

SB0057



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB0057

Introduced 1/30/2009, by Sen. Matt Murphy

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-176

Amends the Property Tax Code. Provides that a county may subject itself to the alternative general homestead exemption by adopting an ordinance within 6 months after the effective date of the amendatory Act. Provides that the base year for a county that adopts an ordinance within 6 months after the effective date of the amendatory Act is tax year 2008. Provides that the alternative general homestead exemption applies on a permanent basis. Effective immediately.

LRB096 03569 HLH 13594 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

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 15-176 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

1 property's base homestead value increased by 7% for
2 each tax year after the year of the sale or transfer
3 through and including the current tax year. The
4 increase by 7% each year is an increase by 7% over the
5 prior year.

6 (B) The property's equalized assessed value for
7 the current tax year minus: (i) \$4,500 in Cook County
8 or \$3,500 in all other counties in tax year 2003; (ii)
9 \$5,000 in all counties in tax years 2004 and 2005; and
10 (iii) the lesser of the amount of the general homestead
11 exemption under Section 15-175 or an amount equal to
12 the increase in the equalized assessed value for the
13 current tax year above the equalized assessed value for
14 1977 in tax year 2006 and thereafter.

15 (3) "Base homestead value".

16 (A) Except as provided in subdivision (b) (3) (A-5)
17 or (b) (3) (B), "base homestead value" means the
18 equalized assessed value of the property for the base
19 year prior to exemptions, minus (i) \$4,500 in Cook
20 County or \$3,500 in all other counties in tax year
21 2003, (ii) \$5,000 in all counties in tax years 2004 and
22 2005, or (iii) the lesser of the amount of the general
23 homestead exemption under Section 15-175 or an amount
24 equal to the increase in the equalized assessed value
25 for the current tax year above the equalized assessed
26 value for 1977 in tax year 2006 and thereafter,

1 provided that it was assessed for that year as
2 residential property qualified for any of the
3 homestead exemptions under Sections 15-170 through
4 15-175 of this Code, then in force, and further
5 provided that the property's assessment was not based
6 on a reduced assessed value resulting from a temporary
7 irregularity in the property for that year. Except as
8 provided in subdivision (b) (3) (B), if the property did
9 not have a residential equalized assessed value for the
10 base year, then "base homestead value" means the base
11 homestead value established by the assessor under
12 subsection (c).

13 (A-5) On or before September 1, 2007, in Cook
14 County, the base homestead value, as set forth under
15 subdivision (b) (3) (A) and except as provided under
16 subdivision (b) (3) (B), must be recalculated as the
17 equalized assessed value of the property for the base
18 year, prior to exemptions, minus:

19 (1) if the general assessment year for the
20 property was 2003, the lesser of (i) \$4,500 or (ii)
21 the amount equal to the increase in equalized
22 assessed value for the 2002 tax year above the
23 equalized assessed value for 1977;

24 (2) if the general assessment year for the
25 property was 2004, the lesser of (i) \$4,500 or (ii)
26 the amount equal to the increase in equalized

1 assessed value for the 2003 tax year above the
2 equalized assessed value for 1977;

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

8 (B) If the property is sold or ownership is
9 otherwise transferred, other than sales or transfers
10 between spouses or between a parent and a child, "base
11 homestead value" means the equalized assessed value of
12 the property at the time of the sale or transfer prior
13 to exemptions, minus: (i) \$4,500 in Cook County or
14 \$3,500 in all other counties in tax year 2003; (ii)
15 \$5,000 in all counties in tax years 2004 and 2005; and
16 (iii) the lesser of the amount of the general homestead
17 exemption under Section 15-175 or an amount equal to
18 the increase in the equalized assessed value for the
19 current tax year above the equalized assessed value for
20 1977 in tax year 2006 and thereafter, provided that it
21 was assessed as residential property qualified for any
22 of the homestead exemptions under Sections 15-170
23 through 15-175 of this Code, then in force, and further
24 provided that the property's assessment was not based
25 on a reduced assessed value resulting from a temporary
26 irregularity in the property.

1 (3.5) "Base year" means (i) tax year 2002 in Cook
2 County, ~~or~~ (ii) tax year 2005 or 2006 in ~~all other~~ counties
3 that adopt an ordinance under subsection (k), in accordance
4 with the designation made by the county as provided in
5 subsection (k), or (iii) tax year 2008 in counties that
6 adopt an ordinance under subsection (k-5).

