



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3296

by Rep. Sue Scherer

SYNOPSIS AS INTRODUCED:

30 ILCS 805/8.28
35 ILCS 200/9-275
35 ILCS 200/15-10
35 ILCS 200/15-172
35 ILCS 200/15-175

Amends the Property Tax Code. Provides that the Senior Citizens Assessment Freeze Homestead Exemption also applies to persons with a disability. Amends the State Mandates Act to make conforming changes. Effective immediately.

LRB100 07332 HLH 17394 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 State Mandates Act is amended by changing
5 Section 8.28 as follows:

6 (30 ILCS 805/8.28)

7 Sec. 8.28. Exempt mandate.

8 (a) Notwithstanding Sections 6 and 8 of this Act, no
9 reimbursement by the State is required for the implementation
10 of any mandate created by Public Act 93-654, 93-677, 93-679,
11 93-689, 93-734, 93-753, 93-910, 93-917, 93-1036, 93-1038,
12 93-1079, or 93-1090.

13 (b) Notwithstanding Sections 6 and 8 of this Act, no
14 reimbursement by the State is required for the implementation
15 of any mandate created by the Senior Citizens and Persons with
16 a Disability Assessment Freeze Homestead Exemption under
17 Section 15-172 of the Property Tax Code, the General Homestead
18 Exemption under Section 15-175 of the Property Tax Code, the
19 alternative General Homestead Exemption under Section 15-176
20 of the Property Tax Code, the Homestead Improvements Exemption
21 under Section 15-180 of the Property Tax Code, and by Public
22 Act 93-715.

23 (Source: P.A. 95-331, eff. 8-21-07.)

1 Section 10. The Property Tax Code is amended by changing
2 Sections 9-275, 15-10, 15-172, and 15-175 as follows:

3 (35 ILCS 200/9-275)

4 Sec. 9-275. Erroneous homestead exemptions.

5 (a) For purposes of this Section:

6 "Erroneous homestead exemption" means a homestead
7 exemption that was granted for real property in a taxable year
8 if the property was not eligible for that exemption in that
9 taxable year. If the taxpayer receives an erroneous homestead
10 exemption under a single Section of this Code for the same
11 property in multiple years, that exemption is considered a
12 single erroneous homestead exemption for purposes of this
13 Section. However, if the taxpayer receives erroneous homestead
14 exemptions under multiple Sections of this Code for the same
15 property, or if the taxpayer receives erroneous homestead
16 exemptions under the same Section of this Code for multiple
17 properties, then each of those exemptions is considered a
18 separate erroneous homestead exemption for purposes of this
19 Section.

20 "Homestead exemption" means an exemption under Section
21 15-165 (veterans with disabilities), 15-167 (returning
22 veterans), 15-168 (persons with disabilities), 15-169
23 (standard homestead for veterans with disabilities), 15-170
24 (senior citizens), 15-172 (senior citizens and persons with a

1 disability assessment freeze), 15-175 (general homestead),
2 15-176 (alternative general homestead), or 15-177 (long-time
3 occupant).

4 "Erroneous exemption principal amount" means the total
5 difference between the property taxes actually billed to a
6 property index number and the amount of property taxes that
7 would have been billed but for the erroneous exemption or
8 exemptions.

9 "Taxpayer" means the property owner or leasehold owner that
10 erroneously received a homestead exemption upon property.

11 (b) Notwithstanding any other provision of law, in counties
12 with 3,000,000 or more inhabitants, the chief county assessment
13 officer shall include the following information with each
14 assessment notice sent in a general assessment year: (1) a list
15 of each homestead exemption available under Article 15 of this
16 Code and a description of the eligibility criteria for that
17 exemption; (2) a list of each homestead exemption applied to
18 the property in the current assessment year; (3) information
19 regarding penalties and interest that may be incurred under
20 this Section if the taxpayer received an erroneous homestead
21 exemption in a previous taxable year; and (4) notice of the
22 60-day grace period available under this subsection. If, within
23 60 days after receiving his or her assessment notice, the
24 taxpayer notifies the chief county assessment officer that he
25 or she received an erroneous homestead exemption in a previous
26 taxable year, and if the taxpayer pays the erroneous exemption

1 principal amount, plus interest as provided in subsection (f),
2 then the taxpayer shall not be liable for the penalties
3 provided in subsection (f) with respect to that exemption.

4 (c) In counties with 3,000,000 or more inhabitants, when
5 the chief county assessment officer determines that one or more
6 erroneous homestead exemptions was applied to the property, the
7 erroneous exemption principal amount, together with all
8 applicable interest and penalties as provided in subsections
9 (f) and (j), shall constitute a lien in the name of the People
10 of Cook County on the property receiving the erroneous
11 homestead exemption. Upon becoming aware of the existence of
12 one or more erroneous homestead exemptions, the chief county
13 assessment officer shall cause to be served, by both regular
14 mail and certified mail, a notice of discovery as set forth in
15 subsection (c-5). The chief county assessment officer in a
16 county with 3,000,000 or more inhabitants may cause a lien to
17 be recorded against property that (1) is located in the county
18 and (2) received one or more erroneous homestead exemptions if,
19 upon determination of the chief county assessment officer, the
20 taxpayer received: (A) one or 2 erroneous homestead exemptions
21 for real property, including at least one erroneous homestead
22 exemption granted for the property against which the lien is
23 sought, during any of the 3 collection years immediately prior
24 to the current collection year in which the notice of discovery
25 is served; or (B) 3 or more erroneous homestead exemptions for
26 real property, including at least one erroneous homestead

1 exemption granted for the property against which the lien is
2 sought, during any of the 6 collection years immediately prior
3 to the current collection year in which the notice of discovery
4 is served. Prior to recording the lien against the property,
5 the chief county assessment officer shall cause to be served,
6 by both regular mail and certified mail, return receipt
7 requested, on the person to whom the most recent tax bill was
8 mailed and the owner of record, a notice of intent to record a
9 lien against the property. The chief county assessment officer
10 shall cause the notice of intent to record a lien to be served
11 within 3 years from the date on which the notice of discovery
12 was served.

