



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2807

by Rep. Mary Edly-Allen

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-170
35 ILCS 200/15-175

Amends the Property Tax Code. Provides that the maximum reduction under the senior citizens homestead exemption is \$8,000 in all counties (currently, \$8,000 in counties with 3,000,000 or more inhabitants and \$5,000 in all other counties). Provides that, for taxable years 2019 and thereafter, the maximum reduction under the general homestead exemption is \$10,000 in counties with 3,000,000 or more inhabitants and \$8,000 in all other counties (currently, \$10,000 in counties with 3,000,000 or more inhabitants and \$6,000 in all other counties). Effective immediately.

LRB101 10467 HLH 55573 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 Sections 15-170 and 15-175 as follows:

6 (35 ILCS 200/15-170)

7 Sec. 15-170. Senior citizens homestead exemption. An
8 annual homestead exemption limited, except as described here
9 with relation to cooperatives or life care facilities, to a
10 maximum reduction set forth below from the property's value, as
11 equalized or assessed by the Department, is granted for
12 property that is occupied as a residence by a person 65 years
13 of age or older who is liable for paying real estate taxes on
14 the property and is an owner of record of the property or has a
15 legal or equitable interest therein as evidenced by a written
16 instrument, except for a leasehold interest, other than a
17 leasehold interest of land on which a single family residence
18 is located, which is occupied as a residence by a person 65
19 years or older who has an ownership interest therein, legal,
20 equitable or as a lessee, and on which he or she is liable for
21 the payment of property taxes. Before taxable year 2004, the
22 maximum reduction shall be \$2,500 in counties with 3,000,000 or
23 more inhabitants and \$2,000 in all other counties. For taxable

1 years 2004 through 2005, the maximum reduction shall be \$3,000
2 in all counties. For taxable years 2006 and 2007, the maximum
3 reduction shall be \$3,500. For taxable years 2008 through 2011,
4 the maximum reduction is \$4,000 in all counties. For taxable
5 year 2012, the maximum reduction is \$5,000 in counties with
6 3,000,000 or more inhabitants and \$4,000 in all other counties.
7 For taxable years 2013 through 2016, the maximum reduction is
8 \$5,000 in all counties. For taxable years 2017 and 2018
9 ~~thereafter~~, the maximum reduction is \$8,000 in counties with
10 3,000,000 or more inhabitants and \$5,000 in all other counties.
11 For taxable years 2019 and thereafter, the the maximum
12 reduction is \$8,000 in all counties.

13 For land improved with an apartment building owned and
14 operated as a cooperative, the maximum reduction from the value
15 of the property, as equalized by the Department, shall be
16 multiplied by the number of apartments or units occupied by a
17 person 65 years of age or older who is liable, by contract with
18 the owner or owners of record, for paying property taxes on the
19 property and is an owner of record of a legal or equitable
20 interest in the cooperative apartment building, other than a
21 leasehold interest. For land improved with a life care
22 facility, the maximum reduction from the value of the property,
23 as equalized by the Department, shall be multiplied by the
24 number of apartments or units occupied by persons 65 years of
25 age or older, irrespective of any legal, equitable, or
26 leasehold interest in the facility, who are liable, under a

1 contract with the owner or owners of record of the facility,
2 for paying property taxes on the property. In a cooperative or
3 a life care facility where a homestead exemption has been
4 granted, the cooperative association or the management firm of
5 the cooperative or facility shall credit the savings resulting
6 from that exemption only to the apportioned tax liability of
7 the owner or resident who qualified for the exemption. Any
8 person who willfully refuses to so credit the savings shall be
9 guilty of a Class B misdemeanor. Under this Section and
10 Sections 15-175, 15-176, and 15-177, "life care facility" means
11 a facility, as defined in Section 2 of the Life Care Facilities
12 Act, with which the applicant for the homestead exemption has a
13 life care contract as defined in that Act.

14 When a homestead exemption has been granted under this
15 Section and the person qualifying subsequently becomes a
16 resident of a facility licensed under the Assisted Living and
17 Shared Housing Act, the Nursing Home Care Act, the Specialized
18 Mental Health Rehabilitation Act of 2013, the ID/DD Community
19 Care Act, or the MC/DD Act, the exemption shall continue so
20 long as the residence continues to be occupied by the
21 qualifying person's spouse if the spouse is 65 years of age or
22 older, or if the residence remains unoccupied but is still
23 owned by the person qualified for the homestead exemption.

24 A person who will be 65 years of age during the current
25 assessment year shall be eligible to apply for the homestead
26 exemption during that assessment year. Application shall be

1 made during the application period in effect for the county of
2 his residence.

3 Beginning with assessment year 2003, for taxes payable in
4 2004, property that is first occupied as a residence after
5 January 1 of any assessment year by a person who is eligible
6 for the senior citizens homestead exemption under this Section
7 must be granted a pro-rata exemption for the assessment year.
8 The amount of the pro-rata exemption is the exemption allowed
9 in the county under this Section divided by 365 and multiplied
10 by the number of days during the assessment year the property
11 is occupied as a residence by a person eligible for the
12 exemption under this Section. The chief county assessment
13 officer must adopt reasonable procedures to establish
14 eligibility for this pro-rata exemption.

