



Rep. Sam Yingling

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LRB100 03681 HLH 22958 a

1 AMENDMENT TO HOUSE BILL 594

2 AMENDMENT NO. _____. Amend House Bill 594 by replacing
3 everything after the enacting clause with the following:

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

1 determined by local assessing officials, the Property Tax
2 Appeal Board, or a court to have been excessive, the equalized
3 assessed value which should have been placed on the property
4 for 1977 shall be used to determine the amount of the
5 exemption.

6 (b) Except as provided in Section 15-176, the maximum
7 reduction before taxable year 2004 shall be \$4,500 in counties
8 with 3,000,000 or more inhabitants and \$3,500 in all other
9 counties. Except as provided in Sections 15-176 and 15-177, for
10 taxable years 2004 through 2007, the maximum reduction shall be
11 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,
12 and, for taxable years 2009 through 2011, the maximum reduction
13 is \$6,000 in all counties. For taxable years 2012 through 2016
14 ~~and thereafter~~, the maximum reduction is \$7,000 in counties
15 with 3,000,000 or more inhabitants and \$6,000 in all other
16 counties. For taxable years 2017 and thereafter, the maximum
17 reduction is \$7,000 in counties with 3,000,000 or more
18 inhabitants and \$10,500 in all other counties. If a county has
19 elected to subject itself to the provisions of Section 15-176
20 as provided in subsection (k) of that Section, then, for the
21 first taxable year only after the provisions of Section 15-176
22 no longer apply, for owners who, for the taxable year, have not
23 been granted a senior citizens assessment freeze homestead
24 exemption under Section 15-172 or a long-time occupant
25 homestead exemption under Section 15-177, there shall be an
26 additional exemption of \$5,000 for owners with a household

1 income of \$30,000 or less.

2 (c) In counties with fewer than 3,000,000 inhabitants, if,
3 based on the most recent assessment, the equalized assessed
4 value of the homestead property for the current assessment year
5 is greater than the equalized assessed value of the property
6 for 1977, the owner of the property shall automatically receive
7 the exemption granted under this Section in an amount equal to
8 the increase over the 1977 assessment up to the maximum
9 reduction set forth in this Section.

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

23 (d-1) In counties with 3,000,000 or more inhabitants, where
24 the chief county assessment officer provides a notice of
25 discovery, if a property is not occupied by its owner as a
26 principal residence as of January 1 of the current tax year,

1 then the property owner shall notify the chief county
2 assessment officer of that fact on a form prescribed by the
3 chief county assessment officer. That notice must be received
4 by the chief county assessment officer on or before March 1 of
5 the collection year. If mailed, the form shall be sent by
6 certified mail, return receipt requested. If the form is
7 provided in person, the chief county assessment officer shall
8 provide a date stamped copy of the notice. Failure to provide
9 timely notice pursuant to this subsection (d-1) shall result in
10 the exemption being treated as an erroneous exemption. Upon
11 timely receipt of the notice for the current tax year, no
12 exemption shall be applied to the property for the current tax
13 year. If the exemption is not removed upon timely receipt of
14 the notice by the chief assessment officer, then the error is
15 considered granted as a result of a clerical error or omission
16 on the part of the chief county assessment officer as described
17 in subsection (h) of Section 9-275, and the property owner
18 shall not be liable for the payment of interest and penalties
19 due to the erroneous exemption for the current tax year for
20 which the notice was filed after the date that notice was
21 timely received pursuant to this subsection. Notice provided
22 under this subsection shall not constitute a defense or amnesty
23 for prior year erroneous exemptions.

24 For the purposes of this subsection (d-1):

25 "Collection year" means the year in which the first and
26 second installment of the current tax year is billed.

1 "Current tax year" means the year prior to the collection
2 year.

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

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

10 (2) that a copy of the lease must be filed with the
11 chief county assessment officer by the owner of the
12 property at the time the notarized application is
13 submitted;

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

16 (4) that the lease must include the following language
17 in substantially the following form:

18 "Lessee shall be liable for the payment of real
19 estate taxes with respect to the residence in
20 accordance with the terms and conditions of Section
21 15-175 of the Property Tax Code (35 ILCS 200/15-175).
22 The permanent real estate index number for the premises
23 is (insert number), and, according to the most recent
24 property tax bill, the current amount of real estate
25 taxes associated with the premises is (insert amount)
26 per year. The parties agree that the monthly rent set

1 forth above shall be increased or decreased pro rata
2 (effective January 1 of each calendar year) to reflect
3 any increase or decrease in real estate taxes. Lessee
4 shall be deemed to be satisfying Lessee's liability for
5 the above mentioned real estate taxes with the monthly
6 rent payments as set forth above (or increased or
7 decreased as set forth herein).".

