



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

HB4320

Introduced 2/2/2004, by William B. Black - Mike Bost

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the general homestead exemption provisions in the Property Tax Code. Provides that, for taxable years 2007 and thereafter, the maximum amount to be reduced from the assessed value of the property is \$4,500 in all counties (now, \$4,500 in counties with 3,000,000 or more inhabitants and \$3,500 in all other counties).

LRB093 18120 SJM 43808 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning taxation.

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

20 Before taxable year 2007, the maximum reduction shall be
21 \$4,500 in counties with 3,000,000 or more inhabitants and
22 \$3,500 in all other counties. For taxable years 2007 and
23 thereafter, the maximum reduction shall be \$4,500 in all
24 counties .

25 In counties with fewer than 3,000,000 inhabitants, if,
26 based on the most recent assessment, the equalized assessed
27 value of the homestead property for the current assessment year
28 is greater than the equalized assessed value of the property
29 for 1977, the owner of the property shall automatically receive
30 the exemption granted under this Section in an amount equal to
31 the increase over the 1977 assessment up to the maximum
32 reduction set forth in this Section.

1 If in any assessment year beginning with the 2000
2 assessment year, homestead property has a pro-rata valuation
3 under Section 9-180 resulting in an increase in the assessed
4 valuation, a reduction in equalized assessed valuation equal to
5 the increase in equalized assessed value of the property for
6 the year of the pro-rata valuation above the equalized assessed
7 value of the property for 1977 shall be applied to the property
8 on a proportionate basis for the period the property qualified
9 as homestead property during the assessment year. The maximum
10 proportionate homestead exemption shall not exceed the maximum
11 homestead exemption allowed in the county under this Section
12 divided by 365 and multiplied by the number of days the
13 property qualified as homestead property.

14 "Homestead property" under this Section includes
15 residential property that is occupied by its owner or owners as
16 his or their principal dwelling place, or that is a leasehold
17 interest on which a single family residence is situated, which
18 is occupied as a residence by a person who has an ownership
19 interest therein, legal or equitable or as a lessee, and on
20 which the person is liable for the payment of property taxes.
21 For land improved with an apartment building owned and operated
22 as a cooperative or a building which is a life care facility as
23 defined in Section 15-170 and considered to be a cooperative
24 under Section 15-170, the maximum reduction from the equalized
25 assessed value shall be limited to the increase in the value
26 above the equalized assessed value of the property for 1977, up
27 to the maximum reduction set forth above, multiplied by the
28 number of apartments or units occupied by a person or persons
29 who is liable, by contract with the owner or owners of record,
30 for paying property taxes on the property and is an owner of
31 record of a legal or equitable interest in the cooperative
32 apartment building, other than a leasehold interest. For
33 purposes of this Section, the term "life care facility" has the
34 meaning stated in Section 15-170.

35 In a cooperative where a homestead exemption has been
36 granted, the cooperative association or its management firm

1 shall credit the savings resulting from that exemption only to
2 the apportioned tax liability of the owner who qualified for
3 the exemption. Any person who willfully refuses to so credit
4 the savings shall be guilty of a Class B misdemeanor.

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

9 In counties with more than 3,000,000 inhabitants, the
10 assessor or chief county assessment officer may determine the
11 eligibility of residential property to receive the homestead
12 exemption by application, visual inspection, questionnaire or
13 other reasonable methods. The determination shall be made in
14 accordance with guidelines established by the Department. In
15 counties with fewer than 3,000,000 inhabitants, in the event of
16 a sale of homestead property the homestead exemption shall
17 remain in effect for the remainder of the assessment year of
18 the sale. The assessor or chief county assessment officer may
19 require the new owner of the property to apply for the
20 homestead exemption for the following assessment year.

21 (Source: P.A. 90-368, eff. 1-1-98; 90-552, eff. 12-12-97;
22 90-655, eff. 7-30-98; 91-346, eff. 7-29-99.)