



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB4645

Introduced 1/12/2006, by Rep. Jack D. Franks

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/20-15  
35 ILCS 200/21-295  
35 ILCS 200/21-300  
35 ILCS 200/21-308 new  
320 ILCS 30/2

from Ch. 67 1/2, par. 452

Amends the Property Tax Code. Provides that each tax bill must include information that certain taxpayers may be eligible for tax exemptions, abatements, and other assistance programs and that, for more information, taxpayers should consult with the office of their township or county collector and with the Illinois Department of Revenue. Authorizes counties to establish and operate a homestead protection program under which the county treasurer may make payments from the indemnity fund to pay the delinquent taxes, along with all associated fees and interest, on the primary residence of eligible taxpayers. Provides that the county treasurer shall have a lien on the property in the amount of the assistance provided. Sets forth requirements for the program. Amends the Senior Citizens Real Estate Tax Deferral Act. In the definition of "taxpayer", increases the income limitation, beginning with the 2006 tax year, from \$40,000 to \$45,000 per year. Effective immediately.

LRB094 16657 BDD 51925 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 20-15, 21-295, and 21-300 and by adding Section 21-308  
6 as follows:

7 (35 ILCS 200/20-15)

8 Sec. 20-15. Information on bill or separate statement.  
9 There shall be printed on each bill, or on a separate slip  
10 which shall be mailed with the bill:

11 (a) a statement itemizing the rate at which taxes have  
12 been extended for each of the taxing districts in the  
13 county in whose district the property is located, and in  
14 those counties utilizing electronic data processing  
15 equipment the dollar amount of tax due from the person  
16 assessed allocable to each of those taxing districts,  
17 including a separate statement of the dollar amount of tax  
18 due which is allocable to a tax levied under the Illinois  
19 Local Library Act or to any other tax levied by a  
20 municipality or township for public library purposes,

21 (b) a separate statement for each of the taxing  
22 districts of the dollar amount of tax due which is  
23 allocable to a tax levied under the Illinois Pension Code  
24 or to any other tax levied by a municipality or township  
25 for public pension or retirement purposes,

26 (c) the total tax rate,

27 (d) the total amount of tax due, and

28 (e) the amount by which the total tax and the tax  
29 allocable to each taxing district differs from the  
30 taxpayer's last prior tax bill.

31 The county treasurer shall ensure that only those taxing  
32 districts in which a parcel of property is located shall be

1 listed on the bill for that property.

2 In all counties the statement shall also provide:

3 (1) the property index number or other suitable  
4 description,

5 (2) the assessment of the property,

6 (3) the equalization factors imposed by the county and  
7 by the Department, and

8 (4) the equalized assessment resulting from the  
9 application of the equalization factors to the basic  
10 assessment.

11 In all counties which do not classify property for purposes  
12 of taxation, for property on which a single family residence is  
13 situated the statement shall also include a statement to  
14 reflect the fair cash value determined for the property. In all  
15 counties which classify property for purposes of taxation in  
16 accordance with Section 4 of Article IX of the Illinois  
17 Constitution, for parcels of residential property in the lowest  
18 assessment classification the statement shall also include a  
19 statement to reflect the fair cash value determined for the  
20 property.

21 In all counties, the statement must include information  
22 that certain taxpayers may be eligible for tax exemptions,  
23 abatements, and other assistance programs and that, for more  
24 information, taxpayers should consult with the office of their  
25 township or county collector and with the Illinois Department  
26 of Revenue.

27 In all counties, the statement shall include information  
28 that certain taxpayers may be eligible for the Senior Citizens  
29 and Disabled Persons Property Tax Relief and Pharmaceutical  
30 Assistance Act and that applications are available from the  
31 Illinois Department of Revenue.

32 In counties which use the estimated or accelerated billing  
33 methods, these statements shall only be provided with the final  
34 installment of taxes due. The provisions of this Section create  
35 a mandatory statutory duty. They are not merely directory or  
36 discretionary. The failure or neglect of the collector to mail

1 the bill, or the failure of the taxpayer to receive the bill,  
2 shall not affect the validity of any tax, or the liability for  
3 the payment of any tax.

4 (Source: P.A. 91-699, eff. 1-1-01.)