13 (c-5) The notice of discovery described in subsection (c)
14 shall: (1) identify, by property index number, the property for
15 which the chief county assessment officer has knowledge
16 indicating the existence of an erroneous homestead exemption;
17 (2) set forth the taxpayer's liability for principal, interest,
18 penalties, and administrative costs including, but not limited
19 to, recording fees described in subsection (f); (3) inform the
20 taxpayer that he or she will be served with a notice of intent
21 to record a lien within 3 years from the date of service of the
22 notice of discovery; (4) inform the taxpayer that he or she may
23 pay the outstanding amount, plus interest, penalties, and
24 administrative costs at any time prior to being served with the
25 notice of intent to record a lien or within 30 days after the
26 notice of intent to record a lien is served; and (5) inform the

1 taxpayer that, if the taxpayer provided notice to the chief
2 county assessment officer as provided in subsection (d-1) of
3 Section 15-175 of this Code, upon submission by the taxpayer of
4 evidence of timely notice and receipt thereof by the chief
5 county assessment officer, the chief county assessment officer
6 will withdraw the notice of discovery and reissue a notice of
7 discovery in compliance with this Section in which the taxpayer
8 is not liable for interest and penalties for the current tax
9 year in which the notice was received.

10 For the purposes of this subsection (c-5):

11 "Collection year" means the year in which the first and
12 second installment of the current tax year is billed.

13 "Current tax year" means the year prior to the collection
14 year.

15 (d) The notice of intent to record a lien described in
16 subsection (c) shall: (1) identify, by property index number,
17 the property against which the lien is being sought; (2)
18 identify each specific homestead exemption that was
19 erroneously granted and the year or years in which each
20 exemption was granted; (3) set forth the erroneous exemption
21 principal amount due and the interest amount and any penalty
22 and administrative costs due; (4) inform the taxpayer that he
23 or she may request a hearing within 30 days after service and
24 may appeal the hearing officer's ruling to the circuit court;
25 (5) inform the taxpayer that he or she may pay the erroneous
26 exemption principal amount, plus interest and penalties,

1 within 30 days after service; and (6) inform the taxpayer that,
2 if the lien is recorded against the property, the amount of the
3 lien will be adjusted to include the applicable recording fee
4 and that fees for recording a release of the lien shall be
5 incurred by the taxpayer. A lien shall not be filed pursuant to
6 this Section if the taxpayer pays the erroneous exemption
7 principal amount, plus penalties and interest, within 30 days
8 of service of the notice of intent to record a lien.

9 (e) The notice of intent to record a lien shall also
10 include a form that the taxpayer may return to the chief county
11 assessment officer to request a hearing. The taxpayer may
12 request a hearing by returning the form within 30 days after
13 service. The hearing shall be held within 90 days after the
14 taxpayer is served. The chief county assessment officer shall
15 promulgate rules of service and procedure for the hearing. The
16 chief county assessment officer must generally follow rules of
17 evidence and practices that prevail in the county circuit
18 courts, but, because of the nature of these proceedings, the
19 chief county assessment officer is not bound by those rules in
20 all particulars. The chief county assessment officer shall
21 appoint a hearing officer to oversee the hearing. The taxpayer
22 shall be allowed to present evidence to the hearing officer at
23 the hearing. After taking into consideration all the relevant
24 testimony and evidence, the hearing officer shall make an
25 administrative decision on whether the taxpayer was
26 erroneously granted a homestead exemption for the taxable year

1 in question. The taxpayer may appeal the hearing officer's
2 ruling to the circuit court of the county where the property is
3 located as a final administrative decision under the
4 Administrative Review Law.

5 (f) A lien against the property imposed under this Section
6 shall be filed with the county recorder of deeds, but may not
7 be filed sooner than 60 days after the notice of intent to
8 record a lien was delivered to the taxpayer if the taxpayer
9 does not request a hearing, or until the conclusion of the
10 hearing and all appeals if the taxpayer does request a hearing.
11 If a lien is filed pursuant to this Section and the taxpayer
12 received one or 2 erroneous homestead exemptions during any of
13 the 3 collection years immediately prior to the current
14 collection year in which the notice of discovery is served,
15 then the erroneous exemption principal amount, plus 10%
16 interest per annum or portion thereof from the date the
17 erroneous exemption principal amount would have become due if
18 properly included in the tax bill, shall be charged against the
19 property by the chief county assessment officer. However, if a
20 lien is filed pursuant to this Section and the taxpayer
21 received 3 or more erroneous homestead exemptions during any of
22 the 6 collection years immediately prior to the current
23 collection year in which the notice of discovery is served, the
24 erroneous exemption principal amount, plus a penalty of 50% of
25 the total amount of the erroneous exemption principal amount
26 for that property and 10% interest per annum or portion thereof

1 from the date the erroneous exemption principal amount would
2 have become due if properly included in the tax bill, shall be
3 charged against the property by the chief county assessment
4 officer. If a lien is filed pursuant to this Section, the
5 taxpayer shall not be liable for interest that accrues between
6 the date the notice of discovery is served and the date the
7 lien is filed. Before recording the lien with the county
8 recorder of deeds, the chief county assessment officer shall
9 adjust the amount of the lien to add administrative costs,
10 including but not limited to the applicable recording fee, to
11 the total lien amount.

12 (g) If a person received an erroneous homestead exemption
13 under Section 15-170 and: (1) the person was the spouse, child,
14 grandchild, brother, sister, niece, or nephew of the previous
15 taxpayer; and (2) the person received the property by bequest
16 or inheritance; then the person is not liable for the penalties
17 imposed under this Section for any year or years during which
18 the chief county assessment officer did not require an annual
19 application for the exemption. However, that person is
20 responsible for any interest owed under subsection (f).

