

HB3702



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3702

by Rep. Michael Halpin

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-168.1 new

Amends the Property Tax Code. Creates an assessment freeze homestead exemption for persons with a disability. Sets forth the amount of the exemption. Provides that applicants must reapply on an annual basis. Effective immediately.

LRB100 04712 HLH 14718 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 adding
5 Section 15-168.1 as follows:

6 (35 ILCS 200/15-168.1 new)

7 Sec. 15-168.1. Assessment Freeze Homestead Exemption for
8 Persons with Disabilities.

9 (a) This Section may be cited as the Assessment Freeze
10 Homestead Exemption for Persons with Disabilities.

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 An equalized assessed value that is based on an assessed value
15 that results from a temporary irregularity in the property that
16 reduces the assessed value for one or more taxable years shall
17 not be considered the lowest equalized assessed value.

18 "Chief County Assessment Officer" means the County
19 Assessor or Supervisor of Assessments of the county in which
20 the property is located.

21 "Equalized assessed value" means the assessed value as
22 equalized by the Illinois Department of Revenue.

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

26 "Household income" means the combined income of the members

1 of a household for the calendar year preceding the taxable
2 year.

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

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

10 "Maximum income limitation" means \$55,000.

11 "Person with a disability" has the meaning ascribed to that
12 term in Section 15-168 of this Act.

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

23 "Taxable year" means the calendar year during which ad
24 valorem property taxes payable in the next succeeding year are
25 levied.

26 (c) Beginning in taxable year 2017, an assessment freeze

1 homestead exemption is granted for real property that is
2 improved with a permanent structure that is occupied as a
3 residence by an applicant who (i) is a person with a disability
4 at any point during the taxable year, (ii) has a household
5 income that does not exceed the maximum income limitation,
6 (iii) is liable for paying real property taxes on the property,
7 and (iv) is an owner of record of the property or has a legal or
8 equitable interest in the property as evidenced by a written
9 instrument. This homestead exemption shall also apply to a
10 leasehold interest in a parcel of property improved with a
11 permanent structure that is a single family residence that is
12 occupied as a residence by a person who (i) is a person with a
13 disability during the taxable year, (ii) has a household income
14 that does not exceed the maximum income limitation, (iii) has a
15 legal or equitable ownership interest in the property as
16 lessee, and (iv) is liable for the payment of real property
17 taxes on that property.

18 In counties of 3,000,000 or more inhabitants, the amount of
19 the exemption for all taxable years is the equalized assessed
20 value of the residence in the taxable year for which
21 application is made minus the base amount. In all other
22 counties, the amount of the exemption is as follows:

23 (1) For an applicant who has a household income of
24 \$45,000 or less, the amount of the exemption is the
25 equalized assessed value of the residence in the taxable
26 year for which application is made minus the base amount.

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

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

11 (4) For an applicant who has a household income
12 exceeding \$47,500 but not exceeding \$48,750, the amount of
13 the exemption is (i) the equalized assessed value of the
14 residence in the taxable year for which application is made
15 minus the base amount (ii) multiplied by 0.4.

16 (5) For an applicant who has a household income
17 exceeding \$48,750 but not exceeding \$55,000, the amount of
18 the exemption is (i) the equalized assessed value of the
19 residence in the taxable year for which application is made
20 minus the base amount (ii) multiplied by 0.2.

21 When the applicant is a surviving spouse of an applicant
22 for a prior year for the same residence for which an exemption
23 under this Section has been granted, the base year and base
24 amount for that residence are the same as for the applicant for
25 the prior year.

26 Each year at the time the assessment books are certified to

1 the County Clerk, the Board of Review or Board of Appeals shall
2 give to the County Clerk a list of the assessed values of
3 improvements on each parcel qualifying for this exemption that
4 were added after the base year for this parcel and increased
5 the assessed value of the property.

6 In the case of land improved with an apartment building
7 owned and operated as a cooperative or a building that is a
8 life care facility that qualifies as a cooperative, the maximum
9 reduction from the equalized assessed value of the property is
10 limited to the sum of the reductions calculated for each unit
11 occupied as a residence by a person or persons (i) with a
12 disability, (ii) with a household income that does not exceed
13 the maximum income limitation, (iii) who is liable, by contract
14 with the owner or owners of record, for paying real property
15 taxes on the property, and (iv) who is an owner of record of a
16 legal or equitable interest in the cooperative apartment
17 building, other than a leasehold interest. In the instance of a
18 cooperative where a homestead exemption has been granted under
19 this Section, the cooperative association or its management
20 firm shall credit the savings resulting from that exemption
21 only to the apportioned tax liability of the owner who
22 qualified for the exemption. Any person who willfully refuses
23 to credit that savings to an owner who qualifies for the
24 exemption is guilty of a Class B misdemeanor.

