



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**SB2193**

Introduced 1/11/2006, by Sen. William E. Peterson

**SYNOPSIS AS INTRODUCED:**

320 ILCS 30/2  
320 ILCS 30/3

from Ch. 67 1/2, par. 452  
from Ch. 67 1/2, par. 453

Amends the Senior Citizens Real Estate Tax Deferral Act. In the definition of "taxpayer", increases the income limitation, beginning with the 2006 tax year, from \$40,000 to \$45,000 per year. Requires that applications for the tax deferral must be made by May 1 (now, March 1) of each year. Effective immediately.

LRB094 13135 BDD 47985 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning aging.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Senior Citizens Real Estate Tax Deferral Act  
5 is amended by changing Sections 2 and 3 as follows:

6 (320 ILCS 30/2) (from Ch. 67 1/2, par. 452)

7 Sec. 2. Definitions. As used in this Act:

8 (a) "Taxpayer" means an individual whose household income  
9 for the year is no greater than: (i) \$40,000 through tax year  
10 2005; and (ii) \$45,000 for tax year 2006 and thereafter.

11 (b) "Tax deferred property" means the property upon which  
12 real estate taxes are deferred under this Act.

13 (c) "Homestead" means the land and buildings thereon,  
14 including a condominium or a dwelling unit in a multidwelling  
15 building that is owned and operated as a cooperative, occupied  
16 by the taxpayer as his residence or which are temporarily  
17 unoccupied by the taxpayer because such taxpayer is temporarily  
18 residing, for not more than 1 year, in a licensed facility as  
19 defined in Section 1-113 of the Nursing Home Care Act.

20 (d) "Real estate taxes" or "taxes" means the taxes on real  
21 property for which the taxpayer would be liable under the  
22 Property Tax Code, including special service area taxes, and  
23 special assessments on benefited real property for which the  
24 taxpayer would be liable to a unit of local government.

25 (e) "Department" means the Department of Revenue.

26 (f) "Qualifying property" means a homestead which (a) the  
27 taxpayer or the taxpayer and his spouse own in fee simple or  
28 are purchasing in fee simple under a recorded instrument of  
29 sale, (b) is not income-producing property, (c) is not subject  
30 to a lien for unpaid real estate taxes when a claim under this  
31 Act is filed.

32 (g) "Equity interest" means the current assessed valuation

1 of the qualified property times the fraction necessary to  
2 convert that figure to full market value minus any outstanding  
3 debts or liens on that property. In the case of qualifying  
4 property not having a separate assessed valuation, the  
5 appraised value as determined by a qualified real estate  
6 appraiser shall be used instead of the current assessed  
7 valuation.

8 (h) "Household income" has the meaning ascribed to that  
9 term in the Senior Citizens and Disabled Persons Property Tax  
10 Relief and Pharmaceutical Assistance Act.

11 (i) "Collector" means the county collector or, if the taxes  
12 to be deferred are special assessments, an official designated  
13 by a unit of local government to collect special assessments.

14 (Source: P.A. 92-639, eff. 1-1-03.)

15 (320 ILCS 30/3) (from Ch. 67 1/2, par. 453)

16 Sec. 3. A taxpayer may, on or before May 1 ~~March 1~~ of each  
17 year, apply to the county collector of the county where his  
18 qualifying property is located, or to the official designated  
19 by a unit of local government to collect special assessments on  
20 the qualifying property, as the case may be, for a deferral of  
21 all or a part of real estate taxes payable during that year for  
22 the preceding year in the case of real estate taxes other than  
23 special assessments, or for a deferral of any installments  
24 payable during that year in the case of special assessments, on  
25 all or part of his qualifying property. The application shall  
26 be on a form prescribed by the Department and furnished by the  
27 collector, (a) showing that the applicant will be 65 years of  
28 age or older by June 1 of the year for which a tax deferral is  
29 claimed, (b) describing the property and verifying that the  
30 property is qualifying property as defined in Section 2, (c)  
31 certifying that the taxpayer has owned and occupied as his  
32 residence such property or other qualifying property in the  
33 State for at least the last 3 years except for any periods  
34 during which the taxpayer may have temporarily resided in a  
35 nursing or sheltered care home, and (d) specifying whether the

1 deferral is for all or a part of the taxes, and, if for a part,  
2 the amount of deferral applied for. As to qualifying property  
3 not having a separate assessed valuation, the taxpayer shall  
4 also file with the county collector a written appraisal of the  
5 property prepared by a qualified real estate appraiser together  
6 with a certificate signed by the appraiser stating that he has  
7 personally examined the property and setting forth the value of  
8 the land and the value of the buildings thereon occupied by the  
9 taxpayer as his residence.

