



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

HB4164

Introduced 1/21/2004, by Brent Hassert - Paul D. Froehlich

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172
30 ILCS 805/8.28 new

Amends the Senior Citizens Assessment Freeze Homestead Exemption provisions in the Property Tax Code. Provides that "income" does not include Social Security benefits. Increases the ceiling for household income eligibility, for taxable years 2004 and thereafter, from \$40,000 per year to \$45,000 per year. Amends the Senior Citizens Assessment Freeze Homestead Exemption provisions and the State Mandates Act to require implementation without reimbursement from the State. Effective immediately.

LRB093 19592 SJM 45333 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning taxes.

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 15-172 as follows:

6 (35 ILCS 200/15-172)

7 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
8 Exemption.

9 (a) This Section may be cited as the Senior Citizens
10 Assessment Freeze Homestead Exemption.

11 (b) As used in this Section:

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

14 "Base amount" means the base year equalized assessed value
15 of the residence plus the first year's equalized assessed value
16 of any added improvements which increased the assessed value of
17 the residence after the base year.

18 "Base year" means the taxable year prior to the taxable
19 year for which the applicant first qualifies and applies for
20 the exemption provided that in the prior taxable year the
21 property was improved with a permanent structure that was
22 occupied as a residence by the applicant who was liable for
23 paying real property taxes on the property and who was either
24 (i) an owner of record of the property or had legal or
25 equitable interest in the property as evidenced by a written
26 instrument or (ii) had a legal or equitable interest as a
27 lessee in the parcel of property that was single family
28 residence. If in any subsequent taxable year for which the
29 applicant applies and qualifies for the exemption the equalized
30 assessed value of the residence is less than the equalized
31 assessed value in the existing base year (provided that such
32 equalized assessed value is not based on an assessed value that

1 results from a temporary irregularity in the property that
2 reduces the assessed value for one or more taxable years), then
3 that subsequent taxable year shall become the base year until a
4 new base year is established under the terms of this paragraph.
5 For taxable year 1999 only, the Chief County Assessment Officer
6 shall review (i) all taxable years for which the applicant
7 applied and qualified for the exemption and (ii) the existing
8 base year. The assessment officer shall select as the new base
9 year the year with the lowest equalized assessed value. An
10 equalized assessed value that is based on an assessed value
11 that results from a temporary irregularity in the property that
12 reduces the assessed value for one or more taxable years shall
13 not be considered the lowest equalized assessed value. The
14 selected year shall be the base year for taxable year 1999 and
15 thereafter until a new base year is established under the terms
16 of this paragraph.

17 "Chief County Assessment Officer" means the County
18 Assessor or Supervisor of Assessments of the county in which
19 the property is located.

20 "Equalized assessed value" means the assessed value as
21 equalized by the Illinois Department of Revenue.

22 "Household" means the applicant, the spouse of the
23 applicant, and all persons using the residence of the applicant
24 as their principal place of residence.

25 "Household income" means the combined income of the members
26 of a household for the calendar year preceding the taxable
27 year.

28 "Income" has the same meaning as provided in Section 3.07
29 of the Senior Citizens and Disabled Persons Property Tax Relief
30 and Pharmaceutical Assistance Act, except that, beginning in
31 assessment year 2001, "income" does not include veteran's
32 benefits and, beginning in taxable year 2004, "income" does not
33 include Social Security benefits.

34 "Internal Revenue Code of 1986" means the United States
35 Internal Revenue Code of 1986 or any successor law or laws
36 relating to federal income taxes in effect for the year

1 preceding the taxable year.

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

5 "Residence" means the principal dwelling place and
6 appurtenant structures used for residential purposes in this
7 State occupied on January 1 of the taxable year by a household
8 and so much of the surrounding land, constituting the parcel
9 upon which the dwelling place is situated, as is used for
10 residential purposes. If the Chief County Assessment Officer
11 has established a specific legal description for a portion of
12 property constituting the residence, then that portion of
13 property shall be deemed the residence for the purposes of this
14 Section.

15 "Taxable year" means the calendar year during which ad
16 valorem property taxes payable in the next succeeding year are
17 levied.

18 (c) Beginning in taxable year 1994, a senior citizens
19 assessment freeze homestead exemption is granted for real
20 property that is improved with a permanent structure that is
21 occupied as a residence by an applicant who (i) is 65 years of
22 age or older during the taxable year, (ii) has a household
23 income of \$35,000 or less prior to taxable year 1999, ~~or~~
24 \$40,000 or less in taxable ~~years~~ ~~year~~ 1999 through 2003, and
25 \$45,000 or less in taxable year 2004 and thereafter, (iii) is
26 liable for paying real property taxes on the property, and (iv)
27 is an owner of record of the property or has a legal or
28 equitable interest in the property as evidenced by a written
29 instrument. This homestead exemption shall also apply to a
30 leasehold interest in a parcel of property improved with a
31 permanent structure that is a single family residence that is
32 occupied as a residence by a person who (i) is 65 years of age
33 or older during the taxable year, (ii) has a household income
34 of \$35,000 or less prior to taxable year 1999, ~~or~~ \$40,000 or
35 less in taxable ~~years~~ ~~year~~ 1999 through 2003, and \$45,000 or
36 less in taxable year 2004 and thereafter, (iii) has a legal or

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

4 The amount of this exemption shall be the equalized
5 assessed value of the residence in the taxable year for which
6 application is made minus the base amount.

