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09400SB2350ham002

LRB094 17384 BDD 58588 a

1 AMENDMENT TO SENATE BILL 2350

2 AMENDMENT NO. _____. Amend Senate Bill 2350, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Property Tax Code is amended by changing
6 Sections 12-55, 15-176, and 20-5 as follows:

7 (35 ILCS 200/12-55)

8 Sec. 12-55. Notice requirement if assessment is increased;
9 counties of 3,000,000 or more.

10 (a) In counties with 3,000,000 or more inhabitants, a
11 revision by the county assessor, except where such revision is
12 made on complaint of the owner, shall not increase an
13 assessment without notice to the person to whom the most recent
14 tax bill was mailed and an opportunity to be heard before the
15 assessment is verified. When a notice is mailed by the county
16 assessor to the address of a mortgagee, the mortgagee, within 7
17 business days after the mortgagee receives the notice, shall
18 forward a copy of the notice to each mortgagor of the property
19 referred to in the notice at the last known address of each
20 mortgagor as shown on the records of the mortgagee. There shall
21 be no liability for the failure of the mortgagee to forward the
22 notice to each mortgagor. The assessor may provide for the
23 filing of complaints and make revisions at times other than
24 those dates published under Section 14-35. When the county

1 assessor has completed the revision and correction and entered
2 the changes and revision in the assessment books, an affidavit
3 shall be attached to the assessment books in the form required
4 by law, signed by the county assessor.

5 (b) In counties with 3,000,000 or more inhabitants, for
6 parcels, other than parcels in the class that includes the
7 majority of the single-family residential parcels under a
8 county ordinance adopted in accordance with Section 4 of
9 Article IX of the Illinois Constitution, located in the
10 assessment district for which the current assessment year is a
11 general assessment year, within 30 days after sending the
12 required notices under this Section, the county assessor shall
13 file with the board of appeals (until the first Monday in
14 December 1998, and the board of review beginning the first
15 Monday in December 1998 and thereafter) a list of the parcels
16 for which the notices under this Section were sent, showing the
17 following information for each such parcel: the parcel index
18 number, the township in which the parcel is located, the class
19 for the current year, the previous year's final total assessed
20 value, the total assessed value proposed by the county
21 assessor, and the name of the person to whom the notice
22 required under this Section was sent. The list shall be
23 available for public inspection at the office of the board
24 during the regular office hours of the board. The list shall be
25 retained by the board for at least 10 years after the date it
26 is initially filed by the county assessor.

27 (c) The provisions of subsection (b) of this Section shall
28 be applicable beginning with the assessment for the 1997 tax
29 year.

30 (d) On and after the effective date of this amendatory Act
31 of the 94th General Assembly and so long as any portion of the
32 county is subject to the provisions of Section 15-176 instead
33 of Section 15-175, the notice required under this Section must
34 include the following statement:

1 Beginning in 2003, the Cook County Board imposed a 7%
2 cap on annual increases in property tax assessments for
3 certain owner-occupied residences. This assessment cap
4 takes the form of an expanded homestead exemption. It is
5 designed to reduce the burden of large property tax
6 increases caused by rapid appreciation in home prices.

7 The assessment cap shifts the property tax burden. Some
8 homeowners pay less, but all other taxpayers pay more. This
9 is because a reduction in the assessed value of some
10 properties causes the tax rate to increase for all
11 properties in order for the taxing district to collect the
12 same total amount in taxes.

13 The taxpayers who pay more include owners of rental
14 housing, commercial property, industrial property, and
15 vacant land. The higher rate also causes some senior
16 citizen homeowners to pay more because, though technically
17 eligible for the 7% assessment cap, they already qualify
18 for the more advantageous "senior freeze" on assessments.
19 Similarly, homeowners whose property value appreciates
20 less than 7% annually will also pay more in taxes than if
21 the assessment cap were not in effect.

22 In general, the assessment cap shifts the tax burden
23 from fast-growing to slow-growing residential areas and
24 from homeowners to businesses. The magnitude of the shift
25 will depend on how rapidly home prices appreciate over
26 time.

