

**SB2170**



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**SB2170**

Introduced 1/14/2004, by Larry K. Bomke

**SYNOPSIS AS INTRODUCED:**

35 ILCS 200/15-172  
30 ILCS 805/8.28 new

Amends the Property Tax Code concerning the Senior Citizens Assessment Freeze Homestead Exemption. Provides that the household income limitation for eligibility for the exemption shall be adjusted annually to reflect increases in the Consumer Price Index reported by the federal Department of Labor. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB093 15789 SJM 41401 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

**A BILL FOR**

1 AN ACT concerning senior citizens.

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 15-172 as follows:

6 (35 ILCS 200/15-172)

7 Sec. 15-172. Senior Citizens Assessment Freeze Homestead  
8 Exemption.

9 (a) This Section may be cited as the Senior Citizens  
10 Assessment Freeze Homestead Exemption.

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  
24 (i) an owner of record of the property or had legal or  
25 equitable interest in the property as evidenced by a written  
26 instrument or (ii) had a legal or equitable interest as a  
27 lessee in the parcel of property that was single family  
28 residence. If in any subsequent taxable year for which the  
29 applicant applies and qualifies for the exemption the equalized  
30 assessed value of the residence is less than the equalized  
31 assessed value in the existing base year (provided that such  
32 equalized assessed value is not based on an assessed value that

1 results from a temporary irregularity in the property that  
2 reduces the assessed value for one or more taxable years), then  
3 that subsequent taxable year shall become the base year until a  
4 new base year is established under the terms of this paragraph.  
5 For taxable year 1999 only, the Chief County Assessment Officer  
6 shall review (i) all taxable years for which the applicant  
7 applied and qualified for the exemption and (ii) the existing  
8 base year. The assessment officer shall select as the new base  
9 year the year with the lowest equalized assessed value. An  
10 equalized assessed value that is based on an assessed value  
11 that results from a temporary irregularity in the property that  
12 reduces the assessed value for one or more taxable years shall  
13 not be considered the lowest equalized assessed value. The  
14 selected year shall be the base year for taxable year 1999 and  
15 thereafter until a new base year is established under the terms  
16 of this paragraph.

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

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

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

25 "Household income" means the combined income of the members  
26 of a household for the calendar year preceding the taxable  
27 year.

28 "Income" has the same meaning as provided in Section 3.07  
29 of the Senior Citizens and Disabled Persons Property Tax Relief  
30 and Pharmaceutical Assistance Act, except that, beginning in  
31 assessment year 2001, "income" does not include veteran's  
32 benefits.

33 "Internal Revenue Code of 1986" means the United States  
34 Internal Revenue Code of 1986 or any successor law or laws  
35 relating to federal income taxes in effect for the year  
36 preceding the taxable year.

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

4 "Residence" means the principal dwelling place and  
5 appurtenant structures used for residential purposes in this  
6 State occupied on January 1 of the taxable year by a household  
7 and so much of the surrounding land, constituting the parcel  
8 upon which the dwelling place is situated, as is used for  
9 residential purposes. If the Chief County Assessment Officer  
10 has established a specific legal description for a portion of  
11 property constituting the residence, then that portion of  
12 property shall be deemed the residence for the purposes of this  
13 Section.

14 "Taxable year" means the calendar year during which ad  
15 valorem property taxes payable in the next succeeding year are  
16 levied.

17 (c) Beginning in taxable year 1994, a senior citizens  
18 assessment freeze homestead exemption is granted for real  
19 property that is improved with a permanent structure that is  
20 occupied as a residence by an applicant who (i) is 65 years of  
21 age or older during the taxable year, (ii) has a household  
22 income of \$35,000 or less prior to taxable year 1999 or \$40,000  
23 or less in taxable year 1999 and thereafter, subject to  
24 adjustment, (iii) is liable for paying real property taxes on  
25 the property, and (iv) is an owner of record of the property or  
26 has a legal or equitable interest in the property as evidenced  
27 by a written instrument. This homestead exemption shall also  
28 apply to a leasehold interest in a parcel of property improved  
29 with a permanent structure that is a single family residence  
30 that is occupied as a residence by a person who (i) is 65 years  
31 of age or older during the taxable year, (ii) has a household  
32 income of \$35,000 or less prior to taxable year 1999 or \$40,000  
33 or less in taxable year 1999 and thereafter, subject to  
34 adjustment, (iii) has a legal or equitable ownership interest  
35 in the property as lessee, and (iv) is liable for the payment  
36 of real property taxes on that property. Beginning in taxable

1 year 2004, the household income limitation for eligibility for  
2 the exemption under this Section shall be adjusted annually by  
3 the Department of Revenue to reflect increases in the Consumer  
4 Price Index reported by the Bureau of Labor Statistics of the  
5 federal Department of Labor or its successor agency. If this  
6 Consumer Price Index ceases to be reported, then the Department  
7 of Revenue shall designate a comparable substitute index by  
8 rule.

