

HB2466



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2466

by Rep. David Harris

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Increases the maximum reduction under the General Homestead Exemption from \$6,000 to \$7,000 for taxable years 2012 and thereafter. Effective immediately.

LRB098 09371 HLH 39512 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT 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 Property Tax Code is amended by changing
5 Section 15-175 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption.

8 (a) Except as provided in Sections 15-176 and 15-177,
9 homestead property is entitled to an annual homestead exemption
10 limited, except as described here with relation to
11 cooperatives, to a reduction in the equalized assessed value of
12 homestead property equal to the increase in equalized assessed
13 value for the current assessment year above the equalized
14 assessed value of the property for 1977, up to the maximum
15 reduction set forth below. If however, the 1977 equalized
16 assessed value upon which taxes were paid is subsequently
17 determined by local assessing officials, the Property Tax
18 Appeal Board, or a court to have been excessive, the equalized
19 assessed value which should have been placed on the property
20 for 1977 shall be used to determine the amount of the
21 exemption.

22 (b) Except as provided in Section 15-176, the maximum
23 reduction before taxable year 2004 shall be \$4,500 in counties

1 with 3,000,000 or more inhabitants and \$3,500 in all other
2 counties. Except as provided in Sections 15-176 and 15-177, for
3 taxable years 2004 through 2007, the maximum reduction shall be
4 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,
5 ~~and, for taxable years 2009 through 2011 and thereafter,~~ the
6 maximum reduction is \$6,000 in all counties, and for taxable
7 years 2012 and thereafter, the maximum reduction is \$7,000 in
8 all counties. If a county has elected to subject itself to the
9 provisions of Section 15-176 as provided in subsection (k) of
10 that Section, then, for the first taxable year only after the
11 provisions of Section 15-176 no longer apply, for owners who,
12 for the taxable year, have not been granted a senior citizens
13 assessment freeze homestead exemption under Section 15-172 or a
14 long-time occupant homestead exemption under Section 15-177,
15 there shall be an additional exemption of \$5,000 for owners
16 with a household income of \$30,000 or less.

17 (c) In counties with fewer than 3,000,000 inhabitants, if,
18 based on the most recent assessment, the equalized assessed
19 value of the homestead property for the current assessment year
20 is greater than the equalized assessed value of the property
21 for 1977, the owner of the property shall automatically receive
22 the exemption granted under this Section in an amount equal to
23 the increase over the 1977 assessment up to the maximum
24 reduction set forth in this Section.

25 (d) If in any assessment year beginning with the 2000
26 assessment year, homestead property has a pro-rata valuation

1 under Section 9-180 resulting in an increase in the assessed
2 valuation, a reduction in equalized assessed valuation equal to
3 the increase in equalized assessed value of the property for
4 the year of the pro-rata valuation above the equalized assessed
5 value of the property for 1977 shall be applied to the property
6 on a proportionate basis for the period the property qualified
7 as homestead property during the assessment year. The maximum
8 proportionate homestead exemption shall not exceed the maximum
9 homestead exemption allowed in the county under this Section
10 divided by 365 and multiplied by the number of days the
11 property qualified as homestead property.

12 (e) The chief county assessment officer may, when
13 considering whether to grant a leasehold exemption under this
14 Section, require the following conditions to be met:

15 (1) that a notarized application for the exemption,
16 signed by both the owner and the lessee of the property,
17 must be submitted each year during the application period
18 in effect for the county in which the property is located;

19 (2) that a copy of the lease must be filed with the
20 chief county assessment officer by the owner of the
21 property at the time the notarized application is
22 submitted;

23 (3) that the lease must expressly state that the lessee
24 is liable for the payment of property taxes; and

25 (4) that the lease must include the following language
26 in substantially the following form:

1 "Lessee shall be liable for the payment of real
2 estate taxes with respect to the residence in
3 accordance with the terms and conditions of Section
4 15-175 of the Property Tax Code (35 ILCS 200/15-175).
5 The permanent real estate index number for the premises
6 is (insert number), and, according to the most recent
7 property tax bill, the current amount of real estate
8 taxes associated with the premises is (insert amount)
9 per year. The parties agree that the monthly rent set
10 forth above shall be increased or decreased pro rata
11 (effective January 1 of each calendar year) to reflect
12 any increase or decrease in real estate taxes. Lessee
13 shall be deemed to be satisfying Lessee's liability for
14 the above mentioned real estate taxes with the monthly
15 rent payments as set forth above (or increased or
16 decreased as set forth herein)."

