



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5293

by Rep. Deanne M. Mazzochi

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172.1 new

Amends the Property Tax Code. Creates the senior citizens homestead school levy exemption for property that is improved with a permanent structure that is occupied as a primary residence by an applicant who (i) is 65 years of age or older during the taxable year, (ii) has a household income that does not exceed the maximum income limitation, (iii) is liable for paying real property taxes on the property, (iv) is an owner of record of the property or has a legal or equitable interest in the property as evidenced by a written instrument, if no individual residing at the real property is or will be enrolled in a public school. Effective immediately.

LRB101 19249 HLH 68713 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 Property Tax Code is amended by adding
5 Section 15-172.1 as follows:

6 (35 ILCS 200/15-172.1 new)

7 Sec. 15-172.1. Senior Citizens Homestead Exemption School
8 Levy Cap.

9 (a) This Section may be cited as the Senior Citizens
10 Homestead Exemption School Levy Cap.

11 (b) As used in this Section:

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

14 "Base year" means the taxable year for which the applicant
15 first qualifies and applies for the exemption, provided that,
16 in the prior taxable year, the property was improved with a
17 permanent structure that was occupied as as the primary
18 residence by an applicant who was liable for paying real
19 property taxes on the property and who was either (i) an owner
20 of record of the property or had legal or equitable interest in
21 the property as evidenced by a written instrument or (ii) had a
22 legal or equitable interest as a lessee in the parcel of
23 property that was an single-family residence and that lease

1 obligates the lessee to pay property taxes on the parcel.

2 "Base year applicable K-12 school salary levy" means the
3 aggregate tax levy share applied to the property in the base
4 year pursuant to Section 17-2 of the School Code that derives
5 from: (i) faculty salaries and benefits; (ii) administrator
6 salaries and benefits; and (iii) classified staff salaries and
7 benefits.

8 "Retirement age base amount" means the base year equalized
9 assessed value of a residence as of the year the first
10 homeowner of the residence, who has resided in the residence as
11 a primary residence for a period of at least 5 years, turns age
12 65.

13 "Chief county assessment officer" means the County
14 Assessor or Supervisor of Assessments of the county in which
15 the property is located.

16 "Equalized assessed value" means the assessed value as
17 equalized by the Department of Revenue.

18 "Household" means the applicant, the spouse of the
19 applicant, and all persons using the residence of the applicant
20 as their principal place of residence.

21 "Household income" means the combined income of the members
22 of a household for the calendar year preceding the taxable
23 year.

24 "Income" has the same meaning as provided in Section 3.07
25 of the Senior Citizens and Persons with Disabilities Property
26 Tax Relief Act, except that "income" does not include veteran's

1 benefits.

2 "Incremental K-12 school salary levy" means for any year
3 subsequent to the base year, the aggregate tax levy share
4 applied to the property pursuant to Section 17-2 that derives
5 from: (i) faculty salaries and benefits; (ii) administrator
6 salaries and benefits; and (iii) classified staff salaries and
7 benefits, which exceeds the base year applicable K-12 school
8 salary levy.

9 "Incremental K-12 school salary levy exemption amount"
10 means the incremental K-12 school salary levy exemption
11 calculated for that tax year.

12 "Internal Revenue Code of 1986" means the United States
13 Internal Revenue Code of 1986 or any successor law or laws
14 relating to federal income taxes in effect for the year
15 preceding the taxable year.

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

19 "Maximum income limitation" means for taxable years 2021
20 and thereafter, \$100,000 per year, indexed to annual inflation
21 rates, or 2%, whichever is less per year.

22 "Residence" means the principal dwelling place and
23 appurtenant structures used for residential purposes in this
24 State occupied on January 1 of the taxable year by a household
25 and so much of the surrounding land, constituting the parcel
26 upon which the dwelling place is situated, as is used for

1 residential purposes. If the chief county assessment officer
2 has established a specific legal description for a portion of
3 property constituting the residence, then that portion of
4 property shall be deemed the residence for the purposes of this
5 Section.

6 "Taxable year" means the calendar year during which ad
7 valorem property taxes payable in the next succeeding year are
8 levied.

