



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB0368

by Rep. Deborah Conroy

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172
30 ILCS 805/8.39 new

Amends the Property Tax Code. Includes disabled persons within the provisions granting an assessment freeze homestead exemption to senior citizens and changes the title of the exemption to the Senior Citizens and Disabled Persons Assessment Freeze Homestead Exemption. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

LRB099 03750 HLH 23762 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 15-172 as follows:

6 (35 ILCS 200/15-172)

7 Sec. 15-172. Senior Citizens and Disabled Persons
8 Assessment Freeze Homestead Exemption.

9 (a) This Section may be cited as the Senior Citizens and
10 Disabled Persons Assessment Freeze Homestead Exemption.

11 (b) As used in this Section:

12 "Applicant" means an individual who has filed an
13 application under this Section.

14 "Base amount" means the base year equalized assessed value
15 of the residence plus the first year's equalized assessed value
16 of any added improvements which increased the assessed value of
17 the residence after the base year.

18 "Base year" means the taxable year prior to the taxable
19 year for which the applicant first qualifies and applies for
20 the exemption provided that in the prior taxable year the
21 property was improved with a permanent structure that was
22 occupied as a residence by the applicant who was liable for
23 paying real property taxes on the property and who was either

1 (i) an owner of record of the property or had legal or
2 equitable interest in the property as evidenced by a written
3 instrument or (ii) had a legal or equitable interest as a
4 lessee in the parcel of property that was single family
5 residence. If in any subsequent taxable year for which the
6 applicant applies and qualifies for the exemption the equalized
7 assessed value of the residence is less than the equalized
8 assessed value in the existing base year (provided that such
9 equalized assessed value is not based on an assessed value that
10 results from a temporary irregularity in the property that
11 reduces the assessed value for one or more taxable years), then
12 that subsequent taxable year shall become the base year until a
13 new base year is established under the terms of this paragraph.
14 For taxable year 1999 only, the Chief County Assessment Officer
15 shall review (i) all taxable years for which the applicant
16 applied and qualified for the exemption and (ii) the existing
17 base year. The assessment officer shall select as the new base
18 year the year with the lowest equalized assessed value. An
19 equalized assessed value that is based on an assessed value
20 that results from a temporary irregularity in the property that
21 reduces the assessed value for one or more taxable years shall
22 not be considered the lowest equalized assessed value. The
23 selected year shall be the base year for taxable year 1999 and
24 thereafter until a new base year is established under the terms
25 of this paragraph.

26 "Chief County Assessment Officer" means the County

1 Assessor or Supervisor of Assessments of the county in which
2 the property is located.

3 "Disabled person" means a person unable to engage in any
4 substantial gainful activity by reason of a medically
5 determinable physical or mental impairment that (i) can be
6 expected to result in death or (ii) has lasted or can be
7 expected to last for a continuous period of not less than 12
8 months. Disabled persons applying for the exemption under this
9 Section must submit proof of the disability in the manner
10 prescribed by the chief county assessment officer. Proof that
11 an applicant is eligible to receive disability benefits under
12 the federal Social Security Act constitutes proof of disability
13 for purposes of this Section. Issuance of an Illinois Disabled
14 Person Identification Card to the applicant stating that the
15 possessor is under a Class 2 disability, as defined in Section
16 4A of the Illinois Identification Card Act, constitutes proof
17 that the person is a disabled person for purposes of this
18 Section.

19 "Equalized assessed value" means the assessed value as
20 equalized by the Illinois Department of Revenue.

21 "Household" means the applicant, the spouse of the
22 applicant, and all persons using the residence of the applicant
23 as their principal place of residence.

24 "Household income" means the combined income of the members
25 of a household for the calendar year preceding the taxable
26 year.

1 "Income" has the same meaning as provided in Section 3.07
2 of the Senior Citizens and Disabled Persons Property Tax Relief
3 Act, except that, beginning in assessment year 2001, "income"
4 does not include veteran's benefits.

5 "Internal Revenue Code of 1986" means the United States
6 Internal Revenue Code of 1986 or any successor law or laws
7 relating to federal income taxes in effect for the year
8 preceding the taxable year.

9 "Life care facility that qualifies as a cooperative" means
10 a facility as defined in Section 2 of the Life Care Facilities
11 Act.

