



Sen. Antonio Muñoz

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LRB097 03334 HLH 69487 a

1 AMENDMENT TO HOUSE BILL 506

2 AMENDMENT NO. _____. Amend House Bill 506 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by adding
5 Section 9-275 as follows:

6 (35 ILCS 200/9-275 new)

7 Sec. 9-275. Erroneous homestead exemptions.

8 (a) If, upon determination by the chief county assessment
9 officer, any person or entity that was not eligible to receive
10 a homestead exemption under Article 15 of this Code was granted
11 one homestead exemption in error for real property in any year
12 or years not to exceed the 3 assessment years prior to the
13 assessment year in which the determination is made, then the
14 chief county assessment officer may cause to be served, by both
15 regular mail and certified mail, return receipt requested, on
16 the person to whom the most recent tax bill was mailed and the

1 owner of record, a notice of intent to record a tax lien
2 against the property with respect to which the erroneous
3 homestead exemption was granted.

4 (b) If, upon determination by the chief county assessment
5 officer, any person or entity that was not eligible to receive
6 a homestead exemption under Article 15 of this Code was granted
7 2 homestead exemptions in error for real property in any year
8 or years not to exceed the 3 assessment years prior to the
9 assessment year in which the determination is made, then the
10 chief county assessment officer may cause to be served, by both
11 regular mail and certified mail, return receipt requested, on
12 the person to whom the most recent tax bill was mailed and the
13 owner of record, a notice of intent to record a tax lien
14 against the property with respect to which the erroneous
15 homestead exemption was granted.

16 (c) If, upon determination by the chief county assessment
17 officer, any person or entity that was not eligible to receive
18 a homestead exemption under Article 15 of this Code was granted
19 3 or more homestead exemptions in error for real property in
20 any year or years not to exceed the 6 assessment years prior to
21 the assessment year in which the determination is made, then
22 the chief county assessment officer may cause to be served, by
23 both regular mail and certified mail, return receipt requested,
24 on the person to whom the most recent tax bill was mailed and
25 the owner of record, a notice of intent to record a tax lien
26 against the property with respect to which the erroneous

1 homestead exemption was granted.

2 (d) The notice of intent to record a tax lien described in
3 subsections (a), (b), and (c) of this Section shall identify
4 the property against which the lien is being sought and shall
5 identify the assessment years in which the erroneous homestead
6 exemption was granted.

7 In counties with 3,000,000 or more inhabitants, the notice
8 must also include a form that the property owner may return to
9 the chief county assessment officer to request a hearing. The
10 property owner may request a hearing by returning the form
11 within 30 days after service. The hearing shall be held within
12 90 days after the property owner is served. The chief county
13 assessment officer shall promulgate rules of service and
14 procedure for the hearing. The chief county assessment officer
15 must generally follow rules of evidence and practices that
16 prevail in the county circuit courts, but, because of the
17 nature of these proceedings, the chief county assessment
18 officer is not bound by those rules in all particulars. The
19 chief county assessment officer shall appoint a hearing officer
20 to oversee the hearing. The property owner shall be allowed to
21 present evidence to the hearing officer at the hearing. After
22 taking into consideration all the relevant testimony and
23 evidence, the hearing officer shall make an administrative
24 decision on whether the property owner was erroneously granted
25 a homestead exemption for the assessment year or years in
26 question. The property owner may appeal the hearing officer's

1 ruling to the circuit court of the county where the property is
2 located under the Administrative Review Law.

3 In counties with less than 3,000,000 inhabitants, the
4 notice must also include a form that the property owner may
5 return to the board of review to request a hearing. The
6 property owner may request a hearing by returning the form
7 within 30 days after service. The hearing shall be held within
8 90 days after the property owner is served. The board of review
9 shall follow its normal practices and procedures in conducting
10 the hearing. The property owner shall be allowed to present
11 evidence to the board of review. After taking into
12 consideration all of the relevant testimony and evidence, the
13 board of review shall issue a decision on whether the property
14 owner was erroneously granted a homestead exemption for the
15 assessment year or years in question. The property owner may
16 appeal the board of review's ruling to the circuit court of the
17 county where the property is located under the Administrative
18 Review Law.