27 Property tax bills for homestead property will
28 indicate whether the property taxes are more, less, or the
29 same as a result of the county's election to implement an
30 assessment cap.

31 (Source: P.A. 90-4, eff. 3-7-97; 91-751, eff. 6-2-00.)

32 (35 ILCS 200/15-176)

33 Sec. 15-176. Alternative general homestead exemption.

1 (a) For the assessment years as determined under subsection
2 (j), in any county that has elected, by an ordinance in
3 accordance with subsection (k), to be subject to the provisions
4 of this Section in lieu of the provisions of Section 15-175,
5 homestead property is entitled to an annual homestead exemption
6 equal to a reduction in the property's equalized assessed value
7 calculated as provided in this Section.

8 (b) As used in this Section:

9 (1) "Assessor" means the supervisor of assessments or
10 the chief county assessment officer of each county.

11 (2) "Adjusted homestead value" means the lesser of the
12 following values:

13 (A) The property's base homestead value increased
14 by 7% for each tax year after the base year through and
15 including the current tax year, or, if the property is
16 sold or ownership is otherwise transferred, the
17 property's base homestead value increased by 7% for
18 each tax year after the year of the sale or transfer
19 through and including the current tax year. The
20 increase by 7% each year is an increase by 7% over the
21 prior year.

22 (B) The property's equalized assessed value for
23 the current tax year minus (i) \$4,500 in Cook County or
24 \$3,500 in all other counties in tax year 2003 or (ii)
25 \$5,000 in all counties in tax year 2004 and thereafter.

26 (3) "Base homestead value".

27 (A) Except as provided in subdivision (b) (3) (B),
28 "base homestead value" means the equalized assessed
29 value of the property for the base year prior to
30 exemptions, minus (i) \$4,500 in Cook County or \$3,500
31 in all other counties in tax year 2003 or (ii) \$5,000
32 in all counties in tax year 2004 and thereafter,
33 provided that it was assessed for that year as
34 residential property qualified for any of the

1 homestead exemptions under Sections 15-170 through
2 15-175 of this Code, then in force, and further
3 provided that the property's assessment was not based
4 on a reduced assessed value resulting from a temporary
5 irregularity in the property for that year. Except as
6 provided in subdivision (b) (3) (B), if the property did
7 not have a residential equalized assessed value for the
8 base year, then "base homestead value" means the base
9 homestead value established by the assessor under
10 subsection (c).

11 (B) If the property is sold or ownership is
12 otherwise transferred, other than sales or transfers
13 between spouses or between a parent and a child, "base
14 homestead value" means the equalized assessed value of
15 the property at the time of the sale or transfer prior
16 to exemptions, minus (i) \$4,500 in Cook County or
17 \$3,500 in all other counties in tax year 2003 or (ii)
18 \$5,000 in all counties in tax year 2004 and thereafter,
19 provided that it was assessed as residential property
20 qualified for any of the homestead exemptions under
21 Sections 15-170 through 15-175 of this Code, then in
22 force, and further provided that the property's
23 assessment was not based on a reduced assessed value
24 resulting from a temporary irregularity in the
25 property.

26 (3.5) "Base year" means (i) tax year 2002 in Cook
27 County or (ii) tax year 2004 or 2005 ~~2002 or 2003~~ in all
28 other counties in accordance with the designation made by
29 the county as provided in subsection (k).

30 (4) "Current tax year" means the tax year for which the
31 exemption under this Section is being applied.

32 (5) "Equalized assessed value" means the property's
33 assessed value as equalized by the Department.

34 (6) "Homestead" or "homestead property" means:

1 (A) Residential property that as of January 1 of
2 the tax year is occupied by its owner or owners as his,
3 her, or their principal dwelling place, or that is a
4 leasehold interest on which a single family residence
5 is situated, that is occupied as a residence by a
6 person who has a legal or equitable interest therein
7 evidenced by a written instrument, as an owner or as a
8 lessee, and on which the person is liable for the
9 payment of property taxes. Residential units in an
10 apartment building owned and operated as a
11 cooperative, or as a life care facility, which are
12 occupied by persons who hold a legal or equitable
13 interest in the cooperative apartment building or life
14 care facility as owners or lessees, and who are liable
15 by contract for the payment of property taxes, shall be
16 included within this definition of homestead property.

