



Rep. Ryan Spain

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LRB100 09290 HLH 24918 a

1 AMENDMENT TO HOUSE BILL 2428

2 AMENDMENT NO. _____. Amend House Bill 2428 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing
5 Sections 9-275 and 14-20 as follows:

6 (35 ILCS 200/9-275)

7 Sec. 9-275. Erroneous homestead exemptions.

8 (a) For purposes of this Section:

9 "Erroneous homestead exemption" means a homestead
10 exemption that was granted for real property in a taxable year
11 if the property was not eligible for that exemption in that
12 taxable year. If the taxpayer receives an erroneous homestead
13 exemption under a single Section of this Code for the same
14 property in multiple years, that exemption is considered a
15 single erroneous homestead exemption for purposes of this
16 Section. However, if the taxpayer receives erroneous homestead

1 exemptions under multiple Sections of this Code for the same
2 property, or if the taxpayer receives erroneous homestead
3 exemptions under the same Section of this Code for multiple
4 properties, then each of those exemptions is considered a
5 separate erroneous homestead exemption for purposes of this
6 Section.

7 "Homestead exemption" means an exemption under Section
8 15-165 (veterans with disabilities), 15-167 (returning
9 veterans), 15-168 (persons with disabilities), 15-169
10 (standard homestead for veterans with disabilities), 15-170
11 (senior citizens), 15-172 (senior citizens assessment freeze),
12 15-175 (general homestead), 15-176 (alternative general
13 homestead), or 15-177 (long-time occupant).

14 "Erroneous exemption principal amount" means the total
15 difference between the property taxes actually billed to a
16 property index number and the amount of property taxes that
17 would have been billed but for the erroneous exemption or
18 exemptions.

19 "Qualified county" means a county with 3,000,000 or more
20 inhabitants and each county with fewer than 3,000,000
21 inhabitants for which an ordinance was passed in accordance
22 with subsection (k-5) of this Section.

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

25 (b) Notwithstanding any other provision of law, in
26 qualified counties ~~with 3,000,000 or more inhabitants,~~ the

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

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

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

1 years from the date on which the notice of discovery was
2 served.

3 (c-5) The notice of discovery described in subsection (c)
4 shall: (1) identify, by property index number, the property for
5 which the chief county assessment officer has knowledge
6 indicating the existence of an erroneous homestead exemption;
7 (2) set forth the taxpayer's liability for principal, interest,
8 penalties, and administrative costs including, but not limited
9 to, recording fees described in subsection (f); (3) inform the
10 taxpayer that he or she will be served with a notice of intent
11 to record a lien within 3 years from the date of service of the
12 notice of discovery; (4) inform the taxpayer that he or she may
13 pay the outstanding amount, plus interest, penalties, and
14 administrative costs at any time prior to being served with the
15 notice of intent to record a lien or within 30 days after the
16 notice of intent to record a lien is served; and (5) inform the
17 taxpayer that, if the taxpayer provided notice to the chief
18 county assessment officer as provided in subsection (d-1) of
19 Section 15-175 of this Code, upon submission by the taxpayer of
20 evidence of timely notice and receipt thereof by the chief
21 county assessment officer, the chief county assessment officer
22 will withdraw the notice of discovery and reissue a notice of
23 discovery in compliance with this Section in which the taxpayer
24 is not liable for interest and penalties for the current tax
25 year in which the notice was received.

26 For the purposes of this subsection (c-5):

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

3 "Current tax year" means the year prior to the collection
4 year.

5 (d) The notice of intent to record a lien described in
6 subsection (c) shall: (1) identify, by property index number,
7 the property against which the lien is being sought; (2)
8 identify each specific homestead exemption that was
9 erroneously granted and the year or years in which each
10 exemption was granted; (3) set forth the erroneous exemption
11 principal amount due and the interest amount and any penalty
12 and administrative costs due; (4) inform the taxpayer that he
13 or she may request a hearing within 30 days after service and
14 may appeal the hearing officer's ruling to the circuit court;
15 (5) inform the taxpayer that he or she may pay the erroneous
16 exemption principal amount, plus interest and penalties,
17 within 30 days after service; and (6) inform the taxpayer that,
18 if the lien is recorded against the property, the amount of the
19 lien will be adjusted to include the applicable recording fee
20 and that fees for recording a release of the lien shall be
21 incurred by the taxpayer. A lien shall not be filed pursuant to
22 this Section if the taxpayer pays the erroneous exemption
23 principal amount, plus penalties and interest, within 30 days
24 of service of the notice of intent to record a lien.

