



Rep. Fred Crespo

Filed: 3/27/2019

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LRB101 05359 HLH 57771 a

1 AMENDMENT TO HOUSE BILL 833

2 AMENDMENT NO. _____. Amend House Bill 833 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing
5 Sections 9-275 and 15-170 as follows:

6 (35 ILCS 200/9-275)

7 Sec. 9-275. Erroneous homestead exemptions.

8 (a) For purposes of this Section:

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

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

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

14 "Erroneous exemption principal amount" means the total
15 difference between the property taxes actually billed to a
16 property index number and the amount of property taxes that
17 would have been billed but for the erroneous exemption or
18 exemptions.

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

21 (b) Notwithstanding any other provision of law, in counties
22 with 3,000,000 or more inhabitants, the chief county assessment
23 officer shall include the following information with each
24 assessment notice sent in a general assessment year: (1) a list
25 of each homestead exemption available under Article 15 of this
26 Code and a description of the eligibility criteria for that

1 exemption, including the number of assessment years of
2 automatic renewal remaining on a current senior citizens
3 homestead exemption if such an exemption has been applied to
4 the property; (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 received an erroneous homestead
8 exemption in a previous taxable year; and (4) notice of the
9 60-day grace period available under this subsection. If, within
10 60 days after receiving his or her assessment notice, the
11 taxpayer notifies the chief county assessment officer that he
12 or she received an erroneous homestead exemption in a previous
13 taxable year, and if the taxpayer pays the erroneous exemption
14 principal amount, plus interest as provided in subsection (f),
15 then the taxpayer shall not be liable for the penalties
16 provided in subsection (f) with respect to that exemption.

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

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

26 (c-5) The notice of discovery described in subsection (c)

1 shall: (1) identify, by property index number, the property for
2 which the chief county assessment officer has knowledge
3 indicating the existence of an erroneous homestead exemption;
4 (2) set forth the taxpayer's liability for principal, interest,
5 penalties, and administrative costs including, but not limited
6 to, recording fees described in subsection (f); (3) inform the
7 taxpayer that he or she will be served with a notice of intent
8 to record a lien within 3 years from the date of service of the
9 notice of discovery; (4) inform the taxpayer that he or she may
10 pay the outstanding amount, plus interest, penalties, and
11 administrative costs at any time prior to being served with the
12 notice of intent to record a lien or within 30 days after the
13 notice of intent to record a lien is served; and (5) inform the
14 taxpayer that, if the taxpayer provided notice to the chief
15 county assessment officer as provided in subsection (d-1) of
16 Section 15-175 of this Code, upon submission by the taxpayer of
17 evidence of timely notice and receipt thereof by the chief
18 county assessment officer, the chief county assessment officer
19 will withdraw the notice of discovery and reissue a notice of
20 discovery in compliance with this Section in which the taxpayer
21 is not liable for interest and penalties for the current tax
22 year in which the notice was received.

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

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

26 "Current tax year" means the year prior to the collection

1 year.

2 (d) The notice of intent to record a lien described in
3 subsection (c) shall: (1) identify, by property index number,
4 the property against which the lien is being sought; (2)
5 identify each specific homestead exemption that was
6 erroneously granted and the year or years in which each
7 exemption was granted; (3) set forth the erroneous exemption
8 principal amount due and the interest amount and any penalty
9 and administrative costs due; (4) inform the taxpayer that he
10 or she may request a hearing within 30 days after service and
11 may appeal the hearing officer's ruling to the circuit court;
12 (5) inform the taxpayer that he or she may pay the erroneous
13 exemption principal amount, plus interest and penalties,
14 within 30 days after service; and (6) inform the taxpayer that,
15 if the lien is recorded against the property, the amount of the
16 lien will be adjusted to include the applicable recording fee
17 and that fees for recording a release of the lien shall be
18 incurred by the taxpayer. A lien shall not be filed pursuant to
19 this Section if the taxpayer pays the erroneous exemption
20 principal amount, plus penalties and interest, within 30 days
21 of service of the notice of intent to record a lien.

