

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 and by adding Section 15-167 as  
6 follows:

7 (35 ILCS 200/15-167 new)

8 Sec. 15-167. Returning Veterans' Homestead Exemption.

9 (a) A homestead exemption, limited to a reduction set forth  
10 under subsection (b), from the property's value, as equalized  
11 or assessed by the Department, is granted for property that is  
12 owned and occupied as a residence by a veteran returning from  
13 an armed conflict involving the armed forces of the United  
14 States who is liable for paying real estate taxes on the  
15 property and is an owner of record of the property or has a  
16 legal or equitable interest therein as evidenced by a written  
17 instrument, except for a leasehold interest, other than a  
18 leasehold interest of land on which a single family residence  
19 is located, which is occupied as a residence by a veteran  
20 returning from an armed conflict involving the armed forces of  
21 the United States who has an ownership interest therein, legal,  
22 equitable or as a lessee, and on which he or she is liable for  
23 the payment of property taxes. For purposes of the exemption

1 under this Section, "veteran" means an Illinois resident who  
2 has served as a member of the United States Armed Forces, a  
3 member of the Illinois National Guard, or a member of the  
4 United States Reserve Forces.

5 (b) In all counties, the reduction is \$5,000 and only for  
6 the tax year in which the veteran returns from active duty in  
7 an armed conflict involving the armed forces of the United  
8 States. For land improved with an apartment building owned and  
9 operated as a cooperative, the maximum reduction from the value  
10 of the property, as equalized by the Department, must be  
11 multiplied by the number of apartments or units occupied by a  
12 veteran returning from an armed conflict involving the armed  
13 forces of the United States who is liable, by contract with the  
14 owner or owners of record, for paying property taxes on the  
15 property and is an owner of record of a legal or equitable  
16 interest in the cooperative apartment building, other than a  
17 leasehold interest. In a cooperative where a homestead  
18 exemption has been granted, the cooperative association or the  
19 management firm of the cooperative or facility shall credit the  
20 savings resulting from that exemption only to the apportioned  
21 tax liability of the owner or resident who qualified for the  
22 exemption. Any person who willfully refuses to so credit the  
23 savings is guilty of a Class B misdemeanor.

24 (c) Application must be made during the application period  
25 in effect for the county of his or her residence. The assessor  
26 or chief county assessment officer may determine the

1 eligibility of residential property to receive the homestead  
2 exemption provided by this Section by application, visual  
3 inspection, questionnaire, or other reasonable methods. The  
4 determination must be made in accordance with guidelines  
5 established by the Department.

6 (d) The exemption under this Section is in addition to any  
7 other homestead provided in Sections 15-170 through 15-176.  
8 Notwithstanding Sections 6 and 8 of the State Mandates Act, no  
9 reimbursement by the State is required for the implementation  
10 of any mandate created by this Section.

11 (35 ILCS 200/15-170)

12 Sec. 15-170. Senior Citizens Homestead Exemption. An  
13 annual homestead exemption limited, except as described here  
14 with relation to cooperatives or life care facilities, to a  
15 maximum reduction set forth below from the property's value, as  
16 equalized or assessed by the Department, is granted for  
17 property that is occupied as a residence by a person 65 years  
18 of age or older who is liable for paying real estate taxes on  
19 the property and is an owner of record of the property or has a  
20 legal or equitable interest therein as evidenced by a written  
21 instrument, except for a leasehold interest, other than a  
22 leasehold interest of land on which a single family residence  
23 is located, which is occupied as a residence by a person 65  
24 years or older who has an ownership interest therein, legal,  
25 equitable or as a lessee, and on which he or she is liable for

1 the payment of property taxes. Before taxable year 2004, the  
2 maximum reduction shall be \$2,500 in counties with 3,000,000 or  
3 more inhabitants and \$2,000 in all other counties. For taxable  
4 years 2004 through 2005, the maximum reduction shall be \$3,000  
5 in all counties. For taxable years 2006 and thereafter, the  
6 maximum reduction shall be \$3,500 in all counties.

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

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

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

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

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

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

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

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

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

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

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

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

24 The assessor or chief county assessment officer shall  
25 notify each person who qualifies for an exemption under this  
26 Section that the person may also qualify for deferral of real

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

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

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

12 (35 ILCS 200/15-176)

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

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

21 (b) As used in this Section:

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

24 (2) "Adjusted homestead value" means the lesser of the  
25 following values:

1 (A) The property's base homestead value increased  
2 by 7% for each tax year after the base year through and  
3 including the current tax year, or, if the property is  
4 sold or ownership is otherwise transferred, the  
5 property's base homestead value increased by 7% for  
6 each tax year after the year of the sale or transfer  
7 through and including the current tax year. The  
8 increase by 7% each year is an increase by 7% over the  
9 prior year.

