



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3907

Introduced 12/11/2011, 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 14203 HLH 58910 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, the Specialized
10 Mental Health Rehabilitation Act, or the ID/DD Community Care
11 Act, the exemption shall continue so long as the residence
12 continues to be occupied by the qualifying person's spouse if
13 the spouse is 65 years of age or older, or if the residence
14 remains unoccupied but is still owned by the person qualified
15 for the homestead exemption.

16 A person who will be 65 years of age during the current
17 assessment year shall be eligible to apply for the homestead
18 exemption during that assessment year. Application shall be
19 made during the application period in effect for the county of
20 his residence.

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

25 Beginning with assessment year 2003, for taxes payable in
26 2004, property that is first occupied as a residence after

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

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

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

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

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

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

1 exemption.

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

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

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

19 (Source: P.A. 96-339, eff. 7-1-10; 96-355, eff. 1-1-10;
20 96-1000, eff. 7-2-10; 96-1418, eff. 8-2-10; 97-38, eff.
21 6-28-11; 97-227, eff. 1-1-12; revised 9-12-11.)

22 (35 ILCS 200/15-172)

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

25 (a) This Section may be cited as the Senior Citizens

1 Assessment Freeze Homestead Exemption.

2 (b) As used in this Section:

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

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

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

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

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

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

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

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

25 "Income" has the same meaning as provided in Section 3.07
26 of the Senior Citizens and Disabled Persons Property Tax Relief

1 and Pharmaceutical Assistance Act, except that, beginning in
2 assessment year 2001, "income" does not include veteran's
3 benefits.

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

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

11 "Maximum income limitation" means:

- 12 (1) \$35,000 prior to taxable year 1999;
- 13 (2) \$40,000 in taxable years 1999 through 2003;
- 14 (3) \$45,000 in taxable years 2004 through 2005;
- 15 (4) \$50,000 in taxable years 2006 and 2007; and
- 16 (5) \$55,000 in taxable year 2008 and thereafter.

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

1 "Taxable year" means the calendar year during which ad
2 valorem property taxes payable in the next succeeding year are
3 levied.

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

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

1 through taxable year 2005 and for taxable year 2007 and
2 thereafter, the amount of this exemption shall be the equalized
3 assessed value of the residence in the taxable year for which
4 application is made minus the base amount; and (ii) for taxable
5 year 2006, the amount of the exemption is as follows:

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

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

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

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

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

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

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

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

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

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

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

26 When married persons maintain separate residences, the

1 exemption provided for in this Section may be claimed by only
2 one of such persons and for only one residence.

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

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

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

1 the applicant's physician stating the nature and extent of the
2 condition, that, in the physician's opinion, the condition was
3 so severe that it rendered the applicant incapable of filing
4 the application in a timely manner, and the date on which the
5 applicant regained the capability to file the application.

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

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

1 than 1994. In addition, in taxable year 1997, the applicant's
2 exemption shall also include an amount equal to (i) the amount
3 of any exemption denied to the applicant in taxable year 1995
4 as a result of using 1994, rather than 1993, as the base year,
5 (ii) the amount of any exemption denied to the applicant in
6 taxable year 1996 as a result of using 1994, rather than 1993,
7 as the base year, and (iii) the amount of the exemption
8 erroneously denied for taxable year 1994.

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

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

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

1 credited that exemption.

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

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

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

1 the county.

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

5 (Source: P.A. 96-339, eff. 7-1-10; 96-355, eff. 1-1-10;
6 96-1000, eff. 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12;
7 revised 9-12-11.)

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