



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB0151

Introduced 1/11/2005, by Rep. Paul D. Froehlich

SYNOPSIS AS INTRODUCED:

35 ILCS 200/14-20
35 ILCS 200/15-10
35 ILCS 200/15-172
30 ILCS 805/8.29 new

Amends the Property Tax Code. Includes disabled persons within the provisions awarding an assessment freeze homestead exemption to senior citizens. Changes the name to the Senior Citizens and Disabled Persons Assessment Freeze Homestead Exemption (now Senior Citizens Assessment Freeze Homestead Exemption). Makes corresponding changes to a cross-reference to the exemption. Amends the freeze provision and the State Mandates Act to require implementation without reimbursement from the State. Effective immediately.

LRB094 03711 BDD 33716 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 Sections 14-20, 15-10, and 15-172 as follows:

6 (35 ILCS 200/14-20)

7 Sec. 14-20. Certificate of error; counties of less than
8 3,000,000. In any county with less than 3,000,000 inhabitants,
9 if, at any time before judgment or order of sale is entered in
10 any proceeding to collect or to enjoin the collection of taxes
11 based upon any assessment of any property, the chief county
12 assessment officer discovers an error or mistake in the
13 assessment (other than errors of judgment as to the valuation
14 of the property), he or she shall issue to the person
15 erroneously assessed a certificate setting forth the nature of
16 the error and the cause or causes of the error. In any county
17 with less than 3,000,000 inhabitants, if an owner fails to file
18 an application for the Senior Citizens and Disabled Persons
19 Assessment Freeze Homestead Exemption provided in Section
20 15-172 during the previous assessment year and qualifies for
21 the exemption, the Chief County Assessment Officer pursuant to
22 this Section, or the Board of Review pursuant to Section 16-75,
23 shall issue a certificate of error setting forth the correct
24 taxable valuation of the property. The certificate, when
25 properly endorsed by the majority of the board of review,
26 showing their concurrence, and not otherwise, may be used in
27 evidence in any court of competent jurisdiction, and when so
28 introduced in evidence, shall become a part of the court record
29 and shall not be removed from the files except on an order of
30 the court.

31 (Source: P.A. 90-552, eff. 12-12-97; 91-377, eff. 7-30-99.)

1 (35 ILCS 200/15-10)

2 Sec. 15-10. Exempt property; procedures for certification.

3 All property granted an exemption by the Department pursuant to
4 the requirements of Section 15-5 and described in the Sections
5 following Section 15-30 and preceding Section 16-5, to the
6 extent therein limited, is exempt from taxation. In order to
7 maintain that exempt status, the titleholder or the owner of
8 the beneficial interest of any property that is exempt must
9 file with the chief county assessment officer, on or before
10 January 31 of each year (May 31 in the case of property
11 exempted by Section 15-170), an affidavit stating whether there
12 has been any change in the ownership or use of the property or
13 the status of the owner-resident, or that a disabled veteran
14 who qualifies under Section 15-165 owned and used the property
15 as of January 1 of that year. The nature of any change shall be
16 stated in the affidavit. Failure to file an affidavit shall, in
17 the discretion of the assessment officer, constitute cause to
18 terminate the exemption of that property, notwithstanding any
19 other provision of this Code. Owners of 5 or more such exempt
20 parcels within a county may file a single annual affidavit in
21 lieu of an affidavit for each parcel. The assessment officer,
22 upon request, shall furnish an affidavit form to the owners, in
23 which the owner may state whether there has been any change in
24 the ownership or use of the property or status of the owner or
25 resident as of January 1 of that year. The owner of 5 or more
26 exempt parcels shall list all the properties giving the same
27 information for each parcel as required of owners who file
28 individual affidavits.

29 However, titleholders or owners of the beneficial interest
30 in any property exempted under any of the following provisions
31 are not required to submit an annual filing under this Section:

32 (1) Section 15-45 (burial grounds) in counties of less
33 than 3,000,000 inhabitants and owned by a not-for-profit
34 organization.

35 (2) Section 15-40.

36 (3) Section 15-50 (United States property).

1 If there is a change in use or ownership, however, notice
2 must be filed pursuant to Section 15-20.

3 An application for homestead exemptions shall be filed as
4 provided in Section 15-170 (senior citizens and disabled
5 persons homestead exemption), Section 15-172 (senior citizens
6 assessment freeze homestead exemption), and Sections 15-175
7 and 15-176 (general homestead exemption), respectively.

