



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0694

Introduced 02/01/05, by Rep. Suzanne Bassi

SYNOPSIS AS INTRODUCED:

35 ILCS 200/14-10
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. Provides that, in counties with 3,000,000 or more inhabitants, if an owner fails to file an application for the Senior Citizens and Disabled Persons Assessment Freeze Homestead Exemption during the previous assessment year and qualifies for the exemption, the chief county assessment officer or the board of review, as appropriate, shall issue a certificate of correction setting forth the correct taxable valuation of the property. Amends the freeze provision and the State Mandates Act to require implementation without reimbursement from the State. Effective immediately.

LRB094 07883 BDD 38064 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 Sections 14-10, 14-20, 15-10, and 15-172 as follows:

6 (35 ILCS 200/14-10)

7 Sec. 14-10. Certificate of correction; counties of
8 3,000,000 or more. If the county assessor in counties with
9 3,000,000 or more inhabitants, at any time prior to the time
10 the board of appeals (until the first Monday in December 1998
11 and the board of review beginning the first Monday in December
12 1998 and thereafter) is required to complete its work and
13 adjourn under Section 16-150, certifies to the board that there
14 is a mistake or error (other than a mistake or error of
15 judgment) in the valuation or assessment of any property, or in
16 the entry of any assessment in the assessment books, the county
17 assessor shall set forth the nature and cause of the mistake or
18 error. The board of appeals (until the first Monday in December
19 1998 and the board of review beginning the first Monday in
20 December 1998 and thereafter) shall give the person affected by
21 the assessment notice an opportunity to be heard. In any county
22 with 3,000,000 or more inhabitants, if an owner fails to file
23 an application for the Senior Citizens and Disabled Persons
24 Assessment Freeze Homestead Exemption provided in Section
25 15-172 during the previous assessment year and qualifies for
26 the exemption, the chief county assessment officer, pursuant to
27 this Section, or the board of review, pursuant to Section
28 16-100, shall issue a certificate of correction setting forth
29 the correct taxable valuation of the property. If the board of
30 appeals (until the first Monday in December 1998 and the board
31 of review beginning the first Monday in December 1998 and
32 thereafter) is satisfied that a mistake or error has occurred,

1 the majority of the members shall endorse it by signing the
2 certificate and shall order the assessor to correct the mistake
3 or error.

4 (Source: P.A. 88-455; 89-126, eff. 7-11-95; 89-671, eff.
5 8-14-96.)

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.)

32 (35 ILCS 200/15-10)

33 Sec. 15-10. Exempt property; procedures for certification.
34 All property granted an exemption by the Department pursuant to

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

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

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

32 (2) Section 15-40.

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

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

36 An application for homestead exemptions shall be filed as

1 provided in Section 15-170 (senior citizens homestead
2 exemption), Section 15-172 (senior citizens and disabled
3 persons assessment freeze homestead exemption), and Sections
4 15-175 and 15-176 (general homestead exemption), respectively.
5 (Source: P.A. 92-333, eff. 8-10-01; 92-729, eff. 7-25-02;
6 93-715, eff. 7-12-04.)

7 (35 ILCS 200/15-172)

8 Sec. 15-172. Senior Citizens and Disabled Persons
9 Assessment Freeze Homestead Exemption.

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

12 (b) As used in this Section:

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

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

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

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

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

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

34 "Equalized assessed value" means the assessed value as
35 equalized by the Illinois Department of Revenue.

36 "Household" means the applicant, the spouse of the

1 applicant, and all persons using the residence of the applicant
2 as their principal place of residence.

3 "Household income" means the combined income of the members
4 of a household for the calendar year preceding the taxable
5 year.

6 "Income" has the same meaning as provided in Section 3.07
7 of the Senior Citizens and Disabled Persons Property Tax Relief
8 and Pharmaceutical Assistance Act, except that, beginning in
9 assessment year 2001, "income" does not include veteran's
10 benefits.

11 "Internal Revenue Code of 1986" means the United States
12 Internal Revenue Code of 1986 or any successor law or laws
13 relating to federal income taxes in effect for the year
14 preceding the taxable year.

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

18 "Residence" means the principal dwelling place and
19 appurtenant structures used for residential purposes in this
20 State occupied on January 1 of the taxable year by a household
21 and so much of the surrounding land, constituting the parcel
22 upon which the dwelling place is situated, as is used for
23 residential purposes. If the Chief County Assessment Officer
24 has established a specific legal description for a portion of
25 property constituting the residence, then that portion of
26 property shall be deemed the residence for the purposes of this
27 Section.

