



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB3868

Introduced 2/26/2009, by Rep. Emily McAsey

SYNOPSIS AS INTRODUCED:

35 ILCS 200/14-20
35 ILCS 200/15-172
30 ILCS 805/8.33 new

Amends the Property Tax Code. Includes disabled persons within the provisions granting an assessment freeze homestead exemption to senior citizens. Changes the name to the Senior Citizens and Disabled Persons Assessment Freeze Homestead Exemption (now Senior Citizens Assessment Freeze Homestead Exemption). Makes corresponding changes to a cross-reference to the exemption. Amends the States Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 09857 JDS 20020 b

FISCAL NOTE ACT
MAY APPLY

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 14-20 and 15-172 as follows:

6 (35 ILCS 200/14-20)

7 Sec. 14-20. Certificate of error; counties of less than
8 3,000,000. In any county with less than 3,000,000 inhabitants,
9 if, at any time before judgment or order of sale is entered in
10 any proceeding to collect or to enjoin the collection of taxes
11 based upon any assessment of any property, the chief county
12 assessment officer discovers an error or mistake in the
13 assessment (other than errors of judgment as to the valuation
14 of the property), he or she shall issue to the person
15 erroneously assessed a certificate setting forth the nature of
16 the error and the cause or causes of the error. In any county
17 with less than 3,000,000 inhabitants, if an owner fails to file
18 an application for the Senior Citizens and Disabled Persons
19 Assessment Freeze Homestead Exemption provided in Section
20 15-172 during the previous assessment year and qualifies for
21 the exemption, the Chief County Assessment Officer pursuant to
22 this Section, or the Board of Review pursuant to Section 16-75,
23 shall issue a certificate of error setting forth the correct

1 taxable valuation of the property. The certificate, when
2 properly endorsed by the majority of the board of review,
3 showing their concurrence, and not otherwise, may be used in
4 evidence in any court of competent jurisdiction, and when so
5 introduced in evidence, shall become a part of the court record
6 and shall not be removed from the files except on an order of
7 the court.

8 (Source: P.A. 90-552, eff. 12-12-97; 91-377, eff. 7-30-99.)

9 (35 ILCS 200/15-172)

10 Sec. 15-172. Senior Citizens and Disabled Persons
11 Assessment Freeze Homestead Exemption.

12 (a) This Section may be cited as the Senior Citizens and
13 Disabled Persons Assessment Freeze Homestead Exemption.

14 (b) As used in this Section:

15 "Applicant" means an individual who has filed an
16 application under this Section.

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

21 "Base year" means the taxable year prior to the taxable
22 year for which the applicant first qualifies and applies for
23 the exemption provided that in the prior taxable year the
24 property was improved with a permanent structure that was
25 occupied as a residence by the applicant who was liable for

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

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

4 "Disabled person" means a person unable to engage in any
5 substantial gainful activity by reason of a medically
6 determinable physical or mental impairment that (i) can be
7 expected to result in death or (ii) has lasted or can be
8 expected to last for a continuous period of not less than 12
9 months. Disabled persons applying for the exemption under this
10 Section must submit proof of the disability in the manner
11 prescribed by the chief county assessment officer. Proof that
12 an applicant is eligible to receive disability benefits under
13 the federal Social Security Act constitutes proof of disability
14 for purposes of this Section. Issuance of an Illinois Disabled
15 Person Identification Card to the applicant stating that the
16 possessor is under a Class 2 disability, as defined in Section
17 4A of the Illinois Identification Card Act, constitutes proof
18 that the person is a disabled person for purposes of this
19 Section.

20 "Equalized assessed value" means the assessed value as
21 equalized by the Illinois Department of Revenue.

22 "Household" means the applicant, the spouse of the
23 applicant, and all persons using the residence of the applicant
24 as their principal place of residence.

25 "Household income" means the combined income of the members
26 of a household for the calendar year preceding the taxable

1 year.

2 "Income" has the same meaning as provided in Section 3.07
3 of the Senior Citizens and Disabled Persons Property Tax Relief
4 and Pharmaceutical Assistance Act, except that, beginning in
5 assessment year 2001, "income" does not include veteran's
6 benefits.

7 "Internal Revenue Code of 1986" means the United States
8 Internal Revenue Code of 1986 or any successor law or laws
9 relating to federal income taxes in effect for the year
10 preceding the taxable year.

11 "Life care facility that qualifies as a cooperative" means
12 a facility as defined in Section 2 of the Life Care Facilities
13 Act.

14 "Maximum income limitation" means:

- 15 (1) \$35,000 prior to taxable year 1999;
- 16 (2) \$40,000 in taxable years 1999 through 2003;
- 17 (3) \$45,000 in taxable years 2004 through 2005;
- 18 (4) \$50,000 in taxable years 2006 and 2007; and
- 19 (5) \$55,000 in taxable year 2008 and thereafter.

