



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB3509

Introduced 2/17/2023, by Rep. Curtis J. Tarver, II

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Increases the maximum reduction for the general homestead exemption to \$50,000 in counties with 3,000,000 or more inhabitants. Provides that for taxable years 2024 through 2026, the property tax liability for homestead property in Cook County that contains a single-family home or a multi-unit residential dwelling with fewer than 3 units shall not exceed the adjusted property tax liability for the property for the applicable tax year. Effective immediately.

LRB103 30437 HLH 56868 b

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 through 2022, the maximum  
10 reduction is \$10,000 in counties with 3,000,000 or more  
11 inhabitants and \$6,000 in all other counties. For taxable year  
12 ~~years 2023 and thereafter~~, the maximum reduction is \$10,000 in  
13 counties with 3,000,000 or more inhabitants, \$8,000 in  
14 counties that are contiguous to a county of 3,000,000 or more  
15 inhabitants, and \$6,000 in all other counties. For taxable  
16 years 2024 and thereafter, the maximum reduction is \$50,000 in  
17 counties with 3,000,000 or more inhabitants, \$8,000 in  
18 counties that are contiguous to a county of 3,000,000 or more  
19 inhabitants, and \$6,000 in all other counties. If a county has  
20 elected to subject itself to the provisions of Section 15-176  
21 as provided in subsection (k) of that Section, then, for the  
22 first taxable year only after the provisions of Section 15-176  
23 no longer apply, for owners who, for the taxable year, have not  
24 been granted a senior citizens assessment freeze homestead  
25 exemption under Section 15-172 or a long-time occupant  
26 homestead exemption under Section 15-177, there shall be an

1 additional exemption of \$5,000 for owners with a household  
2 income of \$30,000 or less.

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

11 Notwithstanding any other provision of law, for taxable  
12 years 2024 through 2026, the property tax liability for  
13 homestead property in Cook County that contains a  
14 single-family home or a multi-unit residential dwelling with  
15 fewer than 3 units shall not exceed the adjusted property tax  
16 liability for the property for the applicable tax year.

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

1 the maximum homestead exemption allowed in the county under  
2 this Section divided by 365 and multiplied by the number of  
3 days the property qualified as homestead property.

4 (d-1) In counties with 3,000,000 or more inhabitants,  
5 where the chief county assessment officer provides a notice of  
6 discovery, if a property is not occupied by its owner as a  
7 principal residence as of January 1 of the current tax year,  
8 then the property owner shall notify the chief county  
9 assessment officer of that fact on a form prescribed by the  
10 chief county assessment officer. That notice must be received  
11 by the chief county assessment officer on or before March 1 of  
12 the collection year. If mailed, the form shall be sent by  
13 certified mail, return receipt requested. If the form is  
14 provided in person, the chief county assessment officer shall  
15 provide a date stamped copy of the notice. Failure to provide  
16 timely notice pursuant to this subsection (d-1) shall result  
17 in the exemption being treated as an erroneous exemption. Upon  
18 timely receipt of the notice for the current tax year, no  
19 exemption shall be applied to the property for the current tax  
20 year. If the exemption is not removed upon timely receipt of  
21 the notice by the chief assessment officer, then the error is  
22 considered granted as a result of a clerical error or omission  
23 on the part of the chief county assessment officer as  
24 described in subsection (h) of Section 9-275, and the property  
25 owner shall not be liable for the payment of interest and  
26 penalties due to the erroneous exemption for the current tax

1 year for which the notice was filed after the date that notice  
2 was timely received pursuant to this subsection. Notice  
3 provided under this subsection shall not constitute a defense  
4 or amnesty for prior year erroneous exemptions.

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

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

8 "Current tax year" means the year prior to the collection  
9 year.

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

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

17 (2) that a copy of the lease must be filed with the  
18 chief county assessment officer by the owner of the  
19 property at the time the notarized application is  
20 submitted;

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

23 (4) that the lease must include the following language  
24 in substantially the following form:

25 "Lessee shall be liable for the payment of real  
26 estate taxes with respect to the residence in

1 accordance with the terms and conditions of Section  
2 15-175 of the Property Tax Code (35 ILCS 200/15-175).  
3 The permanent real estate index number for the  
4 premises is (insert number), and, according to the  
5 most recent property tax bill, the current amount of  
6 real estate taxes associated with the premises is  
7 (insert amount) per year. The parties agree that the  
8 monthly rent set forth above shall be increased or  
9 decreased pro rata (effective January 1 of each  
10 calendar year) to reflect any increase or decrease in  
11 real estate taxes. Lessee shall be deemed to be  
12 satisfying Lessee's liability for the above mentioned  
13 real estate taxes with the monthly rent payments as  
14 set forth above (or increased or decreased as set  
15 forth herein).".

16 In addition, if there is a change in lessee, or if the  
17 lessee vacates the property, then the chief county assessment  
18 officer may require the owner of the property to notify the  
19 chief county assessment officer of that change.