7 When the applicant is a surviving spouse of an applicant
8 for a prior year for the same residence for which an exemption
9 under this Section has been granted, the base year and base
10 amount for that residence are the same as for the applicant for
11 the prior year.

12 Each year at the time the assessment books are certified to
13 the County Clerk, the Board of Review or Board of Appeals shall
14 give to the County Clerk a list of the assessed values of
15 improvements on each parcel qualifying for this exemption that
16 were added after the base year for this parcel and that
17 increased the assessed value of the property.

18 In the case of land improved with an apartment building
19 owned and operated as a cooperative or a building that is a
20 life care facility that qualifies as a cooperative, the maximum
21 reduction from the equalized assessed value of the property is
22 limited to the sum of the reductions calculated for each unit
23 occupied as a residence by a person or persons (i) 65 years of
24 age or older, (ii) with a household income of \$35,000 or less
25 prior to taxable year 1999, ~~or~~ \$40,000 or less in taxable years
26 year 1999 through 2003, and \$45,000 or less in taxable year
27 2004 and thereafter, (iii) who is liable, by contract with the
28 owner or owners of record, for paying real property taxes on
29 the property, and (iv) who is an owner of record of a legal or
30 equitable interest in the cooperative apartment building,
31 other than a leasehold interest. In the instance of a
32 cooperative where a homestead exemption has been granted under
33 this Section, the cooperative association or its management
34 firm shall credit the savings resulting from that exemption
35 only to the apportioned tax liability of the owner who
36 qualified for the exemption. Any person who willfully refuses

1 to credit that savings to an owner who qualifies for the
2 exemption is guilty of a Class B misdemeanor.

3 When a homestead exemption has been granted under this
4 Section and an applicant then becomes a resident of a facility
5 licensed under the Nursing Home Care Act, the exemption shall
6 be granted in subsequent years so long as the residence (i)
7 continues to be occupied by the qualified applicant's spouse or
8 (ii) if remaining unoccupied, is still owned by the qualified
9 applicant for the homestead exemption.

10 Beginning January 1, 1997, when an individual dies who
11 would have qualified for an exemption under this Section, and
12 the surviving spouse does not independently qualify for this
13 exemption because of age, the exemption under this Section
14 shall be granted to the surviving spouse for the taxable year
15 preceding and the taxable year of the death, provided that,
16 except for age, the surviving spouse meets all other
17 qualifications for the granting of this exemption for those
18 years.

19 When married persons maintain separate residences, the
20 exemption provided for in this Section may be claimed by only
21 one of such persons and for only one residence.

22 For taxable year 1994 only, in counties having less than
23 3,000,000 inhabitants, to receive the exemption, a person shall
24 submit an application by February 15, 1995 to the Chief County
25 Assessment Officer of the county in which the property is
26 located. In counties having 3,000,000 or more inhabitants, for
27 taxable year 1994 and all subsequent taxable years, to receive
28 the exemption, a person may submit an application to the Chief
29 County Assessment Officer of the county in which the property
30 is located during such period as may be specified by the Chief
31 County Assessment Officer. The Chief County Assessment Officer
32 in counties of 3,000,000 or more inhabitants shall annually
33 give notice of the application period by mail or by
34 publication. In counties having less than 3,000,000
35 inhabitants, beginning with taxable year 1995 and thereafter,
36 to receive the exemption, a person shall submit an application

1 by July 1 of each taxable year to the Chief County Assessment
2 Officer of the county in which the property is located. A
3 county may, by ordinance, establish a date for submission of
4 applications that is different than July 1. The applicant shall
5 submit with the application an affidavit of the applicant's
6 total household income, age, marital status (and if married the
7 name and address of the applicant's spouse, if known), and
8 principal dwelling place of members of the household on January
9 1 of the taxable year. The Department shall establish, by rule,
10 a method for verifying the accuracy of affidavits filed by
11 applicants under this Section. The applications shall be
12 clearly marked as applications for the Senior Citizens
13 Assessment Freeze Homestead Exemption.

