



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5864

Introduced 11/21/06, by Rep. Robert F. Flider

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Property Tax Code. Provides that for taxable years 2007 and thereafter, the amount of the Senior Citizens Assessment Freeze Homestead Exemption is the equalized assessed value of the residence in the taxable year for which application is made minus the base amount (now, the amount of the exemption is reduced based upon the taxpayer's household income). Provides that in counties having fewer than 3,000,000 inhabitants, the county board may, by resolution, provide that, if a person has been granted a Senior Citizens Assessment Freeze Homestead Exemption, then that person need not reapply for the exemption.

LRB094 21905 BDD 60350 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 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, \$40,000
23 or less in taxable years 1999 through 2003, \$45,000 or less in
24 taxable year 2004 and 2005, and \$50,000 or less in taxable year
25 2006 and thereafter, (iii) is liable for paying real property
26 taxes on the property, and (iv) is an owner of record of the
27 property or has a legal or equitable interest in the property
28 as evidenced by a written instrument. This homestead exemption
29 shall also apply to a leasehold interest in a parcel of
30 property improved with a permanent structure that is a single
31 family residence that is occupied as a residence by a person
32 who (i) is 65 years of age or older during the taxable year,
33 (ii) has a household income of \$35,000 or less prior to taxable
34 year 1999, \$40,000 or less in taxable years 1999 through 2003,
35 \$45,000 or less in taxable year 2004 and 2005, and \$50,000 or
36 less in taxable year 2006 and thereafter, (iii) has a legal or

1 equitable ownership interest in the property as lessee, and
2 (iv) is liable for the payment of real property taxes on that
3 property.

4 Through taxable year 2005 and for taxable years 2007 and
5 thereafter, the amount of this exemption shall be the equalized
6 assessed value of the residence in the taxable year for which
7 application is made minus the base amount. For taxable year
8 2006 ~~and thereafter~~, the amount of the exemption is as follows:

9 (1) For an applicant who has a household income of
10 \$45,000 or less, the amount of the exemption is the
11 equalized assessed value of the residence in the taxable
12 year for which application is made minus the base amount.

13 (2) For an applicant who has a household income
14 exceeding \$45,000 but not exceeding \$46,250, the amount of
15 the exemption is (i) the equalized assessed value of the
16 residence in the taxable year for which application is made
17 minus the base amount (ii) multiplied by 0.8.

18 (3) For an applicant who has a household income
19 exceeding \$46,250 but not exceeding \$47,500, the amount of
20 the exemption is (i) the equalized assessed value of the
21 residence in the taxable year for which application is made
22 minus the base amount (ii) multiplied by 0.6.

23 (4) For an applicant who has a household income
24 exceeding \$47,500 but not exceeding \$48,750, the amount of
25 the exemption is (i) the equalized assessed value of the
26 residence in the taxable year for which application is made
27 minus the base amount (ii) multiplied by 0.4.

28 (5) For an applicant who has a household income
29 exceeding \$48,750 but not exceeding \$50,000, the amount of
30 the exemption is (i) the equalized assessed value of the
31 residence in the taxable year for which application is made
32 minus the base amount (ii) multiplied by 0.2.

33 When the applicant is a surviving spouse of an applicant
34 for a prior year for the same residence for which an exemption
35 under this Section has been granted, the base year and base
36 amount for that residence are the same as for the applicant for

1 the prior year.

2 Each year at the time the assessment books are certified to
3 the County Clerk, the Board of Review or Board of Appeals shall
4 give to the County Clerk a list of the assessed values of
5 improvements on each parcel qualifying for this exemption that
6 were added after the base year for this parcel and that
7 increased the assessed value of the property.

8 In the case of land improved with an apartment building
9 owned and operated as a cooperative or a building that is a
10 life care facility that qualifies as a cooperative, the maximum
11 reduction from the equalized assessed value of the property is
12 limited to the sum of the reductions calculated for each unit
13 occupied as a residence by a person or persons (i) 65 years of
14 age or older, (ii) with a household income of \$35,000 or less
15 prior to taxable year 1999, \$40,000 or less in taxable years
16 1999 through 2003, \$45,000 or less in taxable year 2004 and
17 2005, and \$50,000 or less in taxable year 2006 and thereafter,
18 (iii) who is liable, by contract with the owner or owners of
19 record, for paying real property taxes on the property, and
20 (iv) who is an owner of record of a legal or equitable interest
21 in the cooperative apartment building, other than a leasehold
22 interest. In the instance of a cooperative where a homestead
23 exemption has been granted under this Section, the cooperative
24 association or its management firm shall credit the savings
25 resulting from that exemption only to the apportioned tax
26 liability of the owner who qualified for the exemption. Any
27 person who willfully refuses to credit that savings to an owner
28 who qualifies for the exemption is guilty of a Class B
29 misdemeanor.

30 When a homestead exemption has been granted under this
31 Section and an applicant then becomes a resident of a facility
32 licensed under the Nursing Home Care Act, the exemption shall
33 be granted in subsequent years so long as the residence (i)
34 continues to be occupied by the qualified applicant's spouse or
35 (ii) if remaining unoccupied, is still owned by the qualified
36 applicant for the homestead exemption.

1 Beginning January 1, 1997, when an individual dies who
2 would have qualified for an exemption under this Section, and
3 the surviving spouse does not independently qualify for this
4 exemption because of age, the exemption under this Section
5 shall be granted to the surviving spouse for the taxable year
6 preceding and the taxable year of the death, provided that,
7 except for age, the surviving spouse meets all other
8 qualifications for the granting of this exemption for those
9 years.