21 (h) If the erroneous homestead exemption was granted as a
22 result of a clerical error or omission on the part of the chief
23 county assessment officer, and if the taxpayer has paid the tax
24 bills as received for the year in which the error occurred,
25 then the interest and penalties authorized by this Section with
26 respect to that homestead exemption shall not be chargeable to

1 the taxpayer. However, nothing in this Section shall prevent
2 the collection of the erroneous exemption principal amount due
3 and owing.

4 (i) A lien under this Section is not valid as to (1) any
5 bona fide purchaser for value without notice of the erroneous
6 homestead exemption whose rights in and to the underlying
7 parcel arose after the erroneous homestead exemption was
8 granted but before the filing of the notice of lien; or (2) any
9 mortgagee, judgment creditor, or other lienor whose rights in
10 and to the underlying parcel arose before the filing of the
11 notice of lien. A title insurance policy for the property that
12 is issued by a title company licensed to do business in the
13 State showing that the property is free and clear of any liens
14 imposed under this Section shall be prima facie evidence that
15 the taxpayer is without notice of the erroneous homestead
16 exemption. Nothing in this Section shall be deemed to impair
17 the rights of subsequent creditors and subsequent purchasers
18 under Section 30 of the Conveyances Act.

19 (j) When a lien is filed against the property pursuant to
20 this Section, the chief county assessment officer shall mail a
21 copy of the lien to the person to whom the most recent tax bill
22 was mailed and to the owner of record, and the outstanding
23 liability created by such a lien is due and payable within 30
24 days after the mailing of the lien by the chief county
25 assessment officer. This liability is deemed delinquent and
26 shall bear interest beginning on the day after the due date at

1 a rate of 1.5% per month or portion thereof. Payment shall be
2 made to the county treasurer. Upon receipt of the full amount
3 due, as determined by the chief county assessment officer, the
4 county treasurer shall distribute the amount paid as provided
5 in subsection (k). Upon presentment by the taxpayer to the
6 chief county assessment officer of proof of payment of the
7 total liability, the chief county assessment officer shall
8 provide in reasonable form a release of the lien. The release
9 of the lien provided shall clearly inform the taxpayer that it
10 is the responsibility of the taxpayer to record the lien
11 release form with the county recorder of deeds and to pay any
12 applicable recording fees.

13 (k) The county treasurer shall pay collected erroneous
14 exemption principal amounts, pro rata, to the taxing districts,
15 or their legal successors, that levied upon the subject
16 property in the taxable year or years for which the erroneous
17 homestead exemptions were granted, except as set forth in this
18 Section. The county treasurer shall deposit collected
19 penalties and interest into a special fund established by the
20 county treasurer to offset the costs of administration of the
21 provisions of this Section by the chief county assessment
22 officer's office, as appropriated by the county board. If the
23 costs of administration of this Section exceed the amount of
24 interest and penalties collected in the special fund, the chief
25 county assessor shall be reimbursed by each taxing district or
26 their legal successors for those costs. Such costs shall be

1 paid out of the funds collected by the county treasurer on
2 behalf of each taxing district pursuant to this Section.

3 (1) The chief county assessment officer in a county with
4 3,000,000 or more inhabitants shall establish an amnesty period
5 for all taxpayers owing any tax due to an erroneous homestead
6 exemption granted in a tax year prior to the 2013 tax year. The
7 amnesty period shall begin on the effective date of this
8 amendatory Act of the 98th General Assembly and shall run
9 through December 31, 2013. If, during the amnesty period, the
10 taxpayer pays the entire arrearage of taxes due for tax years
11 prior to 2013, the county clerk shall abate and not seek to
12 collect any interest or penalties that may be applicable and
13 shall not seek civil or criminal prosecution for any taxpayer
14 for tax years prior to 2013. Failure to pay all such taxes due
15 during the amnesty period established under this Section shall
16 invalidate the amnesty period for that taxpayer.

17 The chief county assessment officer in a county with
18 3,000,000 or more inhabitants shall (i) mail notice of the
19 amnesty period with the tax bills for the second installment of
20 taxes for the 2012 assessment year and (ii) as soon as possible
21 after the effective date of this amendatory Act of the 98th
22 General Assembly, publish notice of the amnesty period in a
23 newspaper of general circulation in the county. Notices shall
24 include information on the amnesty period, its purpose, and the
25 method by which to make payment.

26 Taxpayers who are a party to any criminal investigation or

1 to any civil or criminal litigation that is pending in any
2 circuit court or appellate court, or in the Supreme Court of
3 this State, for nonpayment, delinquency, or fraud in relation
4 to any property tax imposed by any taxing district located in
5 the State on the effective date of this amendatory Act of the
6 98th General Assembly may not take advantage of the amnesty
7 period.

8 A taxpayer who has claimed 3 or more homestead exemptions
9 in error shall not be eligible for the amnesty period
10 established under this subsection.

11 (Source: P.A. 98-93, eff. 7-16-13; 98-756, eff. 7-16-14;
12 98-811, eff. 1-1-15; 98-1143, eff. 1-1-15; 99-143, eff.
13 7-27-15; 99-851, eff. 8-19-16.)

14 (35 ILCS 200/15-10)

15 Sec. 15-10. Exempt property; procedures for certification.

16 (a) All property granted an exemption by the Department
17 pursuant to the requirements of Section 15-5 and described in
18 the Sections following Section 15-30 and preceding Section
19 16-5, to the extent therein limited, is exempt from taxation.
20 In order to maintain that exempt status, the titleholder or the
21 owner of the beneficial interest of any property that is exempt
22 must file with the chief county assessment officer, on or
23 before January 31 of each year (May 31 in the case of property
24 exempted by Section 15-170), an affidavit stating whether there
25 has been any change in the ownership or use of the property,

1 the status of the owner-resident, the satisfaction by a
2 relevant hospital entity of the condition for an exemption
3 under Section 15-86, or that a veteran with a disability who
4 qualifies under Section 15-165 owned and used the property as
5 of January 1 of that year. The nature of any change shall be
6 stated in the affidavit. Failure to file an affidavit shall, in
7 the discretion of the assessment officer, constitute cause to
8 terminate the exemption of that property, notwithstanding any
9 other provision of this Code. Owners of 5 or more such exempt
10 parcels within a county may file a single annual affidavit in
11 lieu of an affidavit for each parcel. The assessment officer,
12 upon request, shall furnish an affidavit form to the owners, in
13 which the owner may state whether there has been any change in
14 the ownership or use of the property or status of the owner or
15 resident as of January 1 of that year. The owner of 5 or more
16 exempt parcels shall list all the properties giving the same
17 information for each parcel as required of owners who file
18 individual affidavits.