8 (Source: P.A. 92-333, eff. 8-10-01; 92-729, eff. 7-25-02;
9 93-715, eff. 7-12-04.)

10 (35 ILCS 200/15-172)

11 Sec. 15-172. Senior Citizens and Disabled Persons
12 Assessment Freeze Homestead Exemption.

13 (a) This Section may be cited as the Senior Citizens and
14 Disabled Persons Assessment Freeze Homestead Exemption.

15 (b) As used in this Section:

16 "Applicant" means an individual who has filed an
17 application under this Section.

18 "Base amount" means the base year equalized assessed value
19 of the residence plus the first year's equalized assessed value
20 of any added improvements which increased the assessed value of
21 the residence after the base year.

22 "Base year" means the taxable year prior to the taxable
23 year for which the applicant first qualifies and applies for
24 the exemption provided that in the prior taxable year the
25 property was improved with a permanent structure that was
26 occupied as a residence by the applicant who was liable for
27 paying real property taxes on the property and who was either
28 (i) an owner of record of the property or had legal or
29 equitable interest in the property as evidenced by a written
30 instrument or (ii) had a legal or equitable interest as a
31 lessee in the parcel of property that was single family
32 residence. If in any subsequent taxable year for which the
33 applicant applies and qualifies for the exemption the equalized
34 assessed value of the residence is less than the equalized
35 assessed value in the existing base year (provided that such

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

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

21 "Disabled person" means a person unable to engage in any
22 substantial gainful activity by reason of a medically
23 determinable physical or mental impairment that (i) can be
24 expected to result in death or (ii) has lasted or can be
25 expected to last for a continuous period of not less than 12
26 months. Disabled persons applying for the exemption under this
27 Section must submit proof of the disability in the manner
28 prescribed by the chief county assessment officer. Proof that
29 an applicant is eligible to receive disability benefits under
30 the federal Social Security Act constitutes proof of disability
31 for purposes of this Section. Issuance of an Illinois Disabled
32 Person Identification Card to the applicant stating that the
33 possessor is under a Class 2 disability, as defined in Section
34 4A of the Illinois Identification Card Act, constitutes proof
35 that the person is a disabled person for purposes of this
36 Section. A disabled person not covered under the federal Social

1 Security Act and not presenting a Disabled Person
2 Identification Card stating that the claimant is under a Class
3 2 disability shall be examined by a physician designated by the
4 chief county assessment officer, and the status as a disabled
5 person shall be determined using the standards of the Social
6 Security Administration. The applicant shall pay the costs of
7 any required examination.

8 "Equalized assessed value" means the assessed value as
9 equalized by the Illinois Department of Revenue.

10 "Household" means the applicant, the spouse of the
11 applicant, and all persons using the residence of the applicant
12 as their principal place of residence.

13 "Household income" means the combined income of the members
14 of a household for the calendar year preceding the taxable
15 year.

16 "Income" has the same meaning as provided in Section 3.07
17 of the Senior Citizens and Disabled Persons Property Tax Relief
18 and Pharmaceutical Assistance Act, except that, beginning in
19 assessment year 2001, "income" does not include veteran's
20 benefits.

21 "Internal Revenue Code of 1986" means the United States
22 Internal Revenue Code of 1986 or any successor law or laws
23 relating to federal income taxes in effect for the year
24 preceding the taxable year.

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

28 "Residence" means the principal dwelling place and
29 appurtenant structures used for residential purposes in this
30 State occupied on January 1 of the taxable year by a household
31 and so much of the surrounding land, constituting the parcel
32 upon which the dwelling place is situated, as is used for
33 residential purposes. If the Chief County Assessment Officer
34 has established a specific legal description for a portion of
35 property constituting the residence, then that portion of
36 property shall be deemed the residence for the purposes of this

1 Section.

2 "Taxable year" means the calendar year during which ad
3 valorem property taxes payable in the next succeeding year are
4 levied.

