



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB4249

Introduced 12/14/05, by Rep. Brent Hassert

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Property Tax Code. In a Section concerning the Senior Citizens Assessment Freeze Homestead Exemption, provides that, in taxable year 2006, the amount of the income limitation must be increased from \$45,000 to \$47,500 and, in taxable year 2007 and thereafter, the limitation must be increased each year by the lesser of (i) 2% or (ii) an amount equal to the annual rate of increase of the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor Bureau of Labor Statistics for the previous calendar year. Effective immediately.

LRB094 15636 BDD 50842 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 Section 15-172 as follows:

6 (35 ILCS 200/15-172)

7 Sec. 15-172. Senior Citizens Assessment Freeze Homestead  
8 Exemption.

9 (a) This Section may be cited as the Senior Citizens  
10 Assessment Freeze Homestead Exemption.

11 (b) As used in this Section:

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

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

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

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

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

20 "Equalized assessed value" means the assessed value as  
21 equalized by the Illinois Department of Revenue.

22 "Household" means the applicant, the spouse of the  
23 applicant, and all persons using the residence of the applicant  
24 as their principal place of residence.

25 "Household income" means the combined income of the members  
26 of a household for the calendar year preceding the taxable  
27 year.

28 "Income" has the same meaning as provided in Section 3.07  
29 of the Senior Citizens and Disabled Persons Property Tax Relief  
30 and Pharmaceutical Assistance Act, except that, beginning in  
31 assessment year 2001, "income" does not include veteran's  
32 benefits.

33 "Internal Revenue Code of 1986" means the United States  
34 Internal Revenue Code of 1986 or any successor law or laws  
35 relating to federal income taxes in effect for the year  
36 preceding the taxable year.

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

4 "Residence" means the principal dwelling place and  
5 appurtenant structures used for residential purposes in this  
6 State occupied on January 1 of the taxable year by a household  
7 and so much of the surrounding land, constituting the parcel  
8 upon which the dwelling place is situated, as is used for  
9 residential purposes. If the Chief County Assessment Officer  
10 has established a specific legal description for a portion of  
11 property constituting the residence, then that portion of  
12 property shall be deemed the residence for the purposes of this  
13 Section.

14 "Taxable year" means the calendar year during which ad  
15 valorem property taxes payable in the next succeeding year are  
16 levied.

17 (c) Beginning in taxable year 1994, a senior citizens  
18 assessment freeze homestead exemption is granted for real  
19 property that is improved with a permanent structure that is  
20 occupied as a residence by an applicant who (i) is 65 years of  
21 age or older during the taxable year, (ii) has a household  
22 income of \$35,000 or less prior to taxable year 1999, \$40,000  
23 or less in taxable years 1999 through 2003, ~~and~~ \$45,000 or less  
24 in taxable years ~~year~~ 2004 through 2005, \$47,500 in taxable  
25 year 2006, and, in taxable year 2007 and thereafter, the amount  
26 must be increased each year by the lesser of (i) 2% or (ii) an  
27 amount equal to the annual rate of increase of the Consumer  
28 Price Index for All Urban Consumers for all items published by  
29 the United States Department of Labor Bureau of Labor  
30 Statistics for the previous calendar year ~~and thereafter~~, (iii)  
31 is liable for paying real property taxes on the property, and  
32 (iv) is an owner of record of the property or has a legal or  
33 equitable interest in the property as evidenced by a written  
34 instrument. This homestead exemption shall also apply to a  
35 leasehold interest in a parcel of property improved with a  
36 permanent structure that is a single family residence that is

1 occupied as a residence by a person who (i) is 65 years of age  
2 or older during the taxable year, (ii) has a household income  
3 of \$35,000 or less prior to taxable year 1999, \$40,000 or less  
4 in taxable years 1999 through 2003, ~~and~~ \$45,000 or less in  
5 taxable ~~years~~ ~~year~~ 2004 through 2005, \$47,500 in taxable year  
6 2006, and, in taxable year 2007 and thereafter, the amount must  
7 be increased each year by the lesser of (i) 2% or (ii) an  
8 amount equal to the annual rate of increase of the Consumer  
9 Price Index for All Urban Consumers for all items published by  
10 the United States Department of Labor Bureau of Labor  
11 Statistics for the previous calendar year ~~and thereafter~~, (iii)  
12 has a legal or equitable ownership interest in the property as  
13 lessee, and (iv) is liable for the payment of real property  
14 taxes on that property.