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

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

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

12 (A) Residential property that as of January 1 of
13 the tax year is occupied by its owner or owners as his,
14 her, or their principal dwelling place, or that is a
15 leasehold interest on which a single family residence
16 is situated, that is occupied as a residence by a
17 person who has a legal or equitable interest therein
18 evidenced by a written instrument, as an owner or as a
19 lessee, and on which the person is liable for the
20 payment of property taxes. Residential units in an
21 apartment building owned and operated as a
22 cooperative, or as a life care facility, which are
23 occupied by persons who hold a legal or equitable
24 interest in the cooperative apartment building or life
25 care facility as owners or lessees, and who are liable
26 by contract for the payment of property taxes, shall be

1 included within this definition of homestead property.

2 (B) A homestead includes the dwelling place,
3 appurtenant structures, and so much of the surrounding
4 land constituting the parcel on which the dwelling
5 place is situated as is used for residential purposes.
6 If the assessor has established a specific legal
7 description for a portion of property constituting the
8 homestead, then the homestead shall be limited to the
9 property within that description.

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

12 (c) If the property did not have a residential equalized
13 assessed value for the base year as provided in subdivision
14 (b) (3) (A) of this Section, then the assessor shall first
15 determine an initial value for the property by comparison with
16 assessed values for the base year of other properties having
17 physical and economic characteristics similar to those of the
18 subject property, so that the initial value is uniform in
19 relation to assessed values of those other properties for the
20 base year. The product of the initial value multiplied by the
21 equalized factor for the base year for homestead properties in
22 that county, less: (i) \$4,500 in Cook County or \$3,500 in all
23 other counties in tax years 2003; (ii) \$5,000 in all counties
24 in tax year 2004 and 2005; and (iii) the lesser of the amount
25 of the general homestead exemption under Section 15-175 or an
26 amount equal to the increase in the equalized assessed value

1 for the current tax year above the equalized assessed value for
2 1977 in tax year 2006 and thereafter, is the base homestead
3 value.

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

9 (d) The base homestead value shall remain constant, except
10 that the assessor may revise it under the following
11 circumstances:

12 (1) If the equalized assessed value of a homestead
13 property for the current tax year is less than the previous
14 base homestead value for that property, then the current
15 equalized assessed value (provided it is not based on a
16 reduced assessed value resulting from a temporary
17 irregularity in the property) shall become the base
18 homestead value in subsequent tax years.

19 (2) For any year in which new buildings, structures, or
20 other improvements are constructed on the homestead
21 property that would increase its assessed value, the
22 assessor shall adjust the base homestead value as provided
23 in subsection (c) of this Section with due regard to the
24 value added by the new improvements.

25 (3) If the property is sold or ownership is otherwise
26 transferred, the base homestead value of the property shall

1 be adjusted as provided in subdivision (b) (3) (B). This item
2 (3) does not apply to sales or transfers between spouses or
3 between a parent and a child.

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

6 (e) The amount of the exemption under this Section is the
7 equalized assessed value of the homestead property for the
8 current tax year, minus the adjusted homestead value, with the
9 following exceptions:

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

13 (i) 2005, if the general assessment year for the
14 property is 2003;

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

17 (iii) 2007, if the general assessment year for the
18 property is 2005.

19 (1.1) Thereafter, in Cook County, and in all other
20 counties, the exemption is as follows:

21 (i) if the general assessment year for the property
22 is 2006, then the exemption may not exceed: \$33,000 for
23 taxable year 2006; \$26,000 for taxable year 2007; and
24 \$20,000 for taxable year 2008;

25 (ii) if the general assessment year for the
26 property is 2007, then the exemption may not exceed:

1 \$33,000 for taxable year 2007; \$26,000 for taxable year
2 2008; and \$20,000 for taxable year 2009 and thereafter;
3 and

4 (iii) if the general assessment year for the
5 property is 2008, then the exemption may not exceed:
6 \$33,000 for taxable year 2008; \$26,000 for taxable year
7 2009; and \$20,000 for taxable year 2010 and thereafter.

8 (1.5) In Cook County, for the 2006 taxable year only, the
9 maximum amount of the exemption set forth under subsection
10 (e)(1.1)(i) of this Section may be increased: (i) by \$7,000 if
11 the equalized assessed value of the property in that taxable
12 year exceeds the equalized assessed value of that property in
13 2002 by 100% or more; or (ii) by \$2,000 if the equalized
14 assessed value of the property in that taxable year exceeds the
15 equalized assessed value of that property in 2002 by more than
16 80% but less than 100%.

