



Rep. John E. Bradley

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LRB098 10538 HLH 62361 a

1 AMENDMENT TO SENATE BILL 1740

2 AMENDMENT NO. _____. Amend Senate Bill 1740, AS AMENDED,
3 by 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 difference between the property taxes actually billed to a
17 property index number and the amount of property taxes that
18 would have been billed but for the erroneous exemption or
19 exemptions ~~amount of property tax principal that would have~~
20 ~~been billed to a property index number but for the erroneous~~
21 ~~homestead exemption or exemptions a taxpayer received.~~

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

24 (b) Notwithstanding any other provision of law, in counties
25 with 3,000,000 or more inhabitants, the chief county assessment
26 officer shall include the following information with each

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

19 (c) In counties with 3,000,000 or more inhabitants, when
20 the chief county assessment officer determines that one or more
21 erroneous homestead exemptions was applied to the property, the
22 erroneous exemption principal amount, together with all
23 applicable interest and penalties as provided in subsections
24 (f) and (j), shall constitute a lien in the name of the People
25 of Cook County on the property receiving the erroneous
26 homestead exemption. Upon becoming aware of the existence of

1 one or more erroneous homestead exemptions, the chief county
2 assessment officer shall cause to be served, by both regular
3 mail and certified mail, a notice of discovery as set forth in
4 subsection (c-5). The chief county assessment officer in a
5 county with 3,000,000 or more inhabitants may cause a lien to
6 be recorded against property that (1) is located in the county
7 and (2) received one or more erroneous homestead exemptions if,
8 upon determination of the chief county assessment officer, the
9 taxpayer ~~property owner~~ received: (A) one or 2 erroneous
10 homestead exemptions for real property, including at least one
11 erroneous homestead exemption granted for the property against
12 which the lien is sought, during any of the 3 collection
13 ~~assessment~~ years immediately prior to the current collection
14 ~~assessment~~ year in which the notice of discovery ~~intent to~~
15 ~~record a lien~~ is served; or (B) 3 or more erroneous homestead
16 exemptions for real property, including at least one erroneous
17 homestead exemption granted for the property against which the
18 lien is sought, during any of the 6 collection ~~assessment~~ years
19 immediately prior to the current collection ~~assessment~~ year in
20 which the notice of discovery ~~intent to record a lien~~ is
21 served. Prior to recording the lien against the property, the
22 chief county assessment officer shall cause to be served, by
23 both regular mail and certified mail, return receipt requested,
24 on the person to whom the most recent tax bill was mailed and
25 the owner of record, a notice of intent to record a lien
26 against the property. The chief county assessment officer shall

1 cause the notice of intent to record a lien to be served within
2 3 years from the date on which the notice of discovery was
3 served.

4 (c-5) The notice of discovery described in subsection (c)
5 shall: (1) identify, by property index number, the property for
6 which the chief county assessment officer has knowledge
7 indicating the existence of an erroneous homestead exemption;
8 (2) set forth the taxpayer's liability for principal, interest,
9 penalties, and administrative costs including, but not limited
10 to, recording fees described in subsection (f); (3) inform the
11 taxpayer that he or she will be served with a notice of intent
12 to record a lien within 3 years from the date of service of the
13 notice of discovery; and (4) inform the taxpayer that he or she
14 may pay the outstanding amount, plus interest, penalties, and
15 administrative costs at any time prior to being served with the
16 notice of intent to record a lien or within 30 days after the
17 notice of intent to record a lien is served.

18 (d) The notice of intent to record a lien described in
19 subsection (c) shall: (1) identify, by property index number,
20 the property against which the lien is being sought; (2)
21 identify each specific homestead exemption that was
22 erroneously granted and the year or years in which each
23 exemption was granted; (3) set forth the erroneous exemption
24 principal amount due and the interest amount and any penalty
25 and administrative costs due; (4) inform the taxpayer that he
26 or she may request a hearing within 30 days after service and

1 may appeal the hearing officer's ruling to the circuit court;
2 ~~and~~ (5) inform the taxpayer that he or she may pay the
3 erroneous exemption principal amount, plus interest and
4 penalties, within 30 days after service; and (6) inform the
5 taxpayer that, if the lien is recorded against the property,
6 the amount of the lien will be adjusted to include the
7 applicable recording fee and that fees for recording a release
8 of the lien shall be incurred by the taxpayer. A lien shall not
9 be filed pursuant to this Section if the taxpayer ~~property~~
10 ~~owner~~ pays the erroneous exemption principal amount, plus
11 penalties and interest, within 30 days of service of the notice
12 of intent to record a lien.

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

1 ~~owner~~ shall be allowed to present evidence to the hearing
2 officer at the hearing. After taking into consideration all the
3 relevant testimony and evidence, the hearing officer shall make
4 an administrative decision on whether the taxpayer ~~property~~
5 ~~owner~~ was erroneously granted a homestead exemption for the
6 taxable ~~assessment~~ year in question. The taxpayer ~~property~~
7 ~~owner~~ may appeal the hearing officer's ruling to the circuit
8 court of the county where the property is located as a final
9 administrative decision under the Administrative Review Law.

