



Sen. Terry Link

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09500HB0315sam006

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1 AMENDMENT TO HOUSE BILL 315

2 AMENDMENT NO. _____. Amend House Bill 315, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. If and only if House Bill 664 of the 95th
6 General Assembly becomes law as enrolled, then the Property Tax
7 Code is amended by changing Section 15-176 as follows:

8 (35 ILCS 200/15-176)

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

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

1 (b) As used in this Section:

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

4 (2) "Adjusted homestead value" means the lesser of the
5 following values:

6 (A) The property's base homestead value increased
7 by 7% for each tax year after the base year through and
8 including the current tax year, or, if the property is
9 sold or ownership is otherwise transferred, the
10 property's base homestead value increased by 7% for
11 each tax year after the year of the sale or transfer
12 through and including the current tax year. The
13 increase by 7% each year is an increase by 7% over the
14 prior year.

15 (B) The property's equalized assessed value for
16 the current tax year minus: (i) \$4,500 in Cook County
17 or \$3,500 in all other counties in tax year 2003; (ii)
18 \$5,000 in all counties in tax years 2004 and 2005; and
19 (iii) the lesser of the amount of the general homestead
20 exemption under Section 15-175 or an amount equal to
21 the increase in the equalized assessed value for the
22 current tax year above the equalized assessed value for
23 1977 in tax year 2006 and thereafter.

24 (3) "Base homestead value".

25 (A) Except as provided in subdivision (b) (3) (A-5)
26 or (b) (3) (B), "base homestead value" means the

1 equalized assessed value of the property for the base
2 year prior to exemptions, minus (i) \$4,500 in Cook
3 County or \$3,500 in all other counties in tax year
4 2003, (ii) \$5,000 in all counties in tax years 2004 and
5 2005, or (iii) the lesser of the amount of the general
6 homestead exemption under Section 15-175 or an amount
7 equal to the increase in the equalized assessed value
8 for the current tax year above the equalized assessed
9 value for 1977 in tax year 2006 and thereafter,
10 provided that it was assessed for that year as
11 residential property qualified for any of the
12 homestead exemptions under Sections 15-170 through
13 15-175 of this Code, then in force, and further
14 provided that the property's assessment was not based
15 on a reduced assessed value resulting from a temporary
16 irregularity in the property for that year. Except as
17 provided in subdivision (b) (3) (B), if the property did
18 not have a residential equalized assessed value for the
19 base year, then "base homestead value" means the base
20 homestead value established by the assessor under
21 subsection (c).

22 (A-5) On or before September 1, 2007, in Cook
23 County, the base homestead value, as set forth under
24 subdivision (b) (3) (A) and except as provided under
25 subdivision (b) (3) (B), must be recalculated as the
26 equalized assessed value of the property for the base

1 year, prior to exemptions, minus:

2 (1) if the general assessment year for the
3 property was 2003, the lesser of (i) \$4,500 or (ii)
4 the amount equal to the increase in equalized
5 assessed value for the 2002 tax year above the
6 equalized assessed value for 1977;

7 (2) if the general assessment year for the
8 property was 2004, the lesser of (i) \$4,500 or (ii)
9 the amount equal to the increase in equalized
10 assessed value for the 2003 tax year above the
11 equalized assessed value for 1977;

12 (3) if the general assessment year for the
13 property was 2005, the lesser of (i) \$5,000 or (ii)
14 the amount equal to the increase in equalized
15 assessed value for the 2004 tax year above the
16 equalized assessed value for 1977.

17 (B) If the property is sold or ownership is
18 otherwise transferred, other than sales or transfers
19 between spouses or between a parent and a child, "base
20 homestead value" means the equalized assessed value of
21 the property at the time of the sale or transfer prior
22 to exemptions, minus: (i) \$4,500 in Cook County or
23 \$3,500 in all other counties in tax year 2003; (ii)
24 \$5,000 in all counties in tax years 2004 and 2005; and
25 (iii) the lesser of the amount of the general homestead
26 exemption under Section 15-175 or an amount equal to

1 the increase in the equalized assessed value for the
2 current tax year above the equalized assessed value for
3 1977 in tax year 2006 and thereafter, provided that it
4 was assessed as residential property qualified for any
5 of the homestead exemptions under Sections 15-170
6 through 15-175 of this Code, then in force, and further
7 provided that the property's assessment was not based
8 on a reduced assessed value resulting from a temporary
9 irregularity in the property.