12 "Maximum income limitation" means:

- 13 (1) \$35,000 prior to taxable year 1999;
- 14 (2) \$40,000 in taxable years 1999 through 2003;
- 15 (3) \$45,000 in taxable years 2004 through 2005;
- 16 (4) \$50,000 in taxable years 2006 and 2007; and
- 17 (5) \$55,000 in taxable year 2008 and thereafter.

18 "Residence" means the principal dwelling place and
19 appurtenant structures used for residential purposes in this
20 State occupied on January 1 of the taxable year by a household
21 and so much of the surrounding land, constituting the parcel
22 upon which the dwelling place is situated, as is used for
23 residential purposes. If the Chief County Assessment Officer
24 has established a specific legal description for a portion of
25 property constituting the residence, then that portion of
26 property shall be deemed the residence for the purposes of this

1 Section.

2 "Taxable year" means the calendar year during which ad
3 valorem property taxes payable in the next succeeding year are
4 levied.

5 (c) Beginning in (1) taxable year 1994 for, ~~a~~ senior
6 citizens and (2) taxable year 2015 for disabled persons, an
7 assessment freeze homestead exemption is granted for real
8 property that is improved with a permanent structure that is
9 occupied as a residence by an applicant who (i) is 65 years of
10 age or older or is a disabled person during the taxable year,
11 (ii) has a household income that does not exceed the maximum
12 income limitation, (iii) is liable for paying real property
13 taxes on the property, and (iv) is an owner of record of the
14 property or has a legal or equitable interest in the property
15 as evidenced by a written instrument. This homestead exemption
16 shall also apply to a leasehold interest in a parcel of
17 property improved with a permanent structure that is a single
18 family residence that is occupied as a residence by a person
19 who (i) is 65 years of age or older or is a disabled person
20 during the taxable year, (ii) has a household income that does
21 not exceed the maximum income limitation, (iii) has a legal or
22 equitable ownership interest in the property as lessee, and
23 (iv) is liable for the payment of real property taxes on that
24 property.

25 In counties of 3,000,000 or more inhabitants, the amount of
26 the exemption for all taxable years is the equalized assessed

1 value of the residence in the taxable year for which
2 application is made minus the base amount. In all other
3 counties, the amount of the exemption is as follows: (i)
4 through taxable year 2005 and for taxable year 2007 and
5 thereafter, the amount of this exemption shall be the equalized
6 assessed value of the residence in the taxable year for which
7 application is made minus the base amount; and (ii) for taxable
8 year 2006, the amount of the exemption is as follows:

9 (1) For an applicant who has a household income of
10 \$45,000 or less, the amount of the exemption is the
11 equalized assessed value of the residence in the taxable
12 year for which application is made minus the base amount.

13 (2) For an applicant who has a household income
14 exceeding \$45,000 but not exceeding \$46,250, the amount of
15 the exemption is (i) the equalized assessed value of the
16 residence in the taxable year for which application is made
17 minus the base amount (ii) multiplied by 0.8.

18 (3) For an applicant who has a household income
19 exceeding \$46,250 but not exceeding \$47,500, the amount of
20 the exemption is (i) the equalized assessed value of the
21 residence in the taxable year for which application is made
22 minus the base amount (ii) multiplied by 0.6.

23 (4) For an applicant who has a household income
24 exceeding \$47,500 but not exceeding \$48,750, the amount of
25 the exemption is (i) the equalized assessed value of the
26 residence in the taxable year for which application is made

1 minus the base amount (ii) multiplied by 0.4.

2 (5) For an applicant who has a household income
3 exceeding \$48,750 but not exceeding \$50,000, the amount of
4 the exemption is (i) the equalized assessed value of the
5 residence in the taxable year for which application is made
6 minus the base amount (ii) multiplied by 0.2.

7 When the applicant is a surviving spouse of an applicant
8 for a prior year for the same residence for which an exemption
9 under this Section has been granted, the base year and base
10 amount for that residence are the same as for the applicant for
11 the prior year.

12 Each year at the time the assessment books are certified to
13 the County Clerk, the Board of Review or Board of Appeals shall
14 give to the County Clerk a list of the assessed values of
15 improvements on each parcel qualifying for this exemption that
16 were added after the base year for this parcel and that
17 increased the assessed value of the property.

