

HB0779



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB0779

by Rep. Michelle Mussman

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172.5 new

Amends the Property Tax Code. Creates an assessment freeze homestead exemption for persons receiving federal Supplemental Security Income. Effective immediately.

LRB100 04414 HLH 14420 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 200/15-172.5 new)

7 Sec. 15-172.5. Assessment Freeze Homestead Exemption for
8 persons receiving Supplemental Security Income.

9 (a) This Section may be cited as the Assessment Freeze
10 Homestead Exemption for persons receiving Supplemental
11 Security Income.

12 (b) As used in this Section:

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

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

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

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

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

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

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

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

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

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

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

1 Act.

2 "Maximum income limitation" means \$55,000.

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

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

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

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

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

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

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

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

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

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

26 When an individual dies who would have qualified for an

1 exemption under this Section, and the surviving spouse does not
2 independently qualify for this exemption because he or she does
3 not receive Supplemental Security Income, the exemption under
4 this Section shall be granted to the surviving spouse for the
5 taxable year preceding and the taxable year of the death,
6 provided that the surviving spouse meets all other
7 qualifications for the granting of this exemption for those
8 years.

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

12 In counties having 3,000,000 or more inhabitants, to
13 receive the exemption, a person may submit an application to
14 the chief county assessment officer of the county in which the
15 property is located during such period as may be specified by
16 the chief county assessment officer. The chief county
17 assessment officer in counties of 3,000,000 or more inhabitants
18 shall annually give notice of the application period by mail or
19 by publication. In counties having less than 3,000,000
20 inhabitants, to receive the exemption, a person shall submit an
21 application by July 1 of each taxable year to the chief county
22 assessment officer of the county in which the property is
23 located. A county having less than 3,000,000 inhabitants may,
24 by ordinance, establish a date for submission of applications
25 that is different than July 1. The applicant shall submit with
26 the application an affidavit verifying the applicant's

1 qualifications for the exemption under this Section. The
2 Department shall establish, by rule, a method for verifying the
3 accuracy of such affidavits, and the chief county assessment
4 officer may conduct audits of any taxpayer claiming an
5 exemption under this Section to verify that the taxpayer is
6 eligible to receive the exemption. Each application shall
7 contain or be verified by a written declaration that it is made
8 under the penalties of perjury. A taxpayer's signing a
9 fraudulent application under this Act is perjury, as defined in
10 Section 32-2 of the Criminal Code of 2012. The applications
11 shall be clearly marked as applications for the Assessment
12 Freeze Homestead Exemption for Persons Receiving Supplemental
13 Security Income and must contain a notice that any taxpayer who
14 receives the exemption is subject to an audit by the chief
15 county assessment officer.

16 If an applicant fails to file the application required by
17 this Section in a timely manner and this failure to file is due
18 to a mental or physical condition sufficiently severe so as to
19 render the applicant incapable of filing the application in a
20 timely manner, the chief county assessment officer may extend
21 the filing deadline for a period of 30 days after the applicant
22 regains the capability to file the application, but in no case
23 may the filing deadline be extended beyond 3 months of the
24 original filing deadline. In order to receive the extension
25 provided in this paragraph, the applicant shall provide the
26 chief county assessment officer with a signed statement from

1 the applicant's physician, advanced practice nurse, or
2 physician assistant stating the nature and extent of the
3 condition, that, in the physician's, advanced practice
4 nurse's, or physician assistant's opinion, the condition was so
5 severe that it rendered the applicant incapable of filing the
6 application in a timely manner, and the date on which the
7 applicant regained the capability to file the application.

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

18 Except as provided in this Section, all information
19 received by the chief county assessment officer or the
20 Department from applications filed under this Section, or from
21 any investigation conducted under the provisions of this
22 Section, shall be confidential, except for official purposes or
23 pursuant to official procedures for collection of any State or
24 local tax or enforcement of any civil or criminal penalty or
25 sanction imposed by this Act or by any statute or ordinance
26 imposing a State or local tax. Any person who divulges any such

1 information in any manner, except in accordance with a proper
2 judicial order, is guilty of a Class A misdemeanor.

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

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

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

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.