



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5775

by Rep. Sam Yingling

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-170
35 ILCS 200/15-175

Amends the Property Tax Code. Provides that, for taxable years 2018 and thereafter: (1) the maximum reduction under the senior citizens homestead exemption is \$8,000 in Cook, DuPage, Lake, McHenry, and Will Counties and \$5,000 in all other counties (currently, \$8,000 in counties with 3,000,000 or more inhabitants and \$5,000 in all other counties); and (2) the maximum reduction under the general homestead exemption is \$10,000 in Cook, DuPage, Lake, McHenry, and Will Counties and \$6,000 in all other counties (currently, \$10,000 in counties with 3,000,000 or more inhabitants and \$6,000 in all other counties). Effective immediately.

LRB100 18465 HLH 33680 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 changing
5 Sections 15-170 and 15-175 as follows:

6 (35 ILCS 200/15-170)

7 Sec. 15-170. Senior citizens homestead exemption. An
8 annual homestead exemption limited, except as described here
9 with relation to cooperatives or life care facilities, to a
10 maximum reduction set forth below from the property's value, as
11 equalized or assessed by the Department, is granted for
12 property that is occupied as a residence by a person 65 years
13 of age or older who is liable for paying real estate taxes on
14 the property and is an owner of record of the property or has a
15 legal or equitable interest therein as evidenced by a written
16 instrument, except for a leasehold interest, other than a
17 leasehold interest of land on which a single family residence
18 is located, which is occupied as a residence by a person 65
19 years or older who has an ownership interest therein, legal,
20 equitable or as a lessee, and on which he or she is liable for
21 the payment of property taxes. Before taxable year 2004, the
22 maximum reduction shall be \$2,500 in counties with 3,000,000 or
23 more inhabitants and \$2,000 in all other counties. For taxable

1 years 2004 through 2005, the maximum reduction shall be \$3,000
2 in all counties. For taxable years 2006 and 2007, the maximum
3 reduction shall be \$3,500. For taxable years 2008 through 2011,
4 the maximum reduction is \$4,000 in all counties. For taxable
5 year 2012, the maximum reduction is \$5,000 in counties with
6 3,000,000 or more inhabitants and \$4,000 in all other counties.
7 For taxable years 2013 through 2016, the maximum reduction is
8 \$5,000 in all counties. For taxable year ~~years~~ 2017 ~~and~~
9 ~~thereafter~~, the maximum reduction is \$8,000 in counties with
10 3,000,000 or more inhabitants and \$5,000 in all other counties.
11 For taxable years 2018 and thereafter, the maximum reduction is
12 \$8,000 in Cook, DuPage, Lake, McHenry, and Will Counties and
13 \$5,000 in all other counties.

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

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

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

25 A person who will be 65 years of age during the current
26 assessment year shall be eligible to apply for the homestead

1 exemption during that assessment year. Application shall be
2 made during the application period in effect for the county of
3 his residence.

4 Beginning with assessment year 2003, for taxes payable in
5 2004, property that is first occupied as a residence after
6 January 1 of any assessment year by a person who is eligible
7 for the senior citizens homestead exemption under this Section
8 must be granted a pro-rata exemption for the assessment year.
9 The amount of the pro-rata exemption is the exemption allowed
10 in the county under this Section divided by 365 and multiplied
11 by the number of days during the assessment year the property
12 is occupied as a residence by a person eligible for the
13 exemption under this Section. The chief county assessment
14 officer must adopt reasonable procedures to establish
15 eligibility for this pro-rata exemption.

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

25 The chief county assessment officer of each county with
26 less than 3,000,000 inhabitants shall provide to each person

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

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

24 In counties with 3,000,000 or more inhabitants, beginning
25 in taxable year 2010, each taxpayer who has been granted an
26 exemption under this Section must reapply on an annual basis.

1 The chief county assessment officer shall mail the application
2 to the taxpayer. In counties with less than 3,000,000
3 inhabitants, the county board may by resolution provide that if
4 a person has been granted a homestead exemption under this
5 Section, the person qualifying need not reapply for the
6 exemption.

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

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

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

24 (Source: P.A. 99-180, eff. 7-29-15; 100-401, eff. 8-25-17.)

25 (35 ILCS 200/15-175)

1 Sec. 15-175. General homestead exemption.

2 (a) Except as provided in Sections 15-176 and 15-177,
3 homestead property is entitled to an annual homestead exemption
4 limited, except as described here with relation to
5 cooperatives, to a reduction in the equalized assessed value of
6 homestead property equal to the increase in equalized assessed
7 value for the current assessment year above the equalized
8 assessed value of the property for 1977, up to the maximum
9 reduction set forth below. If however, the 1977 equalized
10 assessed value upon which taxes were paid is subsequently
11 determined by local assessing officials, the Property Tax
12 Appeal Board, or a court to have been excessive, the equalized
13 assessed value which should have been placed on the property
14 for 1977 shall be used to determine the amount of the
15 exemption.