18 In the case of land improved with an apartment building
19 owned and operated as a cooperative or a building that is a
20 life care facility that qualifies as a cooperative, the maximum
21 reduction from the equalized assessed value of the property is
22 limited to the sum of the reductions calculated for each unit
23 occupied as a residence by a person or persons (i) 65 years of
24 age or older, (ii) with a household income that does not exceed
25 the maximum income limitation, (iii) who is liable, by contract
26 with the owner or owners of record, for paying real property

1 taxes on the property, and (iv) who is an owner of record of a
2 legal or equitable interest in the cooperative apartment
3 building, other than a leasehold interest. In the instance of a
4 cooperative where a homestead exemption has been granted under
5 this Section, the cooperative association or its management
6 firm shall credit the savings resulting from that exemption
7 only to the apportioned tax liability of the owner who
8 qualified for the exemption. Any person who willfully refuses
9 to credit that savings to an owner who qualifies for the
10 exemption is guilty of a Class B misdemeanor.

11 When a homestead exemption has been granted under this
12 Section and an applicant then becomes a resident of a facility
13 licensed under the Assisted Living and Shared Housing Act, the
14 Nursing Home Care Act, the Specialized Mental Health
15 Rehabilitation Act of 2013, or the ID/DD Community Care Act,
16 the exemption shall be granted in subsequent years so long as
17 the residence (i) continues to be occupied by the qualified
18 applicant's spouse or (ii) if remaining unoccupied, is still
19 owned by the qualified applicant for the homestead exemption.

20 Beginning January 1, 1997 for senior citizens and January
21 1, 2015 for disabled persons, when an individual dies who would
22 have qualified for an exemption under this Section, and the
23 surviving spouse does not independently qualify for this
24 exemption because of age or nondisability, the exemption under
25 this Section shall be granted to the surviving spouse for the
26 taxable year preceding and the taxable year of the death,

1 provided that, except for age or nondisability, the surviving
2 spouse meets all other qualifications for the granting of this
3 exemption for those years.

4 When married persons maintain separate residences, the
5 exemption provided for in this Section may be claimed by only
6 one of such persons and for only one residence.

7 For taxable year 1994 only, in counties having less than
8 3,000,000 inhabitants, to receive the exemption, a person shall
9 submit an application by February 15, 1995 to the Chief County
10 Assessment Officer of the county in which the property is
11 located. In counties having 3,000,000 or more inhabitants, for
12 taxable year 1994 and all subsequent taxable years, to receive
13 the exemption, a person may submit an application to the Chief
14 County Assessment Officer of the county in which the property
15 is located during such period as may be specified by the Chief
16 County Assessment Officer. The Chief County Assessment Officer
17 in counties of 3,000,000 or more inhabitants shall annually
18 give notice of the application period by mail or by
19 publication. In counties having less than 3,000,000
20 inhabitants, beginning with taxable year 1995 and thereafter,
21 to receive the exemption, a person shall submit an application
22 by July 1 of each taxable year to the Chief County Assessment
23 Officer of the county in which the property is located. A
24 county may, by ordinance, establish a date for submission of
25 applications that is different than July 1. The applicant shall
26 submit with the application an affidavit of the applicant's

1 total household income, age, marital status (and if married the
2 name and address of the applicant's spouse, if known),
3 disability (if applying for the exemption as a disabled
4 person), and principal dwelling place of members of the
5 household on January 1 of the taxable year. The Department
6 shall establish, by rule, a method for verifying the accuracy
7 of affidavits filed by applicants under this Section, and the
8 Chief County Assessment Officer may conduct audits of any
9 taxpayer claiming an exemption under this Section to verify
10 that the taxpayer is eligible to receive the exemption. Each
11 application shall contain or be verified by a written
12 declaration that it is made under the penalties of perjury. A
13 taxpayer's signing a fraudulent application under this Act is
14 perjury, as defined in Section 32-2 of the Criminal Code of
15 2012. The applications shall be clearly marked as applications
16 for the Senior Citizens and Disabled Persons Assessment Freeze
17 Homestead Exemption and must contain a notice that any taxpayer
18 who receives the exemption is subject to an audit by the Chief
19 County Assessment Officer.

20 Notwithstanding any other provision to the contrary, in
21 counties having fewer than 3,000,000 inhabitants, if an
22 applicant fails to file the application required by this
23 Section in a timely manner and this failure to file is due to a
24 mental or physical condition sufficiently severe so as to
25 render the applicant incapable of filing the application in a
26 timely manner, the Chief County Assessment Officer may extend

1 the filing deadline for a period of 30 days after the applicant
2 regains the capability to file the application, but in no case
3 may the filing deadline be extended beyond 3 months of the
4 original filing deadline. In order to receive the extension
5 provided in this paragraph, the applicant shall provide the
6 Chief County Assessment Officer with a signed statement from
7 the applicant's physician stating the nature and extent of the
8 condition, that, in the physician's opinion, the condition was
9 so severe that it rendered the applicant incapable of filing
10 the application in a timely manner, and the date on which the
11 applicant regained the capability to file the application.

