



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5813

Introduced 2/10/2010, by Rep. Barbara Flynn Currie

SYNOPSIS AS INTRODUCED:

320 ILCS 30/2
320 ILCS 30/3

from Ch. 67 1/2, par. 452
from Ch. 67 1/2, par. 453

Amends the Senior Citizens Real Estate Tax Deferral Act. Beginning in tax year 2011, increases the taxpayer's income limit from \$50,000 to \$55,000. Provides that "qualified property" must not be held in trust, other than an Illinois land trust with the taxpayer identified as the sole beneficiary, if the taxpayer is filing for the program for the first time effective as of the January 1, 2010 assessment year or tax year 2011 and thereafter. Effective as of the January 1, 2010 assessment year or tax year 2011 and thereafter, provides that the total amount of any deferral shall not exceed \$5,000 per taxpayer in each tax year. Provides that if the county collector and recorder allow a transfer of property to occur without collecting deferred taxes and interest, then the Department of Revenue shall withhold, from future deferral payments to the county, the amount necessary to pay off the deferral account. Provides that interest on the account shall continue to accrue until such time that the Department is able to withhold the amount or until such time that the county pays the total amount due. Effective immediately.

LRB096 18421 HLH 33799 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning aging.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Senior Citizens Real Estate Tax Deferral Act
5 is amended by changing Sections 2 and 3 as follows:

6 (320 ILCS 30/2) (from Ch. 67 1/2, par. 452)

7 Sec. 2. Definitions. As used in this Act:

8 (a) "Taxpayer" means an individual whose household income
9 for the year is no greater than: (i) \$40,000 through tax year
10 2005; ~~and~~ (ii) \$50,000 for tax years ~~year~~ 2006 through 2010;
11 and (iii) \$55,000 for tax year 2011 and thereafter.

12 (b) "Tax deferred property" means the property upon which
13 real estate taxes are deferred under this Act.

14 (c) "Homestead" means the land and buildings thereon,
15 including a condominium or a dwelling unit in a multidwelling
16 building that is owned and operated as a cooperative, occupied
17 by the taxpayer as his residence or which are temporarily
18 unoccupied by the taxpayer because such taxpayer is temporarily
19 residing, for not more than 1 year, in a licensed facility as
20 defined in Section 1-113 of the Nursing Home Care Act.

21 (d) "Real estate taxes" or "taxes" means the taxes on real
22 property for which the taxpayer would be liable under the
23 Property Tax Code, including special service area taxes, and

1 special assessments on benefited real property for which the
2 taxpayer would be liable to a unit of local government.

3 (e) "Department" means the Department of Revenue.

4 (f) "Qualifying property" means a homestead which (a) the
5 taxpayer or the taxpayer and his spouse own in fee simple or
6 are purchasing in fee simple under a recorded instrument of
7 sale, (b) is not income-producing property, (c) is not subject
8 to a lien for unpaid real estate taxes when a claim under this
9 Act is filed, and (d) is not held in trust, other than an
10 Illinois land trust with the taxpayer identified as the sole
11 beneficiary, if the taxpayer is filing for the program for the
12 first time effective as of the January 1, 2010 assessment year
13 or tax year 2011 and thereafter.

14 (g) "Equity interest" means the current assessed valuation
15 of the qualified property times the fraction necessary to
16 convert that figure to full market value minus any outstanding
17 debts or liens on that property. In the case of qualifying
18 property not having a separate assessed valuation, the
19 appraised value as determined by a qualified real estate
20 appraiser shall be used instead of the current assessed
21 valuation.

22 (h) "Household income" has the meaning ascribed to that
23 term in the Senior Citizens and Disabled Persons Property Tax
24 Relief and Pharmaceutical Assistance Act.

25 (i) "Collector" means the county collector or, if the taxes
26 to be deferred are special assessments, an official designated

1 by a unit of local government to collect special assessments.

2 (Source: P.A. 94-794, eff. 5-22-06.)

3 (320 ILCS 30/3) (from Ch. 67 1/2, par. 453)

4 Sec. 3. A taxpayer may, on or before March 1 of each year,
5 apply to the county collector of the county where his
6 qualifying property is located, or to the official designated
7 by a unit of local government to collect special assessments on
8 the qualifying property, as the case may be, for a deferral of
9 all or a part of real estate taxes payable during that year for
10 the preceding year in the case of real estate taxes other than
11 special assessments, or for a deferral of any installments
12 payable during that year in the case of special assessments, on
13 all or part of his qualifying property. The application shall
14 be on a form prescribed by the Department and furnished by the
15 collector, (a) showing that the applicant will be 65 years of
16 age or older by June 1 of the year for which a tax deferral is
17 claimed, (b) describing the property and verifying that the
18 property is qualifying property as defined in Section 2, (c)
19 certifying that the taxpayer has owned and occupied as his
20 residence such property or other qualifying property in the
21 State for at least the last 3 years except for any periods
22 during which the taxpayer may have temporarily resided in a
23 nursing or sheltered care home, and (d) specifying whether the
24 deferral is for all or a part of the taxes, and, if for a part,
25 the amount of deferral applied for. As to qualifying property

1 not having a separate assessed valuation, the taxpayer shall
2 also file with the county collector a written appraisal of the
3 property prepared by a qualified real estate appraiser together
4 with a certificate signed by the appraiser stating that he has
5 personally examined the property and setting forth the value of
6 the land and the value of the buildings thereon occupied by the
7 taxpayer as his residence.

