

HB0238



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0238

Introduced 1/20/2009, by Rep. Jil Tracy

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-170
35 ILCS 200/15-172

Amends the Property Tax Code. Provides that the Senior Citizens Homestead Exemption and the Senior Citizens Assessment Freeze Homestead Exemption continue if the taxpayer becomes a resident of a facility licensed under the Assisted Living and Shared Housing Act.

LRB096 03174 HLH 13191 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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 15-172 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, the maximum
3 reduction shall be \$3,500 and, for taxable years 2008 and
4 thereafter, the maximum reduction is \$4,000 in all counties.

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

1 guilty of a Class B misdemeanor. Under this Section and
2 Sections 15-175, 15-176, and 15-177, "life care facility" means
3 a facility, as defined in Section 2 of the Life Care Facilities
4 Act, with which the applicant for the homestead exemption has a
5 life care contract as defined in that Act.

6 When a homestead exemption has been granted under this
7 Section and the person qualifying subsequently becomes a
8 resident of a facility licensed under the Assisted Living and
9 Shared Housing Act or the Nursing Home Care Act, the exemption
10 shall continue so long as the residence continues to be
11 occupied by the qualifying person's spouse if the spouse is 65
12 years of age or older, or if the residence remains unoccupied
13 but is still owned by the person qualified for the homestead
14 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. 94-794, eff. 5-22-06; 95-644, eff. 10-12-07;
10 95-876, eff. 8-21-08.)

11 (35 ILCS 200/15-172)

12 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
13 Exemption.

14 (a) This Section may be cited as the Senior Citizens
15 Assessment Freeze Homestead Exemption.

16 (b) As used in this Section:

17 "Applicant" means an individual who has filed an
18 application under this Section.

19 "Base amount" means the base year equalized assessed value
20 of the residence plus the first year's equalized assessed value
21 of any added improvements which increased the assessed value of
22 the residence after the base year.

23 "Base year" means the taxable year prior to the taxable
24 year for which the applicant first qualifies and applies for
25 the exemption provided that in the prior taxable year the

1 property was improved with a permanent structure that was
2 occupied as a residence by the applicant who was liable for
3 paying real property taxes on the property and who was either
4 (i) an owner of record of the property or had legal or
5 equitable interest in the property as evidenced by a written
6 instrument or (ii) had a legal or equitable interest as a
7 lessee in the parcel of property that was single family
8 residence. If in any subsequent taxable year for which the
9 applicant applies and qualifies for the exemption the equalized
10 assessed value of the residence is less than the equalized
11 assessed value in the existing base year (provided that such
12 equalized assessed value is not based on an assessed value that
13 results from a temporary irregularity in the property that
14 reduces the assessed value for one or more taxable years), then
15 that subsequent taxable year shall become the base year until a
16 new base year is established under the terms of this paragraph.
17 For taxable year 1999 only, the Chief County Assessment Officer
18 shall review (i) all taxable years for which the applicant
19 applied and qualified for the exemption and (ii) the existing
20 base year. The assessment officer shall select as the new base
21 year the year with the lowest equalized assessed value. An
22 equalized assessed value that is based on an assessed value
23 that results from a temporary irregularity in the property that
24 reduces the assessed value for one or more taxable years shall
25 not be considered the lowest equalized assessed value. The
26 selected year shall be the base year for taxable year 1999 and

1 thereafter until a new base year is established under the terms
2 of this paragraph.

3 "Chief County Assessment Officer" means the County
4 Assessor or Supervisor of Assessments of the county in which
5 the property is located.

6 "Equalized assessed value" means the assessed value as
7 equalized by the Illinois Department of Revenue.

8 "Household" means the applicant, the spouse of the
9 applicant, and all persons using the residence of the applicant
10 as their principal place of residence.

11 "Household income" means the combined income of the members
12 of a household for the calendar year preceding the taxable
13 year.

14 "Income" has the same meaning as provided in Section 3.07
15 of the Senior Citizens and Disabled Persons Property Tax Relief
16 and Pharmaceutical Assistance Act, except that, beginning in
17 assessment year 2001, "income" does not include veteran's
18 benefits.

19 "Internal Revenue Code of 1986" means the United States
20 Internal Revenue Code of 1986 or any successor law or laws
21 relating to federal income taxes in effect for the year
22 preceding the taxable year.