17 (2) In the case of homestead property that also
18 qualifies for the exemption under Section 15-172, the
19 property is entitled to the exemption under this Section,
20 limited to the amount of (i) \$4,500 in Cook County or
21 \$3,500 in all other counties in tax year 2003, (ii) \$5,000
22 in all counties in tax years 2004 and 2005, or (iii) the
23 lesser of the amount of the general homestead exemption
24 under Section 15-175 or an amount equal to the increase in
25 the equalized assessed value for the current tax year above
26 the equalized assessed value for 1977 in tax year 2006 and

1 thereafter.

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

16 (g) When married persons maintain separate residences, the
17 exemption provided under this Section shall be claimed by only
18 one such person and for only one residence.

19 (h) In the event of a sale or other transfer in ownership
20 of the homestead property, the exemption under this Section
21 shall remain in effect for the remainder of the tax year and be
22 calculated using the same base homestead value in which the
23 sale or transfer occurs, but (other than for sales or transfers
24 between spouses or between a parent and a child) shall be
25 calculated for any subsequent tax year using the new base
26 homestead value as provided in subdivision (b)(3)(B). The

1 assessor may require the new owner of the property to apply for
2 the exemption in the following year.

3 (i) The assessor may determine whether property qualifies
4 as a homestead under this Section by application, visual
5 inspection, questionnaire, or other reasonable methods. Each
6 year, at the time the assessment books are certified to the
7 county clerk by the board of review, the assessor shall furnish
8 to the county clerk a list of the properties qualified for the
9 homestead exemption under this Section. The list shall note the
10 base homestead value of each property to be used in the
11 calculation of the exemption for the current tax year.

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

14 (1) If the general assessment year for the property is
15 2003, this Section applies for taxable years 2003 and
16 thereafter. ~~assessment years 2003, 2004, 2005, 2006, 2007,~~
17 ~~and 2008. Thereafter, the provisions of Section 15-175~~
18 ~~apply.~~

19 (2) If the general assessment year for the property is
20 2004, this Section applies for taxable years 2004 and
21 thereafter. ~~assessment years 2004, 2005, 2006, 2007, 2008,~~
22 ~~and 2009. Thereafter, the provisions of Section 15-175~~
23 ~~apply.~~

24 (3) If the general assessment year for the property is
25 2005, this Section applies for taxable years 2005 and
26 thereafter. ~~assessment years 2005, 2006, 2007, 2008, 2009,~~

1 ~~and 2010. Thereafter, the provisions of Section 15-175~~
2 ~~apply.~~

3 In counties with less than 3,000,000 inhabitants, this
4 Section applies for assessment years (i) 2006 and thereafter
5 ~~2006, 2007, and 2008, and 2009~~ if tax year 2005 is the
6 designated base year, ~~or~~ (ii) 2007 and thereafter ~~2007, 2008,~~
7 ~~2009, and 2010~~ if tax year 2006 is the designated base year, ~~and~~
8 and (iii) 2009 and thereafter if tax year 2008 is the
9 designated base year. ~~Thereafter, the provisions of Section~~
10 ~~15-175 apply.~~

11 (k) To be subject to the provisions of this Section in lieu
12 of Section 15-175, a county must adopt an ordinance to subject
13 itself to the provisions of this Section within 6 months after
14 the effective date of this amendatory Act of the 95th General
15 Assembly. In a county other than Cook County, an ~~the~~ ordinance
16 adopted under this subsection (k) must designate either tax
17 year 2005 or tax year 2006 as the base year.

18 (k-5) A county that has not adopted an ordinance under
19 subsection (k) of this Section may elect to subject itself to
20 the provisions of this Section in lieu of Section 15-175 if the
21 county adopts an ordinance to that effect within 6 months after
22 the effective date of this amendatory Act of the 96th General
23 Assembly. The base year for an ordinance adopted under this
24 subsection (k-5) is tax year 2008.

25 (l) Notwithstanding Sections 6 and 8 of the State Mandates
26 Act, no reimbursement by the State is required for the

1 implementation of any mandate created by this Section.

2 (Source: P.A. 95-644, eff. 10-12-07.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.