22 (e) The notice of intent to record a lien shall also
23 include a form that the taxpayer may return to the chief county
24 assessment officer to request a hearing. The taxpayer may
25 request a hearing by returning the form within 30 days after
26 service. The hearing shall be held within 90 days after the

1 taxpayer is served. The chief county assessment officer shall
2 promulgate rules of service and procedure for the hearing. The
3 chief county assessment officer must generally follow rules of
4 evidence and practices that prevail in the county circuit
5 courts, but, because of the nature of these proceedings, the
6 chief county assessment officer is not bound by those rules in
7 all particulars. The chief county assessment officer shall
8 appoint a hearing officer to oversee the hearing. The taxpayer
9 shall be allowed to present evidence to the hearing officer at
10 the hearing. After taking into consideration all the relevant
11 testimony and evidence, the hearing officer shall make an
12 administrative decision on whether the taxpayer was
13 erroneously granted a homestead exemption for the taxable year
14 in question. The taxpayer may appeal the hearing officer's
15 ruling to the circuit court of the county where the property is
16 located as a final administrative decision under the
17 Administrative Review Law.

18 (f) A lien against the property imposed under this Section
19 shall be filed with the county recorder of deeds, but may not
20 be filed sooner than 60 days after the notice of intent to
21 record a lien was delivered to the taxpayer if the taxpayer
22 does not request a hearing, or until the conclusion of the
23 hearing and all appeals if the taxpayer does request a hearing.
24 If a lien is filed pursuant to this Section and the taxpayer
25 received one or 2 erroneous homestead exemptions during any of
26 the 3 collection years immediately prior to the current

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

25 (g) If a person received an erroneous homestead exemption
26 under Section 15-170 and: (1) the person was the spouse, child,

1 grandchild, brother, sister, niece, or nephew of the previous
2 taxpayer; and (2) the person received the property by bequest
3 or inheritance; then the person is not liable for the penalties
4 imposed under this Section for any year or years during which
5 the chief county assessment officer did not require an annual
6 application for the exemption or, in a county with 3,000,000 or
7 more inhabitants, an application for renewal of a multi-year
8 exemption pursuant to subsection (i) of Section 15-170, as the
9 case may be. However, that person is responsible for any
10 interest owed under subsection (f).

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

20 (i) A lien under this Section is not valid as to (1) any
21 bona fide purchaser for value without notice of the erroneous
22 homestead exemption whose rights in and to the underlying
23 parcel arose after the erroneous homestead exemption was
24 granted but before the filing of the notice of lien; or (2) any
25 mortgagee, judgment creditor, or other lienor whose rights in
26 and to the underlying parcel arose before the filing of the

1 notice of lien. A title insurance policy for the property that
2 is issued by a title company licensed to do business in the
3 State showing that the property is free and clear of any liens
4 imposed under this Section shall be prima facie evidence that
5 the taxpayer is without notice of the erroneous homestead
6 exemption. Nothing in this Section shall be deemed to impair
7 the rights of subsequent creditors and subsequent purchasers
8 under Section 30 of the Conveyances Act.

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

1 release form with the county recorder of deeds and to pay any
2 applicable recording fees.

3 (k) The county treasurer shall pay collected erroneous
4 exemption principal amounts, pro rata, to the taxing districts,
5 or their legal successors, that levied upon the subject
6 property in the taxable year or years for which the erroneous
7 homestead exemptions were granted, except as set forth in this
8 Section. The county treasurer shall deposit collected
9 penalties and interest into a special fund established by the
10 county treasurer to offset the costs of administration of the
11 provisions of this Section by the chief county assessment
12 officer's office, as appropriated by the county board. If the
13 costs of administration of this Section exceed the amount of
14 interest and penalties collected in the special fund, the chief
15 county assessor shall be reimbursed by each taxing district or
16 their legal successors for those costs. Such costs shall be
17 paid out of the funds collected by the county treasurer on
18 behalf of each taxing district pursuant to this Section.

19 (l) The chief county assessment officer in a county with
20 3,000,000 or more inhabitants shall establish an amnesty period
21 for all taxpayers owing any tax due to an erroneous homestead
22 exemption granted in a tax year prior to the 2013 tax year. The
23 amnesty period shall begin on the effective date of this
24 amendatory Act of the 98th General Assembly and shall run
25 through December 31, 2013. If, during the amnesty period, the
26 taxpayer pays the entire arrearage of taxes due for tax years

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

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

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

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

1 (m) Notwithstanding any other provision of law, in counties
2 with 3,000,000 or more inhabitants, the chief county assessment
3 officer shall, if he or she learns that a taxpayer who has been
4 granted a senior citizens homestead exemption has died during
5 the period to which the exemption applies, send a notice to the
6 address on record for the owner of record of the property
7 notifying the owner that the exemption will be terminated
8 unless, within 90 days after the notice is sent, the chief
9 county assessment officer is provided with a basis to continue
10 the exemption.