19 (b) However, titleholders or owners of the beneficial
20 interest in any property exempted under any of the following
21 provisions are not required to submit an annual filing under
22 this Section:

23 (1) Section 15-45 (burial grounds) in counties of less
24 than 3,000,000 inhabitants and owned by a not-for-profit
25 organization.

26 (2) Section 15-40.

1 (3) Section 15-50 (United States property).

2 (c) If there is a change in use or ownership, however,
3 notice must be filed pursuant to Section 15-20.

4 (d) An application for homestead exemptions shall be filed
5 as provided in Section 15-170 (senior citizens homestead
6 exemption), Section 15-172 (senior citizens and persons with a
7 disability assessment freeze homestead exemption), and
8 Sections 15-175 (general homestead exemption), 15-176 (general
9 alternative homestead exemption), and 15-177 (long-time
10 occupant homestead exemption), respectively.

11 (e) For purposes of determining satisfaction of the
12 condition for an exemption under Section 15-86:

13 (1) The "year for which exemption is sought" is the
14 year prior to the year in which the affidavit is due.

15 (2) The "hospital year" is the fiscal year of the
16 relevant hospital entity, or the fiscal year of one of the
17 hospitals in the hospital system if the relevant hospital
18 entity is a hospital system with members with different
19 fiscal years, that ends in the year prior to the year in
20 which the affidavit is due. However, if that fiscal year
21 ends 3 months or less before the date on which the
22 affidavit is due, the relevant hospital entity shall file
23 an interim affidavit based on the currently available
24 information, and shall file a supplemental affidavit
25 within 90 days of date on which the application was due, if
26 the information in the relevant hospital entity's audited

1 financial statements changes the interim affidavit's
2 statement concerning the entity's compliance with the
3 calculation required by Section 15-86.

4 (3) The affidavit shall be accompanied by an exhibit
5 prepared by the relevant hospital entity showing (A) the
6 value of the relevant hospital entity's services and
7 activities, if any, under items (1) through (7) of
8 subsection (e) of Section 15-86, stated separately for each
9 item, and (B) the value relating to the relevant hospital
10 entity's estimated property tax liability under paragraphs
11 (A), (B), and (C) of item (1) of subsection (g) of Section
12 15-86; under paragraphs (A), (B), and (C) of item (2) of
13 subsection (g) of Section 15-86; and under item (3) of
14 subsection (g) of Section 15-86.

15 (Source: P.A. 99-143, eff. 7-27-15.)

16 (35 ILCS 200/15-172)

17 Sec. 15-172. Senior Citizens and Persons with a Disability
18 Assessment Freeze Homestead Exemption.

19 (a) This Section may be cited as the Senior Citizens and
20 Persons with a Disability Assessment Freeze Homestead
21 Exemption.

22 (b) As used in this Section:

23 "Applicant" means an individual who has filed an
24 application under this Section.

25 "Base amount" means the base year equalized assessed value

1 of the residence plus the first year's equalized assessed value
2 of any added improvements which increased the assessed value of
3 the residence after the base year.

4 "Base year" means the taxable year prior to the taxable
5 year for which the applicant first qualifies and applies for
6 the exemption provided that in the prior taxable year the
7 property was improved with a permanent structure that was
8 occupied as a residence by the applicant who was liable for
9 paying real property taxes on the property and who was either
10 (i) an owner of record of the property or had legal or
11 equitable interest in the property as evidenced by a written
12 instrument or (ii) had a legal or equitable interest as a
13 lessee in the parcel of property that was single family
14 residence. If in any subsequent taxable year for which the
15 applicant applies and qualifies for the exemption the equalized
16 assessed value of the residence is less than the equalized
17 assessed value in the existing base year (provided that such
18 equalized assessed value is not based on an assessed value that
19 results from a temporary irregularity in the property that
20 reduces the assessed value for one or more taxable years), then
21 that subsequent taxable year shall become the base year until a
22 new base year is established under the terms of this paragraph.
23 For taxable year 1999 only, the Chief County Assessment Officer
24 shall review (i) all taxable years for which the applicant
25 applied and qualified for the exemption and (ii) the existing
26 base year. The assessment officer shall select as the new base

1 year the year with the lowest equalized assessed value. An
2 equalized assessed value that is based on an assessed value
3 that results from a temporary irregularity in the property that
4 reduces the assessed value for one or more taxable years shall
5 not be considered the lowest equalized assessed value. The
6 selected year shall be the base year for taxable year 1999 and
7 thereafter until a new base year is established under the terms
8 of this paragraph.

9 "Chief County Assessment Officer" means the County
10 Assessor or Supervisor of Assessments of the county in which
11 the property is located.

12 "Equalized assessed value" means the assessed value as
13 equalized by the Illinois Department of Revenue.

14 "Household" means the applicant, the spouse of the
15 applicant, and all persons using the residence of the applicant
16 as their principal place of residence.

17 "Household income" means the combined income of the members
18 of a household for the calendar year preceding the taxable
19 year.

20 "Income" has the same meaning as provided in Section 3.07
21 of the Senior Citizens and Persons with Disabilities Property
22 Tax Relief Act, except that, beginning in assessment year 2001,
23 "income" does not include veteran's benefits.

24 "Internal Revenue Code of 1986" means the United States
25 Internal Revenue Code of 1986 or any successor law or laws
26 relating to federal income taxes in effect for the year

1 preceding the taxable year.