14 Notwithstanding any other provision to the contrary, in
15 counties having fewer than 3,000,000 inhabitants, if an
16 applicant fails to file the application required by this
17 Section in a timely manner and this failure to file is due to a
18 mental or physical condition sufficiently severe so as to
19 render the applicant incapable of filing the application in a
20 timely manner, the Chief County Assessment Officer may extend
21 the filing deadline for a period of 30 days after the applicant
22 regains the capability to file the application, but in no case
23 may the filing deadline be extended beyond 3 months of the
24 original filing deadline. In order to receive the extension
25 provided in this paragraph, the applicant shall provide the
26 Chief County Assessment Officer with a signed statement from
27 the applicant's physician stating the nature and extent of the
28 condition, that, in the physician's opinion, the condition was
29 so severe that it rendered the applicant incapable of filing
30 the application in a timely manner, and the date on which the
31 applicant regained the capability to file the application.

32 Beginning January 1, 1998, notwithstanding any other
33 provision to the contrary, in counties having fewer than
34 3,000,000 inhabitants, if an applicant fails to file the
35 application required by this Section in a timely manner and
36 this failure to file is due to a mental or physical condition

1 sufficiently severe so as to render the applicant incapable of
2 filing the application in a timely manner, the Chief County
3 Assessment Officer may extend the filing deadline for a period
4 of 3 months. In order to receive the extension provided in this
5 paragraph, the applicant shall provide the Chief County
6 Assessment Officer with a signed statement from the applicant's
7 physician stating the nature and extent of the condition, and
8 that, in the physician's opinion, the condition was so severe
9 that it rendered the applicant incapable of filing the
10 application in a timely manner.

11 In counties having less than 3,000,000 inhabitants, if an
12 applicant was denied an exemption in taxable year 1994 and the
13 denial occurred due to an error on the part of an assessment
14 official, or his or her agent or employee, then beginning in
15 taxable year 1997 the applicant's base year, for purposes of
16 determining the amount of the exemption, shall be 1993 rather
17 than 1994. In addition, in taxable year 1997, the applicant's
18 exemption shall also include an amount equal to (i) the amount
19 of any exemption denied to the applicant in taxable year 1995
20 as a result of using 1994, rather than 1993, as the base year,
21 (ii) the amount of any exemption denied to the applicant in
22 taxable year 1996 as a result of using 1994, rather than 1993,
23 as the base year, and (iii) the amount of the exemption
24 erroneously denied for taxable year 1994.

25 For purposes of this Section, a person who will be 65 years
26 of age during the current taxable year shall be eligible to
27 apply for the homestead exemption during that taxable year.
28 Application shall be made during the application period in
29 effect for the county of his or her residence.

30 The Chief County Assessment Officer may determine the
31 eligibility of a life care facility that qualifies as a
32 cooperative to receive the benefits provided by this Section by
33 use of an affidavit, application, visual inspection,
34 questionnaire, or other reasonable method in order to insure
35 that the tax savings resulting from the exemption are credited
36 by the management firm to the apportioned tax liability of each

1 qualifying resident. The Chief County Assessment Officer may
2 request reasonable proof that the management firm has so
3 credited that exemption.

4 Except as provided in this Section, all information
5 received by the chief county assessment officer or the
6 Department from applications filed under this Section, or from
7 any investigation conducted under the provisions of this
8 Section, shall be confidential, except for official purposes or
9 pursuant to official procedures for collection of any State or
10 local tax or enforcement of any civil or criminal penalty or
11 sanction imposed by this Act or by any statute or ordinance
12 imposing a State or local tax. Any person who divulges any such
13 information in any manner, except in accordance with a proper
14 judicial order, is guilty of a Class A misdemeanor.

15 Nothing contained in this Section shall prevent the
16 Director or chief county assessment officer from publishing or
17 making available reasonable statistics concerning the
18 operation of the exemption contained in this Section in which
19 the contents of claims are grouped into aggregates in such a
20 way that information contained in any individual claim shall
21 not be disclosed.

22 (d) Each Chief County Assessment Officer shall annually
23 publish a notice of availability of the exemption provided
24 under this Section. The notice shall be published at least 60
25 days but no more than 75 days prior to the date on which the
26 application must be submitted to the Chief County Assessment
27 Officer of the county in which the property is located. The
28 notice shall appear in a newspaper of general circulation in
29 the county.

30 (e) Notwithstanding Sections 6 and 8 of the State Mandates
31 Act, no reimbursement by the State is required for the
32 implementation of any mandate created by this Section.

33 (Source: P.A. 90-14, eff. 7-1-97; 90-204, eff. 7-25-97; 90-523,
34 eff. 11-13-97; 90-524, eff. 1-1-98; 90-531, eff. 1-1-98;
35 90-655, eff. 7-30-98; 91-45, eff. 6-30-99; 91-56, eff. 6-30-99;
36 91-819, eff. 6-13-00.)

1 Section 90. The State Mandates Act is amended by adding
2 Section 8.28 as follows:

3 (30 ILCS 805/8.28 new)

4 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8
5 of this Act, no reimbursement by the State is required for the
6 implementation of any mandate created by the Senior Citizens
7 Assessment Freeze Homestead Exemption under Section 15-172 of
8 the Property Tax Code.

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.