10 (B) The property's equalized assessed value for  
11 the current tax year minus: (i) \$4,500 in Cook County  
12 or \$3,500 in all other counties in tax year 2003; ~~or~~  
13 (ii) \$5,000 in all counties in tax years ~~year~~ 2004 and  
14 2005; and (iii) the lesser of \$5,000 or an amount equal  
15 to the increase in the equalized assessed value for the  
16 current tax year above the equalized assessed value for  
17 1977 in tax year 2006 and thereafter.

18 (3) "Base homestead value".

19 (A) Except as provided in subdivision (b) (3) (A-5)  
20 or (b) (3) (B), "base homestead value" means the  
21 equalized assessed value of the property for the base  
22 year prior to exemptions, minus (i) \$4,500 in Cook  
23 County or \$3,500 in all other counties in tax year 2003  
24 or (ii) \$5,000 in all counties in tax year 2004 and  
25 thereafter, provided that it was assessed for that year  
26 as 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 (A-5) On or before July 1, 2007, in Cook County,  
12 the base homestead value, as set forth under  
13 subdivision (b) (3) (A) and except as provided under  
14 subdivision (b) (3) (B), must be recalculated as the  
15 equalized assessed value of the property for the base  
16 year, prior to exemptions, minus:

17 (1) if the general assessment year for the  
18 property was 2003, the lesser of (i) \$4,500 or (ii)  
19 the amount equal to the increase in equalized  
20 assessed value for the 2002 tax year above the  
21 equalized assessed value for 1977;

22 (2) if the general assessment year for the  
23 property was 2004, the lesser of (i) \$4,500 or (ii)  
24 the amount equal to the increase in equalized  
25 assessed value for the 2003 tax year above the  
26 equalized assessed value for 1977;

1                   (3) if the general assessment year for the  
2                   property was 2005, the lesser of (i) \$5,000 or (ii)  
3                   the amount equal to the increase in equalized  
4                   assessed value for the 2004 tax year above the  
5                   equalized assessed value for 1977.

6                   (B) If the property is sold or ownership is  
7 otherwise transferred, other than sales or transfers  
8 between spouses or between a parent and a child, "base  
9 homestead value" means the equalized assessed value of  
10 the property at the time of the sale or transfer prior  
11 to exemptions, minus: (i) \$4,500 in Cook County or  
12 \$3,500 in all other counties in tax year 2003; ~~or~~ (ii)  
13 \$5,000 in all counties in tax years ~~year~~ 2004 and 2005;  
14 and (iii) the lesser of \$5,000 or an amount equal to  
15 the increase in the equalized assessed value for the  
16 current tax year above the equalized assessed value for  
17 1977 in tax year 2006 and thereafter, provided that it  
18 was assessed as residential property qualified for any  
19 of the homestead exemptions under Sections 15-170  
20 through 15-175 of this Code, then in force, and further  
21 provided that the property's assessment was not based  
22 on a reduced assessed value resulting from a temporary  
23 irregularity in the property.

24                   (3.5) "Base year" means (i) tax year 2002 in Cook  
25 County or (ii) tax year 2005 or 2006 ~~2002 or 2003~~ in all  
26 other counties in accordance with the designation made by

1 the county as provided in subsection (k).

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

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

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

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

23 (B) A homestead includes the dwelling place,  
24 appurtenant structures, and so much of the surrounding  
25 land constituting the parcel on which the dwelling  
26 place is situated as is used for residential purposes.

1           If the assessor has established a specific legal  
2           description for a portion of property constituting the  
3           homestead, then the homestead shall be limited to the  
4           property within that description.

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

7           (c) If the property did not have a residential equalized  
8           assessed value for the base year as provided in subdivision  
9           (b) (3) (A) of this Section, then the assessor shall first  
10          determine an initial value for the property by comparison with  
11          assessed values for the base year of other properties having  
12          physical and economic characteristics similar to those of the  
13          subject property, so that the initial value is uniform in  
14          relation to assessed values of those other properties for the  
15          base year. The product of the initial value multiplied by the  
16          equalized factor for the base year for homestead properties in  
17          that county, less: (i) \$4,500 in Cook County or \$3,500 in all  
18          other counties in tax years ~~year~~ 2003; ~~or~~ (ii) \$5,000 in all  
19          counties in tax year 2004 and 2005; and (iii) the lesser of  
20          \$5,000 or an amount equal to the increase in the equalized  
21          assessed value for the current tax year above the equalized  
22          assessed value for 1977 in tax year 2006 and thereafter, is the  
23          base homestead value.