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

1 this Section and the taxpayer ~~property owner~~ received 3 or more
2 erroneous homestead exemptions during any of the 6 collection
3 ~~assessment~~ years immediately prior to the current collection
4 ~~assessment~~ year in which the notice of discovery ~~intent to~~
5 ~~record a lien~~ is served, the erroneous exemption principal
6 amount, plus a penalty of 50% of the total amount of the
7 erroneous exemption principal amount for that property and 10%
8 interest per annum or portion thereof from the date the
9 erroneous exemption principal amount would have become due if
10 properly included in the tax bill, shall be charged against the
11 property by the chief county assessment officer. If a lien is
12 filed pursuant to this Section, the taxpayer shall not be
13 liable for interest that accrues between the date the notice of
14 discovery is served and the date the lien is filed. Before
15 recording the lien with the county recorder of deeds, the chief
16 county assessment officer shall adjust the amount of the lien
17 to add administrative costs, including but not limited to the
18 applicable recording fee, to the total lien amount.

19 (g) If a person received an erroneous homestead exemption
20 under Section 15-170 and: (1) the person was the spouse, child,
21 grandchild, brother, sister, niece, or nephew of the previous
22 taxpayer ~~property owner~~; and (2) the person received the
23 property by bequest or inheritance; then the person is not
24 liable for the penalties imposed under this Section for any
25 year or years during which the chief county assessment officer
26 did not require an annual application for the exemption.

1 However, that person is responsible for any interest owed under
2 subsection (f).

3 (h) If the erroneous homestead exemption was granted as a
4 result of a clerical error or omission on the part of the chief
5 county assessment officer, and if the taxpayer ~~property owner~~
6 has paid the tax bills as received for the year in which the
7 error occurred, then the interest and penalties authorized by
8 this Section with respect to that homestead exemption shall not
9 be chargeable to the taxpayer ~~property owner~~. However, nothing
10 in this Section shall prevent the collection of the erroneous
11 exemption principal amount due and owing.

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

1 (j) When a lien is filed against the property pursuant to
2 this Section, the chief county assessment officer shall mail a
3 copy of the lien to the person to whom the most recent tax bill
4 was mailed and to the owner of record, and the outstanding
5 liability created by such a lien is due and payable within 30
6 days after the mailing of the lien by the chief county
7 assessment officer. This liability is deemed delinquent and
8 shall bear interest beginning on the day after the due date at
9 a rate of 1.5% per month or portion thereof. Payment shall be
10 made to the county treasurer. Upon receipt of the full amount
11 due, as determined by the chief county assessment officer, the
12 county treasurer shall distribute the amount paid as provided
13 in subsection (k). Upon presentment by the taxpayer ~~property~~
14 ~~owner~~ to the chief county assessment officer of proof of
15 payment of the total liability, the chief county assessment
16 officer shall provide in reasonable form a release of the lien.
17 The release of the lien provided shall clearly inform the
18 taxpayer that it is the responsibility of the taxpayer to
19 record the lien release form with the county recorder of deeds
20 and to pay any applicable recording fees. ~~This liability is~~
21 ~~deemed delinquent and shall bear interest beginning on the day~~
22 ~~after the due date at a rate of 1.5% per month or portion~~
23 ~~thereof.~~

24 (k) The county treasurer shall pay collected erroneous
25 exemption principal amounts, pro rata, to the taxing districts,
26 or their legal successors, that levied upon the subject

1 property in the taxable assessment year or years for which the
2 erroneous homestead exemptions were granted, except as set
3 forth in this Section. ~~The county treasurer shall pay collected~~
4 ~~interest to the county where the property is located.~~ The
5 county treasurer shall deposit collected penalties and
6 interest into a special fund established by the county
7 treasurer to offset the costs of administration of the
8 provisions of this Section ~~amendatory Act of the 98th General~~
9 ~~Assembly~~ by the chief county assessment officer's office, as
10 appropriated by the county board. If the costs of
11 administration of this Section exceed the amount of interest
12 and penalties collected in the special fund, the chief county
13 assessor shall be reimbursed by each taxing district or their
14 legal successors for those costs. Such costs shall be paid out
15 of the funds collected by the county treasurer on behalf of
16 each taxing district pursuant to this Section.

17 (1) The chief county assessment officer in a county with
18 3,000,000 or more inhabitants shall establish an amnesty period
19 for all taxpayers owing any tax due to an erroneous homestead
20 exemption granted in a tax year prior to the 2013 tax year. The
21 amnesty period shall begin on the effective date of this
22 amendatory Act of the 98th General Assembly and shall run
23 through December 31, 2013. If, during the amnesty period, the
24 taxpayer pays the entire arrearage of taxes due for tax years
25 prior to 2013, the county clerk shall abate and not seek to
26 collect any interest or penalties that may be applicable and

1 shall not seek civil or criminal prosecution for any taxpayer
2 for tax years prior to 2013. Failure to pay all such taxes due
3 during the amnesty period established under this Section shall
4 invalidate the amnesty period for that taxpayer.

5 The chief county assessment officer in a county with
6 3,000,000 or more inhabitants shall (i) mail notice of the
7 amnesty period with the tax bills for the second installment of
8 taxes for the 2012 assessment year and (ii) as soon as possible
9 after the effective date of this amendatory Act of the 98th
10 General Assembly, publish notice of the amnesty period in a
11 newspaper of general circulation in the county. Notices shall
12 include information on the amnesty period, its purpose, and the
13 method by which to make payment.

14 Taxpayers who are a party to any criminal investigation or
15 to any civil or criminal litigation that is pending in any
16 circuit court or appellate court, or in the Supreme Court of
17 this State, for nonpayment, delinquency, or fraud in relation
18 to any property tax imposed by any taxing district located in
19 the State on the effective date of this amendatory Act of the
20 98th General Assembly may not take advantage of the amnesty
21 period.

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

25 (Source: P.A. 98-93, eff. 7-16-13; 98-756, eff. 7-16-14;
26 98-811, eff. 1-1-15.)

1 Section 99. Effective date. This Act takes effect January
2 1, 2015.".