

SB2352



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2352

Introduced 2/26/2021, by Sen. Michael E. Hastings

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Provides that, for homestead property that is the principal place of residence of a caregiver and is used to provide home care services to a person who is over 65 years of age and needs assistance with the activities of daily living, the maximum general homestead exemption shall be increased by \$1,000. Effective immediately.

LRB102 16369 HLH 21756 b

FISCAL 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 changing
5 Section 15-175 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption.

8 (a) Except as provided in Sections 15-176 and 15-177,
9 homestead property is entitled to an annual homestead
10 exemption limited, except as described here with relation to
11 cooperatives or life care facilities, to a reduction in the
12 equalized assessed value of homestead property equal to the
13 increase in equalized assessed value for the current
14 assessment year above the equalized assessed value of the
15 property for 1977, up to the maximum reduction set forth
16 below. If however, the 1977 equalized assessed value upon
17 which taxes were paid is subsequently determined by local
18 assessing officials, the Property Tax Appeal Board, or a court
19 to have been excessive, the equalized assessed value which
20 should have been placed on the property for 1977 shall be used
21 to determine the amount of the exemption.

22 (b) Except as provided in Section 15-176, the maximum
23 reduction before taxable year 2004 shall be \$4,500 in counties

1 with 3,000,000 or more inhabitants and \$3,500 in all other
2 counties. Except as provided in Sections 15-176 and 15-177,
3 for taxable years 2004 through 2007, the maximum reduction
4 shall be \$5,000, for taxable year 2008, the maximum reduction
5 is \$5,500, and, for taxable years 2009 through 2011, the
6 maximum reduction is \$6,000 in all counties. For taxable years
7 2012 through 2016, the maximum reduction is \$7,000 in counties
8 with 3,000,000 or more inhabitants and \$6,000 in all other
9 counties. For taxable years 2017 and thereafter, the maximum
10 reduction is \$10,000 in counties with 3,000,000 or more
11 inhabitants and \$6,000 in all other counties. If a county has
12 elected to subject itself to the provisions of Section 15-176
13 as provided in subsection (k) of that Section, then, for the
14 first taxable year only after the provisions of Section 15-176
15 no longer apply, for owners who, for the taxable year, have not
16 been granted a senior citizens assessment freeze homestead
17 exemption under Section 15-172 or a long-time occupant
18 homestead exemption under Section 15-177, there shall be an
19 additional exemption of \$5,000 for owners with a household
20 income of \$30,000 or less. In the case of homestead property
21 that is the principal place of residence of a caregiver and is
22 used to provide home care services to a person who is over 65
23 years of age and needs assistance with the activities of daily
24 living, the maximum exemption under this Section shall be
25 increased by \$1,000. As used in this Section, "caregiver"
26 means a person who, either as a result of a family

1 relationship, voluntarily, or in exchange for compensation,
2 has assumed responsibility for all or a portion of the
3 day-to-day care of a person who is over 65 years of age and
4 needs assistance with the activities of daily living.

5 (c) In counties with fewer than 3,000,000 inhabitants, if,
6 based on the most recent assessment, the equalized assessed
7 value of the homestead property for the current assessment
8 year is greater than the equalized assessed value of the
9 property for 1977, the owner of the property shall
10 automatically receive the exemption granted under this Section
11 in an amount equal to the increase over the 1977 assessment up
12 to the maximum reduction set forth in this Section.

13 (d) If in any assessment year beginning with the 2000
14 assessment year, homestead property has a pro-rata valuation
15 under Section 9-180 resulting in an increase in the assessed
16 valuation, a reduction in equalized assessed valuation equal
17 to the increase in equalized assessed value of the property
18 for the year of the pro-rata valuation above the equalized
19 assessed value of the property for 1977 shall be applied to the
20 property on a proportionate basis for the period the property
21 qualified as homestead property during the assessment year.
22 The maximum proportionate homestead exemption shall not exceed
23 the maximum homestead exemption allowed in the county under
24 this Section divided by 365 and multiplied by the number of
25 days the property qualified as homestead property.