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

22 (f) As used in this Section:

23 "Adjusted property tax liability" means the property tax  
24 liability for the property in the base year, increased by 5%  
25 for each tax year after the base year through and including the  
26 current tax year. The increase by 5% each year is an increase

1 by 5% over the prior year. If the property did not have a  
2 residential equalized assessed value for the base year, then  
3 the assessor shall first determine an initial property tax  
4 liability for the property by comparison with other properties  
5 having physical and economic characteristics similar to those  
6 of the subject property.

7 "Base year" means the 2018 tax year, or, if the property is  
8 sold or ownership is otherwise transferred in tax year 2024,  
9 2025, or 2026, then the year of the sale or transfer

10 "Homestead property" under this Section includes  
11 residential property that is occupied by its owner or owners  
12 as his or their principal dwelling place, or that is a  
13 leasehold interest on which a single family residence is  
14 situated, which is occupied as a residence by a person who has  
15 an ownership interest therein, legal or equitable or as a  
16 lessee, and on which the person is liable for the payment of  
17 property taxes. For land improved with an apartment building  
18 owned and operated as a cooperative, the maximum reduction  
19 from the equalized assessed value shall be limited to the  
20 increase in the value above the equalized assessed value of  
21 the property for 1977, up to the maximum reduction set forth  
22 above, multiplied by the number of apartments or units  
23 occupied by a person or persons who is liable, by contract with  
24 the owner or owners of record, for paying property taxes on the  
25 property and is an owner of record of a legal or equitable  
26 interest in the cooperative apartment building, other than a



1 leasehold interest. For land improved with a life care  
2 facility, the maximum reduction from the value of the  
3 property, as equalized by the Department, shall be multiplied  
4 by the number of apartments or units occupied by a person or  
5 persons, irrespective of any legal, equitable, or leasehold  
6 interest in the facility, who are liable, under a life care  
7 contract with the owner or owners of record of the facility,  
8 for paying property taxes on the property. For purposes of  
9 this Section, the term "life care facility" has the meaning  
10 stated in Section 15-170.

11 "Household", as used in this Section, means the owner, the  
12 spouse of the owner, and all persons using the residence of the  
13 owner as their principal place of residence.

14 "Household income", as used in this Section, means the  
15 combined income of the members of a household for the calendar  
16 year preceding the taxable year.

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

21 (g) In a cooperative or life care facility where a  
22 homestead exemption has been granted, the cooperative  
23 association or the management of the cooperative or life care  
24 facility shall credit the savings resulting from that  
25 exemption only to the apportioned tax liability of the owner  
26 or resident who qualified for the exemption. Any person who

1 willfully refuses to so credit the savings shall be guilty of a  
2 Class B misdemeanor.

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

7 (i) In all counties, the assessor or chief county  
8 assessment officer may determine the eligibility of  
9 residential property to receive the homestead exemption and  
10 the amount of the exemption by application, visual inspection,  
11 questionnaire or other reasonable methods. The determination  
12 shall be made in accordance with guidelines established by the  
13 Department, provided that the taxpayer applying for an  
14 additional general exemption under this Section shall submit  
15 to the chief county assessment officer an application with an  
16 affidavit of the applicant's total household income, age,  
17 marital status (and, if married, the name and address of the  
18 applicant's spouse, if known), and principal dwelling place of  
19 members of the household on January 1 of the taxable year. The  
20 Department shall issue guidelines establishing a method for  
21 verifying the accuracy of the affidavits filed by applicants  
22 under this paragraph. The applications shall be clearly marked  
23 as applications for the Additional General Homestead  
24 Exemption.

25 (i-5) This subsection (i-5) applies to counties with  
26 3,000,000 or more inhabitants. In the event of a sale of

1 homestead property, the homestead exemption shall remain in  
2 effect for the remainder of the assessment year of the sale.  
3 Upon receipt of a transfer declaration transmitted by the  
4 recorder pursuant to Section 31-30 of the Real Estate Transfer  
5 Tax Law for property receiving an exemption under this  
6 Section, the assessor shall mail a notice and forms to the new  
7 owner of the property providing information pertaining to the  
8 rules and applicable filing periods for applying or reapplying  
9 for homestead exemptions under this Code for which the  
10 property may be eligible. If the new owner fails to apply or  
11 reapply for a homestead exemption during the applicable filing  
12 period or the property no longer qualifies for an existing  
13 homestead exemption, the assessor shall cancel such exemption  
14 for any ensuing assessment year.

15 (j) In counties with fewer than 3,000,000 inhabitants, in  
16 the event of a sale of homestead property the homestead  
17 exemption shall remain in effect for the remainder of the  
18 assessment year of the sale. The assessor or chief county  
19 assessment officer may require the new owner of the property  
20 to apply for the homestead exemption for the following  
21 assessment year.

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

25 (l) The changes made to this Section by this amendatory  
26 Act of the 100th General Assembly are effective for the 2018

1 tax year and thereafter.

2 (Source: P.A. 102-895, eff. 5-23-22.)

3 Section 99. Effective date. This Act takes effect upon  
4 becoming law.