



## 95TH GENERAL ASSEMBLY

### State of Illinois

### 2007 and 2008

#### HB0905

Introduced 2/7/2007, by Rep. Sidney H. Mathias

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-170  
35 ILCS 200/15-175

Amends the Property Tax Code. Provides that the maximum reduction under the Senior Citizen Homestead Exemption shall be \$4,000 for 2008, \$4,500 for 2009, and \$5,000 for 2010 and thereafter in all counties. Provides that the maximum reduction under the General Homestead Exemption shall be \$5,500 for 2007, \$6,000 for 2008, \$6,500 for 2009, and \$7,000 for 2010 and thereafter in all counties. Effective immediately.

LRB095 08521 BDD 28702 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 15-175 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

1 years 2004 through 2005, the maximum reduction shall be \$3,000  
2 in all counties. For taxable years 2006 and 2007 thereafter,  
3 the maximum reduction shall be \$3,500 in all counties and shall  
4 be \$4,000 for 2008, \$4,500 for 2009, and \$5,000 for 2010 and  
5 thereafter.

6 For land improved with an apartment building owned and  
7 operated as a cooperative, the maximum reduction from the value  
8 of the property, as equalized by the Department, shall be  
9 multiplied by the number of apartments or units occupied by a  
10 person 65 years of age or older who is liable, by contract with  
11 the owner or owners of record, for paying property taxes on the  
12 property and is an owner of record of a legal or equitable  
13 interest in the cooperative apartment building, other than a  
14 leasehold interest. For land improved with a life care  
15 facility, the maximum reduction from the value of the property,  
16 as equalized by the Department, shall be multiplied by the  
17 number of apartments or units occupied by persons 65 years of  
18 age or older, irrespective of any legal, equitable, or  
19 leasehold interest in the facility, who are liable, under a  
20 contract with the owner or owners of record of the facility,  
21 for paying property taxes on the property. In a cooperative or  
22 a life care facility where a homestead exemption has been  
23 granted, the cooperative association or the management firm of  
24 the cooperative or facility shall credit the savings resulting  
25 from that exemption only to the apportioned tax liability of  
26 the owner or resident who qualified for the exemption. Any

1 person who willfully refuses to so credit the savings shall be  
2 guilty of a Class B misdemeanor. Under this Section and  
3 Sections 15-175 and 15-176, "life care facility" means a  
4 facility as defined in Section 2 of the Life Care Facilities  
5 Act, with which the applicant for the homestead exemption has a  
6 life care contract as defined in that Act.

7 When a homestead exemption has been granted under this  
8 Section and the person qualifying subsequently becomes a  
9 resident of a facility licensed under the Nursing Home Care  
10 Act, the exemption shall continue so long as the residence  
11 continues to be occupied by the qualifying person's spouse if  
12 the spouse is 65 years of age or older, or if the residence  
13 remains unoccupied but is still owned by the person qualified  
14 for the homestead exemption.

15 A person who will be 65 years of age during the current  
16 assessment year shall be eligible to apply for the homestead  
17 exemption during that assessment year. Application shall be  
18 made during the application period in effect for the county of  
19 his residence.

20 Beginning with assessment year 2003, for taxes payable in  
21 2004, property that is first occupied as a residence after  
22 January 1 of any assessment year by a person who is eligible  
23 for the senior citizens homestead exemption under this Section  
24 must be granted a pro-rata exemption for the assessment year.  
25 The amount of the pro-rata exemption is the exemption allowed  
26 in the county under this Section divided by 365 and multiplied

1 by the number of days during the assessment year the property  
2 is occupied as a residence by a person eligible for the  
3 exemption under this Section. The chief county assessment  
4 officer must adopt reasonable procedures to establish  
5 eligibility for this pro-rata exemption.