10 (3.5) "Base year" means (i) tax year 2002 in Cook
11 County or (ii) tax year 2005 or 2006 in all other counties
12 in accordance with the designation made by the county as
13 provided in subsection (k).

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

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

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

19 (A) Residential property that as of January 1 of
20 the tax year is occupied by its owner or owners as his,
21 her, or their principal dwelling place, or that is a
22 leasehold interest on which a single family residence
23 is situated, that is occupied as a residence by a
24 person who has a legal or equitable interest therein
25 evidenced by a written instrument, as an owner or as a
26 lessee, and on which the person is liable for the

1 payment of property taxes. Residential units in an
2 apartment building owned and operated as a
3 cooperative, or as a life care facility, which are
4 occupied by persons who hold a legal or equitable
5 interest in the cooperative apartment building or life
6 care facility as owners or lessees, and who are liable
7 by contract for the payment of property taxes, shall be
8 included within this definition of homestead property.

9 (B) A homestead includes the dwelling place,
10 appurtenant structures, and so much of the surrounding
11 land constituting the parcel on which the dwelling
12 place is situated as is used for residential purposes.
13 If the assessor has established a specific legal
14 description for a portion of property constituting the
15 homestead, then the homestead shall be limited to the
16 property within that description.

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

19 (c) If the property did not have a residential equalized
20 assessed value for the base year as provided in subdivision
21 (b) (3) (A) of this Section, then the assessor shall first
22 determine an initial value for the property by comparison with
23 assessed values for the base year of other properties having
24 physical and economic characteristics similar to those of the
25 subject property, so that the initial value is uniform in
26 relation to assessed values of those other properties for the

1 base year. The product of the initial value multiplied by the
2 equalized factor for the base year for homestead properties in
3 that county, less: (i) \$4,500 in Cook County or \$3,500 in all
4 other counties in tax years 2003; (ii) \$5,000 in all counties
5 in tax year 2004 and 2005; and (iii) the lesser of the amount
6 of the general homestead exemption under Section 15-175 or an
7 amount equal to the increase in the equalized assessed value
8 for the current tax year above the equalized assessed value for
9 1977 in tax year 2006 and thereafter, is the base homestead
10 value.

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

16 (d) The base homestead value shall remain constant, except
17 that the assessor may revise it under the following
18 circumstances:

19 (1) If the equalized assessed value of a homestead
20 property for the current tax year is less than the previous
21 base homestead value for that property, then the current
22 equalized assessed value (provided it is not based on a
23 reduced assessed value resulting from a temporary
24 irregularity in the property) shall become the base
25 homestead value in subsequent tax years.

26 (2) For any year in which new buildings, structures, or

1 other improvements are constructed on the homestead
2 property that would increase its assessed value, the
3 assessor shall adjust the base homestead value as provided
4 in subsection (c) of this Section with due regard to the
5 value added by the new improvements.

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

11 (4) the recalculation required in Cook County under
12 subdivision (b) (3) (A-5).

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

17 (1) In Cook County, the exemption under this Section
18 shall not exceed \$20,000 for any taxable year through tax
19 year:

20 (i) 2005, if the general assessment year for the
21 property is 2003;

22 (ii) 2006, if the general assessment year for the
23 property is 2004; or

24 (iii) 2007, if the general assessment year for the
25 property is 2005.

26 (1.1) Thereafter, in Cook County, and in all other

1 counties, the exemption is as follows:

2 (i) if the general assessment year for the property
3 is 2006, then the exemption may not exceed ~~+~~ \$33,000 for
4 taxable year 2006 and \$40,000 for taxable years 2007
5 and thereafter; ~~\$26,000 for taxable year 2007; and~~
6 ~~\$20,000 for taxable year 2008;~~

7 (ii) if the general assessment year for the
8 property is 2007, then the exemption may not exceed
9 \$40,000 for taxable years 2007 and thereafter; ~~\$33,000~~
10 ~~for taxable year 2007; \$26,000 for taxable year 2008;~~
11 ~~and \$20,000 for taxable year 2009; and~~

12 (iii) if the general assessment year for the
13 property is 2008, then the exemption may not exceed
14 \$40,000 for taxable years 2008 and thereafter; ~~\$33,000~~
15 ~~for taxable year 2008; \$26,000 for taxable year 2009;~~
16 ~~and \$20,000 for taxable year 2010.~~

17 (1.5) In Cook County, for the 2006 taxable year only, the
18 maximum amount of the exemption set forth under subsection
19 (e)(1.1)(i) of this Section may be increased: (i) by \$7,000 if
20 the equalized assessed value of the property in that taxable
21 year exceeds the equalized assessed value of that property in
22 2002 by 100% or more; or (ii) by \$2,000 if the equalized
23 assessed value of the property in that taxable year exceeds the
24 equalized assessed value of that property in 2002 by more than
25 80% but less than 100%.