5 (c) Beginning in (1) taxable year 1994, for a senior
6 citizens and (2) taxable year 2006, for disabled persons, an
7 assessment freeze homestead exemption is granted for real
8 property that is improved with a permanent structure that is
9 occupied as a residence by an applicant who (i) is 65 years of
10 age or older, or disabled, during the taxable year, (ii) has a
11 household income of \$35,000 or less prior to taxable year 1999,
12 \$40,000 or less in taxable years 1999 through 2003, and \$45,000
13 or less in taxable year 2004 and thereafter, (iii) is liable
14 for paying real property taxes on the property, and (iv) is an
15 owner of record of the property or has a legal or equitable
16 interest in the property as evidenced by a written instrument.
17 This homestead exemption shall also apply to a leasehold
18 interest in a parcel of property improved with a permanent
19 structure that is a single family residence that is occupied as
20 a residence by a person who (i) is 65 years of age or older, or
21 disabled, during the taxable year, (ii) has a household income
22 of \$35,000 or less prior to taxable year 1999, \$40,000 or less
23 in taxable years 1999 through 2003, and \$45,000 or less in
24 taxable year 2004 and thereafter, (iii) has a legal or
25 equitable ownership interest in the property as lessee, and
26 (iv) is liable for the payment of real property taxes on that
27 property.

28 The amount of this exemption shall be the equalized
29 assessed value of the residence in the taxable year for which
30 application is made minus the base amount.

31 When the applicant is a surviving spouse of an applicant
32 for a prior year for the same residence for which an exemption
33 under this Section has been granted, the base year and base
34 amount for that residence are the same as for the applicant for
35 the prior year.

36 Each year at the time the assessment books are certified to

1 the County Clerk, the Board of Review or Board of Appeals shall
2 give to the County Clerk a list of the assessed values of
3 improvements on each parcel qualifying for this exemption that
4 were added after the base year for this parcel and that
5 increased the assessed value of the property.

6 In the case of land improved with an apartment building
7 owned and operated as a cooperative or a building that is a
8 life care facility that qualifies as a cooperative, the maximum
9 reduction from the equalized assessed value of the property is
10 limited to the sum of the reductions calculated for each unit
11 occupied as a residence by a person or persons (i) 65 years of
12 age or older, or disabled, (ii) with a household income of
13 \$35,000 or less prior to taxable year 1999, \$40,000 or less in
14 taxable years 1999 through 2003, and \$45,000 or less in taxable
15 year 2004 and thereafter, (iii) who is liable, by contract with
16 the owner or owners of record, for paying real property taxes
17 on the property, and (iv) who is an owner of record of a legal
18 or equitable interest in the cooperative apartment building,
19 other than a leasehold interest. In the instance of a
20 cooperative where a homestead exemption has been granted under
21 this Section, the cooperative association or its management
22 firm shall credit the savings resulting from that exemption
23 only to the apportioned tax liability of the owner who
24 qualified for the exemption. Any person who willfully refuses
25 to credit that savings to an owner who qualifies for the
26 exemption is guilty of a Class B misdemeanor.

27 When a homestead exemption has been granted under this
28 Section and an applicant then becomes a resident of a facility
29 licensed under the Nursing Home Care Act, the exemption shall
30 be granted in subsequent years so long as the residence (i)
31 continues to be occupied by the qualified applicant's spouse or
32 (ii) if remaining unoccupied, is still owned by the qualified
33 applicant for the homestead exemption.

34 Beginning January 1, 1997 for senior citizens and January
35 1, 2006 for disabled persons, when an individual dies who would
36 have qualified for an exemption under this Section, and the

1 surviving spouse does not independently qualify for this
2 exemption because he or she meets neither the ~~of~~ age nor the
3 disability requirement, the exemption under this Section shall
4 be granted to the surviving spouse for the taxable year
5 preceding and the taxable year of the death, provided that,
6 except for meeting neither the age nor the disability
7 requirement, the surviving spouse meets all ~~other~~
8 qualifications for the granting of this exemption for those
9 years.

