



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB3598

by Rep. Jehan A. Gordon-Booth

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/9-275.5 new

Amends the Property Tax Code. Allows the chief county assessment officer in a county with fewer than 3,000,000 inhabitants to record a tax lien against property that was granted one or more erroneous homestead exemptions. Provides that those chief county assessment officers shall include certain information concerning homestead exemptions with each assessment notice sent in a general assessment year. Provides that if, within 60 days after receiving the notice, the property owner notifies the chief county assessment officer that he or she received a homestead exemption in error in a previous assessment year and pays the principal amount of back taxes with interest, then the property owner shall not be liable for the penalties. Provides for an amnesty period beginning on the effective date of the amendatory Act and running for a period of 5 months after the effective date of the amendatory Act. Effective immediately.

LRB099 06846 HLH 26921 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 adding  
5 Section 9-275.5 as follows:

6 (35 ILCS 200/9-275.5 new)

7 Sec. 9-275.5. Erroneous homestead exemptions; counties  
8 with fewer than 3,000,000 inhabitants.

9 (a) For purposes of this Section:

10 "Erroneous homestead exemption" means a homestead  
11 exemption that was granted for real property in a taxable year  
12 if the property was not eligible for that exemption in that  
13 taxable year. If the taxpayer receives an erroneous homestead  
14 exemption under a single Section of this Code for the same  
15 property in multiple years, that exemption is considered a  
16 single erroneous homestead exemption for purposes of this  
17 Section. However, if the taxpayer receives erroneous homestead  
18 exemptions under multiple Sections of this Code for the same  
19 property, or if the taxpayer receives erroneous homestead  
20 exemptions under the same Section of this Code for multiple  
21 properties, then each of those exemptions is considered a  
22 separate erroneous homestead exemption for purposes of this  
23 Section.

1       "Homestead exemption" means an exemption under Section  
2       15-165 (disabled veterans), 15-167 (returning veterans),  
3       15-168 (disabled persons), 15-169 (disabled veterans standard  
4       homestead), 15-170 (senior citizens), 15-172 (senior citizens  
5       assessment freeze), 15-175 (general homestead), 15-176  
6       (alternative general homestead), or 15-177 (long-time  
7       occupant).

8       (b) Notwithstanding any other provision of law, in counties  
9       with fewer than 3,000,000 inhabitants, the chief county  
10       assessment officer shall include the following information  
11       with each assessment notice sent in a general assessment year:

12       (1) a list of each homestead exemption available under Article  
13       15 of this Code and a description of the eligibility criteria  
14       for that exemption; (2) a list of each homestead exemption  
15       applied to the property in the current assessment year; (3)  
16       information regarding penalties and interest that may be  
17       incurred under this Section if the property owner received an  
18       erroneous homestead exemption in a previous taxable year; and  
19       (4) notice of the 60-day grace period available under this  
20       subsection. If, within 60 days after receiving his or her  
21       assessment notice, the property owner notifies the chief county  
22       assessment officer that he or she received an erroneous  
23       homestead exemption in a previous assessment year, and if the  
24       property owner pays the principal amount of back taxes due and  
25       owing with respect to that exemption, plus interest as provided  
26       in subsection (f), then the property owner shall not be liable

1 for the penalties provided in subsection (f) with respect to  
2 that exemption.

3 (c) The chief county assessment officer in a county with  
4 fewer than 3,000,000 inhabitants may cause a lien to be  
5 recorded against property that (1) is located in the county and  
6 (2) received one or more erroneous homestead exemptions if,  
7 upon determination of the chief county assessment officer, the  
8 property owner received: (A) one or 2 erroneous homestead  
9 exemptions for real property, including at least one erroneous  
10 homestead exemption granted for the property against which the  
11 lien is sought, during any of the 3 assessment years  
12 immediately prior to the assessment year in which the notice of  
13 intent to record at tax lien is served; or (B) 3 or more  
14 erroneous homestead exemptions for real property, including at  
15 least one erroneous homestead exemption granted for the  
16 property against which the lien is sought, during any of the 6  
17 assessment years immediately prior to the assessment year in  
18 which the notice of intent to record at tax lien is served.  
19 Prior to recording the lien against the property, the chief  
20 county assessment officer shall cause to be served, by both  
21 regular mail and certified mail, return receipt requested, on  
22 the person to whom the most recent tax bill was mailed and the  
23 owner of record, a notice of intent to record a tax lien  
24 against the property.

