



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1789

Introduced 1/28/2025, by Rep. Nicole La Ha

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-170

Amends the Property Tax Code. Provides that the total property tax bill for any property receiving the senior citizens homestead exemption may not exceed 101% of the tax bill for the immediately preceding taxable year, unless the increase is due to improvements to the property that increased the property's fair market value in the applicable tax year.

LRB104 08944 HLH 18999 b

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 15-170 as follows:

6 (35 ILCS 200/15-170)

7 Sec. 15-170. Senior citizens homestead exemption.

8 (a) An annual homestead exemption limited, except as
9 described here with relation to cooperatives or life care
10 facilities, to a maximum reduction set forth below from the
11 property's value, as equalized or assessed by the Department,
12 is granted for property that is occupied as a residence by a
13 person 65 years of age or older who is liable for paying real
14 estate taxes on the property and is an owner of record of the
15 property or has a legal or equitable interest therein as
16 evidenced by a written instrument, except for a leasehold
17 interest, other than a leasehold interest of land on which a
18 single family residence is located, which is occupied as a
19 residence by a person 65 years or older who has an ownership
20 interest therein, legal, equitable or as a lessee, and on
21 which he or she is liable for the payment of property taxes.
22 Before taxable year 2004, the maximum reduction shall be
23 \$2,500 in counties with 3,000,000 or more inhabitants and

1 \$2,000 in all other counties. For taxable years 2004 through
2 2005, the maximum reduction shall be \$3,000 in all counties.
3 For taxable years 2006 and 2007, the maximum reduction shall
4 be \$3,500. For taxable years 2008 through 2011, the maximum
5 reduction is \$4,000 in all counties. For taxable year 2012,
6 the maximum reduction is \$5,000 in counties with 3,000,000 or
7 more inhabitants and \$4,000 in all other counties. For taxable
8 years 2013 through 2016, the maximum reduction is \$5,000 in
9 all counties. For taxable years 2017 through 2022, the maximum
10 reduction is \$8,000 in counties with 3,000,000 or more
11 inhabitants and \$5,000 in all other counties. For taxable
12 years 2023 and thereafter, the maximum reduction is \$8,000 in
13 counties with 3,000,000 or more inhabitants and counties that
14 are contiguous to a county of 3,000,000 or more inhabitants
15 and \$5,000 in all other counties.

16 (b) For land improved with an apartment building owned and
17 operated as a cooperative, the maximum reduction from the
18 value of the property, as equalized by the Department, shall
19 be multiplied by the number of apartments or units occupied by
20 a person 65 years of age or older who is liable, by contract
21 with the owner or owners of record, for paying property taxes
22 on the property and is an owner of record of a legal or
23 equitable interest in the cooperative apartment building,
24 other than a leasehold interest. For land improved with a life
25 care facility, the maximum reduction from the value of the
26 property, as equalized by the Department, shall be multiplied

1 by the number of apartments or units occupied by persons 65
2 years of age or older, irrespective of any legal, equitable,
3 or leasehold interest in the facility, who are liable, under a
4 contract with the owner or owners of record of the facility,
5 for paying property taxes on the property. In a cooperative or
6 a life care facility where a homestead exemption has been
7 granted, the cooperative association or the management firm of
8 the cooperative or facility shall credit the savings resulting
9 from that exemption only to the apportioned tax liability of
10 the owner or resident who qualified for the exemption. Any
11 person who willfully refuses to so credit the savings shall be
12 guilty of a Class B misdemeanor. Under this Section and
13 Sections 15-175, 15-176, and 15-177, "life care facility"
14 means a facility, as defined in Section 2 of the Life Care
15 Facilities Act, with which the applicant for the homestead
16 exemption has a life care contract as defined in that Act.