8 The collector shall grant the tax deferral provided such
9 deferral does not exceed funds available in the Senior Citizens
10 Real Estate Deferred Tax Revolving Fund and provided that the
11 owner or owners of such real property have entered into a tax
12 deferral and recovery agreement with the collector on behalf of
13 the county or other unit of local government, which agreement
14 expressly states:

15 (1) That the total amount of taxes deferred under this Act,
16 plus interest, for the year for which a tax deferral is claimed
17 as well as for those previous years for which taxes are not
18 delinquent and for which such deferral has been claimed may not
19 exceed 80% of the taxpayer's equity interest in the property
20 for which taxes are to be deferred and that, if the total
21 deferred taxes plus interest equals 80% of the taxpayer's
22 equity interest in the property, the taxpayer shall thereafter
23 pay the annual interest due on such deferred taxes plus
24 interest so that total deferred taxes plus interest will not
25 exceed such 80% of the taxpayer's equity interest in the
26 property. Effective as of the January 1, 2010 assessment year

1 or tax year 2011 and thereafter, the total amount of any such
2 deferral shall not exceed \$5,000 per taxpayer in each tax year.

3 (2) That any real estate taxes deferred under this Act and
4 any interest accrued thereon at the rate of 6% per year are a
5 lien on the real estate and improvements thereon until paid. No
6 sale or transfer of such real property may be legally closed
7 and recorded until the taxes which would otherwise have been
8 due on the property, plus accrued interest, have been paid
9 unless the collector certifies in writing that an arrangement
10 for prompt payment of the amount due has been made with his
11 office. The same shall apply if the property is to be made the
12 subject of a contract of sale. If the county collector and
13 recorder allow such a transfer to occur in violation of this
14 provision, then at the time of such a finding, the Department
15 shall withhold, from future deferral payments to the county,
16 the amount necessary to pay off the deferral account. Interest
17 on the account shall continue to accrue until such time that
18 the Department is able to withhold the amount or until such
19 time that the county pays the total amount due.

20 (3) That upon the death of the taxpayer claiming the
21 deferral the heirs-at-law, assignees or legatees shall have
22 first priority to the real property upon which taxes have been
23 deferred by paying in full the total taxes which would
24 otherwise have been due, plus interest. However, if such
25 heir-at-law, assignee, or legatee is a surviving spouse, the
26 tax deferred status of the property shall be continued during

1 the life of that surviving spouse if the spouse is 55 years of
2 age or older within 6 months of the date of death of the
3 taxpayer and enters into a tax deferral and recovery agreement
4 before the time when deferred taxes become due under this
5 Section. Any additional taxes deferred, plus interest, on the
6 real property under a tax deferral and recovery agreement
7 signed by a surviving spouse shall be added to the taxes and
8 interest which would otherwise have been due, and the payment
9 of which has been postponed during the life of such surviving
10 spouse, in determining the 80% equity requirement provided by
11 this Section.

12 (4) That if the taxes due, plus interest, are not paid by
13 the heir-at-law, assignee or legatee or if payment is not
14 postponed during the life of a surviving spouse, the deferred
15 taxes and interest shall be recovered from the estate of the
16 taxpayer within one year of the date of his death. In addition,
17 deferred real estate taxes and any interest accrued thereon are
18 due within 90 days after any tax deferred property ceases to be
19 qualifying property as defined in Section 2.

20 If payment is not made when required by this Section,
21 foreclosure proceedings may be instituted under the Property
22 Tax Code.

23 (5) That any joint owner has given written prior approval
24 for such agreement, which written approval shall be made a part
25 of such agreement.

26 (6) That a guardian for a person under legal disability

1 appointed for a taxpayer who otherwise qualifies under this Act
2 may act for the taxpayer in complying with this Act.

3 (7) That a taxpayer or his agent has provided to the
4 satisfaction of the collector, sufficient evidence that the
5 qualifying property on which the taxes are to be deferred is
6 insured against fire or casualty loss for at least the total
7 amount of taxes which have been deferred.

8 If the taxes to be deferred are special assessments, the
9 unit of local government making the assessments shall forward a
10 copy of the agreement entered into pursuant to this Section and
11 the bills for such assessments to the county collector of the
12 county in which the qualifying property is located.

13 (Source: P.A. 90-170, eff. 7-23-97; 91-357, eff. 7-29-99.)

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