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

5 "Maximum income limitation" means:

- 6 (1) \$35,000 prior to taxable year 1999;
7 (2) \$40,000 in taxable years 1999 through 2003;
8 (3) \$45,000 in taxable years 2004 through 2005;
9 (4) \$50,000 in taxable years 2006 and 2007; and
10 (5) \$55,000 in taxable year 2008 and thereafter.

11 "Person with a disability" means a person unable to engage
12 in any substantial gainful activity by reason of a medically
13 determinable physical or mental impairment that (i) can be
14 expected to result in death or (ii) has lasted or can be
15 expected to last for a continuous period of not less than 12
16 months. Persons applying for the exemption under this Section
17 as a person with a disability must submit proof of the
18 disability in the manner prescribed by the chief county
19 assessment officer. Proof that an applicant is eligible to
20 receive disability benefits under the federal Social Security
21 Act constitutes proof of disability for purposes of this
22 Section. Issuance of an Illinois Person with a Disability
23 Identification Card to the applicant stating that the possessor
24 is under a Class 2 disability, as defined in Section 4A of the
25 Illinois Identification Card Act, constitutes proof that the
26 person is a person with a disability for purposes of this

1 Section.

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

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

15 (c) Beginning in (1) taxable year 1994 for senior citizens
16 and (2) taxable year 2017 for persons with a disability, an ~~a~~
17 ~~senior citizens~~ assessment freeze homestead exemption is
18 granted for real property that is improved with a permanent
19 structure that is occupied as a residence by an applicant who
20 (i) is 65 years of age or older or is a person with a disability
21 during the taxable year, (ii) has a household income that does
22 not exceed the maximum income limitation, (iii) is liable for
23 paying real property taxes on the property, and (iv) is an
24 owner of record of the property or has a legal or equitable
25 interest in the property as evidenced by a written instrument.
26 This homestead exemption shall also apply to a leasehold

1 interest in a parcel of property improved with a permanent
2 structure that is a single family residence that is occupied as
3 a residence by a person who (i) is 65 years of age or older or
4 is a person with a disability during the taxable year, (ii) has
5 a household income that does not exceed the maximum income
6 limitation, (iii) has a legal or equitable ownership interest
7 in the property as lessee, and (iv) is liable for the payment
8 of real property taxes on that property.

9 In counties of 3,000,000 or more inhabitants, the amount of
10 the exemption for all taxable years is the equalized assessed
11 value of the residence in the taxable year for which
12 application is made minus the base amount. In all other
13 counties, the amount of the exemption is as follows: (i)
14 through taxable year 2005 and for taxable year 2007 and
15 thereafter, the amount of this exemption shall be the equalized
16 assessed value of the residence in the taxable year for which
17 application is made minus the base amount; and (ii) for taxable
18 year 2006, the amount of the exemption is as follows:

19 (1) For an applicant who has a household income of
20 \$45,000 or less, the amount of the exemption is the
21 equalized assessed value of the residence in the taxable
22 year for which application is made minus the base amount.

23 (2) For an applicant who has a household income
24 exceeding \$45,000 but not exceeding \$46,250, the amount of
25 the exemption is (i) the equalized assessed value of the
26 residence in the taxable year for which application is made

1 minus the base amount (ii) multiplied by 0.8.

2 (3) For an applicant who has a household income
3 exceeding \$46,250 but not exceeding \$47,500, the amount of
4 the exemption is (i) the equalized assessed value of the
5 residence in the taxable year for which application is made
6 minus the base amount (ii) multiplied by 0.6.

7 (4) For an applicant who has a household income
8 exceeding \$47,500 but not exceeding \$48,750, the amount of
9 the exemption is (i) the equalized assessed value of the
10 residence in the taxable year for which application is made
11 minus the base amount (ii) multiplied by 0.4.

12 (5) For an applicant who has a household income
13 exceeding \$48,750 but not exceeding \$50,000, the amount of
14 the exemption is (i) the equalized assessed value of the
15 residence in the taxable year for which application is made
16 minus the base amount (ii) multiplied by 0.2.

17 When the applicant is a surviving spouse of an applicant
18 for a prior year for the same residence for which an exemption
19 under this Section has been granted, the base year and base
20 amount for that residence are the same as for the applicant for
21 the prior year.

22 Each year at the time the assessment books are certified to
23 the County Clerk, the Board of Review or Board of Appeals shall
24 give to the County Clerk a list of the assessed values of
25 improvements on each parcel qualifying for this exemption that
26 were added after the base year for this parcel and that

1 increased the assessed value of the property.

2 In the case of land improved with an apartment building
3 owned and operated as a cooperative or a building that is a
4 life care facility that qualifies as a cooperative, the maximum
5 reduction from the equalized assessed value of the property is
6 limited to the sum of the reductions calculated for each unit
7 occupied as a residence by a person or persons (i) who is 65
8 years of age or older or a person with a disability, (ii) with
9 a household income that does not exceed the maximum income
10 limitation, (iii) who is liable, by contract with the owner or
11 owners of record, for paying real property taxes on the
12 property, and (iv) who is an owner of record of a legal or
13 equitable interest in the cooperative apartment building,
14 other than a leasehold interest. In the instance of a
15 cooperative where a homestead exemption has been granted under
16 this Section, the cooperative association or its management
17 firm shall credit the savings resulting from that exemption
18 only to the apportioned tax liability of the owner who
19 qualified for the exemption. Any person who willfully refuses
20 to credit that savings to an owner who qualifies for the
21 exemption is guilty of a Class B misdemeanor.

22 When a homestead exemption has been granted under this
23 Section and an applicant then becomes a resident of a facility
24 licensed under the Assisted Living and Shared Housing Act, the
25 Nursing Home Care Act, the Specialized Mental Health
26 Rehabilitation Act of 2013, the ID/DD Community Care Act, or

1 the MC/DD Act, the exemption shall be granted in subsequent
2 years so long as the residence (i) continues to be occupied by
3 the qualified applicant's spouse or (ii) if remaining
4 unoccupied, is still owned by the qualified applicant for the
5 homestead exemption.