15 The amount of this exemption shall be the equalized  
16 assessed value of the residence in the taxable year for which  
17 application is made minus the base amount.

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

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

29 In the case of land improved with an apartment building  
30 owned and operated as a cooperative or a building that is a  
31 life care facility that qualifies as a cooperative, the maximum  
32 reduction from the equalized assessed value of the property is  
33 limited to the sum of the reductions calculated for each unit  
34 occupied as a residence by a person or persons (i) 65 years of  
35 age or older, (ii) with a household income of \$35,000 or less  
36 prior to taxable year 1999, \$40,000 or less in taxable years

1 1999 through 2003, ~~and~~ \$45,000 or less in taxable years ~~year~~  
2 2004 through 2005, \$47,500 in taxable year 2006, and, in  
3 taxable year 2007 and thereafter, the amount must be increased  
4 each year by the lesser of (i) 2% or (ii) an amount equal to the  
5 annual rate of increase of the Consumer Price Index for All  
6 Urban Consumers for all items published by the United States  
7 Department of Labor Bureau of Labor Statistics for the previous  
8 calendar year ~~and thereafter~~, (iii) who is liable, by contract  
9 with the owner or owners of record, for paying real property  
10 taxes on the property, and (iv) who is an owner of record of a  
11 legal or equitable interest in the cooperative apartment  
12 building, other than a leasehold interest. In the instance of a  
13 cooperative where a homestead exemption has been granted under  
14 this Section, the cooperative association or its management  
15 firm shall credit the savings resulting from that exemption  
16 only to the apportioned tax liability of the owner who  
17 qualified for the exemption. Any person who willfully refuses  
18 to credit that savings to an owner who qualifies for the  
19 exemption is guilty of a Class B misdemeanor.

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

27 Beginning January 1, 1997, when an individual dies who  
28 would have qualified for an exemption under this Section, and  
29 the surviving spouse does not independently qualify for this  
30 exemption because of age, the exemption under this Section  
31 shall be granted to the surviving spouse for the taxable year  
32 preceding and the taxable year of the death, provided that,  
33 except for age, 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), and  
25 principal dwelling place of members of the household on January  
26 1 of the taxable year. The Department shall establish, by rule,  
27 a method for verifying the accuracy of affidavits filed by  
28 applicants under this Section. The applications shall be  
29 clearly marked as applications for the Senior Citizens  
30 Assessment Freeze Homestead Exemption.

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

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

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

28 In counties having less than 3,000,000 inhabitants, if an  
29 applicant was denied an exemption in taxable year 1994 and the  
30 denial occurred due to an error on the part of an assessment  
31 official, or his or her agent or employee, then beginning in  
32 taxable year 1997 the applicant's base year, for purposes of  
33 determining the amount of the exemption, shall be 1993 rather  
34 than 1994. In addition, in taxable year 1997, the applicant's  
35 exemption shall also include an amount equal to (i) the amount  
36 of any exemption denied to the applicant in taxable year 1995



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

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

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

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

32 Nothing contained in this Section shall prevent the  
33 Director or chief county assessment officer from publishing or  
34 making available reasonable statistics concerning the  
35 operation of the exemption contained in this Section in which  
36 the contents of claims are grouped into aggregates in such a

1 way that information contained in any individual claim shall  
2 not be disclosed.

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

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

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

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.