

AN ACT concerning revenue.

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

Section 5. The Property Tax Code is amended by changing Section 20-15 and by adding Section 9-275 as follows:

(35 ILCS 200/9-275 new)

Sec. 9-275. Erroneous homestead exemptions.

(a) For purposes of this Section:

"Erroneous homestead exemption" means a homestead exemption that was granted for real property in a taxable year if the property was not eligible for that exemption in that taxable year. If the taxpayer receives an erroneous homestead exemption under a single Section of this Code for the same property in multiple years, that exemption is considered a single erroneous homestead exemption for purposes of this Section. However, if the taxpayer receives erroneous homestead exemptions under multiple Sections of this Code for the same property, or if the taxpayer receives erroneous homestead exemptions under the same Section of this Code for multiple properties, then each of those exemptions is considered a separate erroneous homestead exemption for purposes of this Section.

"Homestead exemption" means an exemption under Section

15-165 (disabled veterans), 15-167 (returning veterans), 15-168 (disabled persons), 15-169 (disabled veterans standard homestead), 15-170 (senior citizens), 15-172 (senior citizens assessment freeze), 15-175 (general homestead), 15-176 (alternative general homestead), or 15-177 (long-time occupant).

(b) Notwithstanding any other provision of law, in counties with 3,000,000 or more inhabitants, the chief county assessment officer shall include the following information with each assessment notice sent in a general assessment year: (1) a list of each homestead exemption available under Article 15 of this Code and a description of the eligibility criteria for that exemption; (2) a list of each homestead exemption applied to the property in the current assessment year; (3) information regarding penalties and interest that may be incurred under this Section if the property owner received an erroneous homestead exemption in a previous taxable year; and (4) notice of the 60-day grace period available under this subsection. If, within 60 days after receiving his or her assessment notice, the property owner notifies the chief county assessment officer that he or she received an erroneous homestead exemption in a previous assessment year, and if the property owner pays the principal amount of back taxes due and owing with respect to that exemption, plus interest as provided in subsection (f), then the property owner shall not be liable for the penalties provided in subsection (f) with respect to that exemption.

(c) The chief county assessment officer in a county with 3,000,000 or more inhabitants may cause a lien to be recorded against property that (1) is located in the county and (2) received one or more erroneous homestead exemptions if, upon determination of the chief county assessment officer, the property owner received: (A) one or 2 erroneous homestead exemptions for real property, including at least one erroneous homestead exemption granted for the property against which the lien is sought, during any of the 3 assessment years immediately prior to the assessment year in which the notice of intent to record at tax lien is served; or (2) 3 or more erroneous homestead exemptions for real property, including at least one erroneous homestead exemption granted for the property against which the lien is sought, during any of the 6 assessment years immediately prior to the assessment year in which the notice of intent to record at tax lien is served. Prior to recording the lien against the property, the chief county assessment officer shall cause to be served, by both regular mail and certified mail, return receipt requested, on the person to whom the most recent tax bill was mailed and the owner of record, a notice of intent to record a tax lien against the property.

(d) The notice of intent to record a tax lien described in subsection (c) shall: (1) identify, by property index number, the property against which the lien is being sought; (2) identify each specific homestead exemption that was

erroneously granted and the year or years in which each exemption was granted; (3) set forth the arrearage of taxes that would have been due if not for the erroneous homestead exemptions; (4) inform the property owner that he or she may request a hearing within 30 days after service and may appeal the hearing officer's ruling to the circuit court; and (5) inform the property owner that he or she may pay the amount due, plus interest and penalties, within 30 days after service.

(e) The notice must also include a form that the property owner may return to the chief county assessment officer to request a hearing. The property owner may request a hearing by returning the form within 30 days after service. The hearing shall be held within 90 days after the property owner is served. The chief county assessment officer shall promulgate rules of service and procedure for the hearing. The chief county assessment officer must generally follow rules of evidence and practices that prevail in the county circuit courts, but, because of the nature of these proceedings, the chief county assessment officer is not bound by those rules in all particulars. The chief county assessment officer shall appoint a hearing officer to oversee the hearing. The property owner shall be allowed to present evidence to the hearing officer at the hearing. After taking into consideration all the relevant testimony and evidence, the hearing officer shall make an administrative decision on whether the property owner was erroneously granted a homestead exemption for the assessment

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

(f) A lien against the property imposed under this Section shall be filed with the county recorder of deeds, but may not be filed sooner than 60 days after the notice was delivered to the property owner if the property owner does not request a hearing, or until the conclusion of the hearing and all appeals if the property owner does request a hearing. If a lien is filed pursuant to this Section and the property owner received one or 2 erroneous homestead exemptions during any of the 3 assessment years immediately prior to the assessment year in which the notice of intent to record a tax lien is served, then the arrearages of taxes that might have been assessed for that property, plus 10% interest per annum, shall be charged against the property by the county treasurer. However, if a lien is filed pursuant to this Section and the property owner received 3 or more erroneous homestead exemptions during any of the 6 assessment years immediately prior to the assessment year in which the notice of intent to record a tax lien is served, the arrearages of taxes that might have been assessed for that property, plus a penalty of 50% of the total amount of unpaid taxes for each year for that property and 10% interest per annum, shall be charged against the property by the county treasurer.

