



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB4639

by Rep. Joe Sosnowski

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-10
35 ILCS 200/15-168
35 ILCS 200/15-169

Amends the Property Tax Code. Provides that taxpayers must reapply for the disabled persons' homestead exemption and the disabled veterans standard homestead exemption only if the chief county assessment officer requires an annual verification. Effective immediately.

LRB098 18003 HLH 53128 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 15-10, 15-168, and 15-169 as follows:

6 (35 ILCS 200/15-10)

7 Sec. 15-10. Exempt property; procedures for certification.

8 (a) All property granted an exemption by the Department
9 pursuant to the requirements of Section 15-5 and described in
10 the Sections following Section 15-30 and preceding Section
11 16-5, to the extent therein limited, is exempt from taxation.
12 In order to maintain that exempt status, the titleholder or the
13 owner of the beneficial interest of any property that is exempt
14 must file with the chief county assessment officer, on or
15 before January 31 of each year (May 31 in the case of property
16 exempted by Section 15-170), an affidavit stating whether there
17 has been any change in the ownership or use of the property,
18 the status of the owner-resident, the satisfaction by a
19 relevant hospital entity of the condition for an exemption
20 under Section 15-86, or that a disabled veteran who qualifies
21 under Section 15-165 owned and used the property as of January
22 1 of that year. The nature of any change shall be stated in the
23 affidavit. Failure to file an affidavit shall, in the

1 discretion of the assessment officer, constitute cause to
2 terminate the exemption of that property, notwithstanding any
3 other provision of this Code. Owners of 5 or more such exempt
4 parcels within a county may file a single annual affidavit in
5 lieu of an affidavit for each parcel. The assessment officer,
6 upon request, shall furnish an affidavit form to the owners, in
7 which the owner may state whether there has been any change in
8 the ownership or use of the property or status of the owner or
9 resident as of January 1 of that year. The owner of 5 or more
10 exempt parcels shall list all the properties giving the same
11 information for each parcel as required of owners who file
12 individual affidavits.

13 (b) However, titleholders or owners of the beneficial
14 interest in any property exempted under any of the following
15 provisions are not required to submit an annual filing under
16 this Section:

17 (1) Section 15-45 (burial grounds) in counties of less
18 than 3,000,000 inhabitants and owned by a not-for-profit
19 organization.

20 (2) Section 15-40.

21 (3) Section 15-50 (United States property).

22 (c) If there is a change in use or ownership, however,
23 notice must be filed pursuant to Section 15-20.

24 (d) An application for homestead exemptions shall be filed
25 as provided in Section 15-167 (returning veterans' homestead
26 exemption), Section 15-168 (disabled persons' homestead

1 exemption), Section 15-169 (disabled veterans standard
2 homestead exemption), Section 15-170 (senior citizens
3 homestead exemption), Section 15-172 (senior citizens
4 assessment freeze homestead exemption), and Sections 15-175
5 (general homestead exemption), 15-176 (general alternative
6 homestead exemption), and 15-177 (long-time occupant homestead
7 exemption), respectively.

8 (e) For purposes of determining satisfaction of the
9 condition for an exemption under Section 15-86:

10 (1) The "year for which exemption is sought" is the
11 year prior to the year in which the affidavit is due.

12 (2) The "hospital year" is the fiscal year of the
13 relevant hospital entity, or the fiscal year of one of the
14 hospitals in the hospital system if the relevant hospital
15 entity is a hospital system with members with different
16 fiscal years, that ends in the year prior to the year in
17 which the affidavit is due. However, if that fiscal year
18 ends 3 months or less before the date on which the
19 affidavit is due, the relevant hospital entity shall file
20 an interim affidavit based on the currently available
21 information, and shall file a supplemental affidavit
22 within 90 days of date on which the application was due, if
23 the information in the relevant hospital entity's audited
24 financial statements changes the interim affidavit's
25 statement concerning the entity's compliance with the
26 calculation required by Section 15-86.

1 (3) The affidavit shall be accompanied by an exhibit
2 prepared by the relevant hospital entity showing (A) the
3 value of the relevant hospital entity's services and
4 activities, if any, under items (1) through (7) of
5 subsection (e) of Section 15-86, stated separately for each
6 item, and (B) the value relating to the relevant hospital
7 entity's estimated property tax liability under paragraphs
8 (A), (B), and (C) of item (1) of subsection (g) of Section
9 15-86; under paragraphs (A), (B), and (C) of item (2) of
10 subsection (g) of Section 15-86; and under item (3) of
11 subsection (g) of Section 15-86.

