

# HB1254



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1254

Introduced 1/31/2023, by Rep. Joe C. Sosnowski and Travis Weaver

### 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.

LRB103 05301 HLH 50319 b

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 15-170 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 insure 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, and beginning again in  
2 taxable year 2024, each taxpayer who has been granted an  
3 exemption under this Section must reapply on an 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 through 2023, 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 through 2023, 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 recorder of deeds shall establish  
13 policies and practices for the regular exchange of information  
14 for the purpose of alerting the assessor whenever the transfer  
15 of 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 audits of all  
24 exemptions granted under this Section no later than December  
25 31, 2022 and no later than December 31, 2024. The audit shall  
26 be designed to ascertain whether any senior homestead



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

7 (j) In counties with less than 3,000,000 inhabitants, the  
8 county board may by resolution provide that if a person has  
9 been granted a homestead exemption under this Section, the  
10 person qualifying need not reapply for the exemption.

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

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

25 (1-5) Notwithstanding any other provision of law,  
26 beginning in levy year 2024, the total tax bill for any

1 property receiving an exemption under this Section may not  
2 exceed 101% of the tax bill for the immediately preceding  
3 taxable year, unless the increase is due to improvements to  
4 the property that increased the property's fair market value  
5 in the applicable tax year. If the property's tax liability is  
6 reduced as a result of the provisions of this subsection, then  
7 the disbursements to each taxing district in which the  
8 property is located shall be reduced according to each taxing  
9 district's proportionate share of the property's total tax  
10 liability for the taxable year.

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

14 (Source: P.A. 101-453, eff. 8-23-19; 101-622, eff. 1-14-20;  
15 102-895, eff. 5-23-22.)