



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2928

by Rep. Michael J. Zalewski

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-170
35 ILCS 200/15-175

Amends the Property Tax Code. In a Section concerning the Senior Citizens Homestead Exemption, provides that, for taxable years 2012 and thereafter, the maximum reduction is \$5,000 in all counties. Provides that the maximum reduction under the General Homestead Exemption is \$7,000 in Cook County and \$6,000 in all other counties. Effective immediately.

LRB098 09182 HLH 41591 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 15-175 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. For ~~and, for~~ taxable years 2008
4 through 2011 and thereafter, the maximum reduction is \$4,000 in
5 all counties. For taxable years 2012 and thereafter, the
6 maximum reduction is \$5,000 in all counties.

7 For land improved with an apartment building owned and
8 operated as a cooperative, the maximum reduction from the value
9 of the property, as equalized by the Department, shall be
10 multiplied by the number of apartments or units occupied by a
11 person 65 years of age or older who is liable, by contract with
12 the owner or owners of record, for paying property taxes on the
13 property and is an owner of record of a legal or equitable
14 interest in the cooperative apartment building, other than a
15 leasehold interest. For land improved with a life care
16 facility, the maximum reduction from the value of the property,
17 as equalized by the Department, shall be multiplied by the
18 number of apartments or units occupied by persons 65 years of
19 age or older, irrespective of any legal, equitable, or
20 leasehold interest in the facility, who are liable, under a
21 contract with the owner or owners of record of the facility,
22 for paying property taxes on the property. In a cooperative or
23 a life care facility where a homestead exemption has been
24 granted, the cooperative association or the management firm of
25 the cooperative or facility shall credit the savings resulting
26 from that exemption only to the apportioned tax liability of

1 the owner or resident who qualified for the exemption. Any
2 person who willfully refuses to so credit the savings shall be
3 guilty of a Class B misdemeanor. Under this Section and
4 Sections 15-175, 15-176, and 15-177, "life care facility" means
5 a facility, as defined in Section 2 of the Life Care Facilities
6 Act, with which the applicant for the homestead exemption has a
7 life care contract as defined in that Act.

8 When a homestead exemption has been granted under this
9 Section and the person qualifying subsequently becomes a
10 resident of a facility licensed under the Assisted Living and
11 Shared Housing Act, the Nursing Home Care Act, the Specialized
12 Mental Health Rehabilitation Act, or the ID/DD Community Care
13 Act, the exemption shall continue so long as the residence
14 continues to be occupied by the qualifying person's spouse if
15 the spouse is 65 years of age or older, or if the residence
16 remains unoccupied but is still owned by the person qualified
17 for the homestead exemption.

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

23 Beginning with assessment year 2003, for taxes payable in
24 2004, property that is first occupied as a residence after
25 January 1 of any assessment year by a person who is eligible
26 for the senior citizens homestead exemption under this Section

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

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

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

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

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

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

26 In counties with less than 3,000,000 inhabitants, if the

1 assessor or chief county assessment officer requires annual
2 application for verification of eligibility for an exemption
3 once granted under this Section, the application shall be
4 mailed to the taxpayer.

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

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

17 (Source: P.A. 96-339, eff. 7-1-10; 96-355, eff. 1-1-10;
18 96-1000, eff. 7-2-10; 96-1418, eff. 8-2-10; 97-38, eff.
19 6-28-11; 97-227, eff. 1-1-12; 97-813, eff. 7-13-12.)

20 (35 ILCS 200/15-175)

21 Sec. 15-175. General homestead exemption.

22 (a) Except as provided in Sections 15-176 and 15-177,
23 homestead property is entitled to an annual homestead exemption
24 limited, except as described here with relation to
25 cooperatives, to a reduction in the equalized assessed value of

1 homestead property equal to the increase in equalized assessed
2 value for the current assessment year above the equalized
3 assessed value of the property for 1977, up to the maximum
4 reduction set forth below. If however, the 1977 equalized
5 assessed value upon which taxes were paid is subsequently
6 determined by local assessing officials, the Property Tax
7 Appeal Board, or a court to have been excessive, the equalized
8 assessed value which should have been placed on the property
9 for 1977 shall be used to determine the amount of the
10 exemption.

11 (b) Except as provided in Section 15-176, the maximum
12 reduction before taxable year 2004 shall be \$4,500 in counties
13 with 3,000,000 or more inhabitants and \$3,500 in all other
14 counties. Except as provided in Sections 15-176 and 15-177, for
15 taxable years 2004 through 2007, the maximum reduction shall be
16 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,
17 and, for taxable years 2009 through 2011, ~~and thereafter,~~ the
18 maximum reduction is \$6,000 in all counties. For taxable years
19 2012 and thereafter, the maximum reduction is \$7,000 in
20 counties with 3,000,000 or more inhabitants and \$6,000 in all
21 other counties. If a county has elected to subject itself to
22 the provisions of Section 15-176 as provided in subsection (k)
23 of that Section, then, for the first taxable year only after
24 the provisions of Section 15-176 no longer apply, for owners
25 who, for the taxable year, have not been granted a senior
26 citizens assessment freeze homestead exemption under Section

1 15-172 or a long-time occupant homestead exemption under
2 Section 15-177, there shall be an additional exemption of
3 \$5,000 for owners with a household income of \$30,000 or less.