12 Beginning January 1, 1998, notwithstanding any other
13 provision to the contrary, in counties having fewer than
14 3,000,000 inhabitants, if an applicant fails to file the
15 application required by this Section in a timely manner and
16 this failure to file is due to a mental or physical condition
17 sufficiently severe so as to render the applicant incapable of
18 filing the application in a timely manner, the Chief County
19 Assessment Officer may extend the filing deadline for a period
20 of 3 months. In order to receive the extension provided in this
21 paragraph, the applicant shall provide the Chief County
22 Assessment Officer with a signed statement from the applicant's
23 physician stating the nature and extent of the condition, and
24 that, in the physician's opinion, the condition was so severe
25 that it rendered the applicant incapable of filing the
26 application in a timely manner.

1 In counties having less than 3,000,000 inhabitants, if an
2 applicant was denied an exemption in taxable year 1994 and the
3 denial occurred due to an error on the part of an assessment
4 official, or his or her agent or employee, then beginning in
5 taxable year 1997 the applicant's base year, for purposes of
6 determining the amount of the exemption, shall be 1993 rather
7 than 1994. In addition, in taxable year 1997, the applicant's
8 exemption shall also include an amount equal to (i) the amount
9 of any exemption denied to the applicant in taxable year 1995
10 as a result of using 1994, rather than 1993, as the base year,
11 (ii) the amount of any exemption denied to the applicant in
12 taxable year 1996 as a result of using 1994, rather than 1993,
13 as the base year, and (iii) the amount of the exemption
14 erroneously denied for taxable year 1994.

15 For purposes of this Section, a person who will be 65 years
16 of age during the current taxable year or is a disabled person
17 during the current taxable year shall be eligible to apply for
18 the homestead exemption during that taxable year. Application
19 shall be made during the application period in effect for the
20 county of his or her residence.

21 The Chief County Assessment Officer may determine the
22 eligibility of a life care facility that qualifies as a
23 cooperative to receive the benefits provided by this Section by
24 use of an affidavit, application, visual inspection,
25 questionnaire, or other reasonable method in order to insure
26 that the tax savings resulting from the exemption are credited

1 by the management firm to the apportioned tax liability of each
2 qualifying resident. The Chief County Assessment Officer may
3 request reasonable proof that the management firm has so
4 credited that exemption.

5 Except as provided in this Section, all information
6 received by the chief county assessment officer or the
7 Department from applications filed under this Section, or from
8 any investigation conducted under the provisions of this
9 Section, shall be confidential, except for official purposes or
10 pursuant to official procedures for collection of any State or
11 local tax or enforcement of any civil or criminal penalty or
12 sanction imposed by this Act or by any statute or ordinance
13 imposing a State or local tax. Any person who divulges any such
14 information in any manner, except in accordance with a proper
15 judicial order, is guilty of a Class A misdemeanor.

16 Nothing contained in this Section shall prevent the
17 Director or chief county assessment officer from publishing or
18 making available reasonable statistics concerning the
19 operation of the exemption contained in this Section in which
20 the contents of claims are grouped into aggregates in such a
21 way that information contained in any individual claim shall
22 not be disclosed.

23 (d) Each Chief County Assessment Officer shall annually
24 publish a notice of availability of the exemption provided
25 under this Section. The notice shall be published at least 60
26 days but no more than 75 days prior to the date on which the

1 application must be submitted to the Chief County Assessment
2 Officer of the county in which the property is located. The
3 notice shall appear in a newspaper of general circulation in
4 the county.

5 Notwithstanding Sections 6 and 8 of the State Mandates Act,
6 no reimbursement by the State is required for the
7 implementation of any mandate created by this Section.

8 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-689,
9 eff. 6-14-12; 97-813, eff. 7-13-12; 97-1150, eff. 1-25-13;
10 98-104, eff. 7-22-13.)

11 Section 90. The State Mandates Act is amended by adding
12 Section 8.39 as follows:

13 (30 ILCS 805/8.39 new)

14 Sec. 8.39. Exempt mandate. Notwithstanding Sections 6 and 8
15 of this Act, no reimbursement by the State is required for the
16 implementation of any mandate created by this amendatory Act of
17 the 99th General Assembly.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.