



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3562

Introduced 2/24/2011, by Rep. Dwight Kay

SYNOPSIS AS INTRODUCED:

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

Amends the Property Tax Code. Provides that, if a person turns 70 years of age or older during the taxable year and he or she qualified for a Senior Citizens Assessment Freeze Homestead Exemption or a Senior Citizens Homestead Exemption in the previous taxable year, then the person qualifying need not reapply for the exemption. Effective immediately.

LRB097 06207 HLH 46282 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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, the Nursing Home Care Act, or the MR/DD
10 Community Care Act, the exemption shall continue so long as the
11 residence continues to be occupied by the qualifying person's
12 spouse if the spouse is 65 years of age or older, or if the
13 residence remains unoccupied but is still owned by the person
14 qualified for the homestead 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 If a person turns 70 years of age or older during the
21 taxable year, and he or she qualified for an exemption under
22 this Section in the previous taxable year, then the person
23 qualifying need not reapply for the exemption.

24 Beginning with assessment year 2003, for taxes payable in
25 2004, property that is first occupied as a residence after
26 January 1 of any assessment year by a person who is eligible

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

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

19 The chief county assessment officer of each county with
20 less than 3,000,000 inhabitants shall provide to each person
21 allowed a homestead exemption under this Section a form to
22 designate any other person to receive a duplicate of any notice
23 of delinquency in the payment of taxes assessed and levied
24 under this Code on the property of the person receiving the
25 exemption. The duplicate notice shall be in addition to the
26 notice required to be provided to the person receiving the

1 exemption, and shall be given in the manner required by this
2 Code. The person filing the request for the duplicate notice
3 shall pay a fee of \$5 to cover administrative costs to the
4 supervisor of assessments, who shall then file the executed
5 designation with the county collector. Notwithstanding any
6 other provision of this Code to the contrary, the filing of
7 such an executed designation requires the county collector to
8 provide duplicate notices as indicated by the designation. A
9 designation may be rescinded by the person who executed such
10 designation at any time, in the manner and form required by the
11 chief county assessment officer.

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

18 In counties with 3,000,000 or more inhabitants, beginning
19 in taxable year 2010, each taxpayer who has been granted an
20 exemption under this Section must reapply on an annual basis.
21 The chief county assessment officer shall mail the application
22 to the taxpayer. In counties with less than 3,000,000
23 inhabitants, the county board may by resolution provide that if
24 a person has been granted a homestead exemption under this
25 Section, the person qualifying need not reapply for the
26 exemption.

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

6 The assessor or chief county assessment officer shall
7 notify each person who qualifies for an exemption under this
8 Section that the person may also qualify for deferral of real
9 estate taxes under the Senior Citizens Real Estate Tax Deferral
10 Act. The notice shall set forth the qualifications needed for
11 deferral of real estate taxes, the address and telephone number
12 of county collector, and a statement that applications for
13 deferral of real estate taxes may be obtained from the county
14 collector.

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

18 (Source: P.A. 95-644, eff. 10-12-07; 95-876, eff. 8-21-08;
19 96-339, eff. 7-1-10; 96-355, eff. 1-1-10; 96-1000, eff. 7-2-10;
20 96-1418, eff. 8-2-10.)

21 (35 ILCS 200/15-172)

22 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
23 Exemption.

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

1 (b) As used in this Section:

2 "Applicant" means an individual who has filed an
3 application under this Section.

4 "Base amount" means the base year equalized assessed value
5 of the residence plus the first year's equalized assessed value
6 of any added improvements which increased the assessed value of
7 the residence after the base year.