6 Beginning January 1, 1997 for senior citizens and January
7 1, 2017 for persons with a disability, when an individual dies
8 who would have qualified for an exemption under this Section,
9 and the surviving spouse does not independently qualify for
10 this exemption because of age or nondisability, the exemption
11 under this Section shall be granted to the surviving spouse for
12 the taxable year preceding and the taxable year of the death,
13 provided that, except for age or nondisability, the surviving
14 spouse meets all other qualifications for the granting of this
15 exemption for those years.

16 When married persons maintain separate residences, the
17 exemption provided for in this Section may be claimed by only
18 one of such persons and for only one residence.

19 For taxable year 1994 only, in counties having less than
20 3,000,000 inhabitants, to receive the exemption, a person shall
21 submit an application by February 15, 1995 to the Chief County
22 Assessment Officer of the county in which the property is
23 located. In counties having 3,000,000 or more inhabitants, for
24 taxable year 1994 and all subsequent taxable years, to receive
25 the exemption, a person may submit an application to the Chief
26 County Assessment Officer of the county in which the property

1 is located during such period as may be specified by the Chief
2 County Assessment Officer. The Chief County Assessment Officer
3 in counties of 3,000,000 or more inhabitants shall annually
4 give notice of the application period by mail or by
5 publication. In counties having less than 3,000,000
6 inhabitants, beginning with taxable year 1995 and thereafter,
7 to receive the exemption, a person shall submit an application
8 by July 1 of each taxable year to the Chief County Assessment
9 Officer of the county in which the property is located. A
10 county may, by ordinance, establish a date for submission of
11 applications that is different than July 1. The applicant shall
12 submit with the application an affidavit of the applicant's
13 total household income, age, marital status (and if married the
14 name and address of the applicant's spouse, if known),
15 disability (if applying for the exemption as a person with a
16 disability), and principal dwelling place of members of the
17 household on January 1 of the taxable year. The Department
18 shall establish, by rule, a method for verifying the accuracy
19 of affidavits filed by applicants under this Section, and the
20 Chief County Assessment Officer may conduct audits of any
21 taxpayer claiming an exemption under this Section to verify
22 that the taxpayer is eligible to receive the exemption. Each
23 application shall contain or be verified by a written
24 declaration that it is made under the penalties of perjury. A
25 taxpayer's signing a fraudulent application under this Act is
26 perjury, as defined in Section 32-2 of the Criminal Code of

1 2012. The applications shall be clearly marked as applications
2 for the Senior Citizens and Persons with a Disability
3 Assessment Freeze Homestead Exemption and must contain a notice
4 that any taxpayer who receives the exemption is subject to an
5 audit by the Chief County Assessment Officer.

6 Notwithstanding any other provision to the contrary, in
7 counties having fewer than 3,000,000 inhabitants, if an
8 applicant fails to file the application required by this
9 Section in a timely manner and this failure to file is due to a
10 mental or physical condition sufficiently severe so as to
11 render the applicant incapable of filing the application in a
12 timely manner, the Chief County Assessment Officer may extend
13 the filing deadline for a period of 30 days after the applicant
14 regains the capability to file the application, but in no case
15 may the filing deadline be extended beyond 3 months of the
16 original filing deadline. In order to receive the extension
17 provided in this paragraph, the applicant shall provide the
18 Chief County Assessment Officer with a signed statement from
19 the applicant's physician, advanced practice nurse, or
20 physician assistant stating the nature and extent of the
21 condition, that, in the physician's, advanced practice
22 nurse's, or physician assistant's opinion, the condition was so
23 severe that it rendered the applicant incapable of filing the
24 application in a timely manner, and the date on which the
25 applicant regained the capability to file the application.

26 Beginning January 1, 1998, notwithstanding any other

1 provision to the contrary, in counties having fewer than
2 3,000,000 inhabitants, if an applicant fails to file the
3 application required by this Section in a timely manner and
4 this failure to file is due to a mental or physical condition
5 sufficiently severe so as to render the applicant incapable of
6 filing the application in a timely manner, the Chief County
7 Assessment Officer may extend the filing deadline for a period
8 of 3 months. In order to receive the extension provided in this
9 paragraph, the applicant shall provide the Chief County
10 Assessment Officer with a signed statement from the applicant's
11 physician, advanced practice nurse, or physician assistant
12 stating the nature and extent of the condition, and that, in
13 the physician's, advanced practice nurse's, or physician
14 assistant's opinion, the condition was so severe that it
15 rendered the applicant incapable of filing the application in a
16 timely manner.

17 In counties having less than 3,000,000 inhabitants, if an
18 applicant was denied an exemption in taxable year 1994 and the
19 denial occurred due to an error on the part of an assessment
20 official, or his or her agent or employee, then beginning in
21 taxable year 1997 the applicant's base year, for purposes of
22 determining the amount of the exemption, shall be 1993 rather
23 than 1994. In addition, in taxable year 1997, the applicant's
24 exemption shall also include an amount equal to (i) the amount
25 of any exemption denied to the applicant in taxable year 1995
26 as a result of using 1994, rather than 1993, as the base year,

1 (ii) the amount of any exemption denied to the applicant in
2 taxable year 1996 as a result of using 1994, rather than 1993,
3 as the base year, and (iii) the amount of the exemption
4 erroneously denied for taxable year 1994.

5 For purposes of this Section, a person who will be 65 years
6 of age or a person with a disability during the current taxable
7 year shall be eligible to apply for the homestead exemption
8 during that taxable year. Application shall be made during the
9 application period in effect for the county of his or her
10 residence.

11 The Chief County Assessment Officer may determine the
12 eligibility of a life care facility that qualifies as a
13 cooperative to receive the benefits provided by this Section by
14 use of an affidavit, application, visual inspection,
15 questionnaire, or other reasonable method in order to insure
16 that the tax savings resulting from the exemption are credited
17 by the management firm to the apportioned tax liability of each
18 qualifying resident. The Chief County Assessment Officer may
19 request reasonable proof that the management firm has so
20 credited that exemption.

