



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB0524

Introduced 2/17/2005, by Sen. Susan Garrett

SYNOPSIS AS INTRODUCED:

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

Amends the Property Tax Code. Includes disabled persons within the provisions granting 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 States Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 10868 BDD 41402 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT regarding disabled persons.

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 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 200/15-172)

2 Sec. 15-172. Senior Citizens and Disabled Persons
3 Assessment Freeze Homestead Exemption.

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

6 (b) As used in this Section:

7 "Applicant" means an individual who has filed an
8 application under this Section.

9 "Base amount" means the base year equalized assessed value
10 of the residence plus the first year's equalized assessed value
11 of any added improvements which increased the assessed value of
12 the residence after the base year.

13 "Base year" means the taxable year prior to the taxable
14 year for which the applicant first qualifies and applies for
15 the exemption provided that in the prior taxable year the
16 property was improved with a permanent structure that was
17 occupied as a residence by the applicant who was liable for
18 paying real property taxes on the property and who was either
19 (i) an owner of record of the property or had legal or
20 equitable interest in the property as evidenced by a written
21 instrument or (ii) had a legal or equitable interest as a
22 lessee in the parcel of property that was single family
23 residence. If in any subsequent taxable year for which the
24 applicant applies and qualifies for the exemption the equalized
25 assessed value of the residence is less than the equalized
26 assessed value in the existing base year (provided that such
27 equalized assessed value is not based on an assessed value that
28 results from a temporary irregularity in the property that
29 reduces the assessed value for one or more taxable years), then
30 that subsequent taxable year shall become the base year until a
31 new base year is established under the terms of this paragraph.
32 For taxable year 1999 only, the Chief County Assessment Officer
33 shall review (i) all taxable years for which the applicant
34 applied and qualified for the exemption and (ii) the existing
35 base year. The assessment officer shall select as the new base
36 year the year with the lowest equalized assessed value. An

1 equalized assessed value that is based on an assessed value
2 that results from a temporary irregularity in the property that
3 reduces the assessed value for one or more taxable years shall
4 not be considered the lowest equalized assessed value. The
5 selected year shall be the base year for taxable year 1999 and
6 thereafter until a new base year is established under the terms
7 of this paragraph.

8 "Chief County Assessment Officer" means the County
9 Assessor or Supervisor of Assessments of the county in which
10 the property is located.

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

27 "Equalized assessed value" means the assessed value as
28 equalized by the Illinois Department of Revenue.

29 "Household" means the applicant, the spouse of the
30 applicant, and all persons using the residence of the applicant
31 as their principal place of residence.

32 "Household income" means the combined income of the members
33 of a household for the calendar year preceding the taxable
34 year.

35 "Income" has the same meaning as provided in Section 3.07
36 of the Senior Citizens and Disabled Persons Property Tax Relief

1 and Pharmaceutical Assistance Act, except that, beginning in
2 assessment year 2001, "income" does not include veteran's
3 benefits.

4 "Internal Revenue Code of 1986" means the United States
5 Internal Revenue Code of 1986 or any successor law or laws
6 relating to federal income taxes in effect for the year
7 preceding the taxable year.

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

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

21 "Taxable year" means the calendar year during which ad
22 valorem property taxes payable in the next succeeding year are
23 levied.

24 (c) Beginning in (1) taxable year 1994, for a senior
25 citizens and (2) taxable year 2005, for disabled persons, an
26 assessment freeze homestead exemption is granted for real
27 property that is improved with a permanent structure that is
28 occupied as a residence by an applicant who (i) is 65 years of
29 age or older, or a disabled person, during the taxable year,
30 (ii) has a household income of \$35,000 or less prior to taxable
31 year 1999, \$40,000 or less in taxable years 1999 through 2003,
32 and \$45,000 or less in taxable year 2004 and thereafter, (iii)
33 is liable for paying real property taxes on the property, and
34 (iv) is an owner of record of the property or has a legal or
35 equitable interest in the property as evidenced by a written
36 instrument. This homestead exemption shall also apply to a

1 leasehold interest in a parcel of property improved with a
2 permanent structure that is a single family residence that is
3 occupied as a residence by a person who (i) is 65 years of age
4 or older, or a disabled person, during the taxable year, (ii)
5 has a household income of \$35,000 or less prior to taxable year
6 1999, \$40,000 or less in taxable years 1999 through 2003, and
7 \$45,000 or less in taxable year 2004 and thereafter, (iii) has
8 a legal or equitable ownership interest in the property as
9 lessee, and (iv) is liable for the payment of real property
10 taxes on that property.

11 The amount of this exemption shall be the equalized
12 assessed value of the residence in the taxable year for which
13 application is made minus the base amount.

14 When the applicant is a surviving spouse of an applicant
15 for a prior year for the same residence for which an exemption
16 under this Section has been granted, the base year and base
17 amount for that residence are the same as for the applicant for
18 the prior year.

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

25 In the case of land improved with an apartment building
26 owned and operated as a cooperative or a building that is a
27 life care facility that qualifies as a cooperative, the maximum
28 reduction from the equalized assessed value of the property is
29 limited to the sum of the reductions calculated for each unit
30 occupied as a residence by a person ~~or persons~~ (i) 65 years of
31 age or older, or a disabled person, (ii) with a household
32 income of \$35,000 or less prior to taxable year 1999, \$40,000
33 or less in taxable years 1999 through 2003, and \$45,000 or less
34 in taxable year 2004 and thereafter, (iii) who is liable, by
35 contract with the owner or owners of record, for paying real
36 property taxes on the property, and (iv) who is an owner of

1 record of a legal or equitable interest in the cooperative
2 apartment building, other than a leasehold interest. In the
3 instance of a cooperative where a homestead exemption has been
4 granted under this Section, the cooperative association or its
5 management firm shall credit the savings resulting from that
6 exemption only to the apportioned tax liability of the owner
7 who qualified for the exemption. Any person who willfully
8 refuses to credit that savings to an owner who qualifies for
9 the exemption is guilty of a Class B misdemeanor.

