



Rep. Barbara Flynn Currie

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LRB098 04618 HLH 60476 a

1 AMENDMENT TO SENATE BILL 333

2 AMENDMENT NO. _____. Amend Senate Bill 333, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

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

7 (35 ILCS 200/9-275)

8 Sec. 9-275. Erroneous homestead exemptions.

9 (a) For purposes of this Section:

10 "Erroneous homestead exemption" means a homestead
11 exemption that was granted for real property in a taxable year
12 if the property was not eligible for that exemption in that
13 taxable year. If the taxpayer receives an erroneous homestead
14 exemption under a single Section of this Code for the same
15 property in multiple years, that exemption is considered a
16 single erroneous homestead exemption for purposes of this

1 Section. However, if the taxpayer receives erroneous homestead
2 exemptions under multiple Sections of this Code for the same
3 property, or if the taxpayer receives erroneous homestead
4 exemptions under the same Section of this Code for multiple
5 properties, then each of those exemptions is considered a
6 separate erroneous homestead exemption for purposes of this
7 Section.

8 "Homestead exemption" means an exemption under Section
9 15-165 (disabled veterans), 15-167 (returning veterans),
10 15-168 (disabled persons), 15-169 (disabled veterans standard
11 homestead), 15-170 (senior citizens), 15-172 (senior citizens
12 assessment freeze), 15-175 (general homestead), 15-176
13 (alternative general homestead), or 15-177 (long-time
14 occupant).

15 "Erroneous exemption principal amount" means the total
16 amount of property tax principal that would have been billed to
17 a property index number but for the erroneous homestead
18 exemption or exemptions a taxpayer received.

19 "Taxpayer" means the property owner or leasehold owner that
20 erroneously received a homestead exemption upon property.

21 (b) Notwithstanding any other provision of law, in counties
22 with 3,000,000 or more inhabitants, the chief county assessment
23 officer shall include the following information with each
24 assessment notice sent in a general assessment year: (1) a list
25 of each homestead exemption available under Article 15 of this
26 Code and a description of the eligibility criteria for that

1 exemption; (2) a list of each homestead exemption applied to
2 the property in the current assessment year; (3) information
3 regarding penalties and interest that may be incurred under
4 this Section if the property owner received an erroneous
5 homestead exemption in a previous taxable year; and (4) notice
6 of the 60-day grace period available under this subsection. If,
7 within 60 days after receiving his or her assessment notice,
8 the property owner notifies the chief county assessment officer
9 that he or she received an erroneous homestead exemption in a
10 previous assessment year, and if the property owner pays the
11 erroneous exemption principal amount ~~of back taxes due and~~
12 ~~owing with respect to that exemption~~, plus interest as provided
13 in subsection (f), then the property owner shall not be liable
14 for the penalties provided in subsection (f) with respect to
15 that exemption.

16 (c) In counties with 3,000,000 or more inhabitants, when
17 the chief county assessment officer determines that one or more
18 erroneous homestead exemptions was applied to the property, the
19 erroneous exemption principal amount, together with all
20 applicable interest and penalties as provided in subsections
21 (f) and (j), shall constitute a lien in the name of the People
22 of Cook County on the property receiving the erroneous
23 homestead exemption. The chief county assessment officer in a
24 county with 3,000,000 or more inhabitants may cause a lien to
25 be recorded against property that (1) is located in the county
26 and (2) received one or more erroneous homestead exemptions if,

1 upon determination of the chief county assessment officer, the
2 property owner received: (A) one or 2 erroneous homestead
3 exemptions for real property, including at least one erroneous
4 homestead exemption granted for the property against which the
5 lien is sought, during any of the 3 assessment years
6 immediately prior to the assessment year in which the notice of
7 intent to record a ~~at tax~~ lien is served; or (B) ~~(2)~~ 3 or more
8 erroneous homestead exemptions for real property, including at
9 least one erroneous homestead exemption granted for the
10 property against which the lien is sought, during any of the 6
11 assessment years immediately prior to the assessment year in
12 which the notice of intent to record a ~~at tax~~ lien is served.
13 Prior to recording the lien against the property, the chief
14 county assessment officer shall cause to be served, by both
15 regular mail and certified mail, return receipt requested, on
16 the person to whom the most recent tax bill was mailed and the
17 owner of record, a notice of intent to record a ~~tax~~ lien
18 against the property.