8 "Base year" means the taxable year prior to the taxable
9 year for which the applicant first qualifies and applies for
10 the exemption provided that in the prior taxable year the
11 property was improved with a permanent structure that was
12 occupied as a residence by the applicant who was liable for
13 paying real property taxes on the property and who was either
14 (i) an owner of record of the property or had legal or
15 equitable interest in the property as evidenced by a written
16 instrument or (ii) had a legal or equitable interest as a
17 lessee in the parcel of property that was single family
18 residence. If in any subsequent taxable year for which the
19 applicant applies and qualifies for the exemption the equalized
20 assessed value of the residence is less than the equalized
21 assessed value in the existing base year (provided that such
22 equalized assessed value is not based on an assessed value that
23 results from a temporary irregularity in the property that
24 reduces the assessed value for one or more taxable years), then
25 that subsequent taxable year shall become the base year until a
26 new base year is established under the terms of this paragraph.

1 For taxable year 1999 only, the Chief County Assessment Officer
2 shall review (i) all taxable years for which the applicant
3 applied and qualified for the exemption and (ii) the existing
4 base year. The assessment officer shall select as the new base
5 year the year with the lowest equalized assessed value. An
6 equalized assessed value that is based on an assessed value
7 that results from a temporary irregularity in the property that
8 reduces the assessed value for one or more taxable years shall
9 not be considered the lowest equalized assessed value. The
10 selected year shall be the base year for taxable year 1999 and
11 thereafter until a new base year is established under the terms
12 of this paragraph.

13 "Chief County Assessment Officer" means the County
14 Assessor or Supervisor of Assessments of the county in which
15 the property is located.

16 "Equalized assessed value" means the assessed value as
17 equalized by the Illinois Department of Revenue.

18 "Household" means the applicant, the spouse of the
19 applicant, and all persons using the residence of the applicant
20 as their principal place of residence.

21 "Household income" means the combined income of the members
22 of a household for the calendar year preceding the taxable
23 year.

24 "Income" has the same meaning as provided in Section 3.07
25 of the Senior Citizens and Disabled Persons Property Tax Relief
26 and Pharmaceutical Assistance Act, except that, beginning in

1 assessment year 2001, "income" does not include veteran's
2 benefits.

3 "Internal Revenue Code of 1986" means the United States
4 Internal Revenue Code of 1986 or any successor law or laws
5 relating to federal income taxes in effect for the year
6 preceding the taxable year.

7 "Life care facility that qualifies as a cooperative" means
8 a facility as defined in Section 2 of the Life Care Facilities
9 Act.

10 "Maximum income limitation" means:

- 11 (1) \$35,000 prior to taxable year 1999;
- 12 (2) \$40,000 in taxable years 1999 through 2003;
- 13 (3) \$45,000 in taxable years 2004 through 2005;
- 14 (4) \$50,000 in taxable years 2006 and 2007; and
- 15 (5) \$55,000 in taxable year 2008 and thereafter.

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

26 "Taxable year" means the calendar year during which ad

1 valorem property taxes payable in the next succeeding year are
2 levied.

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

21 In counties of 3,000,000 or more inhabitants, the amount of
22 the exemption for all taxable years is the equalized assessed
23 value of the residence in the taxable year for which
24 application is made minus the base amount. In all other
25 counties, the amount of the exemption is as follows: (i)
26 through taxable year 2005 and for taxable year 2007 and

1 thereafter, the amount of this exemption shall be the equalized
2 assessed value of the residence in the taxable year for which
3 application is made minus the base amount; and (ii) for taxable
4 year 2006, the amount of the exemption is as follows:

5 (1) For an applicant who has a household income of
6 \$45,000 or less, the amount of the exemption is the
7 equalized assessed value of the residence in the taxable
8 year for which application is made minus the base amount.

9 (2) For an applicant who has a household income
10 exceeding \$45,000 but not exceeding \$46,250, 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 0.8.

14 (3) For an applicant who has a household income
15 exceeding \$46,250 but not exceeding \$47,500, 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 0.6.

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

24 (5) For an applicant who has a household income
25 exceeding \$48,750 but not exceeding \$50,000, the amount of
26 the exemption is (i) the equalized assessed value of the

1 residence in the taxable year for which application is made
2 minus the base amount (ii) multiplied by 0.2.