10 When a homestead exemption has been granted under this
11 Section and an applicant then becomes a resident of a facility
12 licensed under the Nursing Home Care Act, the exemption shall
13 be granted in subsequent years so long as the residence (i)
14 continues to be occupied by the qualified applicant's spouse or
15 (ii) if remaining unoccupied, is still owned by the qualified
16 applicant for the homestead exemption.

17 Beginning January 1, 1997 for senior citizens and January
18 1, 2005 for disabled persons, when an individual dies who would
19 have qualified for an exemption under this Section, and the
20 surviving spouse does not independently qualify for this
21 exemption because of age or nondisability, the exemption under
22 this Section shall be granted to the surviving spouse for the
23 taxable year preceding and the taxable year of the death,
24 provided that, except for age or nondisability, the surviving
25 spouse meets all other qualifications for the granting of this
26 exemption for those years.

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

30 For taxable year 1994 only, in counties having less than
31 3,000,000 inhabitants, to receive the exemption, a person shall
32 submit an application by February 15, 1995 to the Chief County
33 Assessment Officer of the county in which the property is
34 located. In counties having 3,000,000 or more inhabitants, for
35 taxable year 1994 and all subsequent taxable years, to receive
36 the exemption, a person may submit an application to the Chief

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

24 Notwithstanding any other provision to the contrary, in
25 counties having fewer than 3,000,000 inhabitants, if an
26 applicant fails to file the application required by this
27 Section in a timely manner and this failure to file is due to a
28 mental or physical condition sufficiently severe so as to
29 render the applicant incapable of filing the application in a
30 timely manner, the Chief County Assessment Officer may extend
31 the filing deadline for a period of 30 days after the applicant
32 regains the capability to file the application, but in no case
33 may the filing deadline be extended beyond 3 months of the
34 original filing deadline. In order to receive the extension
35 provided in this paragraph, the applicant shall provide the
36 Chief County Assessment Officer with a signed statement from

1 the applicant's physician stating the nature and extent of the
2 condition, that, in the physician's opinion, the condition was
3 so severe that it rendered the applicant incapable of filing
4 the application in a timely manner, and the date on which the
5 applicant regained the capability to file the application.

6 Beginning January 1, 1998, notwithstanding any other
7 provision to the contrary, in counties having fewer than
8 3,000,000 inhabitants, if an applicant fails to file the
9 application required by this Section in a timely manner and
10 this failure to file is due to a mental or physical condition
11 sufficiently severe so as to render the applicant incapable of
12 filing the application in a timely manner, the Chief County
13 Assessment Officer may extend the filing deadline for a period
14 of 3 months. In order to receive the extension provided in this
15 paragraph, the applicant shall provide the Chief County
16 Assessment Officer with a signed statement from the applicant's
17 physician stating the nature and extent of the condition, and
18 that, in the physician's opinion, the condition was so severe
19 that it rendered the applicant incapable of filing the
20 application in a timely manner.

21 In counties having less than 3,000,000 inhabitants, if an
22 applicant was denied an exemption in taxable year 1994 and the
23 denial occurred due to an error on the part of an assessment
24 official, or his or her agent or employee, then beginning in
25 taxable year 1997 the applicant's base year, for purposes of
26 determining the amount of the exemption, shall be 1993 rather
27 than 1994. In addition, in taxable year 1997, the applicant's
28 exemption shall also include an amount equal to (i) the amount
29 of any exemption denied to the applicant in taxable year 1995
30 as a result of using 1994, rather than 1993, as the base year,
31 (ii) the amount of any exemption denied to the applicant in
32 taxable year 1996 as a result of using 1994, rather than 1993,
33 as the base year, and (iii) the amount of the exemption
34 erroneously denied for taxable year 1994.

35 For purposes of this Section, a person who will be 65 years
36 of age or is a disabled person during the current taxable year

1 shall be eligible to apply for the homestead exemption during
2 that taxable year. Application shall be made during the
3 application period in effect for the county of his or her
4 residence.

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

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

26 Nothing contained in this Section shall prevent the
27 Director or chief county assessment officer from publishing or
28 making available reasonable statistics concerning the
29 operation of the exemption contained in this Section in which
30 the contents of claims are grouped into aggregates in such a
31 way that information contained in any individual claim shall
32 not be disclosed.

33 (d) Each Chief County Assessment Officer shall annually
34 publish a notice of availability of the exemption provided
35 under this Section. The notice shall be published at least 60
36 days but no more than 75 days prior to the date on which the

1 application must be submitted to the Chief County Assessment
2 Officer of the county in which the property is located. The
3 notice shall appear in a newspaper of general circulation in
4 the county.

5 (e) Notwithstanding Sections 6 and 8 of the State Mandates
6 Act, no reimbursement by the State is required for the
7 implementation of any mandate created by this Section.

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

9 Section 90. The State Mandates Act is amended by adding
10 Section 8.29 as follows:

11 (30 ILCS 805/8.29 new)

12 Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8
13 of this Act, no reimbursement by the State is required for the
14 implementation of any mandate created by this amendatory Act of
15 the 94th General Assembly.

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