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09400HB1732ham001

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1 AMENDMENT TO HOUSE BILL 1732

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1732 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing  
5 Sections 15-176 and 20-5 as follows:

6 (35 ILCS 200/15-176)

7 Sec. 15-176. Alternative general homestead exemption.

8 (a) For the assessment years as determined under subsection  
9 (j), in any county that has elected, by an ordinance in  
10 accordance with subsection (k), to be subject to the provisions  
11 of this Section in lieu of the provisions of Section 15-175,  
12 homestead property is entitled to an annual homestead exemption  
13 equal to a reduction in the property's equalized assessed value  
14 calculated as provided in this Section.

15 (b) As used in this Section:

16 (1) "Assessor" means the supervisor of assessments or  
17 the chief county assessment officer of each county.

18 (2) "Adjusted homestead value" means the lesser of the  
19 following values:

20 (A) The property's base homestead value increased  
21 by 7% for each tax year after the base year through and  
22 including the current tax year, or, if the property is  
23 sold or ownership is otherwise transferred, the  
24 property's base homestead value increased by 7% for

1 each tax year after the year of the sale or transfer  
2 through and including the current tax year. The  
3 increase by 7% each year is an increase by 7% over the  
4 prior year.

5 (B) The property's equalized assessed value for  
6 the current tax year minus (i) \$4,500 in Cook County or  
7 \$3,500 in all other counties in tax year 2003 or (ii)  
8 \$5,000 in all counties in tax year 2004 and thereafter.  
9 (3) "Base homestead value".

10 (A) Except as provided in subdivision (b) (3) (B),  
11 "base homestead value" means the equalized assessed  
12 value of the property for the base year prior to  
13 exemptions, minus (i) \$4,500 in Cook County or \$3,500  
14 in all other counties in tax year 2003 or (ii) \$5,000  
15 in all counties in tax year 2004 and thereafter,  
16 provided that it was assessed for that year as  
17 residential property qualified for any of the  
18 homestead exemptions under Sections 15-170 through  
19 15-175 of this Code, then in force, and further  
20 provided that the property's assessment was not based  
21 on a reduced assessed value resulting from a temporary  
22 irregularity in the property for that year. Except as  
23 provided in subdivision (b) (3) (B), if the property did  
24 not have a residential equalized assessed value for the  
25 base year, then "base homestead value" means the base  
26 homestead value established by the assessor under  
27 subsection (c).

28 (B) If the property is sold or ownership is  
29 otherwise transferred, other than sales or transfers  
30 between spouses or between a parent and a child, "base  
31 homestead value" means the equalized assessed value of  
32 the property at the time of the sale or transfer prior  
33 to exemptions, minus (i) \$4,500 in Cook County or  
34 \$3,500 in all other counties in tax year 2003 or (ii)

1           \$5,000 in all counties in tax year 2004 and thereafter,  
2           provided that it was assessed as residential property  
3           qualified for any of the homestead exemptions under  
4           Sections 15-170 through 15-175 of this Code, then in  
5           force, and further provided that the property's  
6           assessment was not based on a reduced assessed value  
7           resulting from a temporary irregularity in the  
8           property.

9           (3.5) "Base year" means (i) tax year 2002 in Cook  
10          County or (ii) tax year 2002 or 2003 in all other counties  
11          in accordance with the designation made by the county as  
12          provided in subsection (k).

13          (4) "Current tax year" means the tax year for which the  
14          exemption under this Section is being applied.

15          (5) "Equalized assessed value" means the property's  
16          assessed value as equalized by the Department.

17          (6) "Homestead" or "homestead property" means:

18                (A) Residential property that as of January 1 of  
19                the tax year is occupied by its owner or owners as his,  
20                her, or their principal dwelling place, or that is a  
21                leasehold interest on which a single family residence  
22                is situated, that is occupied as a residence by a  
23                person who has a legal or equitable interest therein  
24                evidenced by a written instrument, as an owner or as a  
25                lessee, and on which the person is liable for the  
26                payment of property taxes. Residential units in an  
27                apartment building owned and operated as a  
28                cooperative, or as a life care facility, which are  
29                occupied by persons who hold a legal or equitable  
30                interest in the cooperative apartment building or life  
31                care facility as owners or lessees, and who are liable  
32                by contract for the payment of property taxes, shall be  
33                included within this definition of homestead property.