8 In addition, if there is a change in lessee, or if the
9 lessee vacates the property, then the chief county assessment
10 officer may require the owner of the property to notify the
11 chief county assessment officer of that change.

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

14 (f) "Homestead property" under this Section includes
15 residential property that is occupied by its owner or owners as
16 his or their principal dwelling place, or that is a leasehold
17 interest on which a single family residence is situated, which
18 is occupied as a residence by a person who has an ownership
19 interest therein, legal or equitable or as a lessee, and on
20 which the person is liable for the payment of property taxes.
21 For land improved with an apartment building owned and operated
22 as a cooperative or a building which is a life care facility as
23 defined in Section 15-170 and considered to be a cooperative
24 under Section 15-170, the maximum reduction from the equalized
25 assessed value shall be limited to the increase in the value
26 above the equalized assessed value of the property for 1977, up

1 to the maximum reduction set forth above, multiplied by the
2 number of apartments or units occupied by a person or persons
3 who is liable, by contract with the owner or owners of record,
4 for paying property taxes on the property and is an owner of
5 record of a legal or equitable interest in the cooperative
6 apartment building, other than a leasehold interest. For
7 purposes of this Section, the term "life care facility" has the
8 meaning stated in Section 15-170.

9 "Household", as used in this Section, means the owner, the
10 spouse of the owner, and all persons using the residence of the
11 owner as their principal place of residence.

12 "Household income", as used in this Section, means the
13 combined income of the members of a household for the calendar
14 year preceding the taxable year.

15 "Income", as used in this Section, has the same meaning as
16 provided in Section 3.07 of the Senior Citizens and Persons
17 with Disabilities Property Tax Relief Act, except that "income"
18 does not include veteran's benefits.

19 (g) In a cooperative where a homestead exemption has been
20 granted, the cooperative association or its management firm
21 shall credit the savings resulting from that exemption only to
22 the apportioned tax liability of the owner who qualified for
23 the exemption. Any person who willfully refuses to so credit
24 the savings shall be guilty of a Class B misdemeanor.

25 (h) Where married persons maintain and reside in separate
26 residences qualifying as homestead property, each residence

1 shall receive 50% of the total reduction in equalized assessed
2 valuation provided by this Section.

3 (i) In all counties, the assessor or chief county
4 assessment officer may determine the eligibility of
5 residential property to receive the homestead exemption and the
6 amount of the exemption by application, visual inspection,
7 questionnaire or other reasonable methods. The determination
8 shall be made in accordance with guidelines established by the
9 Department, provided that the taxpayer applying for an
10 additional general exemption under this Section shall submit to
11 the chief county assessment officer an application with an
12 affidavit of the applicant's total household income, age,
13 marital status (and, if married, the name and address of the
14 applicant's spouse, if known), and principal dwelling place of
15 members of the household on January 1 of the taxable year. The
16 Department shall issue guidelines establishing a method for
17 verifying the accuracy of the affidavits filed by applicants
18 under this paragraph. The applications shall be clearly marked
19 as applications for the Additional General Homestead
20 Exemption.

21 (i-5) This subsection (i-5) applies to counties with
22 3,000,000 or more inhabitants. In the event of a sale of
23 homestead property, the homestead exemption shall remain in
24 effect for the remainder of the assessment year of the sale.
25 Upon receipt of a transfer declaration transmitted by the
26 recorder pursuant to Section 31-30 of the Real Estate Transfer

1 Tax Law for property receiving an exemption under this Section,
2 the assessor shall mail a notice and forms to the new owner of
3 the property providing information pertaining to the rules and
4 applicable filing periods for applying or reapplying for
5 homestead exemptions under this Code for which the property may
6 be eligible. If the new owner fails to apply or reapply for a
7 homestead exemption during the applicable filing period or the
8 property no longer qualifies for an existing homestead
9 exemption, the assessor shall cancel such exemption for any
10 ensuing assessment year.

11 (j) In counties with fewer than 3,000,000 inhabitants, in
12 the event of a sale of homestead property the homestead
13 exemption shall remain in effect for the remainder of the
14 assessment year of the sale. The assessor or chief county
15 assessment officer may require the new owner of the property to
16 apply for the homestead exemption for the following assessment
17 year.

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

21 (Source: P.A. 98-7, eff. 4-23-13; 98-463, eff. 8-16-13; 99-143,
22 eff. 7-27-15; 99-164, eff. 7-28-15; 99-642, eff. 7-28-16;
23 99-851, eff. 8-19-16.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law."