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104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2529

Introduced 2/4/2025, by Rep. Daniel Didech

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-170

Amends the Property Tax Code. Provides that, for taxable years 2026 and thereafter, the maximum reduction for the senior citizens homestead exemption is $8,000 in all counties (currently, $8,000 in counties with 3,000,000 or more inhabitants and counties that are contiguous to a county of 3,000,000 or more inhabitants and $5,000 in all other counties). Effective immediately.

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A BILL FOR

AN ACT concerning revenue.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Property Tax Code is amended by changing Section 15-170 as follows:

(35 ILCS 200/15-170)

Sec. 15-170. Senior citizens homestead exemption.

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

$2,000 in all other counties. For taxable years 2004 through 2005, the maximum reduction shall be $3,000 in all counties. For taxable years 2006 and 2007, the maximum reduction shall be $3,500. For taxable years 2008 through 2011, the maximum reduction is $4,000 in all counties. For taxable year 2012, the maximum reduction is $5,000 in counties with 3,000,000 or more inhabitants and $4,000 in all other counties. For taxable years 2013 through 2016, the maximum reduction is $5,000 in all counties. For taxable years 2017 through 2022, the maximum reduction is $8,000 in counties with 3,000,000 or more inhabitants and $5,000 in all other counties. For taxable years 2023 through 2025 ~~and thereafter~~, the maximum reduction is $8,000 in counties with 3,000,000 or more inhabitants and counties that are contiguous to a county of 3,000,000 or more inhabitants and $5,000 in all other counties. For taxable years 2026 and thereafter, the maximum reduction is $8,000 in all counties.

(b) For land improved with an apartment building owned and operated as a cooperative, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by a person 65 years of age or older who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. For land improved with a life care facility, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by persons 65 years of age or older, irrespective of any legal, equitable, or leasehold interest in the facility, who are liable, under a contract with the owner or owners of record of the facility, for paying property taxes on the property. In a cooperative or a life care facility where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor. Under this Section and Sections 15-175, 15-176, and 15-177, "life care facility" means a facility, as defined in Section 2 of the Life Care Facilities Act, with which the applicant for the homestead exemption has a life care contract as defined in that Act.

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

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

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

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

(g) The chief county assessment officer of each county with less than 3,000,000 inhabitants shall provide to each person allowed 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 property of the person receiving the exemption. The duplicate notice shall be in addition to the notice required to be provided to the person receiving the exemption, and shall be given in the manner required by this Code. The person filing the request for the duplicate notice shall pay a fee of $5 to cover administrative costs to the supervisor of assessments, who shall then file the executed designation with the county collector. Notwithstanding any other provision of this Code to the contrary, the filing of such an executed designation requires the county collector to provide duplicate notices as indicated by the designation. A designation may be rescinded by the person who executed such designation at any time, in the manner and form required by the chief county assessment officer.

(h) 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 shall be made in accordance with guidelines established by the Department.

(i) In counties with 3,000,000 or more inhabitants, for taxable years 2010 through 2018, each taxpayer who has been granted an exemption under this Section must reapply on an annual basis.

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

For taxable years 2019 and thereafter, in counties with 3,000,000 or more inhabitants, a taxpayer who has been granted an exemption under this Section need not reapply. However, if the property ceases to be qualified for the exemption under this Section in any year for which a reapplication is not required under this Section, then the owner of record of the property shall notify the chief county assessment officer that the property is no longer qualified. In addition, for taxable years 2019 and thereafter, the chief county assessment officer of a county with 3,000,000 or more inhabitants shall enter into an intergovernmental agreement with the county clerk of that county and the Department of Public Health, as well as any other appropriate governmental agency, to obtain information that documents the death of a taxpayer who has been granted an exemption under this Section. Notwithstanding any other provision of law, the county clerk and the Department of Public Health shall provide that information to the chief county assessment officer. The Department of Public Health shall supply this information no less frequently than every calendar quarter. Information concerning the death of a taxpayer may be shared with the county treasurer. The chief county assessment officer shall also enter into a data exchange agreement with the Social Security Administration or its agent to obtain access to the information regarding deaths in possession of the Social Security Administration. The chief county assessment officer shall, subject to the notice requirements under subsection (m) of Section 9-275, terminate the exemption under this Section if the information obtained indicates that the property is no longer qualified for the exemption. In counties with 3,000,000 or more inhabitants, the assessor and the county clerk shall establish policies and practices for the regular exchange of information for the purpose of alerting the assessor whenever the transfer of ownership of any property receiving an exemption under this Section has occurred. When such a transfer occurs, the assessor shall mail a notice to the new owner of the property (i) informing the new owner that the exemption will remain in place through the year of the transfer, after which it will be canceled, and (ii) providing information pertaining to the rules for reapplying for the exemption if the owner qualifies. In counties with 3,000,000 or more inhabitants, the chief county assessment official shall conduct, by no later than December 31 of the first year of each reassessment cycle, as determined by Section 9-220, a review of all exemptions granted under this Section for the preceding reassessment cycle under this Section. The review shall be designed to ascertain whether any senior homestead exemptions have been granted erroneously. If it is determined that a senior homestead exemption has been erroneously applied to a property, the chief county assessment officer shall make use of the appropriate provisions of Section 9-275 in relation to the property that received the erroneous homestead exemption.

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

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

(l) The assessor or chief county assessment officer shall notify each person who qualifies for an exemption under this Section that the person may also qualify for deferral of real estate taxes under the Senior Citizens Real Estate Tax Deferral Act. The notice shall set forth the qualifications needed for deferral of real estate taxes, the address and telephone number of county collector, and a statement that applications for deferral of real estate taxes may be obtained from the county collector.

(m) 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.

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

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