34                (B) A homestead includes the dwelling place,

1 appurtenant structures, and so much of the surrounding  
2 land constituting the parcel on which the dwelling  
3 place is situated as is used for residential purposes.  
4 If the assessor has established a specific legal  
5 description for a portion of property constituting the  
6 homestead, then the homestead shall be limited to the  
7 property within that description.

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

10 (c) If the property did not have a residential equalized  
11 assessed value for the base year as provided in subdivision  
12 (b) (3) (A) of this Section, then the assessor shall first  
13 determine an initial value for the property by comparison with  
14 assessed values for the base year of other properties having  
15 physical and economic characteristics similar to those of the  
16 subject property, so that the initial value is uniform in  
17 relation to assessed values of those other properties for the  
18 base year. The product of the initial value multiplied by the  
19 equalized factor for the base year for homestead properties in  
20 that county, less (i) \$4,500 in Cook County or \$3,500 in all  
21 other counties in tax year 2003 or (ii) \$5,000 in all counties  
22 in tax year 2004 and thereafter, is the base homestead value.

23 For any tax year for which the assessor determines or  
24 adjusts an initial value and hence a base homestead value under  
25 this subsection (c), the initial value shall be subject to  
26 review by the same procedures applicable to assessed values  
27 established under this Code for that tax year.

28 (d) The base homestead value shall remain constant, except  
29 that the assessor may revise it under the following  
30 circumstances:

31 (1) If the equalized assessed value of a homestead  
32 property for the current tax year is less than the previous  
33 base homestead value for that property, then the current  
34 equalized assessed value (provided it is not based on a

1 reduced assessed value resulting from a temporary  
2 irregularity in the property) shall become the base  
3 homestead value in subsequent tax years.

4 (2) For any year in which new buildings, structures, or  
5 other improvements are constructed on the homestead  
6 property that would increase its assessed value, the  
7 assessor shall adjust the base homestead value as provided  
8 in subsection (c) of this Section with due regard to the  
9 value added by the new improvements.

10 (3) If the property is sold or ownership is otherwise  
11 transferred, the base homestead value of the property shall  
12 be adjusted as provided in subdivision (b) (3) (B). This item  
13 (3) does not apply to sales or transfers between spouses or  
14 between a parent and a child.

15 (e) The amount of the exemption under this Section is the  
16 equalized assessed value of the homestead property for the  
17 current tax year, minus the adjusted homestead value, with the  
18 following exceptions:

19 (1) The exemption under this Section shall not exceed  
20 \$20,000 for any taxable year.

21 (2) In the case of homestead property that also  
22 qualifies for the exemption under Section 15-172, the  
23 property is entitled to the exemption under this Section,  
24 limited to the amount of (i) \$4,500 in Cook County or  
25 \$3,500 in all other counties in tax year 2003 or (ii)  
26 \$5,000 in all counties in tax year 2004 and thereafter.

27 (e-5) For each assessment year in which the alternative  
28 general homestead exemption under this Section applies, the  
29 assessor must calculate whether the taxes on each homestead  
30 property are more, less, or the same as a result of the  
31 application of the exemption under this Section rather than the  
32 general homestead exemption under Section 15-175. The assessor  
33 must provide the results of these calculations for each  
34 homestead property to the official in the county who is

1 responsible for preparing and mailing the property tax bills so  
2 that the official can include on or with the bills the  
3 notifications required under subsection (b) of Section 20-5.  
4 For the purpose of this subsection, "homestead property" has  
5 the definition set forth under Section 15-175.

6 (f) In the case of an apartment building owned and operated  
7 as a cooperative, or as a life care facility, that contains  
8 residential units that qualify as homestead property under this  
9 Section, the maximum cumulative exemption amount attributed to  
10 the entire building or facility shall not exceed the sum of the  
11 exemptions calculated for each qualified residential unit. The  
12 cooperative association, management firm, or other person or  
13 entity that manages or controls the cooperative apartment  
14 building or life care facility shall credit the exemption  
15 attributable to each residential unit only to the apportioned  
16 tax liability of the owner or other person responsible for  
17 payment of taxes as to that unit. Any person who willfully  
18 refuses to so credit the exemption is guilty of a Class B  
19 misdemeanor.