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

13 For taxable year 1994 only, in counties having less than
14 3,000,000 inhabitants, to receive the exemption, a person shall
15 submit an application by February 15, 1995 to the Chief County
16 Assessment Officer of the county in which the property is
17 located. In counties having 3,000,000 or more inhabitants, for
18 taxable year 1994 and all subsequent taxable years, to receive
19 the exemption, a person may submit an application to the Chief
20 County Assessment Officer of the county in which the property
21 is located during such period as may be specified by the Chief
22 County Assessment Officer. The Chief County Assessment Officer
23 in counties of 3,000,000 or more inhabitants shall annually
24 give notice of the application period by mail or by
25 publication. In counties having less than 3,000,000
26 inhabitants, beginning with taxable year 1995 and thereafter,
27 to receive the exemption, a person shall submit an application
28 by July 1 of each taxable year to the Chief County Assessment
29 Officer of the county in which the property is located. A
30 county may, by ordinance, establish a date for submission of
31 applications that is different than July 1. The applicant shall
32 submit with the application an affidavit of the applicant's
33 total household income, age, marital status (and if married the
34 name and address of the applicant's spouse, if known), and
35 principal dwelling place of members of the household on January
36 1 of the taxable year. The Department shall establish, by rule,

1 a method for verifying the accuracy of affidavits filed by
2 applicants under this Section. The applications shall be
3 clearly marked as applications for the Senior Citizens
4 Assessment Freeze Homestead Exemption.

5 Notwithstanding any other provision to the contrary, in
6 counties having fewer than 3,000,000 inhabitants, if an
7 applicant fails to file the application required by this
8 Section in a timely manner and this failure to file is due to a
9 mental or physical condition sufficiently severe so as to
10 render the applicant incapable of filing the application in a
11 timely manner, the Chief County Assessment Officer may extend
12 the filing deadline for a period of 30 days after the applicant
13 regains the capability to file the application, but in no case
14 may the filing deadline be extended beyond 3 months of the
15 original filing deadline. In order to receive the extension
16 provided in this paragraph, the applicant shall provide the
17 Chief County Assessment Officer with a signed statement from
18 the applicant's physician stating the nature and extent of the
19 condition, that, in the physician's opinion, the condition was
20 so severe that it rendered the applicant incapable of filing
21 the application in a timely manner, and the date on which the
22 applicant regained the capability to file the application.

23 Notwithstanding any other provision to the contrary, in
24 counties having fewer than 3,000,000 inhabitants, the county
25 board may, by resolution, provide that, if a person has been
26 granted an exemption under this Section, then that person need
27 not reapply for the exemption.

28 Beginning January 1, 1998, notwithstanding any other
29 provision to the contrary, in counties having fewer than
30 3,000,000 inhabitants, if an applicant fails to file the
31 application required by this Section in a timely manner and
32 this failure to file is due to a mental or physical condition
33 sufficiently severe so as to render the applicant incapable of
34 filing the application in a timely manner, the Chief County
35 Assessment Officer may extend the filing deadline for a period
36 of 3 months. In order to receive the extension provided in this

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

7 In counties having less than 3,000,000 inhabitants, if an
8 applicant was denied an exemption in taxable year 1994 and the
9 denial occurred due to an error on the part of an assessment
10 official, or his or her agent or employee, then beginning in
11 taxable year 1997 the applicant's base year, for purposes of
12 determining the amount of the exemption, shall be 1993 rather
13 than 1994. In addition, in taxable year 1997, the applicant's
14 exemption shall also include an amount equal to (i) the amount
15 of any exemption denied to the applicant in taxable year 1995
16 as a result of using 1994, rather than 1993, as the base year,
17 (ii) the amount of any exemption denied to the applicant in
18 taxable year 1996 as a result of using 1994, rather than 1993,
19 as the base year, and (iii) the amount of the exemption
20 erroneously denied for taxable year 1994.

21 For purposes of this Section, a person who will be 65 years
22 of age during the current taxable year shall be eligible to
23 apply for the homestead exemption during that taxable year.
24 Application shall be made during the application period in
25 effect for the county of his or her residence.

26 The Chief County Assessment Officer may determine the
27 eligibility of a life care facility that qualifies as a
28 cooperative to receive the benefits provided by this Section by
29 use of an affidavit, application, visual inspection,
30 questionnaire, or other reasonable method in order to insure
31 that the tax savings resulting from the exemption are credited
32 by the management firm to the apportioned tax liability of each
33 qualifying resident. The Chief County Assessment Officer may
34 request reasonable proof that the management firm has so
35 credited that exemption.

36 Except as provided in this Section, all information

1 received by the chief county assessment officer or the
2 Department from applications filed under this Section, or from
3 any investigation conducted under the provisions of this
4 Section, shall be confidential, except for official purposes or
5 pursuant to official procedures for collection of any State or
6 local tax or enforcement of any civil or criminal penalty or
7 sanction imposed by this Act or by any statute or ordinance
8 imposing a State or local tax. Any person who divulges any such
9 information in any manner, except in accordance with a proper
10 judicial order, is guilty of a Class A misdemeanor.

11 Nothing contained in this Section shall prevent the
12 Director or chief county assessment officer from publishing or
13 making available reasonable statistics concerning the
14 operation of the exemption contained in this Section in which
15 the contents of claims are grouped into aggregates in such a
16 way that information contained in any individual claim shall
17 not be disclosed.

18 (d) Each Chief County Assessment Officer shall annually
19 publish a notice of availability of the exemption provided
20 under this Section. The notice shall be published at least 60
21 days but no more than 75 days prior to the date on which the
22 application must be submitted to the Chief County Assessment
23 Officer of the county in which the property is located. The
24 notice shall appear in a newspaper of general circulation in
25 the county.

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

29 (Source: P.A. 93-715, eff. 7-12-04; 94-794, eff. 5-22-06.)