21 Except as provided in this Section, all information
22 received by the chief county assessment officer or the
23 Department from applications filed under this Section, or from
24 any investigation conducted under the provisions of this
25 Section, shall be confidential, except for official purposes or
26 pursuant to official procedures for collection of any State or

1 local tax or enforcement of any civil or criminal penalty or
2 sanction imposed by this Act or by any statute or ordinance
3 imposing a State or local tax. Any person who divulges any such
4 information in any manner, except in accordance with a proper
5 judicial order, is guilty of a Class A misdemeanor.

6 Nothing contained in this Section shall prevent the
7 Director or chief county assessment officer from publishing or
8 making available reasonable statistics concerning the
9 operation of the exemption contained in this Section in which
10 the contents of claims are grouped into aggregates in such a
11 way that information contained in any individual claim shall
12 not be disclosed.

13 (d) Each Chief County Assessment Officer shall annually
14 publish a notice of availability of the exemption provided
15 under this Section. The notice shall be published at least 60
16 days but no more than 75 days prior to the date on which the
17 application must be submitted to the Chief County Assessment
18 Officer of the county in which the property is located. The
19 notice shall appear in a newspaper of general circulation in
20 the county.

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

24 (Source: P.A. 98-104, eff. 7-22-13; 99-143, eff. 7-27-15;
25 99-180, eff. 7-29-15; 99-581, eff. 1-1-17; 99-642, eff.
26 7-28-16.)

1 (35 ILCS 200/15-175)

2 Sec. 15-175. General homestead exemption.

3 (a) Except as provided in Sections 15-176 and 15-177,
4 homestead property is entitled to an annual homestead exemption
5 limited, except as described here with relation to
6 cooperatives, to a reduction in the equalized assessed value of
7 homestead property equal to the increase in equalized assessed
8 value for the current assessment year above the equalized
9 assessed value of the property for 1977, up to the maximum
10 reduction set forth below. If however, the 1977 equalized
11 assessed value upon which taxes were paid is subsequently
12 determined by local assessing officials, the Property Tax
13 Appeal Board, or a court to have been excessive, the equalized
14 assessed value which should have been placed on the property
15 for 1977 shall be used to determine the amount of the
16 exemption.

17 (b) Except as provided in Section 15-176, the maximum
18 reduction before taxable year 2004 shall be \$4,500 in counties
19 with 3,000,000 or more inhabitants and \$3,500 in all other
20 counties. Except as provided in Sections 15-176 and 15-177, for
21 taxable years 2004 through 2007, the maximum reduction shall be
22 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,
23 and, for taxable years 2009 through 2011, the maximum reduction
24 is \$6,000 in all counties. For taxable years 2012 and
25 thereafter, the maximum reduction is \$7,000 in counties with

1 3,000,000 or more inhabitants and \$6,000 in all other counties.
2 If a county has elected to subject itself to the provisions of
3 Section 15-176 as provided in subsection (k) of that Section,
4 then, for the first taxable year only after the provisions of
5 Section 15-176 no longer apply, for owners who, for the taxable
6 year, have not been granted a senior citizens and persons with
7 a disability assessment freeze homestead exemption under
8 Section 15-172 or a long-time occupant homestead exemption
9 under Section 15-177, there shall be an additional exemption of
10 \$5,000 for owners with a household income of \$30,000 or less.

11 (c) In counties with fewer than 3,000,000 inhabitants, if,
12 based on the most recent assessment, the equalized assessed
13 value of the homestead property for the current assessment year
14 is greater than the equalized assessed value of the property
15 for 1977, the owner of the property shall automatically receive
16 the exemption granted under this Section in an amount equal to
17 the increase over the 1977 assessment up to the maximum
18 reduction set forth in this Section.

19 (d) If in any assessment year beginning with the 2000
20 assessment year, homestead property has a pro-rata valuation
21 under Section 9-180 resulting in an increase in the assessed
22 valuation, a reduction in equalized assessed valuation equal to
23 the increase in equalized assessed value of the property for
24 the year of the pro-rata valuation above the equalized assessed
25 value of the property for 1977 shall be applied to the property
26 on a proportionate basis for the period the property qualified

1 as homestead property during the assessment year. The maximum
2 proportionate homestead exemption shall not exceed the maximum
3 homestead exemption allowed in the county under this Section
4 divided by 365 and multiplied by the number of days the
5 property qualified as homestead property.

6 (d-1) In counties with 3,000,000 or more inhabitants, where
7 the chief county assessment officer provides a notice of
8 discovery, if a property is not occupied by its owner as a
9 principal residence as of January 1 of the current tax year,
10 then the property owner shall notify the chief county
11 assessment officer of that fact on a form prescribed by the
12 chief county assessment officer. That notice must be received
13 by the chief county assessment officer on or before March 1 of
14 the collection year. If mailed, the form shall be sent by
15 certified mail, return receipt requested. If the form is
16 provided in person, the chief county assessment officer shall
17 provide a date stamped copy of the notice. Failure to provide
18 timely notice pursuant to this subsection (d-1) shall result in
19 the exemption being treated as an erroneous exemption. Upon
20 timely receipt of the notice for the current tax year, no
21 exemption shall be applied to the property for the current tax
22 year. If the exemption is not removed upon timely receipt of
23 the notice by the chief assessment officer, then the error is
24 considered granted as a result of a clerical error or omission
25 on the part of the chief county assessment officer as described
26 in subsection (h) of Section 9-275, and the property owner

1 shall not be liable for the payment of interest and penalties
2 due to the erroneous exemption for the current tax year for
3 which the notice was filed after the date that notice was
4 timely received pursuant to this subsection. Notice provided
5 under this subsection shall not constitute a defense or amnesty
6 for prior year erroneous exemptions.

7 For the purposes of this subsection (d-1):

8 "Collection year" means the year in which the first and
9 second installment of the current tax year is billed.

10 "Current tax year" means the year prior to the collection
11 year.