23 "Life care facility that qualifies as a cooperative" means
24 a facility as defined in Section 2 of the Life Care Facilities
25 Act.

26 "Maximum income limitation" means:

- 1 (1) \$35,000 prior to taxable year 1999;
- 2 (2) \$40,000 in taxable years 1999 through 2003;
- 3 (3) \$45,000 in taxable years 2004 through 2005;
- 4 (4) \$50,000 in taxable years 2006 and 2007; and
- 5 (5) \$55,000 in taxable year 2008 and thereafter.

6 "Residence" means the principal dwelling place and
7 appurtenant structures used for residential purposes in this
8 State occupied on January 1 of the taxable year by a household
9 and so much of the surrounding land, constituting the parcel
10 upon which the dwelling place is situated, as is used for
11 residential purposes. If the Chief County Assessment Officer
12 has established a specific legal description for a portion of
13 property constituting the residence, then that portion of
14 property shall be deemed the residence for the purposes of this
15 Section.

16 "Taxable year" means the calendar year during which ad
17 valorem property taxes payable in the next succeeding year are
18 levied.

19 (c) Beginning in taxable year 1994, a senior citizens
20 assessment freeze homestead exemption is granted for real
21 property that is improved with a permanent structure that is
22 occupied as a residence by an applicant who (i) is 65 years of
23 age or older during the taxable year, (ii) has a household
24 income that does not exceed the maximum income limitation,
25 (iii) is liable for paying real property taxes on the property,
26 and (iv) is an owner of record of the property or has a legal or

1 equitable interest in the property as evidenced by a written
2 instrument. This homestead exemption shall also apply to a
3 leasehold interest in a parcel of property improved with a
4 permanent structure that is a single family residence that is
5 occupied as a residence by a person who (i) is 65 years of age
6 or older during the taxable year, (ii) has a household income
7 that does not exceed the maximum income limitation, (iii) has a
8 legal or equitable ownership interest in the property as
9 lessee, and (iv) is liable for the payment of real property
10 taxes on that property.

11 In counties of 3,000,000 or more inhabitants, the amount of
12 the exemption for all taxable years is the equalized assessed
13 value of the residence in the taxable year for which
14 application is made minus the base amount. In all other
15 counties, the amount of the exemption is as follows: (i)
16 through taxable year 2005 and for taxable year 2007 and
17 thereafter, the amount of this exemption shall be the equalized
18 assessed value of the residence in the taxable year for which
19 application is made minus the base amount; and (ii) for taxable
20 year 2006, the amount of the exemption is as follows:

21 (1) For an applicant who has a household income of
22 \$45,000 or less, the amount of the exemption is the
23 equalized assessed value of the residence in the taxable
24 year for which application is made minus the base amount.

25 (2) For an applicant who has a household income
26 exceeding \$45,000 but not exceeding \$46,250, the amount of

1 the exemption is (i) the equalized assessed value of the
2 residence in the taxable year for which application is made
3 minus the base amount (ii) multiplied by 0.8.

4 (3) For an applicant who has a household income
5 exceeding \$46,250 but not exceeding \$47,500, the amount of
6 the exemption is (i) the equalized assessed value of the
7 residence in the taxable year for which application is made
8 minus the base amount (ii) multiplied by 0.6.

9 (4) For an applicant who has a household income
10 exceeding \$47,500 but not exceeding \$48,750, the amount of
11 the exemption is (i) the equalized assessed value of the
12 residence in the taxable year for which application is made
13 minus the base amount (ii) multiplied by 0.4.

14 (5) For an applicant who has a household income
15 exceeding \$48,750 but not exceeding \$50,000, the amount of
16 the exemption is (i) the equalized assessed value of the
17 residence in the taxable year for which application is made
18 minus the base amount (ii) multiplied by 0.2.

19 When the applicant is a surviving spouse of an applicant
20 for a prior year for the same residence for which an exemption
21 under this Section has been granted, the base year and base
22 amount for that residence are the same as for the applicant for
23 the prior year.

24 Each year at the time the assessment books are certified to
25 the County Clerk, the Board of Review or Board of Appeals shall
26 give to the County Clerk a list of the assessed values of

1 improvements on each parcel qualifying for this exemption that
2 were added after the base year for this parcel and that
3 increased the assessed value of the property.