9 The amount of this exemption shall be the equalized  
10 assessed value of the residence in the taxable year for which  
11 application is made minus the base amount.

12 When the applicant is a surviving spouse of an applicant  
13 for a prior year for the same residence for which an exemption  
14 under this Section has been granted, the base year and base  
15 amount for that residence are the same as for the applicant for  
16 the prior year.

17 Each year at the time the assessment books are certified to  
18 the County Clerk, the Board of Review or Board of Appeals shall  
19 give to the County Clerk a list of the assessed values of  
20 improvements on each parcel qualifying for this exemption that  
21 were added after the base year for this parcel and that  
22 increased the assessed value of the property.

23 In the case of land improved with an apartment building  
24 owned and operated as a cooperative or a building that is a  
25 life care facility that qualifies as a cooperative, the maximum  
26 reduction from the equalized assessed value of the property is  
27 limited to the sum of the reductions calculated for each unit  
28 occupied as a residence by a person or persons 65 years of age  
29 or older with a household income of \$35,000 or less prior to  
30 taxable year 1999 or \$40,000 or less in taxable year 1999 and  
31 thereafter, subject to adjustment, who is liable, by contract  
32 with the owner or owners of record, for paying real property  
33 taxes on the property and who is an owner of record of a legal  
34 or equitable interest in the cooperative apartment building,  
35 other than a leasehold interest. Beginning in taxable year  
36 2004, the household income limitation for eligibility for the

1 exemption under this Section shall be adjusted annually by the  
2 Department of Revenue to reflect increases in the Consumer  
3 Price Index reported by the Bureau of Labor Statistics of the  
4 federal Department of Labor or its successor agency. If this  
5 Consumer Price Index ceases to be reported, then the Department  
6 of Revenue shall designate a comparable substitute index by  
7 rule. In the instance of a cooperative where a homestead  
8 exemption has been granted under this Section, the cooperative  
9 association or its management firm shall credit the savings  
10 resulting from that exemption only to the apportioned tax  
11 liability of the owner who qualified for the exemption. Any  
12 person who willfully refuses to credit that savings to an owner  
13 who qualifies for the exemption is guilty of a Class B  
14 misdemeanor.

15 When a homestead exemption has been granted under this  
16 Section and an applicant then becomes a resident of a facility  
17 licensed under the Nursing Home Care Act, the exemption shall  
18 be granted in subsequent years so long as the residence (i)  
19 continues to be occupied by the qualified applicant's spouse or  
20 (ii) if remaining unoccupied, is still owned by the qualified  
21 applicant for the homestead exemption.

22 Beginning January 1, 1997, when an individual dies who  
23 would have qualified for an exemption under this Section, and  
24 the surviving spouse does not independently qualify for this  
25 exemption because of age, the exemption under this Section  
26 shall be granted to the surviving spouse for the taxable year  
27 preceding and the taxable year of the death, provided that,  
28 except for age, the surviving spouse meets all other  
29 qualifications for the granting of this exemption for those  
30 years.

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

34 For taxable year 1994 only, in counties having less than  
35 3,000,000 inhabitants, to receive the exemption, a person shall  
36 submit an application by February 15, 1995 to the Chief County

1 Assessment Officer of the county in which the property is  
2 located. In counties having 3,000,000 or more inhabitants, for  
3 taxable year 1994 and all subsequent taxable years, to receive  
4 the exemption, a person may submit an application to the Chief  
5 County Assessment Officer of the county in which the property  
6 is located during such period as may be specified by the Chief  
7 County Assessment Officer. The Chief County Assessment Officer  
8 in counties of 3,000,000 or more inhabitants shall annually  
9 give notice of the application period by mail or by  
10 publication. In counties having less than 3,000,000  
11 inhabitants, beginning with taxable year 1995 and thereafter,  
12 to receive the exemption, a person shall submit an application  
13 by July 1 of each taxable year to the Chief County Assessment  
14 Officer of the county in which the property is located. A  
15 county may, by ordinance, establish a date for submission of  
16 applications that is different than July 1. The applicant shall  
17 submit with the application an affidavit of the applicant's  
18 total household income, age, marital status (and if married the  
19 name and address of the applicant's spouse, if known), and  
20 principal dwelling place of members of the household on January  
21 1 of the taxable year. The Department shall establish, by rule,  
22 a method for verifying the accuracy of affidavits filed by  
23 applicants under this Section. The applications shall be  
24 clearly marked as applications for the Senior Citizens  
25 Assessment Freeze Homestead Exemption.