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

15 The chief county assessment officer of each county with  
16 less than 3,000,000 inhabitants shall provide to each person  
17 allowed a homestead exemption under this Section a form to  
18 designate any other person to receive a duplicate of any notice  
19 of delinquency in the payment of taxes assessed and levied  
20 under this Code on the property of the person receiving the  
21 exemption. The duplicate notice shall be in addition to the  
22 notice required to be provided to the person receiving the  
23 exemption, and shall be given in the manner required by this  
24 Code. The person filing the request for the duplicate notice  
25 shall pay a fee of \$5 to cover administrative costs to the  
26 supervisor of assessments, who shall then file the executed

1 designation with the county collector. Notwithstanding any  
2 other provision of this Code to the contrary, the filing of  
3 such an executed designation requires the county collector to  
4 provide duplicate notices as indicated by the designation. A  
5 designation may be rescinded by the person who executed such  
6 designation at any time, in the manner and form required by the  
7 chief county assessment officer.

8 The assessor or chief county assessment officer may  
9 determine the eligibility of residential property to receive  
10 the homestead exemption provided by this Section by  
11 application, visual inspection, questionnaire or other  
12 reasonable methods. The determination shall be made in  
13 accordance with guidelines established by the Department.

14 In counties with less than 3,000,000 inhabitants, the  
15 county board may by resolution provide that if a person has  
16 been granted a homestead exemption under this Section, the  
17 person qualifying need not reapply for the exemption.

18 In counties with less than 3,000,000 inhabitants, if the  
19 assessor or chief county assessment officer requires annual  
20 application for verification of eligibility for an exemption  
21 once granted under this Section, the application shall be  
22 mailed to the taxpayer.

23 The assessor or chief county assessment officer shall  
24 notify each person who qualifies for an exemption under this  
25 Section that the person may also qualify for deferral of real  
26 estate taxes under the Senior Citizens Real Estate Tax Deferral

1 Act. The notice shall set forth the qualifications needed for  
2 deferral of real estate taxes, the address and telephone number  
3 of county collector, and a statement that applications for  
4 deferral of real estate taxes may be obtained from the county  
5 collector.

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

9 (Source: P.A. 93-511, eff. 8-11-03; 93-715, eff. 7-12-04;  
10 94-794, eff. 5-22-06.)

11 (35 ILCS 200/15-175)

12 Sec. 15-175. General homestead exemption. Except as  
13 provided in Section 15-176, homestead property is entitled to  
14 an annual homestead exemption limited, except as described here  
15 with relation to cooperatives, to a reduction in the equalized  
16 assessed value of homestead property equal to the increase in  
17 equalized assessed value for the current assessment year above  
18 the equalized assessed value of the property for 1977, up to  
19 the maximum reduction set forth below. If however, the 1977  
20 equalized assessed value upon which taxes were paid is  
21 subsequently determined by local assessing officials, the  
22 Property Tax Appeal Board, or a court to have been excessive,  
23 the equalized assessed value which should have been placed on  
24 the property for 1977 shall be used to determine the amount of  
25 the exemption.

1 Except as provided in Section 15-176, the maximum reduction  
2 before taxable year 2004 shall be \$4,500 in counties with  
3 3,000,000 or more inhabitants and \$3,500 in all other counties.  
4 Except as provided in Section 15-176, for taxable years 2004,  
5 2005, and 2006 ~~and thereafter~~, the maximum reduction shall be  
6 \$5,000 in all counties and shall be \$5,500 for 2007, \$6,000 for  
7 2008, \$6,500 for 2009, and \$7,000 for 2010 and thereafter in  
8 all counties. If a county has elected to subject itself to the  
9 provisions of Section 15-176 as provided in subsection (k) of  
10 that Section, then, for the first taxable year only after the  
11 provisions of Section 15-176 no longer apply, for owners (i)  
12 who have not been granted a senior citizens assessment freeze  
13 homestead exemption under Section 15-172 for the taxable year  
14 and (ii) whose qualified property has an assessed valuation  
15 that has increased by more than 20% over the previous assessed  
16 valuation of the property, there shall be an additional  
17 exemption of \$5,000 for owners with a household income of  
18 \$30,000 or less. For purposes of this paragraph, "household  
19 income" has the meaning set forth in this Section 15-175.

20 In counties with fewer than 3,000,000 inhabitants, if,  
21 based on the most recent assessment, the equalized assessed  
22 value of the homestead property for the current assessment year  
23 is greater than the equalized assessed value of the property  
24 for 1977, the owner of the property shall automatically receive  
25 the exemption granted under this Section in an amount equal to  
26 the increase over the 1977 assessment up to the maximum



1 reduction set forth in this Section.