20 (g) When married persons maintain separate residences, the  
21 exemption provided under this Section shall be claimed by only  
22 one such person and for only one residence.

23 (h) In the event of a sale or other transfer in ownership  
24 of the homestead property, the exemption under this Section  
25 shall remain in effect for the remainder of the tax year in  
26 which the sale or transfer occurs, but (other than for sales or  
27 transfers between spouses or between a parent and a child)  
28 shall be calculated using the new base homestead value as  
29 provided in subdivision (b) (3) (B). The assessor may require the  
30 new owner of the property to apply for the exemption in the  
31 following year.

32 (i) The assessor may determine whether property qualifies  
33 as a homestead under this Section by application, visual  
34 inspection, questionnaire, or other reasonable methods. Each

1 year, at the time the assessment books are certified to the  
2 county clerk by the board of review, the assessor shall furnish  
3 to the county clerk a list of the properties qualified for the  
4 homestead exemption under this Section. The list shall note the  
5 base homestead value of each property to be used in the  
6 calculation of the exemption for the current tax year.

7 (j) In counties with 3,000,000 or more inhabitants, the  
8 provisions of this Section apply as follows:

9 (1) If the general assessment year for the property is  
10 2003, this Section applies for assessment years 2003, 2004,  
11 and 2005. Thereafter, the provisions of Section 15-175  
12 apply.

13 (2) If the general assessment year for the property is  
14 2004, this Section applies for assessment years 2004, 2005,  
15 and 2006. Thereafter, the provisions of Section 15-175  
16 apply.

17 (3) If the general assessment year for the property is  
18 2005, this Section applies for assessment years 2005, 2006,  
19 and 2007. Thereafter, the provisions of Section 15-175  
20 apply.

21 In counties with less than 3,000,000 inhabitants, this  
22 Section applies for assessment years (i) 2003, 2004, and 2005  
23 if 2002 is the designated base year or (ii) 2004, 2005, and  
24 2006 if 2003 is the designated base year. Thereafter, the  
25 provisions of Section 15-175 apply.

26 (k) To be subject to the provisions of this Section in lieu  
27 of Section 15-175, a county must adopt an ordinance to subject  
28 itself to the provisions of this Section within 6 months after  
29 the effective date of this amendatory Act of the 93rd General  
30 Assembly. In a county other than Cook County, the ordinance  
31 must designate either tax year 2002 or tax year 2003 as the  
32 base year.

33 (l) Notwithstanding Sections 6 and 8 of the State Mandates  
34 Act, no reimbursement by the State is required for the

1 implementation of any mandate created by this Section.

2 (Source: P.A. 93-715, eff. 7-12-04.)

3 (35 ILCS 200/20-5)

4 Sec. 20-5. Mailing tax bill to owner.

5 (a) Every township collector, and every county collector in  
6 cases where there is no township collector, upon receiving the  
7 tax book or books, shall prepare tax bills showing each  
8 installment of property taxes assessed, which shall be filled  
9 out in accordance with Section 20-40. A copy of the bill shall  
10 be mailed by the collector, at least 30 days prior to the date  
11 upon which unpaid taxes become delinquent, to the owner of the  
12 property taxed or to the person in whose name the property is  
13 taxed.

14 (b) For each county in which the assessor is required to  
15 make calculations under subsection (e-5) of Section 15-176  
16 concerning the effect of the application of the alternative  
17 general homestead exemption, the collector must include on or  
18 with the tax bill for each homestead property a notification to  
19 the taxpayer as to whether the taxes on the property are more,  
20 less, or the same as a result of the application of the  
21 alternative general homestead exemption rather than the  
22 general homestead exemption under Section 15-175. The  
23 notification must be clearly visible and must be in  
24 substantially the following form:

25 "The taxes on this property are (more/less/the same) as  
26 a result of the application of the alternative general  
27 homestead exemption under Section 15-176 of the Property  
28 Tax Code, sometimes commonly known as the "7% solution".  
29 For the purpose of this subsection, "homestead property"  
30 has the definition set forth under Section 15-175.

31 (Source: P.A. 86-957; 87-818; 88-455.)

32 Section 99. Effective date. This Act takes effect upon



1 becoming law.".