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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 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.".