

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 15-175 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
9 limited, except as described here with relation to
10 cooperatives, to a reduction in the equalized assessed value
11 of homestead property equal to the increase in equalized
12 assessed value for the current assessment year above the
13 equalized assessed value of the property for 1977, up to the
14 maximum reduction set forth below. If however, the 1977
15 equalized assessed value upon which taxes were paid is
16 subsequently determined by local assessing officials, the
17 Property Tax Appeal Board, or a court to have been excessive,
18 the equalized assessed value which should have been placed on
19 the property for 1977 shall be used to determine the amount
20 of the exemption.

21 Before taxable year 2003 the maximum reduction shall be
22 \$4,500 in counties with 3,000,000 or more inhabitants and
23 \$3,500 in all other counties. For taxable year 2003 and each
24 taxable year thereafter the maximum reduction shall be
25 \$13,500 in counties with 3,000,000 or more inhabitants and
26 \$10,500 in all other counties.

27 In counties with fewer than 3,000,000 inhabitants, if,
28 based on the most recent assessment, the equalized assessed
29 value of the homestead property for the current assessment
30 year is greater than the equalized assessed value of the
31 property for 1977, the owner of the property shall

1 automatically receive the exemption granted under this
2 Section in an amount equal to the increase over the 1977
3 assessment up to the maximum reduction set forth in this
4 Section.

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

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

1 liable, by contract with the owner or owners of record, for
2 paying property taxes on the property and is an owner of
3 record of a legal or equitable interest in the cooperative
4 apartment building, other than a leasehold interest. For
5 purposes of this Section, the term "life care facility" has
6 the meaning stated in Section 15-170.

7 In a cooperative where a homestead exemption has been
8 granted, the cooperative association or its management firm
9 shall credit the savings resulting from that exemption only
10 to the apportioned tax liability of the owner who qualified
11 for the exemption. Any person who willfully refuses to so
12 credit the savings shall be guilty of a Class B misdemeanor.

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

17 In counties with more than 3,000,000 inhabitants, the
18 assessor or chief county assessment officer may determine the
19 eligibility of residential property to receive the homestead
20 exemption by application, visual inspection, questionnaire or
21 other reasonable methods. The determination shall be made in
22 accordance with guidelines established by the Department. In
23 counties with fewer than 3,000,000 inhabitants, in the event
24 of a sale of homestead property the homestead exemption shall
25 remain in effect for the remainder of the assessment year of
26 the sale. The assessor or chief county assessment officer
27 may require the new owner of the property to apply for the
28 homestead exemption for the following assessment year.

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

31 Section 99. Effective date. This Act takes effect upon
32 becoming law.