25 When a homestead exemption has been granted under this
26 Section and an applicant then becomes a resident of a facility

1 licensed under the Assisted Living and Shared Housing Act, the
2 Nursing Home Care Act, the Specialized Mental Health
3 Rehabilitation Act of 2013, the ID/DD Community Care Act, or
4 the MC/DD Act, the exemption shall be granted in subsequent
5 years so long as the residence (i) continues to be occupied by
6 the qualified applicant's spouse or (ii) if remaining
7 unoccupied, is still owned by the qualified applicant for the
8 homestead exemption.

9 When an individual dies who would have qualified for an
10 exemption under this Section, and the surviving spouse does not
11 independently qualify for this exemption because of he or she
12 is not a person with a disability, the exemption under this
13 Section shall be granted to the surviving spouse for the
14 taxable year preceding and the taxable year of the death,
15 provided that the surviving spouse meets all other
16 qualifications for the granting of this exemption for those
17 years.

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

21 To receive the exemption, a person shall submit an
22 application by July 1 of each taxable year to the Chief County
23 Assessment Officer of the county in which the property is
24 located. A county may, by ordinance, establish a date for
25 submission of applications that is different than July 1. The
26 applicant shall submit with the application an affidavit of the

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

19 Notwithstanding any other provision to the contrary, if an
20 applicant fails to file the application required by this
21 Section in a timely manner and this failure to file is due to a
22 mental or physical condition sufficiently severe so as to
23 render the applicant incapable of filing the application in a
24 timely manner, the Chief County Assessment Officer may extend
25 the filing deadline for a period of 30 days after the applicant
26 regains the capability to file the application, but in no case

1 may the filing deadline be extended beyond 3 months of the
2 original filing deadline. In order to receive the extension
3 provided in this paragraph, the applicant shall provide the
4 Chief County Assessment Officer with a signed statement from
5 the applicant's physician, advanced practice nurse, or
6 physician assistant stating the nature and extent of the
7 condition, that, in the physician's, advanced practice
8 nurse's, or physician assistant's opinion, the condition was so
9 severe that it rendered the applicant incapable of filing the
10 application in a timely manner, and the date on which the
11 applicant regained the capability to file the application.

12 Application shall be made during the application period in
13 effect for the county of his or her residence.

14 The Chief County Assessment Officer may determine the
15 eligibility of a life care facility that qualifies as a
16 cooperative to receive the benefits provided by this Section by
17 use of an affidavit, application, visual inspection,
18 questionnaire, or other reasonable method in order to insure
19 that the tax savings resulting from the exemption are credited
20 by the management firm to the apportioned tax liability of each
21 qualifying resident. The Chief County Assessment Officer may
22 request reasonable proof that the management firm has so
23 credited that exemption.

24 Except as provided in this Section, all information
25 received by the chief county assessment officer or the
26 Department from applications filed under this Section, or from

1 any investigation conducted under the provisions of this
2 Section, shall be confidential, except for official purposes or
3 pursuant to official procedures for collection of any State or
4 local tax or enforcement of any civil or criminal penalty or
5 sanction imposed by this Act or by any statute or ordinance
6 imposing a State or local tax. Any person who divulges any such
7 information in any manner, except in accordance with a proper
8 judicial order, is guilty of a Class A misdemeanor.

9 Nothing contained in this Section shall prevent the
10 Director or chief county assessment officer from publishing or
11 making available reasonable statistics concerning the
12 operation of the exemption contained in this Section in which
13 the contents of claims are grouped into aggregates in such a
14 way that information contained in any individual claim shall
15 not be disclosed.

16 (d) Each Chief County Assessment Officer shall annually
17 publish a notice of availability of the exemption provided
18 under this Section. The notice shall be published at least 60
19 days but no more than 75 days prior to the date on which the
20 application must be submitted to the Chief County Assessment
21 Officer of the county in which the property is located. The
22 notice shall appear in a newspaper of general circulation in
23 the county.

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

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.