4 In the case of land improved with an apartment building
5 owned and operated as a cooperative or a building that is a
6 life care facility that qualifies as a cooperative, the maximum
7 reduction from the equalized assessed value of the property is
8 limited to the sum of the reductions calculated for each unit
9 occupied as a residence by a person or persons (i) 65 years of
10 age or older, (ii) with a household income that does not exceed
11 the maximum income limitation, (iii) who is liable, by contract
12 with the owner or owners of record, for paying real property
13 taxes on the property, and (iv) who is an owner of record of a
14 legal or equitable interest in the cooperative apartment
15 building, other than a leasehold interest. In the instance of a
16 cooperative where a homestead exemption has been granted under
17 this Section, the cooperative association or its management
18 firm shall credit the savings resulting from that exemption
19 only to the apportioned tax liability of the owner who
20 qualified for the exemption. Any person who willfully refuses
21 to credit that savings to an owner who qualifies for the
22 exemption is guilty of a Class B misdemeanor.

23 When a homestead exemption has been granted under this
24 Section and an applicant then becomes a resident of a facility
25 licensed under the Assisted Living and Shared Housing Act or
26 the Nursing Home Care Act, the exemption shall be granted in

1 subsequent years so long as the residence (i) continues to be
2 occupied by the qualified applicant's spouse or (ii) if
3 remaining unoccupied, is still owned by the qualified applicant
4 for the homestead exemption.

5 Beginning January 1, 1997, when an individual dies who
6 would have qualified for an exemption under this Section, and
7 the surviving spouse does not independently qualify for this
8 exemption because of age, the exemption under this Section
9 shall be granted to the surviving spouse for the taxable year
10 preceding and the taxable year of the death, provided that,
11 except for age, the surviving spouse meets all other
12 qualifications for the granting of this exemption for those
13 years.

14 When married persons maintain separate residences, the
15 exemption provided for in this Section may be claimed by only
16 one of such persons and for only one residence.

17 For taxable year 1994 only, in counties having less than
18 3,000,000 inhabitants, to receive the exemption, a person shall
19 submit an application by February 15, 1995 to the Chief County
20 Assessment Officer of the county in which the property is
21 located. In counties having 3,000,000 or more inhabitants, for
22 taxable year 1994 and all subsequent taxable years, to receive
23 the exemption, a person may submit an application to the Chief
24 County Assessment Officer of the county in which the property
25 is located during such period as may be specified by the Chief
26 County Assessment Officer. The Chief County Assessment Officer

1 in counties of 3,000,000 or more inhabitants shall annually
2 give notice of the application period by mail or by
3 publication. In counties having less than 3,000,000
4 inhabitants, beginning with taxable year 1995 and thereafter,
5 to receive the exemption, a person shall submit an application
6 by July 1 of each taxable year to the Chief County Assessment
7 Officer of the county in which the property is located. A
8 county may, by ordinance, establish a date for submission of
9 applications that is different than July 1. The applicant shall
10 submit with the application an affidavit of the applicant's
11 total household income, age, marital status (and if married the
12 name and address of the applicant's spouse, if known), and
13 principal dwelling place of members of the household on January
14 1 of the taxable year. The Department shall establish, by rule,
15 a method for verifying the accuracy of affidavits filed by
16 applicants under this Section, and the Chief County Assessment
17 Officer may conduct audits of any taxpayer claiming an
18 exemption under this Section to verify that the taxpayer is
19 eligible to receive the exemption. Each application shall
20 contain or be verified by a written declaration that it is made
21 under the penalties of perjury. A taxpayer's signing a
22 fraudulent application under this Act is perjury, as defined in
23 Section 32-2 of the Criminal Code of 1961. The applications
24 shall be clearly marked as applications for the Senior Citizens
25 Assessment Freeze Homestead Exemption and must contain a notice
26 that any taxpayer who receives the exemption is subject to an

1 audit by the Chief County Assessment Officer.

