

HB3684



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3684

Introduced 2/22/2021, by Rep. Martin McLaughlin - Chris Bos

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Provides that, for taxable years 2022 and thereafter, the maximum reduction is \$10,000 in all counties. Effective immediately.

LRB102 13586 HLH 18934 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

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 15-175 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption.

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

22 (b) Except as provided in Section 15-176, the maximum
23 reduction before taxable year 2004 shall be \$4,500 in counties

1 with 3,000,000 or more inhabitants and \$3,500 in all other
2 counties. Except as provided in Sections 15-176 and 15-177,
3 for taxable years 2004 through 2007, the maximum reduction
4 shall be \$5,000, for taxable year 2008, the maximum reduction
5 is \$5,500, and, for taxable years 2009 through 2011, the
6 maximum reduction is \$6,000 in all counties. For taxable years
7 2012 through 2016, the maximum reduction is \$7,000 in counties
8 with 3,000,000 or more inhabitants and \$6,000 in all other
9 counties. For taxable years 2017 through 2021 ~~and thereafter~~,
10 the maximum reduction is \$10,000 in counties with 3,000,000 or
11 more inhabitants and \$6,000 in all other counties. For taxable
12 years 2022 and thereafter, the maximum reduction is \$10,000 in
13 all counties. If a county has elected to subject itself to the
14 provisions of Section 15-176 as provided in subsection (k) of
15 that Section, then, for the first taxable year only after the
16 provisions of Section 15-176 no longer apply, for owners who,
17 for the taxable year, have not been granted a senior citizens
18 assessment freeze homestead exemption under Section 15-172 or
19 a long-time occupant homestead exemption under Section 15-177,
20 there shall be an additional exemption of \$5,000 for owners
21 with a household income of \$30,000 or less.

22 (c) In counties with fewer than 3,000,000 inhabitants, if,
23 based on the most recent assessment, the equalized assessed
24 value of the homestead property for the current assessment
25 year is greater than the equalized assessed value of the
26 property for 1977, the owner of the property shall

1 automatically receive the exemption granted under this Section
2 in an amount equal to the increase over the 1977 assessment up
3 to the maximum reduction set forth in this Section.

4 (d) If in any assessment year beginning with the 2000
5 assessment year, homestead property has a pro-rata valuation
6 under Section 9-180 resulting in an increase in the assessed
7 valuation, a reduction in equalized assessed valuation equal
8 to the increase in equalized assessed value of the property
9 for the year of the pro-rata valuation above the equalized
10 assessed value of the property for 1977 shall be applied to the
11 property on a proportionate basis for the period the property
12 qualified as homestead property during the assessment year.
13 The maximum proportionate homestead exemption shall not exceed
14 the maximum homestead exemption allowed in the county under
15 this Section divided by 365 and multiplied by the number of
16 days the property qualified as homestead property.

17 (d-1) In counties with 3,000,000 or more inhabitants,
18 where the chief county assessment officer provides a notice of
19 discovery, if a property is not occupied by its owner as a
20 principal residence as of January 1 of the current tax year,
21 then the property owner shall notify the chief county
22 assessment officer of that fact on a form prescribed by the
23 chief county assessment officer. That notice must be received
24 by the chief county assessment officer on or before March 1 of
25 the collection year. If mailed, the form shall be sent by
26 certified mail, return receipt requested. If the form is

1 provided in person, the chief county assessment officer shall
2 provide a date stamped copy of the notice. Failure to provide
3 timely notice pursuant to this subsection (d-1) shall result
4 in the exemption being treated as an erroneous exemption. Upon
5 timely receipt of the notice for the current tax year, no
6 exemption shall be applied to the property for the current tax
7 year. If the exemption is not removed upon timely receipt of
8 the notice by the chief assessment officer, then the error is
9 considered granted as a result of a clerical error or omission
10 on the part of the chief county assessment officer as
11 described in subsection (h) of Section 9-275, and the property
12 owner shall not be liable for the payment of interest and
13 penalties due to the erroneous exemption for the current tax
14 year for which the notice was filed after the date that notice
15 was timely received pursuant to this subsection. Notice
16 provided under this subsection shall not constitute a defense
17 or amnesty for prior year erroneous exemptions.

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

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

21 "Current tax year" means the year prior to the collection
22 year.

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

26 (1) that a notarized application for the exemption,

1 signed by both the owner and the lessee of the property,
2 must be submitted each year during the application period
3 in effect for the county in which the property is located;

4 (2) that a copy of the lease must be filed with the
5 chief county assessment officer by the owner of the
6 property at the time the notarized application is
7 submitted;

8 (3) that the lease must expressly state that the
9 lessee is liable for the payment of property taxes; and

10 (4) that the lease must include the following language
11 in substantially the following form:

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

1 set forth above (or increased or decreased as set
2 forth herein).".