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

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

(i) A lien under this Section is not valid as to (1) any bona fide purchaser for value without notice of the erroneous homestead exemption whose rights in and to the underlying parcel arose after the erroneous homestead exemption was granted but before the filing of the notice of lien; or (2) any mortgagee, judgment creditor, or other lienor whose rights in and to the underlying parcel arose before the filing of the notice of lien. A title insurance policy for the property that is issued by a title company licensed to do business in the

State showing that the property is free and clear of any liens imposed under this Section shall be prima facie evidence that the property owner is without notice of the erroneous homestead exemption. Nothing in this Section shall be deemed to impair the rights of subsequent creditors and subsequent purchasers under Section 30 of the Conveyances Act.

(j) When a lien is filed against the property pursuant to this Section, the chief county assessment officer shall mail a copy of the lien to the person to whom the most recent tax bill was mailed and to the owner of record, and the outstanding liability created by such a lien is due and payable within 30 days after the mailing of the lien by the chief county assessment officer. Payment shall be made to the chief county assessment officer who shall, upon receipt of the full amount due, provide in reasonable form a release of the lien and shall transmit the funds received to the county treasurer for distribution as provided in subsection (i) of this Section. This liability is deemed delinquent and shall bear interest beginning on the day after the due date.

(k) The unpaid taxes shall be paid to the appropriate taxing districts. Interest shall be paid to the county where the property is located. The penalty shall be paid to the chief county assessment officer's office for the administration of the provisions of this amendatory Act of the 98th General Assembly.

(l) The chief county assessment officer in a county with

3,000,000 or more inhabitants shall establish an amnesty period for all taxpayers owing any tax due to an erroneous homestead exemption granted in a tax year prior to the 2013 tax year. The amnesty period shall begin on the effective date of this amendatory Act of the 98th General Assembly and shall run through December 31, 2013. If, during the amnesty period, the taxpayer pays the entire arrearage of taxes due for tax years prior to 2013, the county clerk shall abate and not seek to collect any interest or penalties that may be applicable and shall not seek civil or criminal prosecution for any taxpayer for tax years prior to 2013. Failure to pay all such taxes due during the amnesty period established under this Section shall invalidate the amnesty period for that taxpayer.

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

Taxpayers who are a party to any criminal investigation or to any civil or criminal litigation that is pending in any circuit court or appellate court, or in the Supreme Court of this State, for nonpayment, delinquency, or fraud in relation

to any property tax imposed by any taxing district located in the State on the effective date of this amendatory Act of the 98th General Assembly may not take advantage of the amnesty period.

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

(35 ILCS 200/20-15)

Sec. 20-15. Information on bill or separate statement. There shall be printed on each bill, or on a separate slip which shall be mailed with the bill:

(a) a statement itemizing the rate at which taxes have been extended for each of the taxing districts in the county in whose district the property is located, and in those counties utilizing electronic data processing equipment the dollar amount of tax due from the person assessed allocable to each of those taxing districts, including a separate statement of the dollar amount of tax due which is allocable to a tax levied under the Illinois Local Library Act or to any other tax levied by a municipality or township for public library purposes,

(b) a separate statement for each of the taxing districts of the dollar amount of tax due which is allocable to a tax levied under the Illinois Pension Code or to any other tax levied by a municipality or township

for public pension or retirement purposes,

(c) the total tax rate,

(d) the total amount of tax due, and

(e) the amount by which the total tax and the tax allocable to each taxing district differs from the taxpayer's last prior tax bill.

The county treasurer shall ensure that only those taxing districts in which a parcel of property is located shall be listed on the bill for that property.

In all counties the statement shall also provide:

(1) the property index number or other suitable description,

(2) the assessment of the property,

(3) the statutory amount of each homestead exemption applied to the property,

(4) the assessed value of the property after application of all homestead exemptions,

(5) ~~(3)~~ the equalization factors imposed by the county and by the Department, and

(6) ~~(4)~~ the equalized assessment resulting from the application of the equalization factors to the basic assessment.

In all counties which do not classify property for purposes of taxation, for property on which a single family residence is situated the statement shall also include a statement to reflect the fair cash value determined for the property. In all

counties which classify property for purposes of taxation in accordance with Section 4 of Article IX of the Illinois Constitution, for parcels of residential property in the lowest assessment classification the statement shall also include a statement to reflect the fair cash value determined for the property.

In all counties, the statement must include information that certain taxpayers may be eligible for tax exemptions, abatements, and other assistance programs and that, for more information, taxpayers should consult with the office of their township or county assessor and with the Illinois Department of Revenue.

In all counties, the statement shall include information that certain taxpayers may be eligible for the Senior Citizens and Disabled Persons Property Tax Relief Act and that applications are available from the Illinois Department on Aging.

In counties which use the estimated or accelerated billing methods, these statements shall only be provided with the final installment of taxes due. The provisions of this Section create a mandatory statutory duty. They are not merely directory or discretionary. The failure or neglect of the collector to mail the bill, or the failure of the taxpayer to receive the bill, shall not affect the validity of any tax, or the liability for the payment of any tax.

(Source: P.A. 97-689, eff. 6-14-12.)

Public Act 098-0093

SB0041 Enrolled

LRB098 04285 HLH 35244 b

Section 99. Effective date. This Act takes effect June 1, 2013.