19 (d) The notice of intent to record a ~~tax~~ lien described in
20 subsection (c) shall: (1) identify, by property index number,
21 the property against which the lien is being sought; (2)
22 identify each specific homestead exemption that was
23 erroneously granted and the year or years in which each
24 exemption was granted; (3) set forth the erroneous exemption
25 principal amount due and the interest amount and any penalty
26 due ~~the arrearage of taxes that would have been due if not for~~

1 ~~the erroneous homestead exemptions;~~ (4) inform the taxpayer
2 ~~property owner~~ that he or she may request a hearing within 30
3 days after service and may appeal the hearing officer's ruling
4 to the circuit court; and (5) inform the taxpayer ~~property~~
5 ~~owner~~ that he or she may pay the erroneous exemption principal
6 amount ~~due~~, plus interest and penalties, within 30 days after
7 service. A lien shall not be filed pursuant to this Section if
8 the property owner pays the erroneous exemption principal
9 amount, plus penalties and interest, within 30 days of service
10 of the notice of intent to record a lien.

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

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

7 (f) A lien against the property imposed under this Section
8 shall be filed with the county recorder of deeds, but may not
9 be filed sooner than 60 days after the notice was delivered to
10 the property owner if the property owner does not request a
11 hearing, or until the conclusion of the hearing and all appeals
12 if the property owner does request a hearing. If a lien is
13 filed pursuant to this Section and the property owner received
14 one or 2 erroneous homestead exemptions during any of the 3
15 assessment years immediately prior to the assessment year in
16 which the notice of intent to record a ~~at tax~~ lien is served,
17 then the erroneous exemption principal amount ~~arrearages of~~
18 ~~taxes that might have been assessed for that property~~, plus 10%
19 interest per annum or portion thereof from the date the
20 erroneous exemption principal amount would have become due if
21 properly included in the tax bill, shall be charged against the
22 property by the chief county assessment officer ~~treasurer~~.
23 However, if a lien is filed pursuant to this Section and the
24 property owner received 3 or more erroneous homestead
25 exemptions during any of the 6 assessment years immediately
26 prior to the assessment year in which the notice of intent to

1 record a ~~at tax~~ lien is served, the erroneous exemption
2 principal amount ~~arrearsages of taxes that might have been~~
3 ~~assessed for that property~~, plus a penalty of 50% of the total
4 amount of the erroneous exemption principal amount ~~unpaid taxes~~
5 ~~for each year~~ for that property and 10% interest per annum or
6 portion thereof from the date the erroneous exemption principal
7 amount would have become due if properly included in the tax
8 bill, shall be charged against the property by the chief county
9 assessment officer ~~treasurer~~.

10 (g) If a person received an erroneous homestead exemption
11 under Section 15-170 and: (1) the person was the spouse, child,
12 grandchild, brother, sister, niece, or nephew of the previous
13 property owner; and (2) the person received the property by
14 bequest or inheritance; then the person is not liable for the
15 penalties imposed under this Section ~~subsection~~ for any year or
16 years during which the chief county assessment officer did not
17 require an annual application for the exemption. However, that
18 person is responsible for any interest owed under subsection
19 (f).

20 (h) If the erroneous homestead exemption was granted as a
21 result of a clerical error or omission on the part of the chief
22 county assessment officer, and if the property owner has paid
23 the ~~its~~ tax bills as received for the year in which the error
24 occurred, then the interest and penalties authorized by this
25 Section with respect to that homestead exemption shall not be
26 chargeable to the property owner. However, nothing in this

1 Section shall prevent the collection of the erroneous exemption
2 principal amount ~~of back taxes~~ due and owing.

3 (i) A lien under this Section is not valid as to (1) any
4 bona fide purchaser for value without notice of the erroneous
5 homestead exemption whose rights in and to the underlying
6 parcel arose after the erroneous homestead exemption was
7 granted but before the filing of the notice of lien; or (2) any
8 mortgagee, judgment creditor, or other lienor whose rights in
9 and to the underlying parcel arose before the filing of the
10 notice of lien. A title insurance policy for the property that
11 is issued by a title company licensed to do business in the
12 State showing that the property is free and clear of any liens
13 imposed under this Section shall be prima facie evidence that
14 the property owner is without notice of the erroneous homestead
15 exemption. Nothing in this Section shall be deemed to impair
16 the rights of subsequent creditors and subsequent purchasers
17 under Section 30 of the Conveyances Act.