28 "Taxable year" means the calendar year during which ad
29 valorem property taxes payable in the next succeeding year are
30 levied.

31 (c) Beginning in (1) taxable year 1994, for a senior
32 citizens and (2) taxable year 2005, for disabled persons, an
33 assessment freeze homestead exemption is granted for real
34 property that is improved with a permanent structure that is
35 occupied as a residence by an applicant who (i) is 65 years of
36 age or older, or disabled, during the taxable year, (ii) has a

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

18 The amount of this exemption shall be the equalized
19 assessed value of the residence in the taxable year for which
20 application is made minus the base amount.

21 When the applicant is a surviving spouse of an applicant
22 for a prior year for the same residence for which an exemption
23 under this Section has been granted, the base year and base
24 amount for that residence are the same as for the applicant for
25 the prior year.

26 Each year at the time the assessment books are certified to
27 the County Clerk, the Board of Review or Board of Appeals shall
28 give to the County Clerk a list of the assessed values of
29 improvements on each parcel qualifying for this exemption that
30 were added after the base year for this parcel and that
31 increased the assessed value of the property.

32 In the case of land improved with an apartment building
33 owned and operated as a cooperative or a building that is a
34 life care facility that qualifies as a cooperative, the maximum
35 reduction from the equalized assessed value of the property is
36 limited to the sum of the reductions calculated for each unit

1 occupied as a residence by a person or persons (i) 65 years of
2 age or older, or disabled, (ii) with a household income of
3 \$35,000 or less prior to taxable year 1999, \$40,000 or less in
4 taxable years 1999 through 2003, and \$45,000 or less in taxable
5 year 2004 and thereafter, (iii) who is liable, by contract with
6 the owner or owners of record, for paying real property taxes
7 on the property, and (iv) who is an owner of record of a legal
8 or equitable interest in the cooperative apartment building,
9 other than a leasehold interest. In the instance of a
10 cooperative where a homestead exemption has been granted under
11 this Section, the cooperative association or its management
12 firm shall credit the savings resulting from that exemption
13 only to the apportioned tax liability of the owner who
14 qualified for the exemption. Any person who willfully refuses
15 to credit that savings to an owner who qualifies for the
16 exemption is guilty of a Class B misdemeanor.

17 When a homestead exemption has been granted under this
18 Section and an applicant then becomes a resident of a facility
19 licensed under the Nursing Home Care Act, the exemption shall
20 be granted in subsequent years so long as the residence (i)
21 continues to be occupied by the qualified applicant's spouse or
22 (ii) if remaining unoccupied, is still owned by the qualified
23 applicant for the homestead exemption.

24 Beginning January 1, 1997 for senior citizens and January
25 1, 2005 for disabled persons, when an individual dies who would
26 have qualified for an exemption under this Section, and the
27 surviving spouse does not independently qualify for this
28 exemption because he or she meets neither the ~~of~~ age nor the
29 disability requirement, the exemption under this Section shall
30 be granted to the surviving spouse for the taxable year
31 preceding and the taxable year of the death, provided that,
32 except for meeting neither the age nor the disability
33 requirement, the surviving spouse meets all ~~other~~
34 qualifications for the granting of this exemption for those
35 years.

36 When married persons maintain separate residences, the

1 exemption provided for in this Section may be claimed by only
2 one of such persons and for only one residence.

3 For taxable year 1994 only, in counties having less than
4 3,000,000 inhabitants, to receive the exemption, a person shall
5 submit an application by February 15, 1995 to the Chief County
6 Assessment Officer of the county in which the property is
7 located. In counties having 3,000,000 or more inhabitants, for
8 taxable year 1994 and all subsequent taxable years, to receive
9 the exemption, a person may submit an application to the Chief
10 County Assessment Officer of the county in which the property
11 is located during such period as may be specified by the Chief
12 County Assessment Officer. The Chief County Assessment Officer
13 in counties of 3,000,000 or more inhabitants shall annually
14 give notice of the application period by mail or by
15 publication. In counties having less than 3,000,000
16 inhabitants, beginning with taxable year 1995 and thereafter,
17 to receive the exemption, a person shall submit an application
18 by July 1 of each taxable year to the Chief County Assessment
19 Officer of the county in which the property is located. A
20 county may, by ordinance, establish a date for submission of
21 applications that is different than July 1. The applicant shall
22 submit with the application an affidavit of the applicant's
23 total household income, age, marital status (and if married the
24 name and address of the applicant's spouse, if known) disability
25 (if applying for the exemption as a disabled person),, and
26 principal dwelling place of members of the household on January
27 1 of the taxable year. The Department shall establish, by rule,
28 a method for verifying the accuracy of affidavits filed by
29 applicants under this Section. The applications shall be
30 clearly marked as applications for the Senior Citizens and
31 Disabled Persons Assessment Freeze Homestead Exemption.