12 (e) The chief county assessment officer may, when
13 considering whether to grant a leasehold exemption under this
14 Section, require the following conditions to be met:

15 (1) that a notarized application for the exemption,
16 signed by both the owner and the lessee of the property,
17 must be submitted each year during the application period
18 in effect for the county in which the property is located;

19 (2) that a copy of the lease must be filed with the
20 chief county assessment officer by the owner of the
21 property at the time the notarized application is
22 submitted;

23 (3) that the lease must expressly state that the lessee
24 is liable for the payment of property taxes; and

25 (4) that the lease must include the following language
26 in substantially the following form:

1 "Lessee shall be liable for the payment of real
2 estate taxes with respect to the residence in
3 accordance with the terms and conditions of Section
4 15-175 of the Property Tax Code (35 ILCS 200/15-175).
5 The permanent real estate index number for the premises
6 is (insert number), and, according to the most recent
7 property tax bill, the current amount of real estate
8 taxes associated with the premises is (insert amount)
9 per year. The parties agree that the monthly rent set
10 forth above shall be increased or decreased pro rata
11 (effective January 1 of each calendar year) to reflect
12 any increase or decrease in real estate taxes. Lessee
13 shall be deemed to be satisfying Lessee's liability for
14 the above mentioned real estate taxes with the monthly
15 rent payments as set forth above (or increased or
16 decreased as set forth herein).".

17 In addition, if there is a change in lessee, or if the
18 lessee vacates the property, then the chief county assessment
19 officer may require the owner of the property to notify the
20 chief county assessment officer of that change.

21 This subsection (e) does not apply to leasehold interests
22 in property owned by a municipality.

23 (f) "Homestead property" under this Section includes
24 residential property that is occupied by its owner or owners as
25 his or their principal dwelling place, or that is a leasehold
26 interest on which a single family residence is situated, which

1 is occupied as a residence by a person who has an ownership
2 interest therein, legal or equitable or as a lessee, and on
3 which the person is liable for the payment of property taxes.
4 For land improved with an apartment building owned and operated
5 as a cooperative or a building which is a life care facility as
6 defined in Section 15-170 and considered to be a cooperative
7 under Section 15-170, the maximum reduction from the equalized
8 assessed value shall be limited to the increase in the value
9 above the equalized assessed value of the property for 1977, up
10 to the maximum reduction set forth above, multiplied by the
11 number of apartments or units occupied by a person or persons
12 who is liable, by contract with the owner or owners of record,
13 for paying property taxes on the property and is an owner of
14 record of a legal or equitable interest in the cooperative
15 apartment building, other than a leasehold interest. For
16 purposes of this Section, the term "life care facility" has the
17 meaning stated in Section 15-170.

18 "Household", as used in this Section, means the owner, the
19 spouse of the owner, and all persons using the residence of the
20 owner as their principal place of residence.

21 "Household income", as used in this Section, means the
22 combined income of the members of a household for the calendar
23 year preceding the taxable year.

24 "Income", as used in this Section, has the same meaning as
25 provided in Section 3.07 of the Senior Citizens and Persons
26 with Disabilities Property Tax Relief Act, except that "income"

1 does not include veteran's benefits.

2 (g) In a cooperative where a homestead exemption has been
3 granted, the cooperative association or its management firm
4 shall credit the savings resulting from that exemption only to
5 the apportioned tax liability of the owner who qualified for
6 the exemption. Any person who willfully refuses to so credit
7 the savings shall be guilty of a Class B misdemeanor.

8 (h) Where married persons maintain and reside in separate
9 residences qualifying as homestead property, each residence
10 shall receive 50% of the total reduction in equalized assessed
11 valuation provided by this Section.

12 (i) In all counties, the assessor or chief county
13 assessment officer may determine the eligibility of
14 residential property to receive the homestead exemption and the
15 amount of the exemption by application, visual inspection,
16 questionnaire or other reasonable methods. The determination
17 shall be made in accordance with guidelines established by the
18 Department, provided that the taxpayer applying for an
19 additional general exemption under this Section shall submit to
20 the chief county assessment officer an application with an
21 affidavit of the applicant's total household income, age,
22 marital status (and, if married, the name and address of the
23 applicant's spouse, if known), and principal dwelling place of
24 members of the household on January 1 of the taxable year. The
25 Department shall issue guidelines establishing a method for
26 verifying the accuracy of the affidavits filed by applicants

1 under this paragraph. The applications shall be clearly marked
2 as applications for the Additional General Homestead
3 Exemption.

4 (i-5) This subsection (i-5) applies to counties with
5 3,000,000 or more inhabitants. In the event of a sale of
6 homestead property, the homestead exemption shall remain in
7 effect for the remainder of the assessment year of the sale.
8 Upon receipt of a transfer declaration transmitted by the
9 recorder pursuant to Section 31-30 of the Real Estate Transfer
10 Tax Law for property receiving an exemption under this Section,
11 the assessor shall mail a notice and forms to the new owner of
12 the property providing information pertaining to the rules and
13 applicable filing periods for applying or reapplying for
14 homestead exemptions under this Code for which the property may
15 be eligible. If the new owner fails to apply or reapply for a
16 homestead exemption during the applicable filing period or the
17 property no longer qualifies for an existing homestead
18 exemption, the assessor shall cancel such exemption for any
19 ensuing assessment year.

20 (j) In counties with fewer than 3,000,000 inhabitants, in
21 the event of a sale of homestead property the homestead
22 exemption shall remain in effect for the remainder of the
23 assessment year of the sale. The assessor or chief county
24 assessment officer may require the new owner of the property to
25 apply for the homestead exemption for the following assessment
26 year.

1 (k) Notwithstanding Sections 6 and 8 of the State Mandates
2 Act, no reimbursement by the State is required for the
3 implementation of any mandate created by this Section.

4 (Source: P.A. 98-7, eff. 4-23-13; 98-463, eff. 8-16-13; 99-143,
5 eff. 7-27-15; 99-164, eff. 7-28-15; 99-642, eff. 7-28-16;
6 99-851, eff. 8-19-16.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.