



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2691

Introduced 1/20/2006, by Sen. Terry Link

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-170
35 ILCS 200/15-176

Amends the Property Tax Code. In a Section concerning the Senior Citizens Homestead Exemption, provides that in all counties (now, in counties with less than 3,000,000 inhabitants), the county board may by resolution provide that if a person has been granted the homestead exemption, the person qualifying need not reapply for the exemption. In a Section concerning the alternative general homestead exemption, deletes provisions ending the alternative exemption after certain tax years. Provides that the the \$20,000 limit on the alternative exemption applies only for certain tax years. Sets forth requirements for ordinances by counties concerning the homestead exemption. Effective immediately.

LRB094 17046 BDD 52328 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 15-176 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 years 2004 and thereafter, the maximum reduction shall be
25 \$3,000 in all counties. For land improved with an apartment
26 building owned and operated as a cooperative, the maximum
27 reduction from the value of the property, as equalized by the
28 Department, shall be multiplied by the number of apartments or
29 units occupied by a person 65 years of age or older who is
30 liable, by contract with the owner or owners of record, for
31 paying property taxes on the property and is an owner of record
32 of a legal or equitable interest in the cooperative apartment

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

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

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

33 Beginning with assessment year 2003, for taxes payable in
34 2004, property that is first occupied as a residence after
35 January 1 of any assessment year by a person who is eligible
36 for the senior citizens homestead exemption under this Section

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

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

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

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

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

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

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

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

28 (Source: P.A. 92-196, eff. 1-1-02; 93-511, eff. 8-11-03;
29 93-715, eff. 7-12-04.)

30 (35 ILCS 200/15-176)

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

32 (a) In ~~For the assessment years as determined under~~
33 ~~subsection (j),~~ in any county that has elected, by an ordinance
34 in accordance with subsection (k), to be subject to the
35 provisions of this Section in lieu of the provisions of Section

1 15-175, homestead property is entitled to an annual homestead
2 exemption equal to a reduction in the property's equalized
3 assessed value calculated as provided in this Section.

4 (b) As used in this Section:

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

7 (2) "Adjusted homestead value" means the lesser of the
8 following values:

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

18 (B) The property's equalized assessed value for
19 the current tax year minus (i) \$4,500 in Cook County or
20 \$3,500 in all other counties in tax year 2003 or (ii)
21 \$5,000 in all counties in tax year 2004 and thereafter.

22 (3) "Base homestead value".

23 (A) Except as provided in subdivision (b)(3)(B),
24 "base homestead value" means the equalized assessed
25 value of the property for the base year prior to
26 exemptions, minus (i) \$4,500 in Cook County or \$3,500
27 in all other counties in tax year 2003 or (ii) \$5,000
28 in all counties in tax year 2004 and thereafter,
29 provided that it was assessed for that year as
30 residential property qualified for any of the
31 homestead exemptions under Sections 15-170 through
32 15-175 of this Code, then in force, and further
33 provided that the property's assessment was not based
34 on a reduced assessed value resulting from a temporary
35 irregularity in the property for that year. Except as
36 provided in subdivision (b)(3)(B), if the property did

1 not have a residential equalized assessed value for the
2 base year, then "base homestead value" means the base
3 homestead value established by the assessor under
4 subsection (c).

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

20 (3.5) "Base year" means (i) tax year 2002 in Cook
21 County or (ii) ~~tax year 2002 or 2003~~ in all other counties,
22 the tax year designated ~~in accordance with the designation~~
23 ~~made~~ by the county as provided in subsection (k).

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

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

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

29 (A) Residential property that as of January 1 of
30 the tax year is occupied by its owner or owners as his,
31 her, or their principal dwelling place, or that is a
32 leasehold interest on which a single family residence
33 is situated, that is occupied as a residence by a
34 person who has a legal or equitable interest therein
35 evidenced by a written instrument, as an owner or as a
36 lessee, and on which the person is liable for the

1 payment of property taxes. Residential units in an
2 apartment building owned and operated as a
3 cooperative, or as a life care facility, which are
4 occupied by persons who hold a legal or equitable
5 interest in the cooperative apartment building or life
6 care facility as owners or lessees, and who are liable
7 by contract for the payment of property taxes, shall be
8 included within this definition of homestead property.

9 (B) A homestead includes the dwelling place,
10 appurtenant structures, and so much of the surrounding
11 land constituting the parcel on which the dwelling
12 place is situated as is used for residential purposes.
13 If the assessor has established a specific legal
14 description for a portion of property constituting the
15 homestead, then the homestead shall be limited to the
16 property within that description.