10 The collector shall grant the tax deferral provided such  
11 deferral does not exceed funds available in the Senior Citizens  
12 Real Estate Deferred Tax Revolving Fund and provided that the  
13 owner or owners of such real property have entered into a tax  
14 deferral and recovery agreement with the collector on behalf of  
15 the county or other unit of local government, which agreement  
16 expressly states:

17 (1) That the total amount of taxes deferred under this Act,  
18 plus interest, for the year for which a tax deferral is claimed  
19 as well as for those previous years for which taxes are not  
20 delinquent and for which such deferral has been claimed may not  
21 exceed 80% of the taxpayer's equity interest in the property  
22 for which taxes are to be deferred and that, if the total  
23 deferred taxes plus interest equals 80% of the taxpayer's  
24 equity interest in the property, the taxpayer shall thereafter  
25 pay the annual interest due on such deferred taxes plus  
26 interest so that total deferred taxes plus interest will not  
27 exceed such 80% of the taxpayer's equity interest in the  
28 property.

29 (2) That any real estate taxes deferred under this Act and  
30 any interest accrued thereon at the rate of 6% per year are a  
31 lien on the real estate and improvements thereon until paid. No  
32 sale or transfer of such real property may be legally closed  
33 and recorded until the taxes which would otherwise have been  
34 due on the property, plus accrued interest, have been paid  
35 unless the collector certifies in writing that an arrangement  
36 for prompt payment of the amount due has been made with his

1 office. The same shall apply if the property is to be made the  
2 subject of a contract of sale.

3 (3) That upon the death of the taxpayer claiming the  
4 deferral the heirs-at-law, assignees or legatees shall have  
5 first priority to the real property upon which taxes have been  
6 deferred by paying in full the total taxes which would  
7 otherwise have been due, plus interest. However, if such  
8 heir-at-law, assignee, or legatee is a surviving spouse, the  
9 tax deferred status of the property shall be continued during  
10 the life of that surviving spouse if the spouse is 55 years of  
11 age or older within 6 months of the date of death of the  
12 taxpayer and enters into a tax deferral and recovery agreement  
13 before the time when deferred taxes become due under this  
14 Section. Any additional taxes deferred, plus interest, on the  
15 real property under a tax deferral and recovery agreement  
16 signed by a surviving spouse shall be added to the taxes and  
17 interest which would otherwise have been due, and the payment  
18 of which has been postponed during the life of such surviving  
19 spouse, in determining the 80% equity requirement provided by  
20 this Section.

21 (4) That if the taxes due, plus interest, are not paid by  
22 the heir-at-law, assignee or legatee or if payment is not  
23 postponed during the life of a surviving spouse, the deferred  
24 taxes and interest shall be recovered from the estate of the  
25 taxpayer within one year of the date of his death. In addition,  
26 deferred real estate taxes and any interest accrued thereon are  
27 due within 90 days after any tax deferred property ceases to be  
28 qualifying property as defined in Section 2.

29 If payment is not made when required by this Section,  
30 foreclosure proceedings may be instituted under the Property  
31 Tax Code.

32 (5) That any joint owner has given written prior approval  
33 for such agreement, which written approval shall be made a part  
34 of such agreement.

35 (6) That a guardian for a person under legal disability  
36 appointed for a taxpayer who otherwise qualifies under this Act

1 may act for the taxpayer in complying with this Act.

2 (7) That a taxpayer or his agent has provided to the  
3 satisfaction of the collector, sufficient evidence that the  
4 qualifying property on which the taxes are to be deferred is  
5 insured against fire or casualty loss for at least the total  
6 amount of taxes which have been deferred.

7 If the taxes to be deferred are special assessments, the  
8 unit of local government making the assessments shall forward a  
9 copy of the agreement entered into pursuant to this Section and  
10 the bills for such assessments to the county collector of the  
11 county in which the qualifying property is located.

12 (Source: P.A. 90-170, eff. 7-23-97; 91-357, eff. 7-29-99.)

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