18 (j) When a lien is filed against the property pursuant to
19 this Section, the chief county assessment officer shall mail a
20 copy of the lien to the person to whom the most recent tax bill
21 was mailed and to the owner of record, and the outstanding
22 liability created by such a lien is due and payable within 30
23 days after the mailing of the lien by the chief county
24 assessment officer. Payment shall be made to the ~~chief~~ county
25 treasurer. Upon ~~assessment officer who shall, upon~~ receipt of
26 the full amount due, as determined by the chief county

1 assessment officer, the county treasurer shall distribute the
2 amount paid as provided in subsection (k). Upon presentment by
3 the property owner to the chief county assessment officer of
4 proof of payment of the total liability, the chief county
5 assessment officer shall provide in reasonable form a release
6 of the lien ~~and shall transmit the funds received to the county~~
7 ~~treasurer for distribution as provided in subsection (i) of~~
8 ~~this Section.~~ This liability is deemed delinquent and shall
9 bear interest beginning on the day after the due date at a rate
10 of 1.5% per month or portion thereof.

11 (k) The county treasurer shall pay collected erroneous
12 exemption principal amounts, pro rata, ~~unpaid taxes shall be~~
13 paid to the appropriate taxing districts, or their legal
14 successors, that levied upon the subject property in the
15 assessment year or years for which the erroneous homestead
16 exemptions were granted. The county treasurer shall pay
17 collected interest. ~~Interest shall be paid to the county where~~
18 the property is located. The county treasurer shall deposit
19 collected penalties into a special fund established by the
20 county treasurer to offset ~~The penalty shall be paid to the~~
21 ~~chief county assessment officer's office for the~~ costs of
22 administration of the provisions of this amendatory Act of the
23 98th General Assembly by the chief county assessment officer's
24 office, as appropriated by the county board.

25 (l) The chief county assessment officer in a county with
26 3,000,000 or more inhabitants shall establish an amnesty period

1 for all taxpayers owing any tax due to an erroneous homestead
2 exemption granted in a tax year prior to the 2013 tax year. The
3 amnesty period shall begin on the effective date of this
4 amendatory Act of the 98th General Assembly and shall run
5 through December 31, 2013. If, during the amnesty period, the
6 taxpayer pays the entire arrearage of taxes due for tax years
7 prior to 2013, the county clerk shall abate and not seek to
8 collect any interest or penalties that may be applicable and
9 shall not seek civil or criminal prosecution for any taxpayer
10 for tax years prior to 2013. Failure to pay all such taxes due
11 during the amnesty period established under this Section shall
12 invalidate the amnesty period for that taxpayer.

13 The chief county assessment officer in a county with
14 3,000,000 or more inhabitants shall (i) mail notice of the
15 amnesty period with the tax bills for the second installment of
16 taxes for the 2012 assessment year and (ii) as soon as possible
17 after the effective date of this amendatory Act of the 98th
18 General Assembly, publish notice of the amnesty period in a
19 newspaper of general circulation in the county. Notices shall
20 include information on the amnesty period, its purpose, and the
21 method by ~~in~~ which to make payment.

22 Taxpayers who are a party to any criminal investigation or
23 to any civil or criminal litigation that is pending in any
24 circuit court or appellate court, or in the Supreme Court of
25 this State, for nonpayment, delinquency, or fraud in relation
26 to any property tax imposed by any taxing district located in

1 the State on the effective date of this amendatory Act of the
2 98th General Assembly may not take advantage of the amnesty
3 period.

4 A taxpayer who has claimed 3 or more homestead exemptions
5 in error shall not be eligible for the amnesty period
6 established under this subsection.

7 (Source: P.A. 98-93, eff. 7-16-13; revised 9-11-13.)".