15 The assessor or chief county assessment officer may
16 determine the eligibility of a life care facility to receive
17 the benefits provided by this Section, by affidavit,
18 application, visual inspection, questionnaire or other
19 reasonable methods in order to insure that the tax savings
20 resulting from the exemption are credited by the management
21 firm to the apportioned tax liability of each qualifying
22 resident. The assessor may request reasonable proof that the
23 management firm has so credited the exemption.

24 The chief county assessment officer of each county with
25 less than 3,000,000 inhabitants shall provide to each person
26 allowed a homestead exemption under this Section a form to

1 designate any other person to receive a duplicate of any notice
2 of delinquency in the payment of taxes assessed and levied
3 under this Code on the property of the person receiving the
4 exemption. The duplicate notice shall be in addition to the
5 notice required to be provided to the person receiving the
6 exemption, and shall be given in the manner required by this
7 Code. The person filing the request for the duplicate notice
8 shall pay a fee of \$5 to cover administrative costs to the
9 supervisor of assessments, who shall then file the executed
10 designation with the county collector. Notwithstanding any
11 other provision of this Code to the contrary, the filing of
12 such an executed designation requires the county collector to
13 provide duplicate notices as indicated by the designation. A
14 designation may be rescinded by the person who executed such
15 designation at any time, in the manner and form required by the
16 chief county assessment officer.

17 The assessor or chief county assessment officer may
18 determine the eligibility of residential property to receive
19 the homestead exemption provided by this Section by
20 application, visual inspection, questionnaire or other
21 reasonable methods. The determination shall be made in
22 accordance with guidelines established by the Department.

23 In counties with 3,000,000 or more inhabitants, beginning
24 in taxable year 2010, each taxpayer who has been granted an
25 exemption under this Section must reapply on an annual basis.
26 The chief county assessment officer shall mail the application

1 to the taxpayer. In counties with less than 3,000,000
2 inhabitants, the county board may by resolution provide that if
3 a person has been granted a homestead exemption under this
4 Section, the person qualifying need not reapply for the
5 exemption.

6 In counties with less than 3,000,000 inhabitants, if the
7 assessor or chief county assessment officer requires annual
8 application for verification of eligibility for an exemption
9 once granted under this Section, the application shall be
10 mailed to the taxpayer.

11 The assessor or chief county assessment officer shall
12 notify each person who qualifies for an exemption under this
13 Section that the person may also qualify for deferral of real
14 estate taxes under the Senior Citizens Real Estate Tax Deferral
15 Act. The notice shall set forth the qualifications needed for
16 deferral of real estate taxes, the address and telephone number
17 of county collector, and a statement that applications for
18 deferral of real estate taxes may be obtained from the county
19 collector.

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

23 (Source: P.A. 99-180, eff. 7-29-15; 100-401, eff. 8-25-17.)

24 (35 ILCS 200/15-175)

25 Sec. 15-175. General homestead exemption.

1 (a) Except as provided in Sections 15-176 and 15-177,
2 homestead property is entitled to an annual homestead exemption
3 limited, except as described here with relation to cooperatives
4 or life care facilities, to a reduction in the equalized
5 assessed value of homestead property equal to the increase in
6 equalized assessed value for the current assessment year above
7 the equalized assessed value of the property for 1977, up to
8 the maximum reduction set forth below. If however, the 1977
9 equalized assessed value upon which taxes were paid is
10 subsequently determined by local assessing officials, the
11 Property Tax Appeal Board, or a court to have been excessive,
12 the equalized assessed value which should have been placed on
13 the property for 1977 shall be used to determine the amount of
14 the exemption.

15 (b) Except as provided in Section 15-176, the maximum
16 reduction before taxable year 2004 shall be \$4,500 in counties
17 with 3,000,000 or more inhabitants and \$3,500 in all other
18 counties. Except as provided in Sections 15-176 and 15-177, for
19 taxable years 2004 through 2007, the maximum reduction shall be
20 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,
21 and, for taxable years 2009 through 2011, the maximum reduction
22 is \$6,000 in all counties. For taxable years 2012 through 2016,
23 the maximum reduction is \$7,000 in counties with 3,000,000 or
24 more inhabitants and \$6,000 in all other counties. For taxable
25 years 2017 and 2018 ~~thereafter~~, the maximum reduction is
26 \$10,000 in counties with 3,000,000 or more inhabitants and

1 \$6,000 in all other counties. For taxable years 2019 and
2 thereafter, the maximum reduction is \$10,000 in counties with
3 3,000,000 or more inhabitants and \$8,000 in all other counties.