25 (e) The notice of intent to record a lien shall also
26 include a form that the taxpayer may return to the chief county

1 assessment officer to request a hearing. The taxpayer may
2 request a hearing by returning the form within 30 days after
3 service. The hearing shall be held within 90 days after the
4 taxpayer is served. The chief county assessment officer shall
5 promulgate rules of service and procedure for the hearing. The
6 chief county assessment officer must generally follow rules of
7 evidence and practices that prevail in the county circuit
8 courts, but, because of the nature of these proceedings, the
9 chief county assessment officer is not bound by those rules in
10 all particulars. The chief county assessment officer shall
11 appoint a hearing officer to oversee the hearing. The taxpayer
12 shall be allowed to present evidence to the hearing officer at
13 the hearing. After taking into consideration all the relevant
14 testimony and evidence, the hearing officer shall make an
15 administrative decision on whether the taxpayer was
16 erroneously granted a homestead exemption for the taxable year
17 in question. The taxpayer may appeal the hearing officer's
18 ruling to the circuit court of the county where the property is
19 located as a final administrative decision under the
20 Administrative Review Law.

21 (f) A lien against the property imposed under this Section
22 shall be filed with the county recorder of deeds, but may not
23 be filed sooner than 60 days after the notice of intent to
24 record a lien was delivered to the taxpayer if the taxpayer
25 does not request a hearing, or until the conclusion of the
26 hearing and all appeals if the taxpayer does request a hearing.

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

1 the total lien amount.

2 (g) If a person received an erroneous homestead exemption
3 under Section 15-170 and: (1) the person was the spouse, child,
4 grandchild, brother, sister, niece, or nephew of the previous
5 taxpayer; and (2) the person received the property by bequest
6 or inheritance; then the person is not liable for the penalties
7 imposed under this Section for any year or years during which
8 the chief county assessment officer did not require an annual
9 application for the exemption. However, that person is
10 responsible for any interest owed under subsection (f).

11 (h) If the erroneous homestead exemption was granted as a
12 result of a clerical error or omission on the part of the chief
13 county assessment officer, and if the taxpayer has paid the tax
14 bills as received for the year in which the error occurred,
15 then the interest and penalties authorized by this Section with
16 respect to that homestead exemption shall not be chargeable to
17 the taxpayer. However, nothing in this Section shall prevent
18 the collection of the erroneous exemption principal amount due
19 and owing.

20 (i) A lien under this Section is not valid as to (1) any
21 bona fide purchaser for value without notice of the erroneous
22 homestead exemption whose rights in and to the underlying
23 parcel arose after the erroneous homestead exemption was
24 granted but before the filing of the notice of lien; or (2) any
25 mortgagee, judgment creditor, or other lienor whose rights in
26 and to the underlying parcel arose before the filing of the

1 notice of lien. A title insurance policy for the property that
2 is issued by a title company licensed to do business in the
3 State showing that the property is free and clear of any liens
4 imposed under this Section shall be prima facie evidence that
5 the taxpayer is without notice of the erroneous homestead
6 exemption. Nothing in this Section shall be deemed to impair
7 the rights of subsequent creditors and subsequent purchasers
8 under Section 30 of the Conveyances Act.

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

1 release form with the county recorder of deeds and to pay any
2 applicable recording fees.

3 (k) The county treasurer shall pay collected erroneous
4 exemption principal amounts, pro rata, to the taxing districts,
5 or their legal successors, that levied upon the subject
6 property in the taxable year or years for which the erroneous
7 homestead exemptions were granted, except as set forth in this
8 Section. The county treasurer shall deposit collected
9 penalties and interest into a special fund established by the
10 county treasurer to offset the costs of administration of the
11 provisions of this Section by the chief county assessment
12 officer's office, as appropriated by the county board. If the
13 costs of administration of this Section exceed the amount of
14 interest and penalties collected in the special fund, the chief
15 county assessor shall be reimbursed by each taxing district or
16 their legal successors for those costs. Such costs shall be
17 paid out of the funds collected by the county treasurer on
18 behalf of each taxing district pursuant to this Section.

19 (k-5) If the county board of a county with fewer than
20 3,000,000 inhabitants passes an ordinance providing that the
21 provisions of this Section shall apply in that county, then
22 this Section shall apply in that county beginning in the first
23 tax year to occur after the effective date of the ordinance.

24 (l) The chief county assessment officer in a county with
25 3,000,000 or more inhabitants shall establish an amnesty period
26 for all taxpayers owing any tax due to an erroneous homestead

1 exemption granted in a tax year prior to the 2013 tax year. The
2 amnesty period shall begin on the effective date of this
3 amendatory Act of the 98th General Assembly and shall run
4 through December 31, 2013. If, during the amnesty period, the
5 taxpayer pays the entire arrearage of taxes due for tax years
6 prior to 2013, the county clerk shall abate and not seek to
7 collect any interest or penalties that may be applicable and
8 shall not seek civil or criminal prosecution for any taxpayer
9 for tax years prior to 2013. Failure to pay all such taxes due
10 during the amnesty period established under this Section shall
11 invalidate the amnesty period for that taxpayer.