25 (d) The notice of intent to record a tax lien described in  
26 subsection (c) shall: (1) identify, by property index number,

1 the property against which the lien is being sought; (2)  
2 identify each specific homestead exemption that was  
3 erroneously granted and the year or years in which each  
4 exemption was granted; (3) set forth the arrearage of taxes  
5 that would have been due if not for the erroneous homestead  
6 exemptions; (4) inform the property owner that he or she may  
7 request a hearing within 30 days after service and may appeal  
8 the hearing officer's ruling to the circuit court; and (5)  
9 inform the property owner that he or she may pay the amount  
10 due, plus interest and penalties, within 30 days after service.

11 (e) The notice must also include a form that the property  
12 owner may return to the chief county assessment officer to  
13 request a hearing. The property owner may request a hearing by  
14 returning the form within 30 days after service. The hearing  
15 shall be held within 90 days after the property owner is  
16 served. The chief county assessment officer shall promulgate  
17 rules of service and procedure for the hearing. The chief  
18 county assessment officer must generally follow rules of  
19 evidence and practices that prevail in the county circuit  
20 courts, but, because of the nature of these proceedings, the  
21 chief county assessment officer is not bound by those rules in  
22 all particulars. The chief county assessment officer shall  
23 appoint a hearing officer to oversee the hearing. The property  
24 owner shall be allowed to present evidence to the hearing  
25 officer at the hearing. After taking into consideration all the  
26 relevant testimony and evidence, the hearing officer shall make

1 an administrative decision on whether the property owner was  
2 erroneously granted a homestead exemption for the assessment  
3 year in question. The property owner may appeal the hearing  
4 officer's ruling to the circuit court of the county where the  
5 property is located as a final administrative decision under  
6 the Administrative Review Law.

7 (f) A lien against the property imposed under this Section  
8 shall be filed with the county recorder of deeds, but may not  
9 be filed sooner than 60 days after the notice was delivered to  
10 the property owner if the property owner does not request a  
11 hearing, or until the conclusion of the hearing and all appeals  
12 if the property owner does request a hearing. If a lien is  
13 filed pursuant to this Section and the property owner received  
14 one or 2 erroneous homestead exemptions during any of the 3  
15 assessment years immediately prior to the assessment year in  
16 which the notice of intent to record a tax lien is served,  
17 then the arrearages of taxes that might have been assessed for  
18 that property, plus 10% interest per annum, shall be charged  
19 against the property by the county treasurer. However, if a  
20 lien is filed pursuant to this Section and the property owner  
21 received 3 or more erroneous homestead exemptions during any of  
22 the 6 assessment years immediately prior to the assessment year  
23 in which the notice of intent to record a tax lien is served,  
24 the arrearages of taxes that might have been assessed for that  
25 property, plus a penalty of 50% of the total amount of unpaid  
26 taxes for each year for that property and 10% interest per

1 annum, shall be charged against the property by the county  
2 treasurer.

3 (g) If a person received an erroneous homestead exemption  
4 under Section 15-170 and: (1) the person was the spouse, child,  
5 grandchild, brother, sister, niece, or nephew of the previous  
6 owner; and (2) the person received the property by bequest or  
7 inheritance; then the person is not liable for the penalties  
8 imposed under this subsection for any year or years during  
9 which the county did not require an annual application for the  
10 exemption. However, that person is responsible for any interest  
11 owed under subsection (f).

12 (h) If the erroneous homestead exemption was granted as a  
13 result of a clerical error or omission on the part of the chief  
14 county assessment officer, and if the owner has paid its tax  
15 bills as received for the year in which the error occurred,  
16 then the interest and penalties authorized by this Section with  
17 respect to that homestead exemption shall not be chargeable to  
18 the owner. However, nothing in this Section shall prevent the  
19 collection of the principal amount of back taxes due and owing.

