



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB1518

Introduced 2/15/2011, 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 2012, 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, 2011 assessment year or tax year 2012 and thereafter. Effective as of the January 1, 2011 assessment year or tax year 2012 and thereafter, provides that the total amount of any deferral shall not exceed \$5,000 per taxpayer in each tax year. Effective immediately.

LRB097 06549 HLH 46633 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 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 2011;  
11 and (iii) \$55,000 for tax year 2012 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, 2011 assessment year  
13 or tax year 2012 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, 2011 assessment year

1 or tax year 2012 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.

13 (3) That upon the death of the taxpayer claiming the  
14 deferral the heirs-at-law, assignees or legatees shall have  
15 first priority to the real property upon which taxes have been  
16 deferred by paying in full the total taxes which would  
17 otherwise have been due, plus interest. However, if such  
18 heir-at-law, assignee, or legatee is a surviving spouse, the  
19 tax deferred status of the property shall be continued during  
20 the life of that surviving spouse if the spouse is 55 years of  
21 age or older within 6 months of the date of death of the  
22 taxpayer and enters into a tax deferral and recovery agreement  
23 before the time when deferred taxes become due under this  
24 Section. Any additional taxes deferred, plus interest, on the  
25 real property under a tax deferral and recovery agreement  
26 signed by a surviving spouse shall be added to the taxes and

1 interest which would otherwise have been due, and the payment  
2 of which has been postponed during the life of such surviving  
3 spouse, in determining the 80% equity requirement provided by  
4 this Section.

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

13 If payment is not made when required by this Section,  
14 foreclosure proceedings may be instituted under the Property  
15 Tax Code.

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

19 (6) That a guardian for a person under legal disability  
20 appointed for a taxpayer who otherwise qualifies under this Act  
21 may act for the taxpayer in complying with this Act.

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

1           If the taxes to be deferred are special assessments, the  
2           unit of local government making the assessments shall forward a  
3           copy of the agreement entered into pursuant to this Section and  
4           the bills for such assessments to the county collector of the  
5           county in which the qualifying property is located.

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

7           Section 99. Effective date. This Act takes effect upon  
8           becoming law.