26 (2) In the case of homestead property that also

1 qualifies for the exemption under Section 15-172, the
2 property is entitled to the exemption under this Section,
3 limited to the amount of (i) \$4,500 in Cook County or
4 \$3,500 in all other counties in tax year 2003, (ii) \$5,000
5 in all counties in tax years 2004 and 2005, or (iii) the
6 lesser of the amount of the general homestead exemption
7 under Section 15-175 or an amount equal to the increase in
8 the equalized assessed value for the current tax year above
9 the equalized assessed value for 1977 in tax year 2006 and
10 thereafter.

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

25 (g) When married persons maintain separate residences, the
26 exemption provided under this Section shall be claimed by only

1 one such person and for only one residence.

2 (h) In the event of a sale or other transfer in ownership
3 of the homestead property, the exemption under this Section
4 shall remain in effect for the remainder of the tax year and be
5 calculated using the same base homestead value in which the
6 sale or transfer occurs, but (other than for sales or transfers
7 between spouses or between a parent and a child) shall be
8 calculated for any subsequent tax year using the new base
9 homestead value as provided in subdivision (b)(3)(B). The
10 assessor may require the new owner of the property to apply for
11 the exemption in the following year.

12 (i) The assessor may determine whether property qualifies
13 as a homestead under this Section by application, visual
14 inspection, questionnaire, or other reasonable methods. Each
15 year, at the time the assessment books are certified to the
16 county clerk by the board of review, the assessor shall furnish
17 to the county clerk a list of the properties qualified for the
18 homestead exemption under this Section. The list shall note the
19 base homestead value of each property to be used in the
20 calculation of the exemption for the current tax year.

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

23 (1) If the general assessment year for the property is
24 2003, this Section applies for taxable years 2003 and
25 thereafter. ~~assessment years 2003, 2004, 2005, 2006, 2007,~~
26 ~~and 2008. Thereafter, the provisions of Section 15-175~~

1 ~~apply.~~

2 (2) If the general assessment year for the property is
3 2004, this Section applies for taxable years 2004 and
4 thereafter. ~~assessment years 2004, 2005, 2006, 2007, 2008,~~
5 ~~and 2009. Thereafter, the provisions of Section 15-175~~
6 ~~apply.~~

7 (3) If the general assessment year for the property is
8 2005, this Section applies for taxable years 2005 and
9 thereafter. ~~assessment years 2005, 2006, 2007, 2008, 2009,~~
10 ~~and 2010. Thereafter, the provisions of Section 15-175~~
11 ~~apply.~~

12 In counties with less than 3,000,000 inhabitants, this
13 Section applies for taxable years (i) 2006 and thereafter if
14 taxable year 2005 is the designated base year or (ii) 2007 and
15 thereafter if taxable year 2006 is the designated base year.
16 ~~assessment years (i) 2006, 2007, and 2008, and 2009 if tax year~~
17 ~~2005 is the designated base year or (ii) 2007, 2008, 2009, and~~
18 ~~2010 if tax year 2006 is the designated base year. Thereafter,~~
19 ~~the provisions of Section 15-175 apply.~~

20 (k) To be subject to the provisions of this Section in lieu
21 of Section 15-175, a county must adopt an ordinance to subject
22 itself to the provisions of this Section within 6 months after
23 the effective date of this amendatory Act of the 95th General
24 Assembly . In a county other than Cook County, the ordinance
25 must designate either tax year 2005 or tax year 2006 as the
26 base year.

1 (1) Notwithstanding Sections 6 and 8 of the State Mandates
2 Act, no reimbursement by the State is required for the
3 implementation of any mandate created by this Section.
4 (Source: P.A. 93-715, eff. 7-12-04; 09500HB0664enr.)".