20 "Residence" means the principal dwelling place and
21 appurtenant structures used for residential purposes in this
22 State occupied on January 1 of the taxable year by a household
23 and so much of the surrounding land, constituting the parcel
24 upon which the dwelling place is situated, as is used for
25 residential purposes. If the Chief County Assessment Officer
26 has established a specific legal description for a portion of

1 property constituting the residence, then that portion of
2 property shall be deemed the residence for the purposes of this
3 Section.

4 "Taxable year" means the calendar year during which ad
5 valorem property taxes payable in the next succeeding year are
6 levied.

7 (c) Beginning in (1) taxable year 1994, for a senior
8 citizens and (2) taxable year 2009, for disabled persons, an
9 assessment freeze homestead exemption is granted for real
10 property that is improved with a permanent structure that is
11 occupied as a residence by an applicant who (i) is 65 years of
12 age or older, or a disabled person, during the taxable year,
13 (ii) has a household income that does not exceed the maximum
14 income limitation, (iii) is liable for paying real property
15 taxes on the property, and (iv) is an owner of record of the
16 property or has a legal or equitable interest in the property
17 as evidenced by a written instrument. This homestead exemption
18 shall also apply to a leasehold interest in a parcel of
19 property improved with a permanent structure that is a single
20 family residence that is occupied as a residence by a person
21 who (i) is 65 years of age or older, or a disabled person,
22 during the taxable year, (ii) has a household income that does
23 not exceed the maximum income limitation, (iii) has a legal or
24 equitable ownership interest in the property as lessee, and
25 (iv) is liable for the payment of real property taxes on that
26 property.

1 In counties of 3,000,000 or more inhabitants, the amount of
2 the exemption for all taxable years is the equalized assessed
3 value of the residence in the taxable year for which
4 application is made minus the base amount. In all other
5 counties, the amount of the exemption is as follows: (i)
6 through taxable year 2005 and for taxable year 2007 and
7 thereafter, the amount of this exemption shall be the equalized
8 assessed value of the residence in the taxable year for which
9 application is made minus the base amount; and (ii) for taxable
10 year 2006, the amount of the exemption is as follows:

11 (1) For an applicant who has a household income of
12 \$45,000 or less, the amount of the exemption is the
13 equalized assessed value of the residence in the taxable
14 year for which application is made minus the base amount.

15 (2) For an applicant who has a household income
16 exceeding \$45,000 but not exceeding \$46,250, the amount of
17 the exemption is (i) the equalized assessed value of the
18 residence in the taxable year for which application is made
19 minus the base amount (ii) multiplied by 0.8.

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

25 (4) For an applicant who has a household income
26 exceeding \$47,500 but not exceeding \$48,750, 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 0.4.

4 (5) For an applicant who has a household income
5 exceeding \$48,750 but not exceeding \$50,000, 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 0.2.

9 When the applicant is a surviving spouse of an applicant
10 for a prior year for the same residence for which an exemption
11 under this Section has been granted, the base year and base
12 amount for that residence are the same as for the applicant for
13 the prior year.

14 Each year at the time the assessment books are certified to
15 the County Clerk, the Board of Review or Board of Appeals shall
16 give to the County Clerk a list of the assessed values of
17 improvements on each parcel qualifying for this exemption that
18 were added after the base year for this parcel and that
19 increased the assessed value of the property.

20 In the case of land improved with an apartment building
21 owned and operated as a cooperative or a building that is a
22 life care facility that qualifies as a cooperative, the maximum
23 reduction from the equalized assessed value of the property is
24 limited to the sum of the reductions calculated for each unit
25 occupied as a residence by a person ~~or persons~~ (i) 65 years of
26 age or older, or a disabled person, (ii) with a household

1 income that does not exceed the maximum income limitation,
2 (iii) who is liable, by contract with the owner or owners of
3 record, for paying real property taxes on the property, and
4 (iv) who is an owner of record of a legal or equitable interest
5 in the cooperative apartment building, other than a leasehold
6 interest. In the instance of a cooperative where a homestead
7 exemption has been granted under this Section, the cooperative
8 association or its management firm shall credit the savings
9 resulting from that exemption only to the apportioned tax
10 liability of the owner who qualified for the exemption. Any
11 person who willfully refuses to credit that savings to an owner
12 who qualifies for the exemption is guilty of a Class B
13 misdemeanor.

14 When a homestead exemption has been granted under this
15 Section and an applicant then becomes a resident of a facility
16 licensed under the Nursing Home Care Act, the exemption shall
17 be granted in subsequent years so long as the residence (i)
18 continues to be occupied by the qualified applicant's spouse or
19 (ii) if remaining unoccupied, is still owned by the qualified
20 applicant for the homestead exemption.

21 Beginning January 1, 1997 for senior citizens and January
22 1, 2009 for disabled persons, when an individual dies who would
23 have qualified for an exemption under this Section, and the
24 surviving spouse does not independently qualify for this
25 exemption because of age or nondisability, the exemption under
26 this Section shall be granted to the surviving spouse for the

1 taxable year preceding and the taxable year of the death,
2 provided that, except for age or nondisability, the surviving
3 spouse meets all other qualifications for the granting of this
4 exemption for those years.