2 If in any assessment year beginning with the 2000  
3 assessment year, homestead property has a pro-rata valuation  
4 under Section 9-180 resulting in an increase in the assessed  
5 valuation, a reduction in equalized assessed valuation equal to  
6 the increase in equalized assessed value of the property for  
7 the year of the pro-rata valuation above the equalized assessed  
8 value of the property for 1977 shall be applied to the property  
9 on a proportionate basis for the period the property qualified  
10 as homestead property during the assessment year. The maximum  
11 proportionate homestead exemption shall not exceed the maximum  
12 homestead exemption allowed in the county under this Section  
13 divided by 365 and multiplied by the number of days the  
14 property qualified as homestead property.

15 "Homestead property" under this Section includes  
16 residential property that is occupied by its owner or owners as  
17 his or their principal dwelling place, or that is a leasehold  
18 interest on which a single family residence is situated, which  
19 is occupied as a residence by a person who has an ownership  
20 interest therein, legal or equitable or as a lessee, and on  
21 which the person is liable for the payment of property taxes.  
22 For land improved with an apartment building owned and operated  
23 as a cooperative or a building which is a life care facility as  
24 defined in Section 15-170 and considered to be a cooperative  
25 under Section 15-170, the maximum reduction from the equalized  
26 assessed value shall be limited to the increase in the value

1 above the equalized assessed value of the property for 1977, up  
2 to the maximum reduction set forth above, multiplied by the  
3 number of apartments or units occupied by a person or persons  
4 who is liable, by contract with the owner or owners of record,  
5 for paying property taxes on the property and is an owner of  
6 record of a legal or equitable interest in the cooperative  
7 apartment building, other than a leasehold interest. For  
8 purposes of this Section, the term "life care facility" has the  
9 meaning stated in Section 15-170.

10 "Household", as used in this Section, means the owner, the  
11 spouse of the owner, and all persons using the residence of the  
12 owner as their principal place of residence.

13 "Household income", as used in this Section, means the  
14 combined income of the members of a household for the calendar  
15 year preceding the taxable year.

16 "Income", as used in this Section, has the same meaning as  
17 provided in Section 3.07 of the Senior Citizens and Disabled  
18 Persons Property Tax Relief and Pharmaceutical Assistance Act,  
19 except that "income" does not include veteran's benefits.

20 In a cooperative where a homestead exemption has been  
21 granted, the cooperative association or its management firm  
22 shall credit the savings resulting from that exemption only to  
23 the apportioned tax liability of the owner who qualified for  
24 the exemption. Any person who willfully refuses to so credit  
25 the savings shall be guilty of a Class B misdemeanor.

26 Where married persons maintain and reside in separate

1 residences qualifying as homestead property, each residence  
2 shall receive 50% of the total reduction in equalized assessed  
3 valuation provided by this Section.

4 In all counties, the assessor or chief county assessment  
5 officer may determine the eligibility of residential property  
6 to receive the homestead exemption and the amount of the  
7 exemption by application, visual inspection, questionnaire or  
8 other reasonable methods. The determination shall be made in  
9 accordance with guidelines established by the Department,  
10 provided that the taxpayer applying for an additional general  
11 exemption under this Section shall submit to the chief county  
12 assessment officer an application with an affidavit of the  
13 applicant's total household income, age, marital status (and,  
14 if married, the name and address of the applicant's spouse, if  
15 known), and principal dwelling place of members of the  
16 household on January 1 of the taxable year. The Department  
17 shall issue guidelines establishing a method for verifying the  
18 accuracy of the affidavits filed by applicants under this  
19 paragraph. The applications shall be clearly marked as  
20 applications for the Additional General Homestead Exemption.

21 In counties with fewer than 3,000,000 inhabitants, in the  
22 event of a sale of homestead property the homestead exemption  
23 shall remain in effect for the remainder of the assessment year  
24 of the sale. The assessor or chief county assessment officer  
25 may require the new owner of the property to apply for the  
26 homestead exemption for the following assessment year.

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

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

5           Section 99. Effective date. This Act takes effect upon  
6           becoming law.