17 (c) When a homestead exemption has been granted under this
18 Section and the person qualifying subsequently becomes a
19 resident of a facility licensed under the Assisted Living and
20 Shared Housing Act, the Nursing Home Care Act, the Specialized
21 Mental Health Rehabilitation Act of 2013, the ID/DD Community
22 Care Act, or the MC/DD Act, the exemption shall continue so
23 long as the residence continues to be occupied by the
24 qualifying person's spouse if the spouse is 65 years of age or
25 older, or if the residence remains unoccupied but is still
26 owned by the person qualified for the homestead exemption.

1 (d) A person who will be 65 years of age during the current
2 assessment year shall be eligible to apply for the homestead
3 exemption during that assessment year. Application shall be
4 made during the application period in effect for the county of
5 his residence.

6 (e) Beginning with assessment year 2003, for taxes payable
7 in 2004, property that is first occupied as a residence after
8 January 1 of any assessment year by a person who is eligible
9 for the senior citizens homestead exemption under this Section
10 must be granted a pro-rata exemption for the assessment year.
11 The amount of the pro-rata exemption is the exemption allowed
12 in the county under this Section divided by 365 and multiplied
13 by the number of days during the assessment year the property
14 is occupied as a residence by a person eligible for the
15 exemption under this Section. The chief county assessment
16 officer must adopt reasonable procedures to establish
17 eligibility for this pro-rata exemption.

18 (f) The assessor or chief county assessment officer may
19 determine the eligibility of a life care facility to receive
20 the benefits provided by this Section, by affidavit,
21 application, visual inspection, questionnaire or other
22 reasonable methods in order to ensure that the tax savings
23 resulting from the exemption are credited by the management
24 firm to the apportioned tax liability of each qualifying
25 resident. The assessor may request reasonable proof that the
26 management firm has so credited the exemption.

1 (g) The chief county assessment officer of each county
2 with less than 3,000,000 inhabitants shall provide to each
3 person allowed a homestead exemption under this Section a form
4 to designate any other person to receive a duplicate of any
5 notice of delinquency in the payment of taxes assessed and
6 levied under this Code on the property of the person receiving
7 the exemption. The duplicate notice shall be in addition to
8 the notice required to be provided to the person receiving the
9 exemption, and shall be given in the manner required by this
10 Code. The person filing the request for the duplicate notice
11 shall pay a fee of \$5 to cover administrative costs to the
12 supervisor of assessments, who shall then file the executed
13 designation with the county collector. Notwithstanding any
14 other provision of this Code to the contrary, the filing of
15 such an executed designation requires the county collector to
16 provide duplicate notices as indicated by the designation. A
17 designation may be rescinded by the person who executed such
18 designation at any time, in the manner and form required by the
19 chief county assessment officer.

20 (h) The assessor or chief county assessment officer may
21 determine the eligibility of residential property to receive
22 the homestead exemption provided by this Section by
23 application, visual inspection, questionnaire or other
24 reasonable methods. The determination shall be made in
25 accordance with guidelines established by the Department.

26 (i) In counties with 3,000,000 or more inhabitants, for

1 taxable years 2010 through 2018, each taxpayer who has been
2 granted an exemption under this Section must reapply on an
3 annual basis.

4 If a reapplication is required, then the chief county
5 assessment officer shall mail the application to the taxpayer
6 at least 60 days prior to the last day of the application
7 period for the county.

8 For taxable years 2019 and thereafter, in counties with
9 3,000,000 or more inhabitants, a taxpayer who has been granted
10 an exemption under this Section need not reapply. However, if
11 the property ceases to be qualified for the exemption under
12 this Section in any year for which a reapplication is not
13 required under this Section, then the owner of record of the
14 property shall notify the chief county assessment officer that
15 the property is no longer qualified. In addition, for taxable
16 years 2019 and thereafter, the chief county assessment officer
17 of a county with 3,000,000 or more inhabitants shall enter
18 into an intergovernmental agreement with the county clerk of
19 that county and the Department of Public Health, as well as any
20 other appropriate governmental agency, to obtain information
21 that documents the death of a taxpayer who has been granted an
22 exemption under this Section. Notwithstanding any other
23 provision of law, the county clerk and the Department of
24 Public Health shall provide that information to the chief
25 county assessment officer. The Department of Public Health
26 shall supply this information no less frequently than every

