were added after the base year for this parcel and that
20 increased the assessed value of the property.

21 In the case of land improved with an apartment building
22 owned and operated as a cooperative or a building that is a
23 life care facility that qualifies as a cooperative, the maximum
24 reduction from the equalized assessed value of the property is
25 limited to the sum of the reductions calculated for each unit
26 occupied as a residence by a person or persons (i) residing in

1 a low-income area, (ii) with a household income that does not
2 exceed the maximum income limitation, (iii) who are liable, by
3 contract with the owner or owners of record, for paying real
4 property taxes on the property, (iv) who is an owner of record
5 of a legal or equitable interest in the cooperative apartment
6 building, other than a leasehold interest, and (v) who have
7 occupied the residence for 5 years or more. In the instance of
8 a cooperative where a homestead exemption has been granted
9 under this Section, the cooperative association or its
10 management firm shall credit the savings resulting from that
11 exemption only to the apportioned tax liability of the owner
12 who qualified for the exemption. Any person who willfully
13 refuses to credit that savings to an owner who qualifies for
14 the exemption is guilty of a Class B misdemeanor.

15 When a homestead exemption has been granted under this
16 Section and an applicant then becomes a resident of a facility
17 licensed under the Assisted Living and Shared Housing Act, the
18 Nursing Home Care Act, the Specialized Mental Health
19 Rehabilitation Act of 2013, the ID/DD Community Care Act, or
20 the MC/DD Act, the exemption shall be granted in subsequent
21 years so long as the residence (i) continues to be occupied by
22 the qualified applicant's spouse or (ii) if remaining
23 unoccupied, is still owned by the qualified applicant for the
24 homestead exemption.

25 When married persons maintain separate residences, the
26 exemption provided for in this Section may be claimed by only

1 one of such persons and for only one residence.

2 In counties having 3,000,000 or more inhabitants, to
3 receive the exemption, a person may submit an application to
4 the chief county assessment officer of the county in which the
5 property is located during such period as may be specified by
6 the chief county assessment officer. The chief county
7 assessment officer in counties of 3,000,000 or more inhabitants
8 shall annually give notice of the application period by mail or
9 by publication. In counties having less than 3,000,000
10 inhabitants, to receive the exemption, a person shall submit an
11 application by July 1 of each taxable year to the chief county
12 assessment officer of the county in which the property is
13 located. A county having less than 3,000,000 inhabitants may,
14 by ordinance, establish a date for submission of applications
15 that is different than July 1. The applicant shall submit with
16 the application an affidavit verifying the applicant's
17 qualifications for the exemption under this Section. The
18 Department shall establish, by rule, a method for verifying the
19 accuracy of such affidavits, and the chief county assessment
20 officer may conduct audits of any taxpayer claiming an
21 exemption under this Section to verify that the taxpayer is
22 eligible to receive the exemption. Each application shall
23 contain or be verified by a written declaration that it is made
24 under the penalties of perjury. A taxpayer's signing a
25 fraudulent application under this Act is perjury, as defined in
26 Section 32-2 of the Criminal Code of 2012. The applications

1 shall be clearly marked as applications for the Resident
2 Low-Income Assessment Freeze Homestead Exemption and must
3 contain a notice that any taxpayer who receives the exemption
4 is subject to an audit by the chief county assessment officer.

5 If an applicant fails to file the application required by
6 this Section in a timely manner and this failure to file is due
7 to a mental or physical condition sufficiently severe so as to
8 render the applicant incapable of filing the application in a
9 timely manner, the chief county assessment officer may extend
10 the filing deadline for a period of 30 days after the applicant
11 regains the capability to file the application, but in no case
12 may the filing deadline be extended beyond 3 months of the
13 original filing deadline. In order to receive the extension
14 provided in this paragraph, the applicant shall provide the
15 chief county assessment officer with a signed statement from
16 the applicant's physician, advanced practice nurse, or
17 physician assistant stating the nature and extent of the
18 condition, that, in the physician's, advanced practice
19 nurse's, or physician assistant's opinion, the condition was so
20 severe that it rendered the applicant incapable of filing the
21 application in a timely manner, and the date on which the
22 applicant regained the capability to file the application.

23 The chief county assessment officer may determine the
24 eligibility of a life care facility that qualifies as a
25 cooperative to receive the benefits provided by this Section by
26 use of an affidavit, application, visual inspection,

1 questionnaire, or other reasonable method in order to insure
2 that the tax savings resulting from the exemption are credited
3 by the management firm to the apportioned tax liability of each
4 qualifying resident. The chief county assessment officer may
5 request reasonable proof that the management firm has so
6 credited that exemption.

7 Except as provided in this Section, all information
8 received by the chief county assessment officer or the
9 Department from applications filed under this Section, or from
10 any investigation conducted under the provisions of this
11 Section, shall be confidential, except for official purposes or
12 pursuant to official procedures for collection of any State or
13 local tax or enforcement of any civil or criminal penalty or
14 sanction imposed by this Act or by any statute or ordinance
15 imposing a State or local tax. Any person who divulges any such
16 information in any manner, except in accordance with a proper
17 judicial order, is guilty of a Class A misdemeanor.

18 Nothing contained in this Section shall prevent the
19 Director or chief county assessment officer from publishing or
20 making available reasonable statistics concerning the
21 operation of the exemption contained in this Section in which
22 the contents of claims are grouped into aggregates in such a
23 way that information contained in any individual claim shall
24 not be disclosed.

25 (d) Each Chief County Assessment Officer shall annually
26 publish a notice of availability of the exemption provided

1 under this Section. The notice shall be published at least 60
2 days but no more than 75 days prior to the date on which the
3 application must be submitted to the Chief County Assessment
4 Officer of the county in which the property is located. The
5 notice shall appear in a newspaper of general circulation in
6 the county.

7 Notwithstanding Sections 6 and 8 of the State Mandates Act,
8 no reimbursement by the State is required for the
9 implementation of any mandate created by this Section.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.