3 When the applicant is a surviving spouse of an applicant
4 for a prior year for the same residence for which an exemption
5 under this Section has been granted, the base year and base
6 amount for that residence are the same as for the applicant for
7 the prior year.

8 Each year at the time the assessment books are certified to
9 the County Clerk, the Board of Review or Board of Appeals shall
10 give to the County Clerk a list of the assessed values of
11 improvements on each parcel qualifying for this exemption that
12 were added after the base year for this parcel and that
13 increased the assessed value of the property.

14 In the case of land improved with an apartment building
15 owned and operated as a cooperative or a building that is a
16 life care facility that qualifies as a cooperative, the maximum
17 reduction from the equalized assessed value of the property is
18 limited to the sum of the reductions calculated for each unit
19 occupied as a residence by a person or persons (i) 65 years of
20 age or older, (ii) with a household income that does not exceed
21 the maximum income limitation, (iii) who is liable, by contract
22 with the owner or owners of record, for paying real property
23 taxes on the property, and (iv) who is an owner of record of a
24 legal or equitable interest in the cooperative apartment
25 building, other than a leasehold interest. In the instance of a
26 cooperative where a homestead exemption has been granted under

1 this Section, the cooperative association or its management
2 firm shall credit the savings resulting from that exemption
3 only to the apportioned tax liability of the owner who
4 qualified for the exemption. Any person who willfully refuses
5 to credit that savings to an owner who qualifies for the
6 exemption is guilty of a Class B misdemeanor.

7 When a homestead exemption has been granted under this
8 Section and an applicant then becomes a resident of a facility
9 licensed under the Assisted Living and Shared Housing Act, the
10 Nursing Home Care Act, or the MR/DD Community Care Act, the
11 exemption shall be granted in subsequent years so long as the
12 residence (i) continues to be occupied by the qualified
13 applicant's spouse or (ii) if remaining unoccupied, is still
14 owned by the qualified applicant for the homestead exemption.

15 Beginning January 1, 1997, when an individual dies who
16 would have qualified for an exemption under this Section, and
17 the surviving spouse does not independently qualify for this
18 exemption because of age, the exemption under this Section
19 shall be granted to the surviving spouse for the taxable year
20 preceding and the taxable year of the death, provided that,
21 except for age, the surviving spouse meets all other
22 qualifications for the granting of this exemption for those
23 years.

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

1 For taxable year 1994 only, in counties having less than
2 3,000,000 inhabitants, to receive the exemption, a person shall
3 submit an application by February 15, 1995 to the Chief County
4 Assessment Officer of the county in which the property is
5 located. In counties having 3,000,000 or more inhabitants, for
6 taxable year 1994 and all subsequent taxable years, to receive
7 the exemption, a person may submit an application to the Chief
8 County Assessment Officer of the county in which the property
9 is located during such period as may be specified by the Chief
10 County Assessment Officer. The Chief County Assessment Officer
11 in counties of 3,000,000 or more inhabitants shall annually
12 give notice of the application period by mail or by
13 publication. In counties having less than 3,000,000
14 inhabitants, beginning with taxable year 1995 and thereafter,
15 to receive the exemption, a person shall submit an application
16 by July 1 of each taxable year to the Chief County Assessment
17 Officer of the county in which the property is located. A
18 county may, by ordinance, establish a date for submission of
19 applications that is different than July 1. The applicant shall
20 submit with the application an affidavit of the applicant's
21 total household income, age, marital status (and if married the
22 name and address of the applicant's spouse, if known), and
23 principal dwelling place of members of the household on January
24 1 of the taxable year. The Department shall establish, by rule,
25 a method for verifying the accuracy of affidavits filed by
26 applicants under this Section, and the Chief County Assessment

1 Officer may conduct audits of any taxpayer claiming an
2 exemption under this Section to verify that the taxpayer is
3 eligible to receive the exemption. Each application shall
4 contain or be verified by a written declaration that it is made
5 under the penalties of perjury. A taxpayer's signing a
6 fraudulent application under this Act is perjury, as defined in
7 Section 32-2 of the Criminal Code of 1961. The applications
8 shall be clearly marked as applications for the Senior Citizens
9 Assessment Freeze Homestead Exemption and must contain a notice
10 that any taxpayer who receives the exemption is subject to an
11 audit by the Chief County Assessment Officer.

