



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5455

by Rep. Joe Sosnowski

SYNOPSIS AS INTRODUCED:

35 ILCS 200/9-265

Amends the Property Tax Code. Provides that, in the case of an erroneous homestead exemption, the chief county assessment officer in a county with fewer than 3,000,000 inhabitants may consider the erroneously exempt portion of the property as omitted property for that taxable year and any of the 3 taxable years immediately prior to the taxable year in which the notice of that discovery is served. Effective immediately.

LRB101 16157 HLH 65525 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 changing
5 Section 9-265 as follows:

6 (35 ILCS 200/9-265)

7 Sec. 9-265. Omitted property; interest; change in exempt
8 use or ownership.

9 (a) If any property is omitted in the assessment of any
10 year or years, not to exceed the current assessment year and 3
11 prior years, so that the taxes, for which the property was
12 liable, have not been paid, or if by reason of defective
13 description or assessment, taxes on any property for any year
14 or years have not been paid, or if any taxes are refunded under
15 subsection (b) of Section 14-5 because the taxes were assessed
16 in the wrong person's name, the property, when discovered,
17 shall be listed and assessed by the board of review or, in
18 counties with 3,000,000 or more inhabitants, by the county
19 assessor either on his or her own initiative or when so
20 directed by the board of appeals or board of review.

21 (b) The board of review in counties with less than
22 3,000,000 inhabitants or the county assessor in counties with
23 3,000,000 or more inhabitants may develop reasonable

1 procedures for contesting the listing of omitted property under
2 this Division. With respect to counties with fewer than
3 3,000,000 inhabitants, the board of review may also develop
4 procedures relating to the recovery of taxes that were unpaid
5 because of an erroneously granted homestead exemption, as
6 provided in subsection (g).

7 (c) For purposes of this Section, "defective description or
8 assessment" includes a description or assessment which omits
9 all the improvements thereon as a result of which part of the
10 taxes on the total value of the property as improved remain
11 unpaid. In the case of property subject to assessment by the
12 Department, the property shall be listed and assessed by the
13 Department. All such property shall be placed on the assessment
14 and tax books.

15 (d) The arrearages of taxes which might have been assessed,
16 with 10% interest thereon for each year or portion thereof from
17 2 years after the time the first correct tax bill ought to have
18 been received, shall be charged against the property by the
19 county clerk.

20 (e) When property or acreage omitted by either incorrect
21 survey or other ministerial assessor error is discovered and
22 the owner has paid its tax bills as received for the year or
23 years of omission of the parcel, then the interest authorized
24 by this Section shall not be chargeable to the owner. However,
25 nothing in this Section shall prevent the collection of the
26 principal amount of back taxes due and owing.

1 (f) If any property listed as exempt by the chief county
2 assessment officer has a change in use, a change in leasehold
3 estate, or a change in titleholder of record by purchase,
4 grant, taking or transfer, it shall be the obligation of the
5 transferee to notify the chief county assessment officer in
6 writing within 90 days of the change. If mailed, the notice
7 shall be sent by certified mail, return receipt requested, and
8 shall include the name and address of the taxpayer, the legal
9 description of the property, and the property index number of
10 the property when an index number exists. If notice is provided
11 in person, it shall be provided on a form prescribed by the
12 chief county assessment officer, and the chief county
13 assessment officer shall provide a date stamped copy of the
14 notice. Except as provided in item (6) of subsection (a) of
15 Section 9-260, item (6) of Section 16-135, and item (6) of
16 Section 16-140 of this Code, if the failure to give the
17 notification results in the assessing official continuing to
18 list the property as exempt in subsequent years, the property
19 shall be considered omitted property for purposes of this Code.

20 (g) In counties with fewer than 3,000,000 inhabitants, if a
21 chief county assessment officer discovers at any time ~~before~~
22 ~~judgment~~ that a property has been granted a homestead exemption
23 under Article 15 of this Code to which it was not entitled for
24 that taxable year or any of the 3 taxable years immediately
25 prior to the year in which the discovery is made, the chief
26 county assessment officer may consider the erroneously exempt

1 portion of the property as omitted property under this Section
2 for that taxable year and any of the 3 taxable years
3 immediately prior to the taxable year in which the notice of
4 that discovery is served. The county, or its agent, may utilize
5 any remedy allowed by law to collect any taxes that were unpaid
6 because of the erroneous exemption, plus interest in the amount
7 of 10% per annum on such amounts, as well as any additional
8 penalties that may be provided in the rules and procedures
9 established by the local board of review in each of those
10 counties pursuant to subsection (b) only.

11 (Source: P.A. 98-615, eff. 6-1-14.)

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