26 (d-1) In counties with 3,000,000 or more inhabitants,

1 where the chief county assessment officer provides a notice of
2 discovery, if a property is not occupied by its owner as a
3 principal residence as of January 1 of the current tax year,
4 then the property owner shall notify the chief county
5 assessment officer of that fact on a form prescribed by the
6 chief county assessment officer. That notice must be received
7 by the chief county assessment officer on or before March 1 of
8 the collection year. If mailed, the form shall be sent by
9 certified mail, return receipt requested. If the form is
10 provided in person, the chief county assessment officer shall
11 provide a date stamped copy of the notice. Failure to provide
12 timely notice pursuant to this subsection (d-1) shall result
13 in the exemption being treated as an erroneous exemption. Upon
14 timely receipt of the notice for the current tax year, no
15 exemption shall be applied to the property for the current tax
16 year. If the exemption is not removed upon timely receipt of
17 the notice by the chief assessment officer, then the error is
18 considered granted as a result of a clerical error or omission
19 on the part of the chief county assessment officer as
20 described in subsection (h) of Section 9-275, and the property
21 owner shall not be liable for the payment of interest and
22 penalties due to the erroneous exemption for the current tax
23 year for which the notice was filed after the date that notice
24 was timely received pursuant to this subsection. Notice
25 provided under this subsection shall not constitute a defense
26 or amnesty for prior year erroneous exemptions.

1 For the purposes of this subsection (d-1):

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

4 "Current tax year" means the year prior to the collection
5 year.

6 (e) The chief county assessment officer may, when
7 considering whether to grant a leasehold exemption under this
8 Section, require the following conditions to be met:

9 (1) that a notarized application for the exemption,
10 signed by both the owner and the lessee of the property,
11 must be submitted each year during the application period
12 in effect for the county in which the property is located;

13 (2) that a copy of the lease must be filed with the
14 chief county assessment officer by the owner of the
15 property at the time the notarized application is
16 submitted;

17 (3) that the lease must expressly state that the
18 lessee is liable for the payment of property taxes; and

19 (4) that the lease must include the following language
20 in substantially the following form:

21 "Lessee shall be liable for the payment of real
22 estate taxes with respect to the residence in
23 accordance with the terms and conditions of Section
24 15-175 of the Property Tax Code (35 ILCS 200/15-175).
25 The permanent real estate index number for the
26 premises is (insert number), and, according to the

1 most recent property tax bill, the current amount of
2 real estate taxes associated with the premises is
3 (insert amount) per year. The parties agree that the
4 monthly rent set forth above shall be increased or
5 decreased pro rata (effective January 1 of each
6 calendar year) to reflect any increase or decrease in
7 real estate taxes. Lessee shall be deemed to be
8 satisfying Lessee's liability for the above mentioned
9 real estate taxes with the monthly rent payments as
10 set forth above (or increased or decreased as set
11 forth herein).".

12 In addition, if there is a change in lessee, or if the
13 lessee vacates the property, then the chief county assessment
14 officer may require the owner of the property to notify the
15 chief county assessment officer of that change.

16 This subsection (e) does not apply to leasehold interests
17 in property owned by a municipality.

18 (f) "Homestead property" under this Section includes
19 residential property that is occupied by its owner or owners
20 as his or their principal dwelling place, or that is a
21 leasehold interest on which a single family residence is
22 situated, which is occupied as a residence by a person who has
23 an ownership interest therein, legal or equitable or as a
24 lessee, and on which the person is liable for the payment of
25 property taxes. For land improved with an apartment building
26 owned and operated as a cooperative, the maximum reduction

1 from the equalized assessed value shall be limited to the
2 increase in the value above the equalized assessed value of
3 the property for 1977, up to the maximum reduction set forth
4 above, multiplied by the number of apartments or units
5 occupied by a person or persons who is liable, by contract with
6 the owner or owners of record, for paying property taxes on the
7 property and is an owner of record of a legal or equitable
8 interest in the cooperative apartment building, other than a
9 leasehold interest. For land improved with a life care
10 facility, the maximum reduction from the value of the
11 property, as equalized by the Department, shall be multiplied
12 by the number of apartments or units occupied by a person or
13 persons, irrespective of any legal, equitable, or leasehold
14 interest in the facility, who are liable, under a life care
15 contract with the owner or owners of record of the facility,
16 for paying property taxes on the property. For purposes of
17 this Section, the term "life care facility" has the meaning
18 stated in Section 15-170.