17 In addition, if there is a change in lessee, or if the
18 lessee vacates the property, then the chief county assessment
19 officer may require the owner of the property to notify the
20 chief county assessment officer of that change.

21 This subsection (e) does not apply to leasehold interests
22 in property owned by a municipality.

23 (f) "Homestead property" under this Section includes
24 residential property that is occupied by its owner or owners as
25 his or their principal dwelling place, or that is a leasehold
26 interest on which a single family residence is situated, which

1 is occupied as a residence by a person who has an ownership
2 interest therein, legal or equitable or as a lessee, and on
3 which the person is liable for the payment of property taxes.
4 For land improved with an apartment building owned and operated
5 as a cooperative or a building which is a life care facility as
6 defined in Section 15-170 and considered to be a cooperative
7 under Section 15-170, the maximum reduction from the equalized
8 assessed value shall be limited to the increase in the value
9 above the equalized assessed value of the property for 1977, up
10 to the maximum reduction set forth above, multiplied by the
11 number of apartments or units occupied by a person or persons
12 who is liable, by contract with the owner or owners of record,
13 for paying property taxes on the property and is an owner of
14 record of a legal or equitable interest in the cooperative
15 apartment building, other than a leasehold interest. For
16 purposes of this Section, the term "life care facility" has the
17 meaning stated in Section 15-170.

18 "Household", as used in this Section, means the owner, the
19 spouse of the owner, and all persons using the residence of the
20 owner as their principal place of residence.

21 "Household income", as used in this Section, means the
22 combined income of the members of a household for the calendar
23 year preceding the taxable year.

24 "Income", as used in this Section, has the same meaning as
25 provided in Section 3.07 of the Senior Citizens and Disabled
26 Persons Property Tax Relief Act, except that "income" does not

1 include veteran's benefits.

2 (g) In a cooperative where a homestead exemption has been
3 granted, the cooperative association or its management firm
4 shall credit the savings resulting from that exemption only to
5 the apportioned tax liability of the owner who qualified for
6 the exemption. Any person who willfully refuses to so credit
7 the savings shall be guilty of a Class B misdemeanor.

8 (h) Where married persons maintain and reside in separate
9 residences qualifying as homestead property, each residence
10 shall receive 50% of the total reduction in equalized assessed
11 valuation provided by this Section.

12 (i) In all counties, the assessor or chief county
13 assessment officer may determine the eligibility of
14 residential property to receive the homestead exemption and the
15 amount of the exemption by application, visual inspection,
16 questionnaire or other reasonable methods. The determination
17 shall be made in accordance with guidelines established by the
18 Department, provided that the taxpayer applying for an
19 additional general exemption under this Section shall submit to
20 the chief county assessment officer an application with an
21 affidavit of the applicant's total household income, age,
22 marital status (and, if married, the name and address of the
23 applicant's spouse, if known), and principal dwelling place of
24 members of the household on January 1 of the taxable year. The
25 Department shall issue guidelines establishing a method for
26 verifying the accuracy of the affidavits filed by applicants

1 under this paragraph. The applications shall be clearly marked
2 as applications for the Additional General Homestead
3 Exemption.

4 (j) In counties with fewer than 3,000,000 inhabitants, in
5 the event of a sale of homestead property the homestead
6 exemption shall remain in effect for the remainder of the
7 assessment year of the sale. The assessor or chief county
8 assessment officer may require the new owner of the property to
9 apply for the homestead exemption for the following assessment
10 year.

11 (k) Notwithstanding Sections 6 and 8 of the State Mandates
12 Act, no reimbursement by the State is required for the
13 implementation of any mandate created by this Section.

14 (Source: P.A. 97-689, eff. 6-14-12; 97-1125, eff. 8-28-12;
15 revised 9-20-12.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.