1 calendar quarter. Information concerning the death of a
2 taxpayer may be shared with the county treasurer. The chief
3 county assessment officer shall also enter into a data
4 exchange agreement with the Social Security Administration or
5 its agent to obtain access to the information regarding deaths
6 in possession of the Social Security Administration. The chief
7 county assessment officer shall, subject to the notice
8 requirements under subsection (m) of Section 9-275, terminate
9 the exemption under this Section if the information obtained
10 indicates that the property is no longer qualified for the
11 exemption. In counties with 3,000,000 or more inhabitants, the
12 assessor and the county clerk shall establish policies and
13 practices for the regular exchange of information for the
14 purpose of alerting the assessor whenever the transfer of
15 ownership of any property receiving an exemption under this
16 Section has occurred. When such a transfer occurs, the
17 assessor shall mail a notice to the new owner of the property
18 (i) informing the new owner that the exemption will remain in
19 place through the year of the transfer, after which it will be
20 canceled, and (ii) providing information pertaining to the
21 rules for reapplying for the exemption if the owner qualifies.
22 In counties with 3,000,000 or more inhabitants, the chief
23 county assessment official shall conduct, by no later than
24 December 31 of the first year of each reassessment cycle, as
25 determined by Section 9-220, a review of all exemptions
26 granted under this Section for the preceding reassessment

1 cycle under this Section. The review shall be designed to
2 ascertain whether any senior homestead exemptions have been
3 granted erroneously. If it is determined that a senior
4 homestead exemption has been erroneously applied to a
5 property, the chief county assessment officer shall make use
6 of the appropriate provisions of Section 9-275 in relation to
7 the property that received the erroneous homestead exemption.

8 (j) In counties with less than 3,000,000 inhabitants, the
9 county board may by resolution provide that if a person has
10 been granted a homestead exemption under this Section, the
11 person qualifying need not reapply for the exemption. In
12 counties in which the county board passes such a resolution,
13 the chief county assessment official shall, prior to the
14 submission of the final abstract for the first year of each
15 reassessment cycle, as determined by Section 9-215, review all
16 exemptions granted for the preceding reassessment cycle under
17 this Section. The review shall be designed to ascertain
18 whether any senior homestead exemptions have been granted
19 erroneously.

20 In counties with less than 3,000,000 inhabitants, if the
21 assessor or chief county assessment officer requires annual
22 application for verification of eligibility for an exemption
23 once granted under this Section, the application shall be
24 mailed to the taxpayer.

25 (l) The assessor or chief county assessment officer shall
26 notify each person who qualifies for an exemption under this

1 Section that the person may also qualify for deferral of real
2 estate taxes under the Senior Citizens Real Estate Tax
3 Deferral Act. The notice shall set forth the qualifications
4 needed for deferral of real estate taxes, the address and
5 telephone number of county collector, and a statement that
6 applications for deferral of real estate taxes may be obtained
7 from the county collector.

8 (1-5) Notwithstanding any other provision of law,
9 beginning in levy year 2026, the total tax bill for any
10 property receiving an exemption under this Section may not
11 exceed 101% of the tax bill for the immediately preceding
12 taxable year, unless the increase is due to improvements to
13 the property that increased the property's fair market value
14 in the applicable tax year. If the property's tax liability is
15 reduced as a result of the provisions of this subsection, then
16 the disbursements to each taxing district in which the
17 property is located shall be reduced according to each taxing
18 district's proportionate share of the property's total tax
19 liability for the taxable year.

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

23 (Source: P.A. 102-895, eff. 5-23-22; 103-592, eff. 1-1-25.)