9 (c) Beginning in taxable year 2021, a senior citizens
10 homestead school levy exemption is granted for real property
11 that is improved with a permanent structure that is occupied as
12 the primary residence by an applicant who (i) is 65 years of
13 age or older during the taxable year, (ii) has a household
14 income that does not exceed the maximum income limitation,
15 (iii) is liable for paying real property taxes on the property,
16 (iv) is an owner of record of the property or has a legal or
17 equitable interest in the property as evidenced by a written
18 instrument, if no individual residing at the real property is
19 or will be enrolled in a tax levying body eligible to place a
20 levy on the property pursuant to Section 17-2 of the School
21 Code. This homestead school levy exemption shall also apply to
22 a leasehold interest in a parcel of property improved with a
23 permanent structure that is a single family residence that is
24 occupied as a residence by a person who: (i) is 65 years of age
25 or older during the taxable year; (ii) has a household income
26 that does not exceed the maximum income limitation; (iii) has a

1 legal or equitable ownership interest in the property as
2 lessee; and (iv) is liable for the payment of real property
3 taxes on that property.

4 (d) In counties of 3,000,000 or more inhabitants, the
5 amount of the exemption for all taxable years for qualifying
6 residents is the incremental K-12 school salary levy exemption
7 amount, which may be reduced by an amount not to exceed the
8 percentage change in the Consumer Price Index for All Urban
9 Consumers for that year. In all other counties, the amount of
10 the exemption for qualifying residents is the Incremental K-12
11 school salary levy exemption amount, provided that the
12 Incremental K-12 school salary levy exemption amount may be
13 reduced by 1% per year, provided that the total Incremental
14 K-12 school salary levy does not exceed 2% of the fair market
15 value of the property.

16 When the applicant is a surviving spouse of an applicant
17 for a prior year for the same residence for which an exemption
18 under this Section has been granted, the exemption shall still
19 apply provided that no individual residing at the real property
20 is or will be enrolled in a tax levying body eligible to place
21 a levy on the property pursuant to Section 17-2 of the School
22 Code.

23 Each year at the time the assessment books are certified to
24 the county clerk, the board of review shall give to the county
25 clerk a list of the assessed values of improvements on each
26 parcel qualifying for this exemption that were added after the

1 base year for this parcel and that increased the assessed value
2 of the property. In the case of land improved with an apartment
3 building owned and operated as a cooperative or a building that
4 is a life care facility that qualifies as a cooperative, the
5 maximum reduction from the equalized assessed value of the
6 property is limited to the sum of the reductions calculated for
7 each unit occupied as a residence by a person or persons (i) 65
8 years of age or older, (ii) with a household income that does
9 not exceed the maximum income limitation, (iii) who is liable,
10 by contract with the owner or owners of record, for paying real
11 property taxes on the property, and (iv) who is an owner of
12 record of a legal or equitable interest in the cooperative
13 apartment building, other than a leasehold interest, provided
14 that no individual residing at the real property is or will be
15 enrolled in a tax levying body eligible to place a levy on the
16 property pursuant to Section 17-2 of the School Code. In the
17 instance of a cooperative where a homestead exemption has been
18 granted under this Section, the cooperative association or its
19 management firm shall credit the savings resulting from that
20 exemption only to the apportioned tax liability of the owner
21 who qualified for the exemption. Any person who willfully
22 refuses to credit that savings to an owner who qualifies for
23 the exemption is guilty of a Class B misdemeanor. When a
24 homestead exemption has been granted under this Section and an
25 applicant then becomes a resident of a facility licensed under
26 the Assisted Living and Shared Housing Act, the Nursing Home

1 Care Act, the Specialized Mental Health Rehabilitation Act of
2 2013, the ID/DD Community Care Act, or the MC/DD Act, the
3 exemption shall be granted in subsequent years so long as the
4 residence (i) continues to be occupied by the qualified
5 applicant's spouse or (ii) if remaining unoccupied, is still
6 owned by the qualified applicant for the homestead exemption,
7 and no individual residing at the real property is or will be
8 enrolled in a tax levying body eligible to place a levy on the
9 property pursuant to Section 17-2 of the School Code.