4 If a county has elected to subject itself to the provisions of
5 Section 15-176 as provided in subsection (k) of that Section,
6 then, for the first taxable year only after the provisions of
7 Section 15-176 no longer apply, for owners who, for the taxable
8 year, have not been granted a senior citizens assessment freeze
9 homestead exemption under Section 15-172 or a long-time
10 occupant homestead exemption under Section 15-177, there shall
11 be an additional exemption of \$5,000 for owners with a
12 household income of \$30,000 or less.

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

21 (d) If in any assessment year beginning with the 2000
22 assessment year, homestead property has a pro-rata valuation
23 under Section 9-180 resulting in an increase in the assessed
24 valuation, a reduction in equalized assessed valuation equal to
25 the increase in equalized assessed value of the property for
26 the year of the pro-rata valuation above the equalized assessed

1 value of the property for 1977 shall be applied to the property
2 on a proportionate basis for the period the property qualified
3 as homestead property during the assessment year. The maximum
4 proportionate homestead exemption shall not exceed the maximum
5 homestead exemption allowed in the county under this Section
6 divided by 365 and multiplied by the number of days the
7 property qualified as homestead property.

8 (d-1) In counties with 3,000,000 or more inhabitants, where
9 the chief county assessment officer provides a notice of
10 discovery, if a property is not occupied by its owner as a
11 principal residence as of January 1 of the current tax year,
12 then the property owner shall notify the chief county
13 assessment officer of that fact on a form prescribed by the
14 chief county assessment officer. That notice must be received
15 by the chief county assessment officer on or before March 1 of
16 the collection year. If mailed, the form shall be sent by
17 certified mail, return receipt requested. If the form is
18 provided in person, the chief county assessment officer shall
19 provide a date stamped copy of the notice. Failure to provide
20 timely notice pursuant to this subsection (d-1) shall result in
21 the exemption being treated as an erroneous exemption. Upon
22 timely receipt of the notice for the current tax year, no
23 exemption shall be applied to the property for the current tax
24 year. If the exemption is not removed upon timely receipt of
25 the notice by the chief assessment officer, then the error is
26 considered granted as a result of a clerical error or omission

1 on the part of the chief county assessment officer as described
2 in subsection (h) of Section 9-275, and the property owner
3 shall not be liable for the payment of interest and penalties
4 due to the erroneous exemption for the current tax year for
5 which the notice was filed after the date that notice was
6 timely received pursuant to this subsection. Notice provided
7 under this subsection shall not constitute a defense or amnesty
8 for prior year erroneous exemptions.

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

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

12 "Current tax year" means the year prior to the collection
13 year.

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

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

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

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

1 (4) that the lease must include the following language
2 in substantially the following form:

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

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

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

25 (f) "Homestead property" under this Section includes
26 residential property that is occupied by its owner or owners as

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

25 "Household", as used in this Section, means the owner, the
26 spouse of the owner, and all persons using the residence of the

1 owner as their principal place of residence.

2 "Household income", as used in this Section, means the
3 combined income of the members of a household for the calendar
4 year preceding the taxable year.

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

9 (g) In a cooperative or life care facility where a
10 homestead exemption has been granted, the cooperative
11 association or the management of the cooperative or life care
12 facility shall credit the savings resulting from that exemption
13 only to the apportioned tax liability of the owner or resident
14 who qualified for the exemption. Any person who willfully
15 refuses to so credit the savings shall be guilty of a Class B
16 misdemeanor.

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

21 (i) In all counties, the assessor or chief county
22 assessment officer may determine the eligibility of
23 residential property to receive the homestead exemption and the
24 amount of the exemption by application, visual inspection,
25 questionnaire or other reasonable methods. The determination
26 shall be made in accordance with guidelines established by the

1 Department, provided that the taxpayer applying for an
2 additional general exemption under this Section shall submit to
3 the chief county assessment officer an application with an
4 affidavit of the applicant's total household income, age,
5 marital status (and, if married, the name and address of the
6 applicant's spouse, if known), and principal dwelling place of
7 members of the household on January 1 of the taxable year. The
8 Department shall issue guidelines establishing a method for
9 verifying the accuracy of the affidavits filed by applicants
10 under this paragraph. The applications shall be clearly marked
11 as applications for the Additional General Homestead
12 Exemption.

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

1 exemption, the assessor shall cancel such exemption for any
2 ensuing assessment year.

3 (j) In counties with fewer than 3,000,000 inhabitants, in
4 the event of a sale of homestead property the homestead
5 exemption shall remain in effect for the remainder of the
6 assessment year of the sale. The assessor or chief county
7 assessment officer may require the new owner of the property to
8 apply for the homestead exemption for the following assessment
9 year.

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

13 (l) The changes made to this Section by this amendatory Act
14 of the 100th General Assembly are effective for the 2018 tax
15 year and thereafter.

16 (Source: P.A. 99-143, eff. 7-27-15; 99-164, eff. 7-28-15;
17 99-642, eff. 7-28-16; 99-851, eff. 8-19-16; 100-401, eff.
18 8-25-17; 100-1077, eff. 1-1-19.)

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