

# HB0237



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB0237

by Rep. Sam Yingling

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Provides that homestead property that (i) is located in Lake County and (ii) is owned by a taxpayer who has occupied that property as a principal residence and domicile for at least 10 continuous years as of January 1 of the taxable year is entitled to an additional homestead exemption of \$1,000. Effective immediately.

LRB099 03775 HLH 23788 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

A BILL FOR

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 Section 15-175 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption.

8 (a) Except as provided in Sections 15-176 and 15-177,  
9 homestead property is entitled to an annual homestead exemption  
10 limited, except as described here with relation to  
11 cooperatives, to a reduction in the equalized assessed value of  
12 homestead property equal to the increase in equalized assessed  
13 value for the current assessment year above the equalized  
14 assessed value of the property for 1977, up to the maximum  
15 reduction set forth below. If however, the 1977 equalized  
16 assessed value upon which taxes were paid is subsequently  
17 determined by local assessing officials, the Property Tax  
18 Appeal Board, or a court to have been excessive, the equalized  
19 assessed value which should have been placed on the property  
20 for 1977 shall be used to determine the amount of the  
21 exemption.

22 (b) Except as provided in Section 15-176, the maximum  
23 reduction before taxable year 2004 shall be \$4,500 in counties

1 with 3,000,000 or more inhabitants and \$3,500 in all other  
2 counties. Except as provided in Sections 15-176 and 15-177, for  
3 taxable years 2004 through 2007, the maximum reduction shall be  
4 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,  
5 and, for taxable years 2009 through 2011, the maximum reduction  
6 is \$6,000 in all counties. For taxable years 2012 and  
7 thereafter, the maximum reduction is \$7,000 in counties with  
8 3,000,000 or more inhabitants and \$6,000 in all other counties.  
9 If a county has elected to subject itself to the provisions of  
10 Section 15-176 as provided in subsection (k) of that Section,  
11 then, for the first taxable year only after the provisions of  
12 Section 15-176 no longer apply, for owners who, for the taxable  
13 year, have not been granted a senior citizens assessment freeze  
14 homestead exemption under Section 15-172 or a long-time  
15 occupant homestead exemption under Section 15-177, there shall  
16 be an additional exemption of \$5,000 for owners with a  
17 household income of \$30,000 or less.

18 (b-5) Notwithstanding the maximum reduction amounts set  
19 forth in subsections (a) and (b), for taxable years 2015 and  
20 thereafter, if homestead property (i) is located in Lake County  
21 and (ii) is owned by a qualified taxpayer, then that homestead  
22 property is entitled to an additional exemption of \$1,000.

23 (c) In counties with fewer than 3,000,000 inhabitants, if,  
24 based on the most recent assessment, the equalized assessed  
25 value of the homestead property for the current assessment year  
26 is greater than the equalized assessed value of the property

1 for 1977, the owner of the property shall automatically receive  
2 the exemption granted under this Section in an amount equal to  
3 the increase over the 1977 assessment up to the maximum  
4 reduction set forth in this Section.

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

18 (e) The chief county assessment officer may, when  
19 considering whether to grant a leasehold exemption under this  
20 Section, require the following conditions to be met:

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

25 (2) that a copy of the lease must be filed with the  
26 chief county assessment officer by the owner of the

1 property at the time the notarized application is  
2 submitted;

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

5 (4) that the lease must include the following language  
6 in substantially the following form:

7 "Lessee shall be liable for the payment of real  
8 estate taxes with respect to the residence in  
9 accordance with the terms and conditions of Section  
10 15-175 of the Property Tax Code (35 ILCS 200/15-175).  
11 The permanent real estate index number for the premises  
12 is (insert number), and, according to the most recent  
13 property tax bill, the current amount of real estate  
14 taxes associated with the premises is (insert amount)  
15 per year. The parties agree that the monthly rent set  
16 forth above shall be increased or decreased pro rata  
17 (effective January 1 of each calendar year) to reflect  
18 any increase or decrease in real estate taxes. Lessee  
19 shall be deemed to be satisfying Lessee's liability for  
20 the above mentioned real estate taxes with the monthly  
21 rent payments as set forth above (or increased or  
22 decreased as set forth herein)."

23 In addition, if there is a change in lessee, or if the  
24 lessee vacates the property, then the chief county assessment  
25 officer may require the owner of the property to notify the  
26 chief county assessment officer of that change.

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

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

24           "Household", as used in this Section, means the owner, the  
25 spouse of the owner, and all persons using the residence of the  
26 owner as their principal place of residence.

1 "Household income", as used in this Section, means the  
2 combined income of the members of a household for the calendar  
3 year preceding the taxable year.

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

8 "Qualified taxpayer" means a taxpayer who has occupied the  
9 same homestead property as a principal residence and domicile  
10 for at least 10 continuous years as of January 1 of the taxable  
11 year.

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

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

22 (i) In all counties, the assessor or chief county  
23 assessment officer may determine the eligibility of  
24 residential property to receive the homestead exemption and the  
25 amount of the exemption by application, visual inspection,  
26 questionnaire or other reasonable methods. The determination

1 shall be made in accordance with guidelines established by the  
2 Department, provided that the taxpayer applying for an  
3 additional general exemption under subsection (b) of this  
4 Section shall submit to the chief county assessment officer an  
5 application with an affidavit of the applicant's total  
6 household income, age, marital status (and, if married, the  
7 name and address of the applicant's spouse, if known), and  
8 principal dwelling place of members of the household on January  
9 1 of the taxable year. If the taxpayer is applying for an  
10 additional general exemption under subsection (b-5) of this  
11 Section, then the taxpayer shall submit to the chief county  
12 assessment officer an application with an affidavit declaring  
13 that the taxpayer is a qualified taxpayer under this Section.  
14 The Department shall issue guidelines establishing a method for  
15 verifying the accuracy of the affidavits filed by applicants  
16 under this paragraph. The applications shall be clearly marked  
17 as applications for an ~~the~~ Additional General Homestead  
18 Exemption.

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

26 (k) Notwithstanding Sections 6 and 8 of the State Mandates



1 Act, no reimbursement by the State is required for the  
2 implementation of any mandate created by this Section.

3 (Source: P.A. 97-689, eff. 6-14-12; 97-1125, eff. 8-28-12;  
4 98-7, eff. 4-23-13; 98-463, eff. 8-16-13.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.