

August 11, 2008

To the Honorable Members of the
Illinois House of Representatives
95th General Assembly

Pursuant to Article IV, Section 9(e) of the Illinois Constitution of 1970, I hereby return House Bill 4201, entitled "AN ACT concerning local government.", with the following specific recommendation for change:

on page 1, immediately above line 4, by inserting the following:

"Section 3. The Property Tax Code is amended by changing Sections 14-20, 15-169, and 20-15 as follows:

(35 ILCS 200/14-20)

Sec. 14-20. Certificate of error; counties of less than 3,000,000. In any county with less than 3,000,000 inhabitants, if, at any time before judgment or order of sale is entered in any proceeding to collect or to enjoin the collection of taxes based upon any assessment of any property, the chief county assessment officer discovers an error or mistake in the assessment (other than errors of judgment as to the valuation of the property), he or she shall issue to the person erroneously assessed a certificate setting forth the nature of the error and the cause or causes of the error. In any county with less than 3,000,000 inhabitants, if an owner fails to file an application for the Senior Citizens Assessment Freeze Homestead Exemption provided in Section 15-172 during the previous assessment year and qualifies for the exemption, or if a disabled veteran's service-connected disability was certified by the United States Department of Veteran's Affairs after the county's application period under Section 15-169, the Chief County Assessment Officer pursuant to this Section, or the Board of Review pursuant to Section 16-75, shall issue a certificate of error setting forth the correct taxable valuation of the property. The certificate, when properly endorsed by the majority of the board of review, showing their concurrence, and not otherwise, may be used in evidence in any court of competent jurisdiction, and when so introduced in evidence, shall become a part of the court record and shall not be removed from the files except on an order of the court.

(35 ILCS 200/15-169)

Sec. 15-169. Disabled veterans standard homestead exemption.

(a) Beginning with taxable year ~~2008~~ 2007, an annual homestead exemption, limited to the amounts set forth in subsection (b), is granted for property that is used as a qualified residence by a disabled veteran.

(b) The amount of the exemption under this Section is as follows:

(1) ~~for veterans with a service-connected disability of at least 50%, as certified by the United States Department of Veterans Affairs, the annual exemption is \$1,000,000. for veterans with a service-connected disability of at least 75%, as certified by the United States Department of Veterans Affairs, the annual exemption is \$5,000.~~

(2) ~~for veterans with a service-connected disability of at least 50%, but less than 75%, as certified by the United States Department of Veterans Affairs, the annual exemption is \$2,500.~~

(c) The tax exemption under this Section carries over to the benefit of the veteran's surviving spouse as long as the spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry. If the surviving spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence as long as it is used as his or her primary residence and he or she does not remarry.

(d) The exemption under this Section applies for taxable year ~~2008~~ 2007 and thereafter. A taxpayer who claims an exemption under Section 15-165 or 15-168 may not claim an exemption under this Section.

(e) Application must be made during the application period in effect for the county of his or her residence. If the service-connected disability is certified after the application period, a certificate of error shall be issued as provided in Section 14-15 or Section 14-20. The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire, or other reasonable methods. The determination must be made in accordance with guidelines established by the Department. If a homestead exemption has been granted under this Section and the veteran awarded the exemption becomes a resident of a facility licensed under the Nursing Home Care Act, then the exemption shall continue (i) so long as the qualified residence continues to be occupied by the veteran's spouse or (ii) if the residence is unoccupied, until the veteran or the veteran's spouse is not the owner of record.

(f) For the purposes of this Section:

"Qualified residence" means real property, but less any portion of that property that is used for commercial purposes, ~~with an equalized assessed value of less than \$250,000~~ that is the disabled veteran's primary residence. Property rented for more than 6 months is presumed to be used for commercial purposes.

"Veteran" means an Illinois resident who has served as a member of the United States Armed Forces on active duty or State active duty, a member of the Illinois National Guard, or a member of the United States Reserve Forces and who has received an honorable discharge.

(g) For land improved with (i) an apartment building owned and operated as a cooperative or (ii) a life care facility as defined under Section 2 of the Life Care Facilities Act that is considered to be a cooperative, the maximum reduction from the value of the property, as equalized or assessed by the Department, shall be multiplied by the number of apartments or units occupied by a disabled veteran. The disabled veteran shall receive the homestead exemption upon meeting the following requirements:

(1) The property must be occupied as the primary residence by the disabled veteran.

(2) The disabled veteran must be liable by contract with the owner or owners of record for paying the apportioned property taxes on the property of the cooperative or life care facility. In the case of a life care facility, the disabled veteran must be liable for paying the apportioned property taxes under a life care contract as defined in Section 2 of the Life Care Facilities Act.

(3) The disabled veteran must be an owner of record of a legal or equitable interest in the cooperative apartment building. A leasehold interest does not meet this requirement.

If a homestead exemption is granted under this Section, the cooperative association or management firm shall credit the savings resulting from the exemption to the apportioned tax liability of the qualifying disabled veteran. The chief county assessment officer may request reasonable proof that the association or firm has properly credited the exemption. A person who willfully refuses to credit an exemption to the qualified disabled veteran is guilty of a Class B misdemeanor.

(h) In counties with fewer than 3,000,000 inhabitants, the chief county assessment officer shall provide to each veteran granted a homestead exemption under this Section a form to designate any other person to receive a duplicate of any notice of delinquency in the payment of taxes assessed and levied under this Code on the veteran's qualifying property. The duplicate notice shall be in addition to the notice required to be provided to the veteran receiving the exemption and shall be given in the manner required by this Code. The veteran filing the request for the duplicate notice shall pay an administrative fee of \$5 to the chief county assessment officer. The assessment officer shall then file the executed designation with the county collector, who shall issue the duplicate notices as indicated by the designation. A designation may be rescinded by the disabled veteran in the manner required by the chief county assessment officer.

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

(35 ILCS 200/20-15)

Sec. 20-15. Information on bill or separate statement.

There shall be printed on each bill, or on a separate slip which shall be mailed with the bill:

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

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

(c) the total tax rate,

(c-5) the total amount of tax due prior to application of any exemption due under Section 15-169.

(d) the total amount of tax due, and

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

The county treasurer shall ensure that only those taxing districts in which a parcel of property is located shall be listed on the bill for that property.

In all counties the statement shall also provide:

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

(2) the assessment of the property,

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

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

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

In all counties, the statement 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 assessor and with the Illinois Department of Revenue.

In all counties, the statement shall include information that certain taxpayers may be eligible for the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act and that applications are available from the Illinois Department on Aging.

In counties which use the estimated or accelerated billing methods, these statements shall only be provided with the final installment of taxes due. The provisions of this Section create a mandatory statutory duty. They are not merely directory or discretionary. The failure or neglect of the collector to mail the bill, or the failure of the taxpayer to receive the bill, shall not affect the validity of any tax, or the liability for the payment of any tax."

With this change, House Bill 4201 will have my approval. I respectfully request your concurrence.

Sincerely,

ROD R. BLAGOJEVICH
Governor