16 (b) Except as provided in Section 15-176, the maximum
17 reduction before taxable year 2004 shall be \$4,500 in counties
18 with 3,000,000 or more inhabitants and \$3,500 in all other
19 counties. Except as provided in Sections 15-176 and 15-177, for
20 taxable years 2004 through 2007, the maximum reduction shall be
21 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,
22 and, for taxable years 2009 through 2011, the maximum reduction
23 is \$6,000 in all counties. For taxable years 2012 through 2016,
24 the maximum reduction is \$7,000 in counties with 3,000,000 or
25 more inhabitants and \$6,000 in all other counties. For taxable
26 year ~~years~~ 2017 ~~and thereafter~~, the maximum reduction is

1 \$10,000 in counties with 3,000,000 or more inhabitants and
2 \$6,000 in all other counties. For taxable years 2018 and
3 thereafter, the maximum reduction is \$10,000 in Cook, DuPage,
4 Lake, McHenry, and Will Counties and \$6,000 in all other
5 counties. If a county has elected to subject itself to the
6 provisions of Section 15-176 as provided in subsection (k) of
7 that Section, then, for the first taxable year only after the
8 provisions of Section 15-176 no longer apply, for owners who,
9 for the taxable year, have not been granted a senior citizens
10 assessment freeze homestead exemption under Section 15-172 or a
11 long-time occupant homestead exemption under Section 15-177,
12 there shall be an additional exemption of \$5,000 for owners
13 with a household income of \$30,000 or less.

14 (c) In counties with fewer than 3,000,000 inhabitants, if,
15 based on the most recent assessment, the equalized assessed
16 value of the homestead property for the current assessment year
17 is greater than the equalized assessed value of the property
18 for 1977, the owner of the property shall automatically receive
19 the exemption granted under this Section in an amount equal to
20 the increase over the 1977 assessment up to the maximum
21 reduction set forth in this Section.

22 (d) If in any assessment year beginning with the 2000
23 assessment year, homestead property has a pro-rata valuation
24 under Section 9-180 resulting in an increase in the assessed
25 valuation, a reduction in equalized assessed valuation equal to
26 the increase in equalized assessed value of the property for

1 the year of the pro-rata valuation above the equalized assessed
2 value of the property for 1977 shall be applied to the property
3 on a proportionate basis for the period the property qualified
4 as homestead property during the assessment year. The maximum
5 proportionate homestead exemption shall not exceed the maximum
6 homestead exemption allowed in the county under this Section
7 divided by 365 and multiplied by the number of days the
8 property qualified as homestead property.

9 (d-1) In counties with 3,000,000 or more inhabitants, where
10 the chief county assessment officer provides a notice of
11 discovery, if a property is not occupied by its owner as a
12 principal residence as of January 1 of the current tax year,
13 then the property owner shall notify the chief county
14 assessment officer of that fact on a form prescribed by the
15 chief county assessment officer. That notice must be received
16 by the chief county assessment officer on or before March 1 of
17 the collection year. If mailed, the form shall be sent by
18 certified mail, return receipt requested. If the form is
19 provided in person, the chief county assessment officer shall
20 provide a date stamped copy of the notice. Failure to provide
21 timely notice pursuant to this subsection (d-1) shall result in
22 the exemption being treated as an erroneous exemption. Upon
23 timely receipt of the notice for the current tax year, no
24 exemption shall be applied to the property for the current tax
25 year. If the exemption is not removed upon timely receipt of
26 the notice by the chief assessment officer, then the error is

1 considered granted as a result of a clerical error or omission
2 on the part of the chief county assessment officer as described
3 in subsection (h) of Section 9-275, and the property owner
4 shall not be liable for the payment of interest and penalties
5 due to the erroneous exemption for the current tax year for
6 which the notice was filed after the date that notice was
7 timely received pursuant to this subsection. Notice provided
8 under this subsection shall not constitute a defense or amnesty
9 for prior year erroneous exemptions.

10 For the purposes of this subsection (d-1):

11 "Collection year" means the year in which the first and
12 second installment of the current tax year is billed.

13 "Current tax year" means the year prior to the collection
14 year.

15 (e) The chief county assessment officer may, when
16 considering whether to grant a leasehold exemption under this
17 Section, require the following conditions to be met:

18 (1) that a notarized application for the exemption,
19 signed by both the owner and the lessee of the property,
20 must be submitted each year during the application period
21 in effect for the county in which the property is located;

22 (2) that a copy of the lease must be filed with the
23 chief county assessment officer by the owner of the
24 property at the time the notarized application is
25 submitted;

26 (3) that the lease must expressly state that the lessee

1 is liable for the payment of property taxes; and

2 (4) that the lease must include the following language
3 in substantially the following form:

4 "Lessee shall be liable for the payment of real
5 estate taxes with respect to the residence in
6 accordance with the terms and conditions of Section
7 15-175 of the Property Tax Code (35 ILCS 200/15-175).
8 The permanent real estate index number for the premises
9 is (insert number), and, according to the most recent
10 property tax bill, the current amount of real estate
11 taxes associated with the premises is (insert amount)
12 per year. The parties agree that the monthly rent set
13 forth above shall be increased or decreased pro rata
14 (effective January 1 of each calendar year) to reflect
15 any increase or decrease in real estate taxes. Lessee
16 shall be deemed to be satisfying Lessee's liability for
17 the above mentioned real estate taxes with the monthly
18 rent payments as set forth above (or increased or
19 decreased as set forth herein).".