12 The chief county assessment officer in a county that passes
13 an ordinance under subsection (k-5) shall establish an amnesty
14 period for all taxpayers owing any tax due to an erroneous
15 homestead exemption granted in a tax year prior to the first
16 tax year in which this Section applies in that county. The
17 amnesty period shall begin on January 1 of the first tax year
18 for which this Section applies to the county and shall run
19 through December 31 of that tax year. If, during the amnesty
20 period, the taxpayer pays the entire arrearage of taxes, the
21 county clerk shall abate and not seek to collect any interest
22 or penalties that may be applicable and shall not seek civil or
23 criminal prosecution for any taxpayer for those tax years.
24 Failure to pay all such taxes due during the amnesty period
25 established under this Section shall invalidate the amnesty
26 period for that taxpayer.

1 The chief county assessment officer in a county with
2 3,000,000 or more inhabitants shall (i) mail notice of the
3 amnesty period with the tax bills for the second installment of
4 taxes for the 2012 assessment year and (ii) as soon as possible
5 after the effective date of this amendatory Act of the 98th
6 General Assembly, publish notice of the amnesty period in a
7 newspaper of general circulation in the county. Notices shall
8 include information on the amnesty period, its purpose, and the
9 method by which to make payment.

10 The chief county assessment officer in a county that passes
11 an ordinance under subsection (k-5) shall (i) mail notice of
12 the amnesty period with the tax bills for the next installment
13 of taxes due after the ordinance is passed and (ii) as soon as
14 possible after the effective date of the ordinance, publish
15 notice of the amnesty period in a newspaper of general
16 circulation in the county. Notices shall include information on
17 the amnesty period, its purpose, and the method by which to
18 make payment.

19 Taxpayers who are a party to any criminal investigation or
20 to any civil or criminal litigation that is pending in any
21 circuit court or appellate court, or in the Supreme Court of
22 this State, for nonpayment, delinquency, or fraud in relation
23 to any property tax imposed by any taxing district located in
24 the State on the effective date of this amendatory Act of the
25 98th General Assembly (if the property is located in a county
26 with 3,000,000 or more inhabitants) or on the effective date of

1 the ordinance (if the property is subject to this Section by
2 operation of subsection (k-5)) may not take advantage of the
3 amnesty period.

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

7 (Source: P.A. 98-93, eff. 7-16-13; 98-756, eff. 7-16-14;
8 98-811, eff. 1-1-15; 98-1143, eff. 1-1-15; 99-143, eff.
9 7-27-15; 99-851, eff. 8-19-16.)

10 (35 ILCS 200/14-20)

11 Sec. 14-20. Certificate of error; counties of less than
12 3,000,000. In any county with less than 3,000,000 inhabitants,
13 if, at any time before judgment or order of sale is entered in
14 any proceeding to collect or to enjoin the collection of taxes
15 based upon any assessment of any property, the chief county
16 assessment officer discovers an error or mistake in the
17 assessment (other than errors of judgment as to the valuation
18 of the property), he or she shall issue to the person
19 erroneously assessed a certificate setting forth the nature of
20 the error and the cause or causes of the error. In any county
21 with less than 3,000,000 inhabitants, if an owner fails to file
22 an application for any homestead exemption provided under
23 Article 15 during the previous assessment year and qualifies
24 for the exemption, the Chief County Assessment Officer pursuant
25 to this Section, or the Board of Review pursuant to Section

1 16-75, shall issue a certificate of error setting forth the
2 correct taxable valuation of the property. Notwithstanding any
3 other provision of law, in the case of property located in a
4 county that is subject to Section 9-275 by operation of
5 subsection (k-5) of that Section, if an owner fails to file an
6 application for any homestead exemption provided under Article
7 15 during any of the 3 immediately preceding assessment years
8 and qualifies for the exemption, the Chief County Assessment
9 Officer pursuant to this Section, or the Board of Review
10 pursuant to Section 16-75, shall issue a certificate of error
11 setting forth the correct taxable valuation of the property.

12 The certificate, when properly endorsed by the majority of the
13 board of review, showing their concurrence, and not otherwise,
14 may be used in evidence in any court of competent jurisdiction,
15 and when so introduced in evidence, shall become a part of the
16 court record and shall not be removed from the files except on
17 an order of the court.

18 (Source: P.A. 96-522, eff. 8-14-09.)".