5 (35 ILCS 200/21-295)

6 Sec. 21-295. Creation of indemnity fund.

7 (a) In counties of less than 3,000,000 inhabitants, each  
8 person purchasing any property at a sale under this Code shall  
9 pay to the County Collector, prior to the issuance of any  
10 certificate of purchase, a fee of \$20 for each item purchased.  
11 A like sum shall be paid for each year that all or a portion of  
12 subsequent taxes are paid by the tax purchaser and posted to  
13 the tax judgment, sale, redemption and forfeiture record where  
14 the underlying certificate of purchase is recorded.

15 (a-5) In counties of 3,000,000 or more inhabitants, each  
16 person purchasing property at a sale under this Code shall pay  
17 to the County Collector a fee of \$80 for each item purchased  
18 plus an additional sum equal to 5% of taxes, interest, and  
19 penalties paid by the purchaser, including the taxes, interest,  
20 and penalties paid under Section 21-240. In these counties, the  
21 certificate holder shall also pay to the County Collector a fee  
22 of \$80 for each year that all or a portion of subsequent taxes  
23 are paid by the tax purchaser and posted to the tax judgment,  
24 sale, redemption, and forfeiture record, plus an additional sum  
25 equal to 5% of all subsequent taxes, interest, and penalties.  
26 The additional 5% fees are not required after December 31,  
27 2006. The changes to this subsection made by this amendatory  
28 Act of the 91st General Assembly are not a new enactment, but  
29 declaratory of existing law.

30 (b) The amount paid prior to issuance of the certificate of  
31 purchase pursuant to subsection (a) or (a-5) shall be included  
32 in the purchase price of the property in the certificate of  
33 purchase and all amounts paid under this Section shall be  
34 included in the amount required to redeem under Section 21-355.  
35 Except as otherwise provided in subsection (b) of Section

1 21-300, all money received under subsection (a) or (a-5) shall  
2 be paid by the Collector to the County Treasurer of the County  
3 in which the land is situated, for the purpose of an indemnity  
4 fund. The County Treasurer, as trustee of that fund, shall  
5 invest all of that fund, principal and income, in his or her  
6 hands from time to time, if not immediately required for  
7 payments of indemnities under subsection (a) of Section 21-305,  
8 in investments permitted by the Illinois State Board of  
9 Investment under Article 22A of the Illinois Pension Code. The  
10 county collector shall report annually to the county clerk on  
11 the condition and income of the fund. The indemnity fund shall  
12 be held to satisfy judgments obtained against the County  
13 Treasurer, as trustee of the fund and may be used to operate a  
14 homestead protection program under Section 21-308. No payment  
15 shall be made from the fund, except upon a judgment of the  
16 court which ordered the issuance of a tax deed or under a  
17 homestead protection program under Section 21-308.

18 (Source: P.A. 94-412, eff. 8-2-05.)

19 (35 ILCS 200/21-300)

20 Sec. 21-300. Amount to be retained in indemnity fund.

21 (a) The county board in each county shall determine the  
22 amount of the fund to be maintained in that county, which  
23 amount shall not be less than 0.03% of the total assessed  
24 valuation, as equalized by the Department, of property within  
25 the County, or \$50,000, whichever is greater, and, if the  
26 county does not operate a homestead protection program under  
27 Section 21-308, shall not be greater than \$1,000,000 in  
28 counties with less than 3,000,000 inhabitants, and not greater  
29 than \$2,000,000 in counties with 3,000,000 or more inhabitants.  
30 Any moneys accumulated by the County Treasurer in excess of the  
31 amount so established, as trustee of the fund, shall be paid by  
32 him or her annually to the general fund of the County.

33 (b) In counties in which a Tort Liability Fund is  
34 established, all sums of money received under subsection (a) of  
35 Section 21-295 may be deposited in the general fund of the

1 county for general county governmental purposes, if the county  
2 board provides by ordinance that the indemnity required by this  
3 Section shall be provided by the Tort Liability Fund.

4 (Source: P.A. 86-1028; 86-1431; 88-455.)

5 (35 ILCS 200/21-308 new)

6 Sec. 21-308. County homestead protection program.

7 (a) Each county may establish and operate a homestead  
8 protection program under which the county treasurer may make  
9 payments from the indemnity fund to pay the delinquent taxes,  
10 along with all associated fees and interest, on the primary  
11 residence of eligible taxpayers.