12 (Source: P.A. 97-688, eff. 6-14-12.)

13 (35 ILCS 200/15-168)

14 Sec. 15-168. Disabled persons' homestead exemption.

15 (a) Beginning with taxable year 2007, an annual homestead
16 exemption is granted to disabled persons in the amount of
17 \$2,000, except as provided in subsection (c), to be deducted
18 from the property's value as equalized or assessed by the
19 Department of Revenue. The disabled person shall receive the
20 homestead exemption upon meeting the following requirements:

21 (1) The property must be occupied as the primary
22 residence by the disabled person.

23 (2) The disabled person must be liable for paying the
24 real estate taxes on the property.

25 (3) The disabled person must be an owner of record of

1 the property or have a legal or equitable interest in the
2 property as evidenced by a written instrument. In the case
3 of a leasehold interest in property, the lease must be for
4 a single family residence.

5 A person who is disabled during the taxable year is
6 eligible to apply for this homestead exemption during that
7 taxable year. Application must be made during the application
8 period in effect for the county of residence. If a homestead
9 exemption has been granted under this Section and the person
10 awarded the exemption subsequently becomes a resident of a
11 facility licensed under the Nursing Home Care Act, the
12 Specialized Mental Health Rehabilitation Act of 2013, or the
13 ID/DD Community Care Act, then the exemption shall continue (i)
14 so long as the residence continues to be occupied by the
15 qualifying person's spouse or (ii) if the residence remains
16 unoccupied but is still owned by the person qualified for the
17 homestead exemption.

18 (b) For the purposes of this Section, "disabled person"
19 means a person unable to engage in any substantial gainful
20 activity by reason of a medically determinable physical or
21 mental impairment which can be expected to result in death or
22 has lasted or can be expected to last for a continuous period
23 of not less than 12 months. Disabled persons filing claims
24 under this Act shall submit proof of disability in such form
25 and manner as the Department shall by rule and regulation
26 prescribe. Proof that a claimant is eligible to receive

1 disability benefits under the Federal Social Security Act shall
2 constitute proof of disability for purposes of this Act.
3 Issuance of an Illinois Person with a Disability Identification
4 Card stating that the claimant is under a Class 2 disability,
5 as defined in Section 4A of the Illinois Identification Card
6 Act, shall constitute proof that the person named thereon is a
7 disabled person for purposes of this Act. A disabled person not
8 covered under the Federal Social Security Act and not
9 presenting an Illinois Person with a Disability Identification
10 Card stating that the claimant is under a Class 2 disability
11 shall be examined by a physician designated by the Department,
12 and his status as a disabled person determined using the same
13 standards as used by the Social Security Administration. The
14 costs of any required examination shall be borne by the
15 claimant.

16 (c) For land improved with (i) an apartment building owned
17 and operated as a cooperative or (ii) a life care facility as
18 defined under Section 2 of the Life Care Facilities Act that is
19 considered to be a cooperative, the maximum reduction from the
20 value of the property, as equalized or assessed by the
21 Department, shall be multiplied by the number of apartments or
22 units occupied by a disabled person. The disabled person shall
23 receive the homestead exemption upon meeting the following
24 requirements:

25 (1) The property must be occupied as the primary
26 residence by the disabled person.

1 (2) The disabled person must be liable by contract with
2 the owner or owners of record for paying the apportioned
3 property taxes on the property of the cooperative or life
4 care facility. In the case of a life care facility, the
5 disabled person must be liable for paying the apportioned
6 property taxes under a life care contract as defined in
7 Section 2 of the Life Care Facilities Act.

8 (3) The disabled person must be an owner of record of a
9 legal or equitable interest in the cooperative apartment
10 building. A leasehold interest does not meet this
11 requirement.

12 If a homestead exemption is granted under this subsection, the
13 cooperative association or management firm shall credit the
14 savings resulting from the exemption to the apportioned tax
15 liability of the qualifying disabled person. The chief county
16 assessment officer may request reasonable proof that the
17 association or firm has properly credited the exemption. A
18 person who willfully refuses to credit an exemption to the
19 qualified disabled person is guilty of a Class B misdemeanor.

20 (d) The chief county assessment officer shall determine the
21 eligibility of property to receive the homestead exemption
22 according to guidelines established by the Department. If the
23 chief county assessment officer requires annual verification
24 of continued eligibility to receive the exemption ~~After a~~
25 ~~person has received an exemption under this Section,~~ an annual
26 verification of eligibility for the exemption shall be mailed

1 to the taxpayer.

