



Rep. John E. Bradley

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LRB098 10538 HLH 62253 a

1 AMENDMENT TO SENATE BILL 1740

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1740, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Property Tax Code is amended by changing  
6 Section 9-275 as follows:

7 (35 ILCS 200/9-275)

8 Sec. 9-275. Erroneous homestead exemptions.

9 (a) For purposes of this Section:

10 "Erroneous homestead exemption" means a homestead  
11 exemption that was granted for real property in a taxable year  
12 if the property was not eligible for that exemption in that  
13 taxable year. If the taxpayer receives an erroneous homestead  
14 exemption under a single Section of this Code for the same  
15 property in multiple years, that exemption is considered a  
16 single erroneous homestead exemption for purposes of this

1 Section. However, if the taxpayer receives erroneous homestead  
2 exemptions under multiple Sections of this Code for the same  
3 property, or if the taxpayer receives erroneous homestead  
4 exemptions under the same Section of this Code for multiple  
5 properties, then each of those exemptions is considered a  
6 separate erroneous homestead exemption for purposes of this  
7 Section.

8 "Homestead exemption" means an exemption under Section  
9 15-165 (disabled veterans), 15-167 (returning veterans),  
10 15-168 (disabled persons), 15-169 (disabled veterans standard  
11 homestead), 15-170 (senior citizens), 15-172 (senior citizens  
12 assessment freeze), 15-175 (general homestead), 15-176  
13 (alternative general homestead), or 15-177 (long-time  
14 occupant).

15 "Erroneous exemption principal amount" means the total  
16 difference between the property taxes actually billed to a  
17 property index number and the amount of property taxes that  
18 would have been billed but for the erroneous exemption or  
19 exemptions ~~amount of property tax principal that would have~~  
20 ~~been billed to a property index number but for the erroneous~~  
21 ~~homestead exemption or exemptions a taxpayer received.~~

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

24 (b) Notwithstanding any other provision of law, in counties  
25 with 3,000,000 or more inhabitants, the chief county assessment  
26 officer shall include the following information with each

1 assessment notice sent in a general assessment year: (1) a list  
2 of each homestead exemption available under Article 15 of this  
3 Code and a description of the eligibility criteria for that  
4 exemption; (2) a list of each homestead exemption applied to  
5 the property in the current assessment year; (3) information  
6 regarding penalties and interest that may be incurred under  
7 this Section if the taxpayer ~~property owner~~ received an  
8 erroneous homestead exemption in a previous taxable year; and  
9 (4) notice of the 60-day grace period available under this  
10 subsection. If, within 60 days after receiving his or her  
11 assessment notice, the taxpayer ~~property owner~~ notifies the  
12 chief county assessment officer that he or she received an  
13 erroneous homestead exemption in a previous taxable assessment  
14 year, and if the taxpayer ~~property owner~~ pays the erroneous  
15 exemption principal amount, plus interest as provided in  
16 subsection (f), then the taxpayer ~~property owner~~ shall not be  
17 liable for the penalties provided in subsection (f) with  
18 respect to that exemption.

19 (c) In counties with 3,000,000 or more inhabitants, when  
20 the chief county assessment officer determines that one or more  
21 erroneous homestead exemptions was applied to the property, the  
22 erroneous exemption principal amount, together with all  
23 applicable interest and penalties as provided in subsections  
24 (f) and (j), shall constitute a lien in the name of the People  
25 of Cook County on the property receiving the erroneous  
26 homestead exemption. Upon becoming aware of the existence of

1 one or more erroneous homestead exemptions, the chief county  
2 assessment officer shall cause to be served, by both regular  
3 mail and certified mail, a notice of discovery as set forth in  
4 subsection (c-5). The chief county assessment officer in a  
5 county with 3,000,000 or more inhabitants may cause a lien to  
6 be recorded against property that (1) is located in the county  
7 and (2) received one or more erroneous homestead exemptions if,  
8 upon determination of the chief county assessment officer, the  
9 taxpayer ~~property owner~~ received: (A) one or 2 erroneous  
10 homestead exemptions for real property, including at least one  
11 erroneous homestead exemption granted for the property against  
12 which the lien is sought, during any of the 3 collection  
13 ~~assessment~~ years immediately prior to the current collection  
14 ~~assessment~~ year in which the notice of discovery ~~intent to~~  
15 ~~record a lien~~ is served; or (B) 3 or more erroneous homestead  
16 exemptions for real property, including at least one erroneous  
17 homestead exemption granted for the property against which the  
18 lien is sought, during any of the 6 collection ~~assessment~~ years  
19 immediately prior to the current collection ~~assessment~~ year in  
20 which the notice of discovery ~~intent to record a lien~~ is  
21 served. Prior to recording the lien against the property, the  
22 chief county assessment officer shall cause to be served, by  
23 both regular mail and certified mail, return receipt requested,  
24 on the person to whom the most recent tax bill was mailed and  
25 the owner of record, a notice of intent to record a lien  
26 against the property. The chief county assessment officer shall

1 cause the notice of intent to record a lien to be served within  
2 3 years from the date on which the notice of discovery was  
3 served.