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 200/15-170)

15 Sec. 15-170. Senior citizens homestead exemption.

16 (a) An annual homestead exemption limited, except as
17 described here with relation to cooperatives or life care
18 facilities, to a maximum reduction set forth below from the
19 property's value, as equalized or assessed by the Department,
20 is granted for property that is occupied as a residence by a
21 person 65 years of age or older who is liable for paying real
22 estate taxes on the property and is an owner of record of the
23 property or has a legal or equitable interest therein as
24 evidenced by a written instrument, except for a leasehold
25 interest, other than a leasehold interest of land on which a

1 single family residence is located, which is occupied as a
2 residence by a person 65 years or older who has an ownership
3 interest therein, legal, equitable or as a lessee, and on which
4 he or she is liable for the payment of property taxes. Before
5 taxable year 2004, the maximum reduction shall be \$2,500 in
6 counties with 3,000,000 or more inhabitants and \$2,000 in all
7 other counties. For taxable years 2004 through 2005, the
8 maximum reduction shall be \$3,000 in all counties. For taxable
9 years 2006 and 2007, the maximum reduction shall be \$3,500. For
10 taxable years 2008 through 2011, the maximum reduction is
11 \$4,000 in all counties. For taxable year 2012, the maximum
12 reduction is \$5,000 in counties with 3,000,000 or more
13 inhabitants and \$4,000 in all other counties. For taxable years
14 2013 through 2016, the maximum reduction is \$5,000 in all
15 counties. For taxable years 2017 and thereafter, the maximum
16 reduction is \$8,000 in counties with 3,000,000 or more
17 inhabitants and \$5,000 in all other counties.

18 (b) For land improved with an apartment building owned and
19 operated as a cooperative, the maximum reduction from the value
20 of the property, as equalized by the Department, shall be
21 multiplied by the number of apartments or units occupied by a
22 person 65 years of age or older who is liable, by contract with
23 the owner or owners of record, for paying property taxes on the
24 property and is an owner of record of a legal or equitable
25 interest in the cooperative apartment building, other than a
26 leasehold interest. For land improved with a life care

1 facility, the maximum reduction from the value of the property,
2 as equalized by the Department, shall be multiplied by the
3 number of apartments or units occupied by persons 65 years of
4 age or older, irrespective of any legal, equitable, or
5 leasehold interest in the facility, who are liable, under a
6 contract with the owner or owners of record of the facility,
7 for paying property taxes on the property. In a cooperative or
8 a life care facility where a homestead exemption has been
9 granted, the cooperative association or the management firm of
10 the cooperative or facility shall credit the savings resulting
11 from that exemption only to the apportioned tax liability of
12 the owner or resident who qualified for the exemption. Any
13 person who willfully refuses to so credit the savings shall be
14 guilty of a Class B misdemeanor. Under this Section and
15 Sections 15-175, 15-176, and 15-177, "life care facility" means
16 a facility, as defined in Section 2 of the Life Care Facilities
17 Act, with which the applicant for the homestead exemption has a
18 life care contract as defined in that Act.

19 (c) When a homestead exemption has been granted under this
20 Section and the person qualifying subsequently becomes a
21 resident of a facility licensed under the Assisted Living and
22 Shared Housing Act, the Nursing Home Care Act, the Specialized
23 Mental Health Rehabilitation Act of 2013, the ID/DD Community
24 Care Act, or the MC/DD Act, the exemption shall continue so
25 long as the residence continues to be occupied by the
26 qualifying person's spouse if the spouse is 65 years of age or

1 older, or if the residence remains unoccupied but is still
2 owned by the person qualified for the homestead exemption.

3 (d) A person who will be 65 years of age during the current
4 assessment year shall be eligible to apply for the homestead
5 exemption during that assessment year. Application shall be
6 made during the application period in effect for the county of
7 his residence.