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

1 so severe that it rendered the applicant incapable of filing
2 the application in a timely manner, and the date on which the
3 applicant regained the capability to file the application.

4 Beginning January 1, 1998, notwithstanding any other
5 provision to the contrary, in counties having fewer than
6 3,000,000 inhabitants, if an applicant fails to file the
7 application required by this Section in a timely manner and
8 this failure to file is due to a mental or physical condition
9 sufficiently severe so as to render the applicant incapable of
10 filing the application in a timely manner, the Chief County
11 Assessment Officer may extend the filing deadline for a period
12 of 3 months. In order to receive the extension provided in this
13 paragraph, the applicant shall provide the Chief County
14 Assessment Officer with a signed statement from the applicant's
15 physician stating the nature and extent of the condition, and
16 that, in the physician's opinion, the condition was so severe
17 that it rendered the applicant incapable of filing the
18 application in a timely manner.

19 In counties having less than 3,000,000 inhabitants, if an
20 applicant was denied an exemption in taxable year 1994 and the
21 denial occurred due to an error on the part of an assessment
22 official, or his or her agent or employee, then beginning in
23 taxable year 1997 the applicant's base year, for purposes of
24 determining the amount of the exemption, shall be 1993 rather
25 than 1994. In addition, in taxable year 1997, the applicant's
26 exemption shall also include an amount equal to (i) the amount

1 of any exemption denied to the applicant in taxable year 1995
2 as a result of using 1994, rather than 1993, as the base year,
3 (ii) the amount of any exemption denied to the applicant in
4 taxable year 1996 as a result of using 1994, rather than 1993,
5 as the base year, and (iii) the amount of the exemption
6 erroneously denied for taxable year 1994.

7 For purposes of this Section, a person who will be 65 years
8 of age during the current taxable year shall be eligible to
9 apply for the homestead exemption during that taxable year.
10 Application shall be made during the application period in
11 effect for the county of his or her residence.

12 If a person turns 70 years of age or older during the
13 taxable year, and he or she qualified for an exemption under
14 this Section in the previous taxable year, then the person
15 qualifying need not reapply for the exemption.

16 The Chief County Assessment Officer may determine the
17 eligibility of a life care facility that qualifies as a
18 cooperative to receive the benefits provided by this Section by
19 use of an affidavit, application, visual inspection,
20 questionnaire, or other reasonable method in order to insure
21 that the tax savings resulting from the exemption are credited
22 by the management firm to the apportioned tax liability of each
23 qualifying resident. The Chief County Assessment Officer may
24 request reasonable proof that the management firm has so
25 credited that exemption.

26 Except as provided in this Section, all information

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

11 Nothing contained in this Section shall prevent the
12 Director or chief county assessment officer from publishing or
13 making available reasonable statistics concerning the
14 operation of the exemption contained in this Section in which
15 the contents of claims are grouped into aggregates in such a
16 way that information contained in any individual claim shall
17 not be disclosed.

18 (d) Each Chief County Assessment Officer shall annually
19 publish a notice of availability of the exemption provided
20 under this Section. The notice shall be published at least 60
21 days but no more than 75 days prior to the date on which the
22 application must be submitted to the Chief County Assessment
23 Officer of the county in which the property is located. The
24 notice shall appear in a newspaper of general circulation in
25 the county.

26 Notwithstanding Sections 6 and 8 of the State Mandates Act,

1 no reimbursement by the State is required for the
2 implementation of any mandate created by this Section.

3 (Source: P.A. 95-644, eff. 10-12-07; 96-339, eff. 7-1-10;
4 96-355, eff. 1-1-10; 96-1000, eff. 7-2-10.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.