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

1 render the applicant incapable of filing the application in a
2 timely manner, the Chief County Assessment Officer may extend
3 the filing deadline for a period of 30 days after the applicant
4 regains the capability to file the application, but in no case
5 may the filing deadline be extended beyond 3 months of the
6 original filing deadline. In order to receive the extension
7 provided in this paragraph, the applicant shall provide the
8 Chief County Assessment Officer with a signed statement from
9 the applicant's physician stating the nature and extent of the
10 condition, that, in the physician's opinion, the condition was
11 so severe that it rendered the applicant incapable of filing
12 the application in a timely manner, and the date on which the
13 applicant regained the capability to file the application.

14 Beginning January 1, 1998, notwithstanding any other
15 provision to the contrary, in counties having fewer than
16 3,000,000 inhabitants, if an applicant fails to file the
17 application required by this Section in a timely manner and
18 this failure to file is due to a mental or physical condition
19 sufficiently severe so as to render the applicant incapable of
20 filing the application in a timely manner, the Chief County
21 Assessment Officer may extend the filing deadline for a period
22 of 3 months. In order to receive the extension provided in this
23 paragraph, the applicant shall provide the Chief County
24 Assessment Officer with a signed statement from the applicant's
25 physician stating the nature and extent of the condition, and
26 that, in the physician's opinion, the condition was so severe
27 that it rendered the applicant incapable of filing the
28 application in a timely manner.

29 In counties having less than 3,000,000 inhabitants, if an
30 applicant was denied an exemption in taxable year 1994 and the
31 denial occurred due to an error on the part of an assessment
32 official, or his or her agent or employee, then beginning in
33 taxable year 1997 the applicant's base year, for purposes of
34 determining the amount of the exemption, shall be 1993 rather
35 than 1994. In addition, in taxable year 1997, the applicant's
36 exemption shall also include an amount equal to (i) the amount

1 of any exemption denied to the applicant in taxable year 1995
2 as a result of using 1994, rather than 1993, as the base year,
3 (ii) the amount of any exemption denied to the applicant in
4 taxable year 1996 as a result of using 1994, rather than 1993,
5 as the base year, and (iii) the amount of the exemption
6 erroneously denied for taxable year 1994.

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

12 The Chief County Assessment Officer may determine the
13 eligibility of a life care facility that qualifies as a
14 cooperative to receive the benefits provided by this Section by
15 use of an affidavit, application, visual inspection,
16 questionnaire, or other reasonable method in order to insure
17 that the tax savings resulting from the exemption are credited
18 by the management firm to the apportioned tax liability of each
19 qualifying resident. The Chief County Assessment Officer may
20 request reasonable proof that the management firm has so
21 credited that exemption.

22 Except as provided in this Section, all information
23 received by the chief county assessment officer or the
24 Department from applications filed under this Section, or from
25 any investigation conducted under the provisions of this
26 Section, shall be confidential, except for official purposes or
27 pursuant to official procedures for collection of any State or
28 local tax or enforcement of any civil or criminal penalty or
29 sanction imposed by this Act or by any statute or ordinance
30 imposing a State or local tax. Any person who divulges any such
31 information in any manner, except in accordance with a proper
32 judicial order, is guilty of a Class A misdemeanor.

33 Nothing contained in this Section shall prevent the
34 Director or chief county assessment officer from publishing or
35 making available reasonable statistics concerning the
36 operation of the exemption contained in this Section in which

1 the contents of claims are grouped into aggregates in such a
2 way that information contained in any individual claim shall
3 not be disclosed.

4 (d) Each Chief County Assessment Officer shall annually
5 publish a notice of availability of the exemption provided
6 under this Section. The notice shall be published at least 60
7 days but no more than 75 days prior to the date on which the
8 application must be submitted to the Chief County Assessment
9 Officer of the county in which the property is located. The
10 notice shall appear in a newspaper of general circulation in
11 the county.

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

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

16 Section 90. The State Mandates Act is amended by adding
17 Section 8.29 as follows:

18 (30 ILCS 805/8.29 new)

19 Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8
20 of this Act, no reimbursement by the State is required for the
21 implementation of any mandate created by this amendatory Act of
22 the 94th General Assembly.

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.