20 (i) A lien under this Section is not valid as to (1) any  
21 bona fide purchaser for value without notice of the erroneous  
22 homestead exemption whose rights in and to the underlying  
23 parcel arose after the erroneous homestead exemption was  
24 granted but before the filing of the notice of lien; or (2) any  
25 mortgagee, judgment creditor, or other lienor whose rights in  
26 and to the underlying parcel arose before the filing of the

1 notice of lien. A title insurance policy for the property that  
2 is issued by a title company licensed to do business in the  
3 State showing that the property is free and clear of any liens  
4 imposed under this Section shall be prima facie evidence that  
5 the property owner is without notice of the erroneous homestead  
6 exemption. Nothing in this Section shall be deemed to impair  
7 the rights of subsequent creditors and subsequent purchasers  
8 under Section 30 of the Conveyances Act.

9 (j) When a lien is filed against the property pursuant to  
10 this Section, the chief county assessment officer shall mail a  
11 copy of the lien to the person to whom the most recent tax bill  
12 was mailed and to the owner of record, and the outstanding  
13 liability created by such a lien is due and payable within 30  
14 days after the mailing of the lien by the chief county  
15 assessment officer. Payment shall be made to the chief county  
16 assessment officer who shall, upon receipt of the full amount  
17 due, provide in reasonable form a release of the lien and shall  
18 transmit the funds received to the county treasurer for  
19 distribution as provided in subsection (k) of this Section.  
20 This liability is deemed delinquent and shall bear interest  
21 beginning on the day after the due date.

22 (k) The unpaid taxes shall be paid to the appropriate  
23 taxing districts. Interest shall be paid to the county where  
24 the property is located. The penalty shall be paid to the chief  
25 county assessment officer's office for the administration of  
26 the provisions of this amendatory Act of the 99th General



1 Assembly.

2 (1) The chief county assessment officer in a county with  
3 fewer than 3,000,000 inhabitants shall establish an amnesty  
4 period for all taxpayers owing any tax due to an erroneous  
5 homestead exemption granted in a tax year prior to the 2014 tax  
6 year. The amnesty period shall begin on the effective date of  
7 this amendatory Act of the 99th General Assembly and shall  
8 continue through the last business day of the fifth month after  
9 the effective date of this amendatory Act of the 99th General  
10 Assembly. If, during the amnesty period, the taxpayer pays the  
11 entire arrearage of taxes due for tax years prior to 2014, the  
12 county clerk shall abate and not seek to collect any interest  
13 or penalties that may be applicable and shall not seek civil or  
14 criminal prosecution for any taxpayer for tax years prior to  
15 2014. Failure to pay all such taxes due during the amnesty  
16 period established under this Section shall invalidate the  
17 amnesty period for that taxpayer.

18 In each county with fewer than 3,000,000 inhabitants: (1)  
19 the collector shall provide written notice of the amnesty  
20 period to each owner of record of property located in the  
21 county; that notice may be included with the tax bill for the  
22 first installment of taxes due on or after the effective date  
23 of this amendatory Act of the 99th General Assembly, or it may  
24 be mailed separately; and (2) as soon as possible after the  
25 effective date of this amendatory Act of the 99th General  
26 Assembly, the chief county assessment officer shall publish

1 notice of the amnesty period in a newspaper of general  
2 circulation in the county. Each notice shall include  
3 information on the amnesty period, its purpose, and the method  
4 in which to make payment. If the taxpayer receives his or her  
5 tax bill via e-mail, as provided in Section 20-20 of this Code,  
6 then the collector may comply with this subsection (1) by  
7 sending notice of the amnesty period to the e-mail address  
8 provided by the taxpayer.

9 Taxpayers who are a party to any criminal investigation or  
10 to any civil or criminal litigation that is pending in any  
11 circuit court or appellate court, or in the Supreme Court of  
12 this State, for nonpayment, delinquency, or fraud in relation  
13 to any property tax imposed by any taxing district located in  
14 the State on the effective date of this amendatory Act of the  
15 99th General Assembly may not take advantage of the amnesty  
16 period.

17 A taxpayer who has claimed 3 or more homestead exemptions  
18 in error shall not be eligible for the amnesty period  
19 established under this subsection.

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