17 (B) A homestead includes the dwelling place,
18 appurtenant structures, and so much of the surrounding
19 land constituting the parcel on which the dwelling
20 place is situated as is used for residential purposes.
21 If the assessor has established a specific legal
22 description for a portion of property constituting the
23 homestead, then the homestead shall be limited to the
24 property within that description.

25 (7) "Life care facility" means a facility as defined in
26 Section 2 of the Life Care Facilities Act.

27 (c) If the property did not have a residential equalized
28 assessed value for the base year as provided in subdivision
29 (b) (3) (A) of this Section, then the assessor shall first
30 determine an initial value for the property by comparison with
31 assessed values for the base year of other properties having
32 physical and economic characteristics similar to those of the
33 subject property, so that the initial value is uniform in
34 relation to assessed values of those other properties for the

1 base year. The product of the initial value multiplied by the
2 equalized factor for the base year for homestead properties in
3 that county, less (i) \$4,500 in Cook County or \$3,500 in all
4 other counties in tax year 2003 or (ii) \$5,000 in all counties
5 in tax year 2004 and thereafter, is the base homestead value.

6 For any tax year for which the assessor determines or
7 adjusts an initial value and hence a base homestead value under
8 this subsection (c), the initial value shall be subject to
9 review by the same procedures applicable to assessed values
10 established under this Code for that tax year.

11 (d) The base homestead value shall remain constant, except
12 that the assessor may revise it under the following
13 circumstances:

14 (1) If the equalized assessed value of a homestead
15 property for the current tax year is less than the previous
16 base homestead value for that property, then the current
17 equalized assessed value (provided it is not based on a
18 reduced assessed value resulting from a temporary
19 irregularity in the property) shall become the base
20 homestead value in subsequent tax years.

21 (2) For any year in which new buildings, structures, or
22 other improvements are constructed on the homestead
23 property that would increase its assessed value, the
24 assessor shall adjust the base homestead value as provided
25 in subsection (c) of this Section with due regard to the
26 value added by the new improvements.

27 (3) If the property is sold or ownership is otherwise
28 transferred, the base homestead value of the property shall
29 be adjusted as provided in subdivision (b) (3) (B). This item
30 (3) does not apply to sales or transfers between spouses or
31 between a parent and a child.

32 (e) The amount of the exemption under this Section is the
33 equalized assessed value of the homestead property for the
34 current tax year, minus the adjusted homestead value, with the

1 following exceptions:

2 (1) The exemption under this Section shall not exceed
3 \$20,000 for any taxable year.

4 (2) In the case of homestead property that also
5 qualifies for the exemption under Section 15-172, the
6 property is entitled to the exemption under this Section,
7 limited to the amount of (i) \$4,500 in Cook County or
8 \$3,500 in all other counties in tax year 2003 or (ii)
9 \$5,000 in all counties in tax year 2004 and thereafter.

10 (e-5) For each assessment year in which the alternative
11 general homestead exemption under this Section applies to any
12 portion of the county, the county clerk must determine whether
13 the taxes for that year on each homestead property are more,
14 less, or the same as a result of the county having elected to
15 be subject to the provisions of this Section rather than the
16 general homestead exemption under Section 15-175. The assessor
17 must provide the county clerk with any assistance that the
18 clerk requires. The determination of whether the taxes for that
19 year are more, less, or the same must be made without regard to
20 any other factor. In making the determination, the actual taxes
21 on the property for that year shall be compared to what the
22 taxes would have been for that year had the county not elected
23 to be subject to the provisions of this Section. In calculating
24 what the taxes would have been for that year had the county not
25 elected to be subject to the provisions of this Section, the
26 county clerk shall use the equalized assessed value of the
27 homestead property and the combined tax rate of all taxing
28 districts, both computed based on the assumption that the
29 general homestead exemption under Section 15-175 was in effect
30 throughout the county when this Section applied to any portion
31 of the county.