8 (e) Beginning with assessment year 2003, for taxes payable
9 in 2004, property that is first occupied as a residence after
10 January 1 of any assessment year by a person who is eligible
11 for the senior citizens homestead exemption under this Section
12 must be granted a pro-rata exemption for the assessment year.
13 The amount of the pro-rata exemption is the exemption allowed
14 in the county under this Section divided by 365 and multiplied
15 by the number of days during the assessment year the property
16 is occupied as a residence by a person eligible for the
17 exemption under this Section. The chief county assessment
18 officer must adopt reasonable procedures to establish
19 eligibility for this pro-rata exemption.

20 (f) The assessor or chief county assessment officer may
21 determine the eligibility of a life care facility to receive
22 the benefits provided by this Section, by affidavit,
23 application, visual inspection, questionnaire or other
24 reasonable methods in order to insure that the tax savings
25 resulting from the exemption are credited by the management
26 firm to the apportioned tax liability of each qualifying

1 resident. The assessor may request reasonable proof that the
2 management firm has so credited the exemption.

3 (g) The chief county assessment officer of each county with
4 less than 3,000,000 inhabitants shall provide to each person
5 allowed a homestead exemption under this Section a form to
6 designate any other person to receive a duplicate of any notice
7 of delinquency in the payment of taxes assessed and levied
8 under this Code on the property of the person receiving the
9 exemption. The duplicate notice shall be in addition to the
10 notice required to be provided to the person receiving the
11 exemption, and shall be given in the manner required by this
12 Code. The person filing the request for the duplicate notice
13 shall pay a fee of \$5 to cover administrative costs to the
14 supervisor of assessments, who shall then file the executed
15 designation with the county collector. Notwithstanding any
16 other provision of this Code to the contrary, the filing of
17 such an executed designation requires the county collector to
18 provide duplicate notices as indicated by the designation. A
19 designation may be rescinded by the person who executed such
20 designation at any time, in the manner and form required by the
21 chief county assessment officer.

22 (h) The assessor or chief county assessment officer may
23 determine the eligibility of residential property to receive
24 the homestead exemption provided by this Section by
25 application, visual inspection, questionnaire or other
26 reasonable methods. The determination shall be made in

1 accordance with guidelines established by the Department.

2 (i) In counties with 3,000,000 or more inhabitants,
3 ~~beginning in taxable year 2010,~~ each taxpayer who has been
4 granted an exemption under this Section must reapply for the
5 exemption every 4 years ~~on an annual basis~~. The chief county
6 assessment officer shall mail the application to the taxpayer
7 at least 60 days prior to the last day of the application
8 period for the county. If the property ceases to be qualified
9 for the exemption under this Section in any year for which a
10 reapplication is not required under this Section, then the
11 owner of record of the property shall notify the chief county
12 assessment officer that the property is no longer qualified. In
13 addition, the chief county assessment officer shall enter into
14 intergovernmental agreements with the county clerk of his or
15 her county and the Department of Public Health, as well as any
16 other appropriate governmental agency, to obtain information
17 that documents the death of a taxpayer who has been granted an
18 exemption under this Section. Notwithstanding another
19 provision of law, the county clerk and the Department of Public
20 Health shall provide that information to the chief county
21 assessment officer. Information concerning the death of a
22 taxpayer may be shared with the county treasurer. The chief
23 county assessment officer shall, subject to the notice
24 requirements under subsection (m) of Section 9-275, terminate
25 the exemption under this Section if the information obtained
26 indicates that the property is no longer qualified for the

1 exemption. In counties with less than 3,000,000 inhabitants,
2 the county board may by resolution provide that if a person has
3 been granted a homestead exemption under this Section, the
4 person qualifying need not reapply for the exemption.

5 (j) In counties with less than 3,000,000 inhabitants, if
6 the assessor or chief county assessment officer requires annual
7 application for verification of eligibility for an exemption
8 once granted under this Section, the application shall be
9 mailed to the taxpayer.

10 (k) The assessor or chief county assessment officer shall
11 notify each person who qualifies for an exemption under this
12 Section that the person may also qualify for deferral of real
13 estate taxes under the Senior Citizens Real Estate Tax Deferral
14 Act. The notice shall set forth the qualifications needed for
15 deferral of real estate taxes, the address and telephone number
16 of county collector, and a statement that applications for
17 deferral of real estate taxes may be obtained from the county
18 collector.

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

22 (Source: P.A. 99-180, eff. 7-29-15; 100-401, eff. 8-25-17.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law."