3 In addition, if there is a change in lessee, or if the
4 lessee vacates the property, then the chief county assessment
5 officer may require the owner of the property to notify the
6 chief county assessment officer of that change.

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

9 (f) "Homestead property" under this Section includes
10 residential property that is occupied by its owner or owners
11 as his or their principal dwelling place, or that is a
12 leasehold interest on which a single family residence is
13 situated, which is occupied as a residence by a person who has
14 an ownership interest therein, legal or equitable or as a
15 lessee, and on which the person is liable for the payment of
16 property taxes. For land improved with an apartment building
17 owned and operated as a cooperative, the maximum reduction
18 from the equalized assessed value shall be limited to the
19 increase in the value above the equalized assessed value of
20 the property for 1977, up to the maximum reduction set forth
21 above, multiplied by the number of apartments or units
22 occupied by a person or persons who is liable, by contract with
23 the owner or owners of record, for paying property taxes on the
24 property and is an owner of record of a legal or equitable
25 interest in the cooperative apartment building, other than a
26 leasehold interest. For land improved with a life care

1 facility, the maximum reduction from the value of the
2 property, as equalized by the Department, shall be multiplied
3 by the number of apartments or units occupied by a person or
4 persons, irrespective of any legal, equitable, or leasehold
5 interest in the facility, who are liable, under a life care
6 contract with the owner or owners of record of the facility,
7 for paying property taxes on the property. For purposes of
8 this Section, the term "life care facility" has the meaning
9 stated in Section 15-170.

10 "Household", as used in this Section, means the owner, the
11 spouse of the owner, and all persons using the residence of the
12 owner as their principal place of residence.

13 "Household income", as used in this Section, means the
14 combined income of the members of a household for the calendar
15 year preceding the taxable year.

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

20 (g) In a cooperative or life care facility where a
21 homestead exemption has been granted, the cooperative
22 association or the management of the cooperative or life care
23 facility shall credit the savings resulting from that
24 exemption only to the apportioned tax liability of the owner
25 or resident who qualified for the exemption. Any person who
26 willfully refuses to so credit the savings shall be guilty of a

1 Class B misdemeanor.

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

6 (i) In all counties, the assessor or chief county
7 assessment officer may determine the eligibility of
8 residential property to receive the homestead exemption and
9 the amount of the exemption by application, visual inspection,
10 questionnaire or other reasonable methods. The determination
11 shall be made in accordance with guidelines established by the
12 Department, provided that the taxpayer applying for an
13 additional general exemption under this Section shall submit
14 to the chief county assessment officer an application with an
15 affidavit of the applicant's total household income, age,
16 marital status (and, if married, the name and address of the
17 applicant's spouse, if known), and principal dwelling place of
18 members of the household on January 1 of the taxable year. The
19 Department shall issue guidelines establishing a method for
20 verifying the accuracy of the affidavits filed by applicants
21 under this paragraph. The applications shall be clearly marked
22 as applications for the Additional General Homestead
23 Exemption.

24 (i-5) This subsection (i-5) applies to counties with
25 3,000,000 or more inhabitants. In the event of a sale of
26 homestead property, the homestead exemption shall remain in

1 effect for the remainder of the assessment year of the sale.
2 Upon receipt of a transfer declaration transmitted by the
3 recorder pursuant to Section 31-30 of the Real Estate Transfer
4 Tax Law for property receiving an exemption under this
5 Section, the assessor shall mail a notice and forms to the new
6 owner of the property providing information pertaining to the
7 rules and applicable filing periods for applying or reapplying
8 for homestead exemptions under this Code for which the
9 property may be eligible. If the new owner fails to apply or
10 reapply for a homestead exemption during the applicable filing
11 period or the property no longer qualifies for an existing
12 homestead exemption, the assessor shall cancel such exemption
13 for any ensuing assessment year.

14 (j) In counties with fewer than 3,000,000 inhabitants, in
15 the event of a sale of homestead property the homestead
16 exemption shall remain in effect for the remainder of the
17 assessment year of the sale. The assessor or chief county
18 assessment officer may require the new owner of the property
19 to apply for the homestead exemption for the following
20 assessment year.

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

24 (l) The changes made to this Section by this amendatory
25 Act of the 100th General Assembly are effective for the 2018
26 tax year and thereafter.

1 (Source: P.A. 99-143, eff. 7-27-15; 99-164, eff. 7-28-15;
2 99-642, eff. 7-28-16; 99-851, eff. 8-19-16; 100-401, eff.
3 8-25-17; 100-1077, eff. 1-1-19.)

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