32 The county clerk must provide the results of these
33 calculations for each homestead property to the official in the
34 county who is responsible for preparing and mailing the

1 property tax bills so that the official can include on or with
2 the bills the notifications required under subsection (b) of
3 Section 20-5. For the purpose of this subsection, "homestead
4 property" has the definition set forth under Section 15-175.

5 (f) In the case of an apartment building owned and operated
6 as a cooperative, or as a life care facility, that contains
7 residential units that qualify as homestead property under this
8 Section, the maximum cumulative exemption amount attributed to
9 the entire building or facility shall not exceed the sum of the
10 exemptions calculated for each qualified residential unit. The
11 cooperative association, management firm, or other person or
12 entity that manages or controls the cooperative apartment
13 building or life care facility shall credit the exemption
14 attributable to each residential unit only to the apportioned
15 tax liability of the owner or other person responsible for
16 payment of taxes as to that unit. Any person who willfully
17 refuses to so credit the exemption is guilty of a Class B
18 misdemeanor.

19 (g) When married persons maintain separate residences, the
20 exemption provided under this Section shall be claimed by only
21 one such person and for only one residence.

22 (h) In the event of a sale or other transfer in ownership
23 of the homestead property, the exemption under this Section
24 shall remain in effect for the remainder of the tax year in
25 which the sale or transfer occurs, but (other than for sales or
26 transfers between spouses or between a parent and a child)
27 shall be calculated using the new base homestead value as
28 provided in subdivision (b) (3) (B). The assessor may require the
29 new owner of the property to apply for the exemption in the
30 following year.

31 (i) The assessor may determine whether property qualifies
32 as a homestead under this Section by application, visual
33 inspection, questionnaire, or other reasonable methods. Each
34 year, at the time the assessment books are certified to the

1 county clerk by the board of review, the assessor shall furnish
2 to the county clerk a list of the properties qualified for the
3 homestead exemption under this Section. The list shall note the
4 base homestead value of each property to be used in the
5 calculation of the exemption for the current tax year.

6 (j) In counties with 3,000,000 or more inhabitants, the
7 provisions of this Section apply as follows:

8 (1) If the general assessment year for the property is
9 2003, this Section applies for assessment years 2003, 2004,
10 and 2005. Thereafter, the provisions of Section 15-175
11 apply.

12 (2) If the general assessment year for the property is
13 2004, this Section applies for assessment years 2004, 2005,
14 and 2006. Thereafter, the provisions of Section 15-175
15 apply.

16 (3) If the general assessment year for the property is
17 2005, this Section applies for assessment years 2005, 2006,
18 and 2007. Thereafter, the provisions of Section 15-175
19 apply.

20 (4) If the general assessment year for the property is
21 2006 and only if the county elects, by ordinance, to extend
22 the application of this Section under subsection (k-5),
23 then this Section continues to apply for assessment years
24 2006, 2007, and 2008. Thereafter, the provisions of Section
25 15-175 apply.

26 (5) If the general assessment year for the property is
27 2007 and only if the county elects, by ordinance, to extend
28 the application of this Section under subsection (k-5),
29 then this Section continues to apply for assessment years
30 2007, 2008, and 2009. Thereafter, the provisions of Section
31 15-175 apply.

32 (6) If the general assessment year for the property is
33 2008 and only if the county elects, by ordinance, to extend
34 the application of this Section under subsection (k-5),

1 then this Section continues to apply for assessment years
2 2008, 2009, and 2010. Thereafter, the provisions of Section
3 15-175 apply.

4 In counties with less than 3,000,000 inhabitants, this
5 Section applies for assessment years (i) 2005, 2006, and 2007
6 if tax year 2004 ~~2003, 2004, and 2005 if 2002~~ is the designated
7 base year or (ii) 2006, 2007, and 2008 if tax year 2005 ~~2004,~~
8 ~~2005, and 2006 if 2003~~ is the designated base year. Thereafter,
9 the provisions of Section 15-175 apply.

10 (k) To be subject to the provisions of this Section in lieu
11 of Section 15-175, a county must adopt an ordinance to subject
12 itself to the provisions of this Section within (i) 6 months
13 after the effective date of this amendatory Act of the 93rd
14 General Assembly for Cook County, except as provided in
15 subsection (k-5), or (ii) within 6 months after the effective
16 date of this amendatory Act of the 94th General Assembly for
17 all other counties. In a county other than Cook County, the
18 ordinance must designate either tax year 2004 ~~2002~~ or tax year
19 2005 ~~2003~~ as the base year.