2 Notwithstanding any other provision to the contrary, in
3 counties having fewer than 3,000,000 inhabitants, if an
4 applicant fails to file the application required by this
5 Section in a timely manner and this failure to file is due to a
6 mental or physical condition sufficiently severe so as to
7 render the applicant incapable of filing the application in a
8 timely manner, the Chief County Assessment Officer may extend
9 the filing deadline for a period of 30 days after the applicant
10 regains the capability to file the application, but in no case
11 may the filing deadline be extended beyond 3 months of the
12 original filing deadline. In order to receive the extension
13 provided in this paragraph, the applicant shall provide the
14 Chief County Assessment Officer with a signed statement from
15 the applicant's physician stating the nature and extent of the
16 condition, that, in the physician's opinion, the condition was
17 so severe that it rendered the applicant incapable of filing
18 the application in a timely manner, and the date on which the
19 applicant regained the capability to file the application.

20 Beginning January 1, 1998, notwithstanding any other
21 provision to the contrary, in counties having fewer than
22 3,000,000 inhabitants, if an applicant fails to file the
23 application required by this Section in a timely manner and
24 this failure to file is due to a mental or physical condition
25 sufficiently severe so as to render the applicant incapable of
26 filing the application in a timely manner, the Chief County

1 Assessment Officer may extend the filing deadline for a period
2 of 3 months. In order to receive the extension provided in this
3 paragraph, the applicant shall provide the Chief County
4 Assessment Officer with a signed statement from the applicant's
5 physician stating the nature and extent of the condition, and
6 that, in the physician's opinion, the condition was so severe
7 that it rendered the applicant incapable of filing the
8 application in a timely manner.

9 In counties having less than 3,000,000 inhabitants, if an
10 applicant was denied an exemption in taxable year 1994 and the
11 denial occurred due to an error on the part of an assessment
12 official, or his or her agent or employee, then beginning in
13 taxable year 1997 the applicant's base year, for purposes of
14 determining the amount of the exemption, shall be 1993 rather
15 than 1994. In addition, in taxable year 1997, the applicant's
16 exemption shall also include an amount equal to (i) the amount
17 of any exemption denied to the applicant in taxable year 1995
18 as a result of using 1994, rather than 1993, as the base year,
19 (ii) the amount of any exemption denied to the applicant in
20 taxable year 1996 as a result of using 1994, rather than 1993,
21 as the base year, and (iii) the amount of the exemption
22 erroneously denied for taxable year 1994.

23 For purposes of this Section, a person who will be 65 years
24 of age during the current taxable year shall be eligible to
25 apply for the homestead exemption during that taxable year.
26 Application shall be made during the application period in

1 effect for the county of his or her residence.

2 The Chief County Assessment Officer may determine the
3 eligibility of a life care facility that qualifies as a
4 cooperative to receive the benefits provided by this Section by
5 use of an affidavit, application, visual inspection,
6 questionnaire, or other reasonable method in order to insure
7 that the tax savings resulting from the exemption are credited
8 by the management firm to the apportioned tax liability of each
9 qualifying resident. The Chief County Assessment Officer may
10 request reasonable proof that the management firm has so
11 credited that exemption.

12 Except as provided in this Section, all information
13 received by the chief county assessment officer or the
14 Department from applications filed under this Section, or from
15 any investigation conducted under the provisions of this
16 Section, shall be confidential, except for official purposes or
17 pursuant to official procedures for collection of any State or
18 local tax or enforcement of any civil or criminal penalty or
19 sanction imposed by this Act or by any statute or ordinance
20 imposing a State or local tax. Any person who divulges any such
21 information in any manner, except in accordance with a proper
22 judicial order, is guilty of a Class A misdemeanor.

23 Nothing contained in this Section shall prevent the
24 Director or chief county assessment officer from publishing or
25 making available reasonable statistics concerning the
26 operation of the exemption contained in this Section in which

1 the contents of claims are grouped into aggregates in such a
2 way that information contained in any individual claim shall
3 not be disclosed.

4 (d) Each Chief County Assessment Officer shall annually
5 publish a notice of availability of the exemption provided
6 under this Section. The notice shall be published at least 60
7 days but no more than 75 days prior to the date on which the
8 application must be submitted to the Chief County Assessment
9 Officer of the county in which the property is located. The
10 notice shall appear in a newspaper of general circulation in
11 the county.

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

15 (Source: P.A. 94-794, eff. 5-22-06; 95-644, eff. 10-12-07.)