19 (e) A lien against the property imposed under this Section
20 shall be filed with the county clerk and the county recorder of
21 deeds, but may not be filed sooner than 60 days after the
22 notice was delivered to the property owner if the property
23 owner does not request a hearing, or, until the conclusion of
24 the hearing and all appeals if the property owner does request
25 a hearing.

26 (1) When a lien is filed pursuant to subsection (a) of

1 this Section, the arrearages of taxes that might have been
2 assessed, plus 5% interest per annum, shall be charged
3 against the property by the county clerk.

4 (2) When a lien is filed pursuant to subsection (b) of
5 this Section, the arrearages of taxes that might have been
6 assessed, plus a penalty of 25% of the total amount of
7 unpaid taxes for each year and 10% interest per annum,
8 shall be charged against the property by the county clerk.

9 (3) When a lien is filed pursuant to subsection (c) of
10 this Section, the arrearages of taxes that might have been
11 assessed, plus a penalty of 40% of the total amount of
12 unpaid taxes for each year and 15% interest per annum,
13 shall be charged against the property by the county clerk.

14 A person who received an erroneous homestead exemption
15 under Section 15-170 in a county that did not require an annual
16 application for that exemption at the time the erroneous
17 homestead exemption was granted is not liable for the penalties
18 and interest imposed under this subsection (e) for those
19 assessment years if: (i) the person was the spouse, child,
20 grandchild, brother, sister, niece, or nephew of the previous
21 owner; and (ii) the person received the property by bequest or
22 inheritance. However, that person is responsible for any
23 interest owed under subsection (h) of this Section.

24 (f) If the erroneous homestead exemption was granted as a
25 result of a clerical error or omission on the part of the chief
26 county assessment officer, and if the owner has paid its tax

1 bills as received for the year or years in which the error
2 occurred, then the interest and penalties authorized by this
3 Section shall not be chargeable to the owner. However, nothing
4 in this Section shall prevent the collection of the principal
5 amount of back taxes due and owing.

6 (g) If, at the hearing, the property owner establishes that
7 it is a bona fide purchaser of the property for value, and
8 without notice of the erroneous homestead exemption, the
9 property owner shall not be liable for any unpaid back taxes,
10 interest, or penalties for the period of time prior to the date
11 that the property owner purchased the property. A certified
12 title to the property that is issued by a title company
13 licensed to do business in the State and is free and clear of
14 any liens imposed under subsections (a), (b), or (c) of this
15 Section, shall be prima facie evidence that the property owner
16 is without notice of the erroneous homestead exemption.

17 (h) When a lien is filed against the property pursuant to
18 subsection (e) of this Section, the chief county assessment
19 officer shall mail a copy of the lien to the person to whom the
20 most recent tax bill was mailed and to the owner of record, and
21 the outstanding liability created by such a lien is due and
22 payable within 30 days after the mailing of the lien by the
23 chief county assessment officer. Payment shall be made to the
24 chief county assessment officer who shall, upon receipt of the
25 full amount due, provide in reasonable form a release of the
26 lien and shall transmit the funds received to the county

1 treasurer for distribution as provided in subsection (i) of
2 this Section. This liability is deemed delinquent and shall
3 bear interest beginning on the day after the due date. Any such
4 liability deemed delinquent after that due date shall bear
5 interest at the rate of 1.5% per month or portion thereof until
6 paid.

7 (i) The unpaid taxes shall be paid to the appropriate
8 taxing districts. Interest shall be paid to the county where
9 the property is located. The penalty shall be paid to the chief
10 county assessment officer's office for the administration of
11 the provisions of this amendatory Act of the 97th General
12 Assembly.

13 (j) For purposes of this Section, "homestead exemption"
14 means an exemption under Section 15-165 (disabled veterans),
15 15-167 (returning veterans), 15-168 (disabled persons), 15-169
16 (disabled veterans standard homestead), 15-170 (senior
17 citizens), 15-172 (senior citizens assessment freeze), 15-175
18 (general homestead), 15-176 (alternative general homestead),
19 or 15-177 (long-time occupant).

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."