4 (c) In counties with fewer than 3,000,000 inhabitants, if,
5 based on the most recent assessment, the equalized assessed
6 value of the homestead property for the current assessment year
7 is greater than the equalized assessed value of the property
8 for 1977, the owner of the property shall automatically receive
9 the exemption granted under this Section in an amount equal to
10 the increase over the 1977 assessment up to the maximum
11 reduction set forth in this Section.

12 (d) If in any assessment year beginning with the 2000
13 assessment year, homestead property has a pro-rata valuation
14 under Section 9-180 resulting in an increase in the assessed
15 valuation, a reduction in equalized assessed valuation equal to
16 the increase in equalized assessed value of the property for
17 the year of the pro-rata valuation above the equalized assessed
18 value of the property for 1977 shall be applied to the property
19 on a proportionate basis for the period the property qualified
20 as homestead property during the assessment year. The maximum
21 proportionate homestead exemption shall not exceed the maximum
22 homestead exemption allowed in the county under this Section
23 divided by 365 and multiplied by the number of days the
24 property qualified as homestead property.

25 (e) The chief county assessment officer may, when
26 considering whether to grant a leasehold exemption under this

1 Section, require the following conditions to be met:

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

6 (2) that a copy of the lease must be filed with the
7 chief county assessment officer by the owner of the
8 property at the time the notarized application is
9 submitted;

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

12 (4) that the lease must include the following language
13 in substantially the following form:

14 "Lessee shall be liable for the payment of real
15 estate taxes with respect to the residence in
16 accordance with the terms and conditions of Section
17 15-175 of the Property Tax Code (35 ILCS 200/15-175).
18 The permanent real estate index number for the premises
19 is (insert number), and, according to the most recent
20 property tax bill, the current amount of real estate
21 taxes associated with the premises is (insert amount)
22 per year. The parties agree that the monthly rent set
23 forth above shall be increased or decreased pro rata
24 (effective January 1 of each calendar year) to reflect
25 any increase or decrease in real estate taxes. Lessee
26 shall be deemed to be satisfying Lessee's liability for

1 the above mentioned real estate taxes with the monthly
2 rent payments as set forth above (or increased or
3 decreased as set forth herein).".

4 In addition, if there is a change in lessee, or if the
5 lessee vacates the property, then the chief county assessment
6 officer may require the owner of the property to notify the
7 chief county assessment officer of that change.

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

10 (f) "Homestead property" under this Section includes
11 residential property that is occupied by its owner or owners as
12 his or their principal dwelling place, or that is a leasehold
13 interest on which a single family residence is situated, which
14 is occupied as a residence by a person who has an ownership
15 interest therein, legal or equitable or as a lessee, and on
16 which the person is liable for the payment of property taxes.
17 For land improved with an apartment building owned and operated
18 as a cooperative or a building which is a life care facility as
19 defined in Section 15-170 and considered to be a cooperative
20 under Section 15-170, the maximum reduction from the equalized
21 assessed value shall be limited to the increase in the value
22 above the equalized assessed value of the property for 1977, up
23 to the maximum reduction set forth above, multiplied by the
24 number of apartments or units occupied by a person or persons
25 who is liable, by contract with the owner or owners of record,
26 for paying property taxes on the property and is an owner of

1 record of a legal or equitable interest in the cooperative
2 apartment building, other than a leasehold interest. For
3 purposes of this Section, the term "life care facility" has the
4 meaning stated in Section 15-170.

5 "Household", as used in this Section, means the owner, the
6 spouse of the owner, and all persons using the residence of the
7 owner as their principal place of residence.

8 "Household income", as used in this Section, means the
9 combined income of the members of a household for the calendar
10 year preceding the taxable year.

11 "Income", as used in this Section, has the same meaning as
12 provided in Section 3.07 of the Senior Citizens and Disabled
13 Persons Property Tax Relief Act, except that "income" does not
14 include veteran's benefits.

15 (g) In a cooperative where a homestead exemption has been
16 granted, the cooperative association or its management firm
17 shall credit the savings resulting from that exemption only to
18 the apportioned tax liability of the owner who qualified for
19 the exemption. Any person who willfully refuses to so credit
20 the savings shall be guilty of a Class B misdemeanor.

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

25 (i) In all counties, the assessor or chief county
26 assessment officer may determine the eligibility of

1 residential property to receive the homestead exemption and the
2 amount of the exemption by application, visual inspection,
3 questionnaire or other reasonable methods. The determination
4 shall be made in accordance with guidelines established by the
5 Department, provided that the taxpayer applying for an
6 additional general exemption under this Section shall submit to
7 the chief county assessment officer an application with an
8 affidavit of the applicant's total household income, age,
9 marital status (and, if married, the name and address of the
10 applicant's spouse, if known), and principal dwelling place of
11 members of the household on January 1 of the taxable year. The
12 Department shall issue guidelines establishing a method for
13 verifying the accuracy of the affidavits filed by applicants
14 under this paragraph. The applications shall be clearly marked
15 as applications for the Additional General Homestead
16 Exemption.

17 (j) In counties with fewer than 3,000,000 inhabitants, in
18 the event of a sale of homestead property the homestead
19 exemption shall remain in effect for the remainder of the
20 assessment year of the sale. The assessor or chief county
21 assessment officer may require the new owner of the property to
22 apply for the homestead exemption for the following assessment
23 year.

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

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

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.