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

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

1 may appeal the hearing officer's ruling to the circuit court;  
2 ~~and~~ (5) inform the taxpayer that he or she may pay the  
3 erroneous exemption principal amount, plus interest and  
4 penalties, within 30 days after service; and (6) inform the  
5 taxpayer that, if the lien is recorded against the property,  
6 the amount of the lien will be adjusted to include the  
7 applicable recording fee and that fees for recording a release  
8 of the lien shall be incurred by the taxpayer. A lien shall not  
9 be filed pursuant to this Section if the taxpayer ~~property~~  
10 ~~owner~~ pays the erroneous exemption principal amount, plus  
11 penalties and interest, within 30 days of service of the notice  
12 of intent to record a lien.

13 (e) The notice of intent to record a lien shall also  
14 include a form that the taxpayer ~~property owner~~ may return to  
15 the chief county assessment officer to request a hearing. The  
16 taxpayer ~~property owner~~ may request a hearing by returning the  
17 form within 30 days after service. The hearing shall be held  
18 within 90 days after the taxpayer ~~property owner~~ is served. The  
19 chief county assessment officer shall promulgate rules of  
20 service and procedure for the hearing. The chief county  
21 assessment officer must generally follow rules of evidence and  
22 practices that prevail in the county circuit courts, but,  
23 because of the nature of these proceedings, the chief county  
24 assessment officer is not bound by those rules in all  
25 particulars. The chief county assessment officer shall appoint  
26 a hearing officer to oversee the hearing. The taxpayer ~~property~~

1 ~~owner~~ shall be allowed to present evidence to the hearing  
2 officer at the hearing. After taking into consideration all the  
3 relevant testimony and evidence, the hearing officer shall make  
4 an administrative decision on whether the taxpayer property  
5 ~~owner~~ was erroneously granted a homestead exemption for the  
6 taxable assessment year in question. The taxpayer property  
7 ~~owner~~ may appeal the hearing officer's ruling to the circuit  
8 court of the county where the property is located as a final  
9 administrative decision under the Administrative Review Law.

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

1 this Section and the taxpayer ~~property owner~~ received 3 or more  
2 erroneous homestead exemptions during any of the 6 collection  
3 ~~assessment~~ years immediately prior to the current collection  
4 ~~assessment~~ year in which the notice of discovery ~~intent to~~  
5 ~~record a lien~~ is served, the erroneous exemption principal  
6 amount, plus a penalty of 50% of the total amount of the  
7 erroneous exemption principal amount for that property and 10%  
8 interest per annum or portion thereof from the date the  
9 erroneous exemption principal amount would have become due if  
10 properly included in the tax bill, shall be charged against the  
11 property by the chief county assessment officer. If a lien is  
12 filed pursuant to this Section, the taxpayer shall not be  
13 liable for interest that accrues between the date the notice of  
14 discovery is served and the date the lien is filed. Before  
15 recording the lien with the county recorder of deeds, the chief  
16 county assessment officer shall adjust the amount of the lien  
17 to add administrative costs, including but not limited to the  
18 applicable recording fee, to the total lien amount.

19 (g) If a person received an erroneous homestead exemption  
20 under Section 15-170 and: (1) the person was the spouse, child,  
21 grandchild, brother, sister, niece, or nephew of the previous  
22 taxpayer ~~property owner~~; and (2) the person received the  
23 property by bequest or inheritance; then the person is not  
24 liable for the penalties imposed under this Section for any  
25 year or years during which the chief county assessment officer  
26 did not require an annual application for the exemption.



1 However, that person is responsible for any interest owed under  
2 subsection (f).

3 (h) If the erroneous homestead exemption was granted as a  
4 result of a clerical error or omission on the part of the chief  
5 county assessment officer, and if the taxpayer ~~property owner~~  
6 has paid the tax bills as received for the year in which the  
7 error occurred, then the interest and penalties authorized by  
8 this Section with respect to that homestead exemption shall not  
9 be chargeable to the taxpayer ~~property owner~~. However, nothing  
10 in this Section shall prevent the collection of the erroneous  
11 exemption principal amount due and owing.

