



Sen. Antonio Muñoz

**Filed: 5/1/2013**

09800SB0041sam002

LRB098 04285 HLH 45242 a

1 AMENDMENT TO SENATE BILL 41

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 41, AS AMENDED, by  
3 replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Property Tax Code is amended by adding  
6 Section 9-275 as follows:

7 (35 ILCS 200/9-275 new)

8 Sec. 9-275. Erroneous homestead exemptions.

9 (a) If, in a county with 3,000,000 or more inhabitants,  
10 upon determination by the chief county assessment officer, any  
11 person or entity that was not eligible to receive a homestead  
12 exemption under Article 15 of this Code was granted one  
13 homestead exemption in error for real property located in that  
14 county in any year or years not to exceed the 4 assessment  
15 years prior to the assessment year in which the determination  
16 is made, then the chief county assessment officer may cause to

1 be served, by both regular mail and certified mail, return  
2 receipt requested, on the person to whom the most recent tax  
3 bill was mailed and the owner of record, a notice of intent to  
4 record a tax lien against the property with respect to which  
5 the erroneous homestead exemption was granted.

6 (b) If, in a county with 3,000,000 or more inhabitants,  
7 upon determination by the chief county assessment officer, any  
8 person or entity that was not eligible to receive a homestead  
9 exemption under Article 15 of this Code was granted 2 homestead  
10 exemptions in error for real property located in that county in  
11 any year or years not to exceed the 4 assessment years prior to  
12 the assessment year in which the determination is made, then  
13 the chief county assessment officer may cause to be served, by  
14 both regular mail and certified mail, return receipt requested,  
15 on the person to whom the most recent tax bill was mailed and  
16 the owner of record, a notice of intent to record a tax lien  
17 against the property with respect to which the erroneous  
18 homestead exemption was granted.

19 (c) If, in a county with 3,000,000 or more inhabitants,  
20 upon determination by the chief county assessment officer, any  
21 person or entity that was not eligible to receive a homestead  
22 exemption under Article 15 of this Code was granted 3 or more  
23 homestead exemptions in error for real property located in that  
24 county in any year or years not to exceed the 8 assessment  
25 years prior to the assessment year in which the determination  
26 is made, then the chief county assessment officer may cause to

1 be served, by both regular mail and certified mail, return  
2 receipt requested, on the person to whom the most recent tax  
3 bill was mailed and the owner of record, a notice of intent to  
4 record a tax lien against the property with respect to which  
5 the erroneous homestead exemption was granted.

6 (d) The notice of intent to record a tax lien described in  
7 subsections (a), (b), and (c) of this Section shall identify  
8 the property against which the lien is being sought and shall  
9 identify the assessment years in which the erroneous homestead  
10 exemption was granted.

11 The notice must also include a form that the property owner  
12 may return to the chief county assessment officer to request a  
13 hearing. The property owner may request a hearing by returning  
14 the form within 30 days after service. The hearing shall be  
15 held within 90 days after the property owner is served. The  
16 chief county assessment officer shall promulgate rules of  
17 service and procedure for the hearing. The chief county  
18 assessment officer must generally follow rules of evidence and  
19 practices that prevail in the county circuit courts, but,  
20 because of the nature of these proceedings, the chief county  
21 assessment officer is not bound by those rules in all  
22 particulars. The chief county assessment officer shall appoint  
23 a hearing officer to oversee the hearing. The property owner  
24 shall be allowed to present evidence to the hearing officer at  
25 the hearing. After taking into consideration all the relevant  
26 testimony and evidence, the hearing officer shall make an

1 administrative decision on whether the property owner was  
2 erroneously granted a homestead exemption for the assessment  
3 year or years in question. The property owner may appeal the  
4 hearing officer's ruling to the circuit court of the county  
5 where the property is located under the Administrative Review  
6 Law.

7 (e) A lien against the property imposed under this Section  
8 shall be filed with the county clerk and the county recorder of  
9 deeds, but may not be filed sooner than 60 days after the  
10 notice was delivered to the property owner if the property  
11 owner does not request a hearing, or, until the conclusion of  
12 the hearing and all appeals if the property owner does request  
13 a hearing.