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

13 For taxable year 1994 only, in counties having less than
14 3,000,000 inhabitants, to receive the exemption, a person shall
15 submit an application by February 15, 1995 to the Chief County
16 Assessment Officer of the county in which the property is
17 located. In counties having 3,000,000 or more inhabitants, for
18 taxable year 1994 and all subsequent taxable years, to receive
19 the exemption, a person may submit an application to the Chief
20 County Assessment Officer of the county in which the property
21 is located during such period as may be specified by the Chief
22 County Assessment Officer. The Chief County Assessment Officer
23 in counties of 3,000,000 or more inhabitants shall annually
24 give notice of the application period by mail or by
25 publication. In counties having less than 3,000,000
26 inhabitants, beginning with taxable year 1995 and thereafter,
27 to receive the exemption, a person shall submit an application
28 by July 1 of each taxable year to the Chief County Assessment
29 Officer of the county in which the property is located. A
30 county may, by ordinance, establish a date for submission of
31 applications that is different than July 1. The applicant shall
32 submit with the application an affidavit of the applicant's
33 total household income, age, marital status (and if married the
34 name and address of the applicant's spouse, if known),
35 disability (if applying for the exemption as a disabled
36 person), and principal dwelling place of members of the

1 household on January 1 of the taxable year. The Department
2 shall establish, by rule, a method for verifying the accuracy
3 of affidavits filed by applicants under this Section. The
4 applications shall be clearly marked as applications for the
5 Senior Citizens and Disabled Persons Assessment Freeze
6 Homestead Exemption.

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

25 Beginning January 1, 1998, notwithstanding any other
26 provision to the contrary, in counties having fewer than
27 3,000,000 inhabitants, if an applicant fails to file the
28 application required by this Section in a timely manner and
29 this failure to file is due to a mental or physical condition
30 sufficiently severe so as to render the applicant incapable of
31 filing the application in a timely manner, the Chief County
32 Assessment Officer may extend the filing deadline for a period
33 of 3 months. In order to receive the extension provided in this
34 paragraph, the applicant shall provide the Chief County
35 Assessment Officer with a signed statement from the applicant's
36 physician stating the nature and extent of the condition, and

1 that, in the physician's opinion, the condition was so severe
2 that it rendered the applicant incapable of filing the
3 application in a timely manner.

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

18 For purposes of this Section, a person who will be 65 years
19 of age or is disabled during the current taxable year shall be
20 eligible to apply for the homestead exemption during that
21 taxable year. Application shall be made during the application
22 period in effect for the county of his or her residence.

23 The Chief County Assessment Officer may determine the
24 eligibility of a life care facility that qualifies as a
25 cooperative to receive the benefits provided by this Section by
26 use of an affidavit, application, visual inspection,
27 questionnaire, or other reasonable method in order to insure
28 that the tax savings resulting from the exemption are credited
29 by the management firm to the apportioned tax liability of each
30 qualifying resident. The Chief County Assessment Officer may
31 request reasonable proof that the management firm has so
32 credited that exemption.

33 Except as provided in this Section, all information
34 received by the chief county assessment officer or the
35 Department from applications filed under this Section, or from
36 any investigation conducted under the provisions of this

1 Section, shall be confidential, except for official purposes or
2 pursuant to official procedures for collection of any State or
3 local tax or enforcement of any civil or criminal penalty or
4 sanction imposed by this Act or by any statute or ordinance
5 imposing a State or local tax. Any person who divulges any such
6 information in any manner, except in accordance with a proper
7 judicial order, is guilty of a Class A misdemeanor.

8 Nothing contained in this Section shall prevent the
9 Director or chief county assessment officer from publishing or
10 making available reasonable statistics concerning the
11 operation of the exemption contained in this Section in which
12 the contents of claims are grouped into aggregates in such a
13 way that information contained in any individual claim shall
14 not be disclosed.

15 (d) Each Chief County Assessment Officer shall annually
16 publish a notice of availability of the exemption provided
17 under this Section. The notice shall be published at least 60
18 days but no more than 75 days prior to the date on which the
19 application must be submitted to the Chief County Assessment
20 Officer of the county in which the property is located. The
21 notice shall appear in a newspaper of general circulation in
22 the county.

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

26 Notwithstanding Sections 6 and 8 of the State Mandates Act,
27 no reimbursement by the State is required for the
28 implementation of any mandate created by this Section.

29 (Source: P.A. 93-715, eff. 7-12-04.)

30 Section 90. The State Mandates Act is amended by adding
31 Section 8.29 as follows:

32 (30 ILCS 805/8.29 new)

33 Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and
34 8 of this Act, no reimbursement by the State is required for

1 the implementation of any mandate created by the Senior
2 Citizens and Disabled Persons Assessment Freeze Homestead
3 Exemption under Section 15-172 of the Property Tax Code.

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