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

1           (j) When a lien is filed against the property pursuant to  
2 this Section, the chief county assessment officer shall mail a  
3 copy of the lien to the person to whom the most recent tax bill  
4 was mailed and to the owner of record, and the outstanding  
5 liability created by such a lien is due and payable within 30  
6 days after the mailing of the lien by the chief county  
7 assessment officer. This liability is deemed delinquent and  
8 shall bear interest beginning on the day after the due date at  
9 a rate of 1.5% per month or portion thereof. Payment shall be  
10 made to the county treasurer. Upon receipt of the full amount  
11 due, as determined by the chief county assessment officer, the  
12 county treasurer shall distribute the amount paid as provided  
13 in subsection (k). Upon presentment by the taxpayer ~~property~~  
14 ~~owner~~ to the chief county assessment officer of proof of  
15 payment of the total liability, the chief county assessment  
16 officer shall provide in reasonable form a release of the lien.  
17 The release of the lien provided shall clearly inform the  
18 taxpayer that it is the responsibility of the taxpayer to  
19 record the lien release form with the county recorder of deeds  
20 and to pay any applicable recording fees. ~~This liability is~~  
21 ~~deemed delinquent and shall bear interest beginning on the day~~  
22 ~~after the due date at a rate of 1.5% per month or portion~~  
23 ~~thereof.~~

24           (k) The county treasurer shall pay collected erroneous  
25 exemption principal amounts, pro rata, to the taxing districts,  
26 or their legal successors, that levied upon the subject

1 property in the taxable assessment year or years for which the  
2 erroneous homestead exemptions were granted, except as set  
3 forth in this Section. ~~The county treasurer shall pay collected~~  
4 ~~interest to the county where the property is located.~~ The  
5 county treasurer shall deposit collected penalties and  
6 interest into a special fund established by the county  
7 treasurer to offset the costs of administration of the  
8 provisions of this Section ~~amendatory Act of the 98th General~~  
9 ~~Assembly~~ by the chief county assessment officer's office, as  
10 appropriated by the county board. If the costs of  
11 administration of this Section exceed the amount of interest  
12 and penalties collected in the special fund, the chief county  
13 assessor shall be reimbursed by each taxing district or their  
14 legal successors for those costs. Such costs shall be paid out  
15 of the funds the taxing districts received from its pro rata  
16 share of the collected erroneous exemption principal amounts  
17 pursuant to this Section.

18 (1) The chief county assessment officer in a county with  
19 3,000,000 or more inhabitants shall establish an amnesty period  
20 for all taxpayers owing any tax due to an erroneous homestead  
21 exemption granted in a tax year prior to the 2013 tax year. The  
22 amnesty period shall begin on the effective date of this  
23 amendatory Act of the 98th General Assembly and shall run  
24 through December 31, 2013. If, during the amnesty period, the  
25 taxpayer pays the entire arrearage of taxes due for tax years  
26 prior to 2013, the county clerk shall abate and not seek to

1 collect any interest or penalties that may be applicable and  
2 shall not seek civil or criminal prosecution for any taxpayer  
3 for tax years prior to 2013. Failure to pay all such taxes due  
4 during the amnesty period established under this Section shall  
5 invalidate the amnesty period for that taxpayer.

6 The chief county assessment officer in a county with  
7 3,000,000 or more inhabitants shall (i) mail notice of the  
8 amnesty period with the tax bills for the second installment of  
9 taxes for the 2012 assessment year and (ii) as soon as possible  
10 after the effective date of this amendatory Act of the 98th  
11 General Assembly, publish notice of the amnesty period in a  
12 newspaper of general circulation in the county. Notices shall  
13 include information on the amnesty period, its purpose, and the  
14 method by which to make payment.

15 Taxpayers who are a party to any criminal investigation or  
16 to any civil or criminal litigation that is pending in any  
17 circuit court or appellate court, or in the Supreme Court of  
18 this State, for nonpayment, delinquency, or fraud in relation  
19 to any property tax imposed by any taxing district located in  
20 the State on the effective date of this amendatory Act of the  
21 98th General Assembly may not take advantage of the amnesty  
22 period.

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

26 (Source: P.A. 98-93, eff. 7-16-13; 98-756, eff. 7-16-14;

1 98-811, eff. 1-1-15.)

2 Section 99. Effective date. This Act takes effect January  
3 1, 2015.".