



## 94TH GENERAL ASSEMBLY

### State of Illinois

#### 2005 and 2006

##### HB3864

Introduced 2/25/2005, by Rep. Sidney H. Mathias

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-170  
35 ILCS 200/15-175

Amends the Property Tax Code. Provides that the maximum reduction under the Senior Citizen Homestead Exemption shall be \$3,500 for 2006, \$4,000 for 2007, \$4,500 for 2008, and \$5,000 for 2009 and thereafter in all counties. Provides that the maximum reduction under the General Homestead Exemption shall be \$5,500 for 2006, \$6,000 for 2007, \$6,500 for 2008, and \$7,000 for 2009 and thereafter in all counties. Effective immediately.

LRB094 05180 BDD 35222 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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 15-170 and 15-175 as follows:

6 (35 ILCS 200/15-170)

7 Sec. 15-170. Senior Citizens Homestead Exemption. An  
8 annual homestead exemption limited, except as described here  
9 with relation to cooperatives or life care facilities, to a  
10 maximum reduction set forth below from the property's value, as  
11 equalized or assessed by the Department, is granted for  
12 property that is occupied as a residence by a person 65 years  
13 of age or older who is liable for paying real estate taxes on  
14 the property and is an owner of record of the property or has a  
15 legal or equitable interest therein as evidenced by a written  
16 instrument, except for a leasehold interest, other than a  
17 leasehold interest of land on which a single family residence  
18 is located, which is occupied as a residence by a person 65  
19 years or older who has an ownership interest therein, legal,  
20 equitable or as a lessee, and on which he or she is liable for  
21 the payment of property taxes. Before taxable year 2004, the  
22 maximum reduction shall be \$2,500 in counties with 3,000,000 or  
23 more inhabitants and \$2,000 in all other counties. For taxable  
24 year ~~years~~ 2004 ~~and thereafter~~, the maximum reduction shall be  
25 \$3,000 in all counties and shall be \$3,500 for 2006, \$4,000 for  
26 2007, \$4,500 for 2008, and \$5,000 for 2009 and thereafter in  
27 all counties. For land improved with an apartment building  
28 owned and operated as a cooperative, the maximum reduction from  
29 the value of the property, as equalized by the Department,  
30 shall be multiplied by the number of apartments or units  
31 occupied by a person 65 years of age or older who is liable, by  
32 contract with the owner or owners of record, for paying

1 property taxes on the property and is an owner of record of a  
2 legal or equitable interest in the cooperative apartment  
3 building, other than a leasehold interest. For land improved  
4 with a life care facility, the maximum reduction from the value  
5 of the property, as equalized by the Department, shall be  
6 multiplied by the number of apartments or units occupied by  
7 persons 65 years of age or older, irrespective of any legal,  
8 equitable, or leasehold interest in the facility, who are  
9 liable, under a contract with the owner or owners of record of  
10 the facility, for paying property taxes on the property. In a  
11 cooperative or a life care facility where a homestead exemption  
12 has been granted, the cooperative association or the management  
13 firm of the cooperative or facility shall credit the savings  
14 resulting from that exemption only to the apportioned tax  
15 liability of the owner or resident who qualified for the  
16 exemption. Any person who willfully refuses to so credit the  
17 savings shall be guilty of a Class B misdemeanor. Under this  
18 Section and Sections 15-175 and 15-176, "life care facility"  
19 means a facility as defined in Section 2 of the Life Care  
20 Facilities Act, with which the applicant for the homestead  
21 exemption has a life care contract as defined in that Act.

22 When a homestead exemption has been granted under this  
23 Section and the person qualifying subsequently becomes a  
24 resident of a facility licensed under the Nursing Home Care  
25 Act, the exemption shall continue so long as the residence  
26 continues to be occupied by the qualifying person's spouse if  
27 the spouse is 65 years of age or older, or if the residence  
28 remains unoccupied but is still owned by the person qualified  
29 for the homestead exemption.

30 A person who will be 65 years of age during the current  
31 assessment year shall be eligible to apply for the homestead  
32 exemption during that assessment year. Application shall be  
33 made during the application period in effect for the county of  
34 his residence.

35 Beginning with assessment year 2003, for taxes payable in  
36 2004, property that is first occupied as a residence after

1 January 1 of any assessment year by a person who is eligible  
2 for the senior citizens homestead exemption under this Section  
3 must be granted a pro-rata exemption for the assessment year.  
4 The amount of the pro-rata exemption is the exemption allowed  
5 in the county under this Section divided by 365 and multiplied  
6 by the number of days during the assessment year the property  
7 is occupied as a residence by a person eligible for the  
8 exemption under this Section. The chief county assessment  
9 officer must adopt reasonable procedures to establish  
10 eligibility for this pro-rata exemption.

11 The assessor or chief county assessment officer may  
12 determine the eligibility of a life care facility to receive  
13 the benefits provided by this Section, by affidavit,  
14 application, visual inspection, questionnaire or other  
15 reasonable methods in order to insure that the tax savings  
16 resulting from the exemption are credited by the management  
17 firm to the apportioned tax liability of each qualifying  
18 resident. The assessor may request reasonable proof that the  
19 management firm has so credited the exemption.

