

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 (c) In counties with fewer than 3,000,000 inhabitants, if,  
19 based on the most recent assessment, the equalized assessed  
20 value of the homestead property for the current assessment year  
21 is greater than the equalized assessed value of the property  
22 for 1977, the owner of the property shall automatically receive  
23 the exemption granted under this Section in an amount equal to  
24 the increase over the 1977 assessment up to the maximum  
25 reduction set forth in this Section.

26 (d) If in any assessment year beginning with the 2000

1 assessment year, homestead property has a pro-rata valuation  
2 under Section 9-180 resulting in an increase in the assessed  
3 valuation, a reduction in equalized assessed valuation equal to  
4 the increase in equalized assessed value of the property for  
5 the year of the pro-rata valuation above the equalized assessed  
6 value of the property for 1977 shall be applied to the property  
7 on a proportionate basis for the period the property qualified  
8 as homestead property during the assessment year. The maximum  
9 proportionate homestead exemption shall not exceed the maximum  
10 homestead exemption allowed in the county under this Section  
11 divided by 365 and multiplied by the number of days the  
12 property qualified as homestead property.

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

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

20 (2) that a copy of the lease must be filed with the  
21 chief county assessment officer by the owner of the  
22 property at the time the notarized application is  
23 submitted;

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

26 (4) that the lease must include the following language

1 in substantially the following form:

2 "Lessee shall be liable for the payment of real  
3 estate taxes with respect to the residence in  
4 accordance with the terms and conditions of Section  
5 15-175 of the Property Tax Code (35 ILCS 200/15-175).  
6 The permanent real estate index number for the premises  
7 is (insert number), and, according to the most recent  
8 property tax bill, the current amount of real estate  
9 taxes associated with the premises is (insert amount)  
10 per year. The parties agree that the monthly rent set  
11 forth above shall be increased or decreased pro rata  
12 (effective January 1 of each calendar year) to reflect  
13 any increase or decrease in real estate taxes. Lessee  
14 shall be deemed to be satisfying Lessee's liability for  
15 the above mentioned real estate taxes with the monthly  
16 rent payments as set forth above (or increased or  
17 decreased as set forth herein).".

18 In addition, if there is a change in lessee, or if the  
19 lessee vacates the property, then the chief county assessment  
20 officer may require the owner of the property to notify the  
21 chief county assessment officer of that change.

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

24 (f) "Homestead property" under this Section includes  
25 residential property that is occupied by its owner or owners as  
26 his or their principal dwelling place, or that is a leasehold

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

19 "Household", as used in this Section, means the owner, the  
20 spouse of the owner, and all persons using the residence of the  
21 owner as their principal place of residence.

22 "Household income", as used in this Section, means the  
23 combined income of the members of a household for the calendar  
24 year preceding the taxable year.

25 "Income", as used in this Section, has the same meaning as  
26 provided in Section 3.07 of the Senior Citizens and Disabled

1 Persons Property Tax Relief Act, except that "income" does not  
2 include veteran's benefits.

3 (g) In a cooperative where a homestead exemption has been  
4 granted, the cooperative association or its management firm  
5 shall credit the savings resulting from that exemption only to  
6 the apportioned tax liability of the owner who qualified for  
7 the exemption. Any person who willfully refuses to so credit  
8 the savings shall be guilty of a Class B misdemeanor.

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

13 (i) In all counties, the assessor or chief county  
14 assessment officer may determine the eligibility of  
15 residential property to receive the homestead exemption and the  
16 amount of the exemption by application, visual inspection,  
17 questionnaire or other reasonable methods. The determination  
18 shall be made in accordance with guidelines established by the  
19 Department, provided that the taxpayer applying for an  
20 additional general exemption under this Section shall submit to  
21 the chief county assessment officer an application with an  
22 affidavit of the applicant's total household income, age,  
23 marital status (and, if married, the name and address of the  
24 applicant's spouse, if known), and principal dwelling place of  
25 members of the household on January 1 of the taxable year. The  
26 Department shall issue guidelines establishing a method for

1 verifying the accuracy of the affidavits filed by applicants  
2 under this paragraph. The applications shall be clearly marked  
3 as applications for the Additional General Homestead  
4 Exemption.

5 (i-5) This subsection (i-5) applies to counties with  
6 3,000,000 or more inhabitants. In the event of a sale of  
7 homestead property, the homestead exemption shall remain in  
8 effect for the remainder of the assessment year of the sale.  
9 Upon receipt of a transfer declaration transmitted by the  
10 recorder pursuant to Section 31-30 of the Real Estate Transfer  
11 Tax Law for property receiving an exemption under this Section,  
12 the assessor shall mail a notice and forms to the new owner of  
13 the property providing information pertaining to the rules and  
14 applicable filing periods for applying or reapplying for  
15 homestead exemptions under this Code for which the property may  
16 be eligible. If the new owner fails to apply or reapply for a  
17 homestead exemption during the applicable filing period or the  
18 property no longer qualifies for an existing homestead  
19 exemption, the assessor shall cancel such exemption for any  
20 ensuing assessment year.

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

1 year.

2 (k) Notwithstanding Sections 6 and 8 of the State Mandates  
3 Act, no reimbursement by the State is required for the  
4 implementation of any mandate created by this Section.

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

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.