26 Notwithstanding any other provision to the contrary, in  
27 counties having fewer than 3,000,000 inhabitants, if an  
28 applicant fails to file the application required by this  
29 Section in a timely manner and this failure to file is due to a  
30 mental or physical condition sufficiently severe so as to  
31 render the applicant incapable of filing the application in a  
32 timely manner, the Chief County Assessment Officer may extend  
33 the filing deadline for a period of 30 days after the applicant  
34 regains the capability to file the application, but in no case  
35 may the filing deadline be extended beyond 3 months of the  
36 original filing deadline. In order to receive the extension

1 provided in this paragraph, the applicant shall provide the  
2 Chief County Assessment Officer with a signed statement from  
3 the applicant's physician stating the nature and extent of the  
4 condition, that, in the physician's opinion, the condition was  
5 so severe that it rendered the applicant incapable of filing  
6 the application in a timely manner, and the date on which the  
7 applicant regained the capability to file the application.

8 Beginning January 1, 1998, notwithstanding any other  
9 provision to the contrary, in counties having fewer than  
10 3,000,000 inhabitants, if an applicant fails to file the  
11 application required by this Section in a timely manner and  
12 this failure to file is due to a mental or physical condition  
13 sufficiently severe so as to render the applicant incapable of  
14 filing the application in a timely manner, the Chief County  
15 Assessment Officer may extend the filing deadline for a period  
16 of 3 months. In order to receive the extension provided in this  
17 paragraph, the applicant shall provide the Chief County  
18 Assessment Officer with a signed statement from the applicant's  
19 physician stating the nature and extent of the condition, and  
20 that, in the physician's opinion, the condition was so severe  
21 that it rendered the applicant incapable of filing the  
22 application in a timely manner.

23 In counties having less than 3,000,000 inhabitants, if an  
24 applicant was denied an exemption in taxable year 1994 and the  
25 denial occurred due to an error on the part of an assessment  
26 official, or his or her agent or employee, then beginning in  
27 taxable year 1997 the applicant's base year, for purposes of  
28 determining the amount of the exemption, shall be 1993 rather  
29 than 1994. In addition, in taxable year 1997, the applicant's  
30 exemption shall also include an amount equal to (i) the amount  
31 of any exemption denied to the applicant in taxable year 1995  
32 as a result of using 1994, rather than 1993, as the base year,  
33 (ii) the amount of any exemption denied to the applicant in  
34 taxable year 1996 as a result of using 1994, rather than 1993,  
35 as the base year, and (iii) the amount of the exemption  
36 erroneously denied for taxable year 1994.



1 For purposes of this Section, a person who will be 65 years  
2 of age during the current taxable year shall be eligible to  
3 apply for the homestead exemption during that taxable year.  
4 Application shall be made during the application period in  
5 effect for the county of his or her residence.

6 The Chief County Assessment Officer may determine the  
7 eligibility of a life care facility that qualifies as a  
8 cooperative to receive the benefits provided by this Section by  
9 use of an affidavit, application, visual inspection,  
10 questionnaire, or other reasonable method in order to insure  
11 that the tax savings resulting from the exemption are credited  
12 by the management firm to the apportioned tax liability of each  
13 qualifying resident. The Chief County Assessment Officer may  
14 request reasonable proof that the management firm has so  
15 credited that exemption.

16 Except as provided in this Section, all information  
17 received by the chief county assessment officer or the  
18 Department from applications filed under this Section, or from  
19 any investigation conducted under the provisions of this  
20 Section, shall be confidential, except for official purposes or  
21 pursuant to official procedures for collection of any State or  
22 local tax or enforcement of any civil or criminal penalty or  
23 sanction imposed by this Act or by any statute or ordinance  
24 imposing a State or local tax. Any person who divulges any such  
25 information in any manner, except in accordance with a proper  
26 judicial order, is guilty of a Class A misdemeanor.

27 Nothing contained in this Section shall prevent the  
28 Director or chief county assessment officer from publishing or  
29 making available reasonable statistics concerning the  
30 operation of the exemption contained in this Section in which  
31 the contents of claims are grouped into aggregates in such a  
32 way that information contained in any individual claim shall  
33 not be disclosed.

34 (d) Each Chief County Assessment Officer shall annually  
35 publish a notice of availability of the exemption provided  
36 under this Section. The notice shall be published at least 60

1 days but no more than 75 days prior to the date on which the  
2 application must be submitted to the Chief County Assessment  
3 Officer of the county in which the property is located. The  
4 notice shall appear in a newspaper of general circulation in  
5 the county.

6 (Source: P.A. 90-14, eff. 7-1-97; 90-204, eff. 7-25-97; 90-523,  
7 eff. 11-13-97; 90-524, eff. 1-1-98; 90-531, eff. 1-1-98;  
8 90-655, eff. 7-30-98; 91-45, eff. 6-30-99; 91-56, eff. 6-30-99;  
9 91-819, eff. 6-13-00.)

10 Section 90. The State Mandates Act is amended by adding  
11 Section 8.28 as follows:

12 (30 ILCS 805/8.28 new)

13 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and  
14 8 of this Act, no reimbursement by the State is required for  
15 the implementation of any mandate created by the Senior  
16 Citizens Assessment Freeze Homestead Exemption under Section  
17 15-172 of the Property Tax Code.

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