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

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

23 (3) When a lien is filed pursuant to subsection (c) of  
24 this Section, the arrearages of taxes that might have been  
25 assessed, plus a penalty of 40% of the total amount of  
26 unpaid taxes for each year and 15% interest per annum,

1       shall be charged against the property by the county clerk.

2       If the person received an erroneous homestead exemption  
3 under Section 15-170 in any year with respect to which an  
4 annual application was not required for that exemption, then  
5 that person or entity is not liable for the penalties and  
6 interest imposed under this subsection (e) for that assessment  
7 year if: (i) the person was the spouse, child, grandchild,  
8 brother, sister, niece, or nephew of the previous owner; and  
9 (ii) the person received the property by bequest or  
10 inheritance. However, that person is responsible for any  
11 interest owed under subsection (h) of this Section.

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

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

1 licensed to do business in the State and is free and clear of  
2 any liens imposed under subsections (a), (b), or (c) of this  
3 Section, shall be prima facie evidence that the property owner  
4 is without notice of the erroneous homestead exemption.

5 (h) When a lien is filed against the property pursuant to  
6 subsection (e) of this Section, the chief county assessment  
7 officer shall mail a copy of the lien to the person to whom the  
8 most recent tax bill was mailed and to the owner of record, and  
9 the outstanding liability created by such a lien is due and  
10 payable within 30 days after the mailing of the lien by the  
11 chief county assessment officer. Payment shall be made to the  
12 chief county assessment officer who shall, upon receipt of the  
13 full amount due, provide in reasonable form a release of the  
14 lien and shall transmit the funds received to the county  
15 treasurer for distribution as provided in subsection (i) of  
16 this Section. This liability is deemed delinquent and shall  
17 bear interest beginning on the day after the due date. Any such  
18 liability deemed delinquent after that due date shall bear  
19 interest at the rate of 1.5% per month or portion thereof until  
20 paid.

21 (i) The unpaid taxes shall be paid to the appropriate  
22 taxing districts. Interest shall be paid to the county where  
23 the property is located. The penalty shall be paid to the chief  
24 county assessment officer's office for the administration of  
25 the provisions of this amendatory Act of the 98th General  
26 Assembly.

1       (j) For purposes of this Section, "homestead exemption"  
2 means an exemption under Section 15-165 (disabled veterans),  
3 15-167 (returning veterans), 15-168 (disabled persons), 15-169  
4 (disabled veterans standard homestead), 15-170 (senior  
5 citizens), 15-172 (senior citizens assessment freeze), 15-175  
6 (general homestead), 15-176 (alternative general homestead),  
7 or 15-177 (long-time occupant).

8       (k) The chief county assessment officer shall establish a  
9 grace period for all taxpayers owing any tax due to a homestead  
10 exemption being claimed erroneously in a tax year prior to the  
11 2013 tax year. The grace period shall begin on the effective  
12 date of this amendatory Act of the 98th General Assembly and  
13 shall run through December 31, 2013. If, during the grace  
14 period, the taxpayer pays the entire arrearage of taxes due for  
15 tax years prior to 2013, the county clerk shall abate and not  
16 seek to collect any interest or penalties that may be  
17 applicable and shall not seek civil or criminal prosecution for  
18 any taxpayer for tax years prior to 2013. Failure to pay all  
19 such taxes due during the grace period established under this  
20 Section shall invalidate the grace period for that taxpayer.

21       The chief county assessment officer in a county with  
22 3,000,000 or more inhabitants shall (i) mail notice of the  
23 grace period with the tax bills for the second installment of  
24 taxes for the 2012 assessment year and (ii) as soon as possible  
25 after the effective date of this amendatory Act of the 98th  
26 General Assembly, publish notice of the grace period in a

1 newspaper of general circulation in the county. Notices shall  
2 include information on the grace period, its purpose, and the  
3 method in which to make payment.

4 Taxpayers who are a party to any criminal investigation or  
5 to any civil or criminal litigation that is pending in any  
6 circuit court or appellate court, or in the Supreme Court of  
7 this State, for nonpayment, delinquency, or fraud in relation  
8 to any property tax imposed by any taxing district located in  
9 the State on the effective date of this amendatory Act of the  
10 98th General Assembly may not take advantage of the grace  
11 period.

12 A taxpayer who has claimed three or more homestead  
13 exemptions in error shall not be eligible for the grace period.

14 Section 99. Effective date. This Act takes effect June 1,  
15 2013.".