12 (b) To be eligible to receive assistance under a county  
13 homestead protection program, a taxpayer must satisfy all of  
14 the following criteria:

15 (1) the taxpayer's primary residence is located within  
16 the county operating the homestead protection program;

17 (2) but for the failure to submit an application or  
18 certification, for the taxpayer's primary residence and in  
19 the taxable year for which the taxes are delinquent, the  
20 taxpayer would have been eligible to receive:

21 (A) an exemption under Section 15-165, 15-170, or  
22 15-172 of this Act;

23 (B) a deferral or exemption under the Longtime  
24 Owner-Occupant Property Tax Relief Act;

25 (C) property-tax assistance under the the Senior  
26 Citizens and Disabled Persons Property Tax Relief and  
27 Pharmaceutical Assistance Act; or

28 (D) a deferral under the Senior Citizens Real  
29 Estate Tax Deferral Act; and

30 (3) the taxpayer has not received assistance under the  
31 homestead protection program on a previous occasion.

32 (c) If a taxpayer receives assistance under a county  
33 homestead protection program, then the county treasurer of the  
34 county in which the primary residence is located has a lien on  
35 the residence for the amount of the assistance. The treasurer

1 must notify the taxpayer, in writing, of the existence of the  
2 lien. Such liens have the same force, effect, and priority as a  
3 judgment lien and continue from the date of the recording until  
4 the lien is released or otherwise discharged. The county  
5 treasurer may, at any time, release all or any portion of the  
6 property subject to a lien under this Section or subordinate  
7 the lien to other liens if he or she determines that the  
8 release or subordination of the lien will not endanger or  
9 jeopardize the collection of the amount of assistance.

10 (d) In no event may the operation of a homestead protection  
11 program reduce the amount of the indemnity fund that is  
12 available to make payments under Section 21-305 to less than  
13 0.03% of the total assessed valuation, as equalized by the  
14 Department, of property within the county, or \$50,000,  
15 whichever is greater.

16 Section 10. The Senior Citizens Real Estate Tax Deferral  
17 Act is amended by changing Section 2 as follows:

18 (320 ILCS 30/2) (from Ch. 67 1/2, par. 452)

19 Sec. 2. Definitions. As used in this Act:

20 (a) "Taxpayer" means an individual whose household income  
21 for the year is no greater than: (i) \$40,000 through tax year  
22 2005; and (ii) \$45,000 for tax year 2006 and thereafter.

23 (b) "Tax deferred property" means the property upon which  
24 real estate taxes are deferred under this Act.

25 (c) "Homestead" means the land and buildings thereon,  
26 including a condominium or a dwelling unit in a multidwelling  
27 building that is owned and operated as a cooperative, occupied  
28 by the taxpayer as his residence or which are temporarily  
29 unoccupied by the taxpayer because such taxpayer is temporarily  
30 residing, for not more than 1 year, in a licensed facility as  
31 defined in Section 1-113 of the Nursing Home Care Act.

32 (d) "Real estate taxes" or "taxes" means the taxes on real  
33 property for which the taxpayer would be liable under the  
34 Property Tax Code, including special service area taxes, and

1 special assessments on benefited real property for which the  
2 taxpayer would be liable to a unit of local government.

3 (e) "Department" means the Department of Revenue.

4 (f) "Qualifying property" means a homestead which (a) the  
5 taxpayer or the taxpayer and his spouse own in fee simple or  
6 are purchasing in fee simple under a recorded instrument of  
7 sale, (b) is not income-producing property, (c) is not subject  
8 to a lien for unpaid real estate taxes when a claim under this  
9 Act is filed.

10 (g) "Equity interest" means the current assessed valuation  
11 of the qualified property times the fraction necessary to  
12 convert that figure to full market value minus any outstanding  
13 debts or liens on that property. In the case of qualifying  
14 property not having a separate assessed valuation, the  
15 appraised value as determined by a qualified real estate  
16 appraiser shall be used instead of the current assessed  
17 valuation.

18 (h) "Household income" has the meaning ascribed to that  
19 term in the Senior Citizens and Disabled Persons Property Tax  
20 Relief and Pharmaceutical Assistance Act.

21 (i) "Collector" means the county collector or, if the taxes  
22 to be deferred are special assessments, an official designated  
23 by a unit of local government to collect special assessments.

24 (Source: P.A. 92-639, eff. 1-1-03.)

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.