2 In counties with fewer than 3,000,000 inhabitants, the
3 chief county assessment officer shall provide to each person
4 granted a homestead exemption under this Section a form to
5 designate any other person to receive a duplicate of any notice
6 of delinquency in the payment of taxes assessed and levied
7 under this Code on the person's qualifying property. The
8 duplicate notice shall be in addition to the notice required to
9 be provided to the person receiving the exemption and shall be
10 given in the manner required by this Code. The person filing
11 the request for the duplicate notice shall pay an
12 administrative fee of \$5 to the chief county assessment
13 officer. The assessment officer shall then file the executed
14 designation with the county collector, who shall issue the
15 duplicate notices as indicated by the designation. A
16 designation may be rescinded by the disabled person in the
17 manner required by the chief county assessment officer.

18 (e) A taxpayer who claims an exemption under Section 15-165
19 or 15-169 may not claim an exemption under this Section.

20 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-813,
21 eff. 7-13-12; 97-1064, eff. 1-1-13; 98-104, eff. 7-22-13.)

22 (35 ILCS 200/15-169)

23 Sec. 15-169. Disabled veterans standard homestead
24 exemption.

25 (a) Beginning with taxable year 2007, an annual homestead

1 exemption, limited to the amounts set forth in subsection (b),
2 is granted for property that is used as a qualified residence
3 by a disabled veteran.

4 (b) The amount of the exemption under this Section is as
5 follows:

6 (1) for veterans with a service-connected disability
7 of at least (i) 75% for exemptions granted in taxable years
8 2007 through 2009 and (ii) 70% for exemptions granted in
9 taxable year 2010 and each taxable year thereafter, as
10 certified by the United States Department of Veterans
11 Affairs, the annual exemption is \$5,000; and

12 (2) for veterans with a service-connected disability
13 of at least 50%, but less than (i) 75% for exemptions
14 granted in taxable years 2007 through 2009 and (ii) 70% for
15 exemptions granted in taxable year 2010 and each taxable
16 year thereafter, as certified by the United States
17 Department of Veterans Affairs, the annual exemption is
18 \$2,500.

19 (b-5) If a homestead exemption is granted under this
20 Section and the person awarded the exemption subsequently
21 becomes a resident of a facility licensed under the Nursing
22 Home Care Act or a facility operated by the United States
23 Department of Veterans Affairs, then the exemption shall
24 continue (i) so long as the residence continues to be occupied
25 by the qualifying person's spouse or (ii) if the residence
26 remains unoccupied but is still owned by the person who

1 qualified for the homestead exemption.

2 (c) The tax exemption under this Section carries over to
3 the benefit of the veteran's surviving spouse as long as the
4 spouse holds the legal or beneficial title to the homestead,
5 permanently resides thereon, and does not remarry. If the
6 surviving spouse sells the property, an exemption not to exceed
7 the amount granted from the most recent ad valorem tax roll may
8 be transferred to his or her new residence as long as it is
9 used as his or her primary residence and he or she does not
10 remarry.

11 (d) The exemption under this Section applies for taxable
12 year 2007 and thereafter. A taxpayer who claims an exemption
13 under Section 15-165 or 15-168 may not claim an exemption under
14 this Section.

15 (e) ~~Each taxpayer who has been granted an exemption under~~
16 ~~this Section must reapply on an annual basis.~~ Application must
17 be made during the application period in effect for the county
18 of his or her residence. The assessor or chief county
19 assessment officer may determine the eligibility of
20 residential property to receive the homestead exemption
21 provided by this Section by application, visual inspection,
22 questionnaire, or other reasonable methods. The determination
23 must be made in accordance with guidelines established by the
24 Department. If the chief county assessment officer requires
25 annual verification of continued eligibility to receive the
26 exemption, an annual verification of eligibility for the

1 exemption shall be mailed to the taxpayer.

2 (f) For the purposes of this Section:

3 "Qualified residence" means real property, but less any
4 portion of that property that is used for commercial purposes,
5 with an equalized assessed value of less than \$250,000 that is
6 the disabled veteran's primary residence. Property rented for
7 more than 6 months is presumed to be used for commercial
8 purposes.

9 "Veteran" means an Illinois resident who has served as a
10 member of the United States Armed Forces on active duty or
11 State active duty, a member of the Illinois National Guard, or
12 a member of the United States Reserve Forces and who has
13 received an honorable discharge.

14 (Source: P.A. 96-1298, eff. 1-1-11; 96-1418, eff. 8-2-10;
15 97-333, eff. 8-12-11.)

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