



Rep. Michael J. Zalewski

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LRB097 04207 HLH 56079 a

1 AMENDMENT TO SENATE BILL 395

2 AMENDMENT NO. _____. Amend Senate Bill 395 on page 1, line
3 5, after "10-380", by inserting "and by adding Section 9-275";
4 and

5 on page 1, immediately below line 5, by inserting the
6 following:

7 "(35 ILCS 200/9-275 new)

8 Sec. 9-275. Erroneous homestead exemptions.

9 (a) If, upon determination by the chief county assessment
10 officer, any person or entity that was not eligible to receive
11 a homestead exemption under Article 15 of this Code was granted
12 one homestead exemption in error for real property in any year
13 or years not to exceed the assessment year in which the
14 determination is made and 3 assessment years prior to that
15 year, then the chief county assessment officer may cause to be
16 served on the person to whom the most recent tax bill was

1 mailed a notice of intent to record a tax lien against the
2 property with respect to which the erroneous homestead
3 exemption was granted.

4 (b) If, upon determination by the chief county assessment
5 officer, any person or entity that was not eligible to receive
6 a homestead exemption under Article 15 of this Code was granted
7 2 homestead exemptions in error for real property in any year
8 or years not to exceed the assessment year in which the
9 determination is made and 3 assessment years prior to that
10 year, then the chief county assessment officer may cause to be
11 served on the person to whom the most recent tax bill was
12 mailed a notice of intent to record a tax lien against the
13 property with respect to which the erroneous homestead
14 exemption was granted.

15 (c) If, upon determination by the chief county assessment
16 officer, any person or entity that was not eligible to receive
17 a homestead exemption under Article 15 of this Code was granted
18 3 or more homestead exemptions in error for real property in
19 any year or years not to exceed the assessment year in which
20 the determination is made and 6 assessment years prior to that
21 year, then the chief county assessment officer may cause to be
22 served on the person to whom the most recent tax bill was
23 mailed a notice of intent to record a tax lien against the
24 property with respect to which the erroneous homestead
25 exemption was granted.

26 (d) The notice of intent to record a tax lien described in

1 subsections (a), (b), and (c) of this Section shall identify
2 the property against which the lien is being sought and shall
3 identify the assessment years in which the erroneous homestead
4 exemption was granted.

5 In counties with 3,000,000 or more inhabitants, the notice
6 must also include a form that the property owner may return to
7 the chief county assessment officer to request a hearing. The
8 property owner may request a hearing by returning the form
9 within 30 days after service. The hearing shall be held within
10 90 days after the property owner is served. The chief county
11 assessment officer shall promulgate rules of service and
12 procedure for the hearing. The chief county assessment officer
13 must generally follow rules of evidence and practices that
14 prevail in the county circuit courts, but, because of the
15 nature of these proceedings, the chief county assessment
16 officer is not bound by those rules in all particulars. The
17 chief county assessment officer shall appoint a hearing officer
18 to oversee the hearing. The property owner shall be allowed to
19 present evidence to the hearing officer at the hearing. After
20 taking into consideration all the relevant testimony and
21 evidence, the hearing officer shall make an administrative
22 decision on whether the property owner was erroneously granted
23 a homestead exemption for the assessment year or years in
24 question. The property owner may appeal the hearing officer's
25 ruling to the circuit court of the county where the property is
26 located under the Administrative Review Law.

1 In counties with less than 3,000,000 million inhabitants,
2 the notice must also include a form that the property owner may
3 return to the board of review to request a hearing. The
4 property owner may request a hearing by returning the form
5 within 30 days after service. The hearing shall be held within
6 90 days after the property owner is served. The board of review
7 shall follow its normal practices and procedures in conducting
8 the hearing. The property owner shall be allowed to present
9 evidence to board of review. After taking into consideration
10 all of the relevant testimony and evidence, the board of review
11 shall issue a decision on whether the property owner was
12 erroneously granted a homestead exemption for the assessment
13 year or years in question. The property owner may appeal the
14 board of review's ruling to the circuit court of the county
15 where the property is located under the Administrative Review
16 Law.

17 (e) A lien imposed under this Section shall be filed with
18 the county clerk and the county recorder of deeds, but may not
19 be filed sooner than 45 days after the notice was delivered to
20 the property owner if the property owner does not request a
21 hearing, or, until the conclusion of the hearing and all
22 appeals if the property owner does request a hearing.

23 (1) When a lien is filed pursuant to subsection (a) of
24 this Section, the arrearages of taxes that might have been
25 assessed, plus 5% interest per annum, shall be charged
26 against the property by the county clerk.

1 (2) When a lien is filed pursuant to subsection (b) of
2 this Section, the arrearages of taxes that might have been
3 assessed, plus a penalty of 25% of the total amount of
4 unpaid taxes for each year and 10% interest per annum,
5 shall be charged against the property by the county clerk.

6 (3) When a lien is filed pursuant to subsection (c) of
7 this Section, the arrearages of taxes that might have been
8 assessed, plus a penalty of 40% of the total amount of
9 unpaid taxes for each year and 15% interest per annum,
10 shall be charged against the property by the county clerk.

11 (f) If the erroneous homestead exemption was granted as a
12 result of a clerical error or omission on the part of the chief
13 county assessment officer, and if the owner has paid its tax
14 bills as received for the year or years in which the error
15 occurred, then the interest and penalties authorized by this
16 Section shall not be chargeable to the owner. However, nothing
17 in this Section shall prevent the collection of the principal
18 amount of back taxes due and owing.

19 (g) If, at the hearing, the property owner establishes that
20 it is a bona fide purchaser of the property for value, and
21 without notice of the erroneous homestead exemption, the
22 property owner shall not be liable for any unpaid back taxes,
23 interest, or penalties for the period of time prior to the date
24 that the property owner purchased the property. A certified
25 title to the property that is issued by the county clerk or
26 county recorder of deeds and is free and clear of any liens

1 imposed under subsections (a), (b), or (c) of this Section,
2 shall be prima facie evidence that the property owner is
3 without notice of the erroneous homestead exemption.

4 (h) When a lien is filed pursuant to subsection (e) of this
5 Section, the chief county assessment officer shall mail a copy
6 of the lien to the person to whom the most recent tax was
7 mailed and the outstanding liability created by such a lien is
8 due and payable within 30 days after the mailing of the lien by
9 the chief county assessment officer. This liability is deemed
10 delinquent and shall bear interest beginning on the day after
11 the due date. Any such liability deemed delinquent after that
12 due date shall bear interest at the rate of 1.5% per month or
13 portion thereof until paid.

14 (i) The unpaid taxes shall be paid to the appropriate
15 taxing districts. Interest shall be paid to the county where
16 the property is located. The penalty shall be paid to the chief
17 county assessment officer's office for the administration of
18 the provisions of this amendatory Act of the 97th General
19 Assembly.

20 (j) For purposes of this Section, "homestead exemption"
21 means an exemption under Section 15-165 (disabled veterans),
22 15-167 (returning veterans), 15-169 (disabled veterans
23 standard homestead), 15-170 (senior citizens), 15-172 (senior
24 citizens assessment freeze), 15-175 (general homestead),
25 15-176 (alternative general homestead), or 15-177 (long-time
26 occupant)."