19 "Household", as used in this Section, means the owner, the
20 spouse of the owner, and all persons using the residence of the
21 owner as their principal place of residence.

22 "Household income", as used in this Section, means the
23 combined income of the members of a household for the calendar
24 year preceding the taxable year.

25 "Income", as used in this Section, has the same meaning as
26 provided in Section 3.07 of the Senior Citizens and Persons

1 with Disabilities Property Tax Relief Act, except that
2 "income" does not include veteran's benefits.

3 (g) In a cooperative or life care facility where a
4 homestead exemption has been granted, the cooperative
5 association or the management of the cooperative or life care
6 facility shall credit the savings resulting from that
7 exemption only to the apportioned tax liability of the owner
8 or resident who qualified for the exemption. Any person who
9 willfully refuses to so credit the savings shall be guilty of a
10 Class B misdemeanor.

11 (h) Where married persons maintain and reside in separate
12 residences qualifying as homestead property, each residence
13 shall receive 50% of the total reduction in equalized assessed
14 valuation provided by this Section.

15 (i) In all counties, the assessor or chief county
16 assessment officer may determine the eligibility of
17 residential property to receive the homestead exemption and
18 the amount of the exemption by application, visual inspection,
19 questionnaire or other reasonable methods. The determination
20 shall be made in accordance with guidelines established by the
21 Department, provided that the taxpayer applying for an
22 additional general exemption under this Section shall submit
23 to the chief county assessment officer an application with an
24 affidavit of the applicant's total household income, age,
25 marital status (and, if married, the name and address of the
26 applicant's spouse, if known), and principal dwelling place of

1 members of the household on January 1 of the taxable year. The
2 Department shall issue guidelines establishing a method for
3 verifying the accuracy of the affidavits filed by applicants
4 under this paragraph. The applications shall be clearly marked
5 as applications for the Additional General Homestead
6 Exemption.

7 (i-5) This subsection (i-5) applies to counties with
8 3,000,000 or more inhabitants. In the event of a sale of
9 homestead property, the homestead exemption shall remain in
10 effect for the remainder of the assessment year of the sale.
11 Upon receipt of a transfer declaration transmitted by the
12 recorder pursuant to Section 31-30 of the Real Estate Transfer
13 Tax Law for property receiving an exemption under this
14 Section, the assessor shall mail a notice and forms to the new
15 owner of the property providing information pertaining to the
16 rules and applicable filing periods for applying or reapplying
17 for homestead exemptions under this Code for which the
18 property may be eligible. If the new owner fails to apply or
19 reapply for a homestead exemption during the applicable filing
20 period or the property no longer qualifies for an existing
21 homestead exemption, the assessor shall cancel such exemption
22 for any ensuing assessment year.

23 (j) In counties with fewer than 3,000,000 inhabitants, in
24 the event of a sale of homestead property the homestead
25 exemption shall remain in effect for the remainder of the
26 assessment year of the sale. The assessor or chief county

1 assessment officer may require the new owner of the property
2 to apply for the homestead exemption for the following
3 assessment year.

4 (k) Notwithstanding Sections 6 and 8 of the State Mandates
5 Act, no reimbursement by the State is required for the
6 implementation of any mandate created by this Section.

7 (l) The changes made to this Section by this amendatory
8 Act of the 100th General Assembly are effective for the 2018
9 tax year and thereafter.

10 (Source: P.A. 99-143, eff. 7-27-15; 99-164, eff. 7-28-15;
11 99-642, eff. 7-28-16; 99-851, eff. 8-19-16; 100-401, eff.
12 8-25-17; 100-1077, eff. 1-1-19.)

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