10 When married persons maintain separate residences, the
11 exemption provided for in this Section may be claimed by only
12 one of such persons and for only one residence, and provided
13 that no individual residing at the real property is or will be
14 enrolled in a tax levying body eligible to place a levy on the
15 property pursuant to Section 17-2 of the School Code. For
16 taxable year 2022, in counties having less than 3,000,000
17 inhabitants, to receive the exemption, a person shall submit an
18 application by February 15, 2022 to the chief county assessment
19 officer of the county in which the property is located. In
20 counties having 3,000,000 or more inhabitants, for taxable year
21 2022 and all subsequent taxable years, to receive the
22 exemption, a person may submit an application to the Chief
23 County Assessment Officer of the county in which the property
24 is located during such period as may be specified by the Chief
25 County Assessment officer. The Chief County Assessment Officer
26 in counties of 3,000,000 or more inhabitants shall annually

1 give notice of the application period by mail or by
2 publication. In counties having less than 3,000,000
3 inhabitants, beginning with taxable year 2022 and thereafter, a
4 county may, by ordinance, establish a date for submission of
5 applications that is different than February 15. The applicant
6 shall submit with the application an affidavit of the
7 applicant's total household income, age, marital status (and if
8 married the name and address of the applicant's spouse, if
9 known), confirmation that no individual residing at the real
10 property is or will be enrolled in a tax levying body eligible
11 to place a levy on the property pursuant to Section 17-2 of the
12 School Code for the full taxable year, and principal dwelling
13 place of members of the household on January 1 of the taxable
14 year. The Department shall establish, by rule, a method for
15 verifying the accuracy of affidavits filed by applicants under
16 this Section, and the chief county assessment officer may
17 conduct audits of any taxpayer claiming an exemption under this
18 Section to verify that the taxpayer is eligible to receive the
19 exemption. Each application shall contain or be verified by a
20 written declaration that it is made under the penalties of
21 perjury. A taxpayer's signing a fraudulent application under
22 this Act is perjury, as defined in Section 32-2 of the Criminal
23 Code of 2012. The applications shall be clearly marked as
24 applications for the Senior Citizens Homestead Exemption
25 School Levy Cap and must contain a notice that any taxpayer who
26 receives the exemption is subject to an audit by the Chief

1 County Assessment Officer.

2 Beginning January 1, 2022, notwithstanding any other
3 provision to the contrary, in counties having fewer than
4 3,000,000 inhabitants, if an applicant fails to file the
5 application required by this Section in a timely manner and
6 this failure to file is due to a mental or physical condition
7 sufficiently severe so as to render the applicant incapable of
8 filing the application in a timely manner, the chief county
9 assessment officer may extend the filing deadline for a period
10 of 3 months. In order to receive the extension provided in this
11 paragraph, the applicant shall provide the chief county
12 assessment officer with a signed statement from the applicant's
13 physician, advanced practice registered nurse, or physician
14 assistant stating the nature and extent of the condition, and
15 that, in the physician's, advanced practice registered
16 nurse's, or physician assistant's opinion, the condition was so
17 severe that it rendered the applicant incapable of filing the
18 application in a timely manner.

19 For purposes of this Section, a person who will be 65 years
20 of age during the current taxable year shall be eligible to
21 apply for the Senior Citizens Homestead Exemption School Levy
22 Cap during that taxable year. Application shall be made during
23 the application period in effect for the county of his or her
24 residence.

25 The chief county assessment officer may determine the
26 eligibility of a life care facility that qualifies as a

1 cooperative to receive the benefits provided by this Section by
2 use of an affidavit, application, visual inspection,
3 questionnaire, or other reasonable method in order to insure
4 that the tax savings resulting from the exemption are credited
5 by the management firm to the apportioned tax liability of each
6 qualifying resident. The chief county assessment officer may
7 request reasonable proof that the management firm has so
8 credited that exemption. Except as provided in this Section,
9 all information received by the chief county assessment officer
10 or the Department from applications filed under this Section,
11 or from any investigation conducted under the provisions of
12 this Section, shall be confidential, except for official
13 purposes or pursuant to official procedures for collection of
14 any State or local tax or enforcement of any civil or criminal
15 penalty or sanction imposed by this Act or by any statute or
16 ordinance imposing a State or local tax. Any person who
17 divulges any such information in any manner, except in
18 accordance with a proper judicial order, is guilty of a class A
19 misdemeanor. Nothing contained in this Section shall prevent
20 the Director or chief county assessment officer from publishing
21 or making available reasonable statistics concerning the
22 operation of the exemption contained in this Section in which
23 the contents of claims are grouped into aggregates in such a
24 way that information contained in any individual claim shall
25 not be disclosed.

26 (e) Each chief county assessment officer shall annually

1 publish a notice of availability of the exemption provided
2 under this Section. The notice shall be published at least 60
3 days but no more than 75 days prior to the date on which the
4 application must be submitted to the chief county assessment
5 officer of the county in which the property is located. The
6 notice shall appear in a newspaper of general circulation in
7 the county.

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

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.