20 (k-5) Cook County may elect, by ordinance, to extend the
21 application of this Section for the assessment years set forth
22 under items (4), (5), and (6) of subsection (j). The ordinance
23 must be adopted within 6 months after the effective date of
24 this amendatory Act of the 94th General Assembly.

25 (l) Notwithstanding Sections 6 and 8 of the State Mandates
26 Act, no reimbursement by the State is required for the
27 implementation of any mandate created by this Section.

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

29 (35 ILCS 200/20-5)

30 Sec. 20-5. Mailing tax bill to owner.

31 (a) Every township collector, and every county collector in
32 cases where there is no township collector, upon receiving the
33 tax book or books, shall prepare tax bills showing each

1 installment of property taxes assessed, which shall be filled
2 out in accordance with Section 20-40. A copy of the bill shall
3 be mailed by the collector, at least 30 days prior to the date
4 upon which unpaid taxes become delinquent, to the owner of the
5 property taxed or to the person in whose name the property is
6 taxed.

7 (b) In each county in which the county clerk is required to
8 make the determinations under subsection (e-5) of Section
9 15-176, the tax bill for each homestead property must include,
10 on the bill, a notification to the taxpayer as to whether the
11 taxes on the property are more, less, or the same as a result
12 of the county's election to be subject to the alternative
13 general homestead exemption under Section 15-176 rather than
14 the general homestead exemption under Section 15-175. The
15 notification must be based on the determinations made under
16 subsection (e-5) of Section 15-176. The notification must be
17 clearly visible and must be in the following form:

18 "The taxes on this property are (more/less/the same) as
19 a result of the county's election to be subject to the
20 alternative general homestead exemption under Section
21 15-176 of the Property Tax Code, sometimes known as the "7%
22 solution" or "assessment cap"."

23 For the purpose of this subsection, "homestead property"
24 has the definition set forth under Section 15-175.

25 (c) On and after the effective date of this amendatory Act
26 of the 94th General Assembly and so long as any portion of the
27 county is subject to the provisions of Section 15-176 instead
28 of Section 15-175, the following statement must be included
29 with each tax bill in Cook County:

30 Beginning in 2003, the Cook County Board imposed a 7%
31 cap on annual increases in property tax assessments for
32 certain owner-occupied residences. This assessment cap
33 takes the form of an expanded homestead exemption. It is
34 designed to reduce the burden of large property tax

1 increases caused by rapid appreciation in home prices.

2 The assessment cap shifts the property tax burden. Some
3 homeowners pay less, but all other taxpayers pay more. This
4 is because a reduction in the assessed value of some
5 properties causes the tax rate to increase for all
6 properties in order for the taxing district to collect the
7 same total amount in taxes.

8 The taxpayers who pay more include owners of rental
9 housing, commercial property, industrial property, and
10 vacant land. The higher rate also causes some senior
11 citizen homeowners to pay more because, though technically
12 eligible for the 7% assessment cap, they already qualify
13 for the more advantageous "senior freeze" on assessments.
14 Similarly, homeowners whose property value appreciates
15 less than 7% annually will also pay more in taxes than if
16 the assessment cap were not in effect.

17 In general, the assessment cap shifts the tax burden
18 from fast-growing to slow-growing residential areas and
19 from homeowners to businesses. The magnitude of the shift
20 will depend on how rapidly home prices appreciate over
21 time.

22 Property tax bills for homestead property will
23 indicate whether the property taxes are more, less, or the
24 same as a result of the county's election to implement an
25 assessment cap.

26 (Source: P.A. 86-957; 87-818; 88-455.)

27 Section 90. The State Mandates Act is amended by adding
28 Section 8.30 as follows:

29 (30 ILCS 805/8.30 new)

30 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
31 of this Act, no reimbursement by the State is required for the
32 implementation of any mandate created by this amendatory Act of

1 the 94th General Assembly.

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.".