24          For any tax year for which the assessor determines or  
25          adjusts an initial value and hence a base homestead value under  
26          this subsection (c), the initial value shall be subject to

1 review by the same procedures applicable to assessed values  
2 established under this Code for that tax year.

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

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

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

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

24 (4) the recalculation required in Cook County under  
25 subdivision (b) (3) (A-5).

26 (e) The amount of the exemption under this Section is the

1 equalized assessed value of the homestead property for the  
2 current tax year, minus the adjusted homestead value, with the  
3 following exceptions:

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

7 (i) 2005, if the general assessment year for the  
8 property is 2003;

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

11 (iii) 2007, if the general assessment year for the  
12 property is 2005.

13 Thereafter, in Cook County, the exemption under this  
14 Section shall not exceed \$60,000 for any taxable year.

15 (1.5) For all tax years in all other counties other  
16 than Cook County, the exemption under this Section shall  
17 not exceed \$60,000 for any taxable year.

18 (2) In the case of homestead property that also  
19 qualifies for the exemption under Section 15-172, the  
20 property is entitled to the exemption under this Section,  
21 limited to the amount of (i) \$4,500 in Cook County or  
22 \$3,500 in all other counties in tax year 2003 or (ii)  
23 \$5,000 in all counties in tax year 2004 and thereafter.

24 (f) In the case of an apartment building owned and operated  
25 as a cooperative, or as a life care facility, that contains  
26 residential units that qualify as homestead property under this

1 Section, the maximum cumulative exemption amount attributed to  
2 the entire building or facility shall not exceed the sum of the  
3 exemptions calculated for each qualified residential unit. The  
4 cooperative association, management firm, or other person or  
5 entity that manages or controls the cooperative apartment  
6 building or life care facility shall credit the exemption  
7 attributable to each residential unit only to the apportioned  
8 tax liability of the owner or other person responsible for  
9 payment of taxes as to that unit. Any person who willfully  
10 refuses to so credit the exemption is guilty of a Class B  
11 misdemeanor.

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

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

24 (i) The assessor may determine whether property qualifies  
25 as a homestead under this Section by application, visual  
26 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) In counties with 3,000,000 or more inhabitants, the  
8 provisions of this Section apply as follows:

9 (1) If the general assessment year for the property is  
10 2003, this Section applies for assessment years 2003, 2004,  
11 ~~and 2005, 2006, 2007, and 2008~~. Thereafter, the provisions  
12 of Section 15-175 apply.

13 (2) If the general assessment year for the property is  
14 2004, this Section applies for assessment years 2004, 2005,  
15 ~~and 2006, 2007, 2008, and 2009~~. Thereafter, the provisions  
16 of Section 15-175 apply.

17 (3) If the general assessment year for the property is  
18 2005, this Section applies for assessment years 2005, 2006,  
19 ~~and 2007, 2008, 2009, and 2010~~. Thereafter, the provisions  
20 of Section 15-175 apply.

21 In counties with less than 3,000,000 inhabitants, this  
22 Section applies for assessment years (i) 2006, 2007, and 2008,  
23 and 2009 if tax year 2005 ~~2003, 2004, and 2005 if 2002~~ is the  
24 designated base year or (ii) 2007, 2008, 2009, and 2010 if tax  
25 year 2006 ~~2004, 2005, and 2006 if 2003~~ is the designated base  
26 year. Thereafter, the provisions of Section 15-175 apply.

1 (k) To be subject to the provisions of this Section in lieu  
2 of Section 15-175, a county must adopt an ordinance to subject  
3 itself to the provisions of this Section within 6 months after  
4 the effective date of this amendatory Act of the 95th General  
5 Assembly ~~93rd General Assembly~~. In a county other than Cook  
6 County, the ordinance must designate either tax year 2005 ~~2002~~  
7 or tax year 2006 ~~2003~~ as the base year.

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

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

12 Section 90. The State Mandates Act is amended by adding  
13 Section 8.31 as follows:

14 (30 ILCS 805/8.31 new)

15 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8  
16 of this Act, no reimbursement by the State is required for the  
17 implementation of any mandate created by this amendatory Act of  
18 the 95th General Assembly.

19 Section 99. Effective date. This Act takes effect upon  
20 becoming law.