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

8 For taxable year 1994 only, in counties having less than
9 3,000,000 inhabitants, to receive the exemption, a person shall
10 submit an application by February 15, 1995 to the Chief County
11 Assessment Officer of the county in which the property is
12 located. In counties having 3,000,000 or more inhabitants, for
13 taxable year 1994 and all subsequent taxable years, to receive
14 the exemption, a person may submit an application to the Chief
15 County Assessment Officer of the county in which the property
16 is located during such period as may be specified by the Chief
17 County Assessment Officer. The Chief County Assessment Officer
18 in counties of 3,000,000 or more inhabitants shall annually
19 give notice of the application period by mail or by
20 publication. In counties having less than 3,000,000
21 inhabitants, beginning with taxable year 1995 and thereafter,
22 to receive the exemption, a person shall submit an application
23 by July 1 of each taxable year to the Chief County Assessment
24 Officer of the county in which the property is located. A
25 county may, by ordinance, establish a date for submission of
26 applications that is different than July 1. The applicant shall

1 submit with the application an affidavit of the applicant's
2 total household income, age, marital status (and if married the
3 name and address of the applicant's spouse, if known),
4 disability (if applying for the exemption as a disabled
5 person), and principal dwelling place of members of the
6 household on January 1 of the taxable year. The Department
7 shall establish, by rule, a method for verifying the accuracy
8 of affidavits filed by applicants under this Section, and the
9 Chief County Assessment Officer may conduct audits of any
10 taxpayer claiming an exemption under this Section to verify
11 that the taxpayer is eligible to receive the exemption. Each
12 application shall contain or be verified by a written
13 declaration that it is made under the penalties of perjury. A
14 taxpayer's signing a fraudulent application under this Act is
15 perjury, as defined in Section 32-2 of the Criminal Code of
16 1961. The applications shall be clearly marked as applications
17 for the Senior Citizens Assessment Freeze Homestead Exemption
18 and must contain a notice that any taxpayer who receives the
19 exemption is subject to an audit by the Chief County Assessment
20 Officer.

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

1 timely manner, the Chief County Assessment Officer may extend
2 the filing deadline for a period of 30 days after the applicant
3 regains the capability to file the application, but in no case
4 may the filing deadline be extended beyond 3 months of the
5 original filing deadline. In order to receive the extension
6 provided in this paragraph, the applicant shall provide the
7 Chief County Assessment Officer with a signed statement from
8 the applicant's physician stating the nature and extent of the
9 condition, that, in the physician's opinion, the condition was
10 so severe that it rendered the applicant incapable of filing
11 the application in a timely manner, and the date on which the
12 applicant regained the capability to file the application.

13 Beginning January 1, 1998, notwithstanding any other
14 provision to the contrary, in counties having fewer than
15 3,000,000 inhabitants, if an applicant fails to file the
16 application required by this Section in a timely manner and
17 this failure to file is due to a mental or physical condition
18 sufficiently severe so as to render the applicant incapable of
19 filing the application in a timely manner, the Chief County
20 Assessment Officer may extend the filing deadline for a period
21 of 3 months. In order to receive the extension provided in this
22 paragraph, the applicant shall provide the Chief County
23 Assessment Officer with a signed statement from the applicant's
24 physician stating the nature and extent of the condition, and
25 that, in the physician's opinion, the condition was so severe
26 that it rendered the applicant incapable of filing the

1 application in a timely manner.

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

16 For purposes of this Section, a person who will be 65 years
17 of age or is a disabled person during the current taxable year
18 shall be eligible to apply for the homestead exemption during
19 that taxable year. Application shall be made during the
20 application period in effect for the county of his or her
21 residence.

22 The Chief County Assessment Officer may determine the
23 eligibility of a life care facility that qualifies as a
24 cooperative to receive the benefits provided by this Section by
25 use of an affidavit, application, visual inspection,
26 questionnaire, or other reasonable method in order to insure

1 that the tax savings resulting from the exemption are credited
2 by the management firm to the apportioned tax liability of each
3 qualifying resident. The Chief County Assessment Officer may
4 request reasonable proof that the management firm has so
5 credited that exemption.

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

17 Nothing contained in this Section shall prevent the
18 Director or chief county assessment officer from publishing or
19 making available reasonable statistics concerning the
20 operation of the exemption contained in this Section in which
21 the contents of claims are grouped into aggregates in such a
22 way that information contained in any individual claim shall
23 not be disclosed.

24 (d) Each Chief County Assessment Officer shall annually
25 publish a notice of availability of the exemption provided
26 under this Section. The notice shall be published at least 60

1 days but no more than 75 days prior to the date on which the
2 application must be submitted to the Chief County Assessment
3 Officer of the county in which the property is located. The
4 notice shall appear in a newspaper of general circulation in
5 the county.

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 Section 90. The State Mandates Act is amended by adding
11 Section 8.33 as follows:

12 (30 ILCS 805/8.33 new)

13 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
14 of this Act, no reimbursement by the State is required for the
15 implementation of any mandate created by the Senior Citizens
16 and Disabled Persons Assessment Freeze Homestead Exemption
17 under Section 15-172 of the Property Tax Code.

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