20 In addition, if there is a change in lessee, or if the
21 lessee vacates the property, then the chief county assessment
22 officer may require the owner of the property to notify the
23 chief county assessment officer of that change.

24 This subsection (e) does not apply to leasehold interests
25 in property owned by a municipality.

26 (f) "Homestead property" under this Section includes

1 residential property that is occupied by its owner or owners as
2 his or their principal dwelling place, or that is a leasehold
3 interest on which a single family residence is situated, which
4 is occupied as a residence by a person who has an ownership
5 interest therein, legal or equitable or as a lessee, and on
6 which the person is liable for the payment of property taxes.
7 For land improved with an apartment building owned and operated
8 as a cooperative or a building which is a life care facility as
9 defined in Section 15-170 and considered to be a cooperative
10 under Section 15-170, the maximum reduction from the equalized
11 assessed value shall be limited to the increase in the value
12 above the equalized assessed value of the property for 1977, up
13 to the maximum reduction set forth above, multiplied by the
14 number of apartments or units occupied by a person or persons
15 who is liable, by contract with the owner or owners of record,
16 for paying property taxes on the property and is an owner of
17 record of a legal or equitable interest in the cooperative
18 apartment building, other than a leasehold interest. For
19 purposes of this Section, the term "life care facility" has the
20 meaning stated in Section 15-170.

21 "Household", as used in this Section, means the owner, the
22 spouse of the owner, and all persons using the residence of the
23 owner as their principal place of residence.

24 "Household income", as used in this Section, means the
25 combined income of the members of a household for the calendar
26 year preceding the taxable year.

1 "Income", as used in this Section, has the same meaning as
2 provided in Section 3.07 of the Senior Citizens and Persons
3 with Disabilities Property Tax Relief Act, except that "income"
4 does not include veteran's benefits.

5 (g) In a cooperative where a homestead exemption has been
6 granted, the cooperative association or its management firm
7 shall credit the savings resulting from that exemption only to
8 the apportioned tax liability of the owner who qualified for
9 the exemption. Any person who willfully refuses to so credit
10 the savings shall be guilty of a Class B misdemeanor.

11 (h) Where married persons maintain and reside in separate
12 residences qualifying as homestead property, each residence
13 shall receive 50% of the total reduction in equalized assessed
14 valuation provided by this Section.

15 (i) In all counties, the assessor or chief county
16 assessment officer may determine the eligibility of
17 residential property to receive the homestead exemption and the
18 amount of the exemption by application, visual inspection,
19 questionnaire or other reasonable methods. The determination
20 shall be made in accordance with guidelines established by the
21 Department, provided that the taxpayer applying for an
22 additional general exemption under this Section shall submit to
23 the chief county assessment officer an application with an
24 affidavit of the applicant's total household income, age,
25 marital status (and, if married, the name and address of the
26 applicant's spouse, if known), and principal dwelling place of

1 members of the household on January 1 of the taxable year. The
2 Department shall issue guidelines establishing a method for
3 verifying the accuracy of the affidavits filed by applicants
4 under this paragraph. The applications shall be clearly marked
5 as applications for the Additional General Homestead
6 Exemption.

7 (i-5) This subsection (i-5) applies to counties with
8 3,000,000 or more inhabitants. In the event of a sale of
9 homestead property, the homestead exemption shall remain in
10 effect for the remainder of the assessment year of the sale.
11 Upon receipt of a transfer declaration transmitted by the
12 recorder pursuant to Section 31-30 of the Real Estate Transfer
13 Tax Law for property receiving an exemption under this Section,
14 the assessor shall mail a notice and forms to the new owner of
15 the property providing information pertaining to the rules and
16 applicable filing periods for applying or reapplying for
17 homestead exemptions under this Code for which the property may
18 be eligible. If the new owner fails to apply or reapply for a
19 homestead exemption during the applicable filing period or the
20 property no longer qualifies for an existing homestead
21 exemption, the assessor shall cancel such exemption for any
22 ensuing assessment year.

23 (j) In counties with fewer than 3,000,000 inhabitants, in
24 the event of a sale of homestead property the homestead
25 exemption shall remain in effect for the remainder of the
26 assessment year of the sale. The assessor or chief county

1 assessment officer may require the new owner of the property to
2 apply for the homestead exemption for the following assessment
3 year.

4 (k) Notwithstanding Sections 6 and 8 of the State Mandates
5 Act, no reimbursement by the State is required for the
6 implementation of any mandate created by this Section.

7 (Source: P.A. 99-143, eff. 7-27-15; 99-164, eff. 7-28-15;
8 99-642, eff. 7-28-16; 99-851, eff. 8-19-16; 100-401, eff.
9 8-25-17.)

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