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

19 (c) If the property did not have a residential equalized
20 assessed value for the base year as provided in subdivision
21 (b) (3) (A) of this Section, then the assessor shall first
22 determine an initial value for the property by comparison with
23 assessed values for the base year of other properties having
24 physical and economic characteristics similar to those of the
25 subject property, so that the initial value is uniform in
26 relation to assessed values of those other properties for the
27 base year. The product of the initial value multiplied by the
28 equalized factor for the base year for homestead properties in
29 that county, less (i) \$4,500 in Cook County or \$3,500 in all
30 other counties in tax year 2003 or (ii) \$5,000 in all counties
31 in tax year 2004 and thereafter, is the base homestead value.

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

1 (d) The base homestead value shall remain constant, except
2 that the assessor may revise it under the following
3 circumstances:

4 (1) If the equalized assessed value of a homestead
5 property for the current tax year is less than the previous
6 base homestead value for that property, then the current
7 equalized assessed value (provided it is not based on a
8 reduced assessed value resulting from a temporary
9 irregularity in the property) shall become the base
10 homestead value in subsequent tax years.

11 (2) For any year in which new buildings, structures, or
12 other improvements are constructed on the homestead
13 property that would increase its assessed value, the
14 assessor shall adjust the base homestead value as provided
15 in subsection (c) of this Section with due regard to the
16 value added by the new improvements.

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

22 (e) The amount of the exemption under this Section is the
23 equalized assessed value of the homestead property for the
24 current tax year, minus the adjusted homestead value, with the
25 following exceptions:

26 (1) In Cook County, the ~~The~~ exemption under this
27 Section shall not exceed \$20,000 for any taxable year
28 through tax year:

29 (i) 2005, if the general assessment year for the
30 property is 2003;

31 (ii) 2006, if the general assessment year for the
32 property is 2004; or

33 (iii) 2007, if the general assessment year for the
34 property is 2005.

35 Thereafter, in Cook County, the \$20,000 limitation does not
36 apply. For all tax years in all other counties, the \$20,000

1 limitation does not apply.

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

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

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

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

34 (i) The assessor may determine whether property qualifies
35 as a homestead under this Section by application, visual
36 inspection, questionnaire, or other reasonable methods. Each

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

7 (j) ~~The In counties with 3,000,000 or more inhabitants, the~~
8 provisions of this Section apply until such time that the
9 county adopts an ordinance under subsection (k) to subject
10 itself to the provisions of Section 15-175 in lieu of this
11 Section. as follows:

12 ~~(1) If the general assessment year for the property is~~
13 ~~2003, this Section applies for assessment years 2003, 2004,~~
14 ~~and 2005. Thereafter, the provisions of Section 15-175~~
15 ~~apply.~~

16 ~~(2) If the general assessment year for the property is~~
17 ~~2004, this Section applies for assessment years 2004, 2005,~~
18 ~~and 2006. Thereafter, the provisions of Section 15-175~~
19 ~~apply.~~

20 ~~(3) If the general assessment year for the property is~~
21 ~~2005, this Section applies for assessment years 2005, 2006,~~
22 ~~and 2007. Thereafter, the provisions of Section 15-175~~
23 ~~apply.~~

24 ~~In counties with less than 3,000,000 inhabitants, this~~
25 ~~Section applies for assessment years (i) 2003, 2004, and 2005~~
26 ~~if 2002 is the designated base year or (ii) 2004, 2005, and~~
27 ~~2006 if 2003 is the designated base year. Thereafter, the~~
28 ~~provisions of Section 15-175 apply.~~

29 (k) To be subject to the provisions of this Section in lieu
30 of Section 15-175, a county must adopt an ordinance to subject
31 itself to the provisions of this Section ~~within 6 months after~~
32 ~~the effective date of this amendatory Act of the 93rd General~~
33 ~~Assembly.~~

34 In a county other than Cook County, the ordinance must
35 designate either tax year 2002 or tax year 2003 as the base
36 year if the ordinance was adopted on or before December 31,

1 2005. If the ordinance was adopted on or after January 1, 2006,
2 the ordinance must designate, as the base year, the tax year
3 immediately preceding the tax year in which the ordinance was
4 adopted.

5 A county that is subject to the provisions of this Section
6 may adopt an ordinance to subject itself to the provisions of
7 Section 15-175 in lieu of this Section. Any such ordinance may
8 not take effect until the tax year immediately following the
9 tax year in which the ordinance was adopted.

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

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

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