20 The chief county assessment officer of each county with  
21 less than 3,000,000 inhabitants shall provide to each person  
22 allowed a homestead exemption under this Section a form to  
23 designate any other person to receive a duplicate of any notice  
24 of delinquency in the payment of taxes assessed and levied  
25 under this Code on the property of the person receiving the  
26 exemption. The duplicate notice shall be in addition to the  
27 notice required to be provided to the person receiving the  
28 exemption, and shall be given in the manner required by this  
29 Code. The person filing the request for the duplicate notice  
30 shall pay a fee of \$5 to cover administrative costs to the  
31 supervisor of assessments, who shall then file the executed  
32 designation with the county collector. Notwithstanding any  
33 other provision of this Code to the contrary, the filing of  
34 such an executed designation requires the county collector to  
35 provide duplicate notices as indicated by the designation. A  
36 designation may be rescinded by the person who executed such

1 designation at any time, in the manner and form required by the  
2 chief county assessment officer.

3 The assessor or chief county assessment officer may  
4 determine the eligibility of residential property to receive  
5 the homestead exemption provided by this Section by  
6 application, visual inspection, questionnaire or other  
7 reasonable methods. The determination shall be made in  
8 accordance with guidelines established by the Department.

9 In counties with less than 3,000,000 inhabitants, the  
10 county board may by resolution provide that if a person has  
11 been granted a homestead exemption under this Section, the  
12 person qualifying need not reapply for the exemption.

13 In counties with less than 3,000,000 inhabitants, if the  
14 assessor or chief county assessment officer requires annual  
15 application for verification of eligibility for an exemption  
16 once granted under this Section, the application shall be  
17 mailed to the taxpayer.

18 The assessor or chief county assessment officer shall  
19 notify each person who qualifies for an exemption under this  
20 Section that the person may also qualify for deferral of real  
21 estate taxes under the Senior Citizens Real Estate Tax Deferral  
22 Act. The notice shall set forth the qualifications needed for  
23 deferral of real estate taxes, the address and telephone number  
24 of county collector, and a statement that applications for  
25 deferral of real estate taxes may be obtained from the county  
26 collector.

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

30 (Source: P.A. 92-196, eff. 1-1-02; 93-511, eff. 8-11-03;  
31 93-715, eff. 7-12-04.)

32 (35 ILCS 200/15-175)

33 Sec. 15-175. General homestead exemption. Except as  
34 provided in Section 15-176, homestead property is entitled to  
35 an annual homestead exemption limited, except as described here

1 with relation to cooperatives, to a reduction in the equalized  
2 assessed value of homestead property equal to the increase in  
3 equalized assessed value for the current assessment year above  
4 the equalized assessed value of the property for 1977, up to  
5 the maximum reduction set forth below. If however, the 1977  
6 equalized assessed value upon which taxes were paid is  
7 subsequently determined by local assessing officials, the  
8 Property Tax Appeal Board, or a court to have been excessive,  
9 the equalized assessed value which should have been placed on  
10 the property for 1977 shall be used to determine the amount of  
11 the exemption.

12 Except as provided in Section 15-176, the maximum reduction  
13 before taxable year 2004 shall be \$4,500 in counties with  
14 3,000,000 or more inhabitants and \$3,500 in all other counties.  
15 Except as provided in Section 15-176, for taxable year ~~years~~  
16 2004 ~~and thereafter~~, the maximum reduction shall be \$5,000 in  
17 all counties and shall be \$5,500 for 2006, \$6,000 for 2007,  
18 \$6,500 for 2008, and \$7,000 for 2009 and thereafter in all  
19 counties. If a county has elected to subject itself to the  
20 provisions of Section 15-176 as provided in subsection (k) of  
21 that Section, then, for the first taxable year only after the  
22 provisions of Section 15-176 no longer apply, for owners (i)  
23 who have not been granted a senior citizens assessment freeze  
24 homestead exemption under Section 15-172 for the taxable year  
25 and (ii) whose qualified property has an assessed valuation  
26 that has increased by more than 20% over the previous assessed  
27 valuation of the property, there shall be an additional  
28 exemption of \$5,000 for owners with a household income of  
29 \$30,000 or less. For purposes of this paragraph, "household  
30 income" has the meaning set forth in this Section 15-175.

31 In counties with fewer than 3,000,000 inhabitants, if,  
32 based on the most recent assessment, the equalized assessed  
33 value of the homestead property for the current assessment year  
34 is greater than the equalized assessed value of the property  
35 for 1977, the owner of the property shall automatically receive  
36 the exemption granted under this Section in an amount equal to

1 the increase over the 1977 assessment up to the maximum  
2 reduction set forth in this Section.

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

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

1 "Household", as used in this Section, means the owner, the  
2 spouse of the owner, and all persons using the residence of the  
3 owner as their principal place of residence.

4 "Household income", as used in this Section, means the  
5 combined income of the members of a household for the calendar  
6 year preceding the taxable year.

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

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

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

21 In all counties, the assessor or chief county assessment  
22 officer may determine the eligibility of residential property  
23 to receive the homestead exemption and the amount of the  
24 exemption by application, visual inspection, questionnaire or  
25 other reasonable methods. The determination shall be made in  
26 accordance with guidelines established by the Department,  
27 provided that the taxpayer applying for an additional general  
28 exemption under this Section shall submit to the chief county  
29 assessment officer an application with an affidavit of the  
30 applicant's total household income, age, marital status (and,  
31 if married, the name and address of the applicant's spouse, if  
32 known), and principal dwelling place of members of the  
33 household on January 1 of the taxable year. The Department  
34 shall issue guidelines establishing a method for verifying the  
35 accuracy of the affidavits filed by applicants under this  
36 paragraph. The applications shall be clearly marked as



1 applications for the Additional General Homestead Exemption.

2 In counties with fewer than 3,000,000 inhabitants, in the  
3 event of a sale of homestead property the homestead exemption  
4 shall remain in effect for the remainder of the assessment year  
5 of the sale. The assessor or chief county assessment officer  
6 may require the new owner of the property to apply for the  
7 homestead exemption for the following assessment year.

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

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

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.