

1 AN ACT concerning property tax.

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

4 Section 1. Findings; purpose; validation.

5 (a) The General Assembly finds and declares that:

6 (1) Public Act 88-669, effective November 29, 1994,
7 created Section 15-172 of the Property Tax Code, then known
8 as the Senior Citizens Tax Freeze Homestead Exemption.
9 Public Act 88-669 also contained other provisions.

10 (2) The Senior Citizens Tax Freeze Homestead Exemption
11 has been renamed the Senior Citizens Assessment Freeze
12 Homestead Exemption.

13 (3) The Illinois Supreme Court declared Public Act
14 88-669 to be unconstitutional as a violation of the single
15 subject clause of the Illinois Constitution in *People v.*
16 *Olender*, Docket No. 98932, opinion filed December 15, 2005.

17 (b) Among the purposes of this Act is the re-enactment of
18 the provisions of Section 15-172 of the Property Tax Code and
19 to minimize or prevent any problems concerning those provisions
20 that may arise from the unconstitutionality of Public Act
21 88-669. This re-enactment is intended to remove any question as
22 to the validity and content of those provisions; it is not
23 intended to supersede any other Public Act that amends the
24 provisions re-enacted in this Act. The re-enacted material is
25 shown in this Act as existing text (i.e., without underscoring)
26 and includes changes made by subsequent amendments. We are also
27 making substantive changes to the Section; these changes are
28 shown with striking and underscoring.

29 (c) The re-enactment of the provisions of Section 15-172 of
30 the Property Tax Code by this Act is not intended, and shall
31 not be construed, to impair any legal argument concerning
32 whether those provisions were substantially re-enacted by any
33 other Public Act.

1 (d) All otherwise lawful actions taken before the effective
2 date of this Act in reliance on or pursuant to the provisions
3 re-enacted by this Act, as those provisions were set forth in
4 Public Act 88-669 or as subsequently amended, by any officer,
5 employee, or agency of State government or by any other person
6 or entity, are hereby validated, except to the extent
7 prohibited under the Illinois or United States Constitution.

8 (e) This Act applies, without limitation, to actions
9 pending on or after the effective date of this Act, except to
10 the extent prohibited under the Illinois or United States
11 Constitution.

12 Section 5. The Property Tax Code is amended by changing
13 Section 15-170 and by re-enacting and changing Section 15-172
14 as follows:

15 (35 ILCS 200/15-170)

16 Sec. 15-170. Senior Citizens Homestead Exemption. An
17 annual homestead exemption limited, except as described here
18 with relation to cooperatives or life care facilities, to a
19 maximum reduction set forth below from the property's value, as
20 equalized or assessed by the Department, is granted for
21 property that is occupied as a residence by a person 65 years
22 of age or older who is liable for paying real estate taxes on
23 the property and is an owner of record of the property or has a
24 legal or equitable interest therein as evidenced by a written
25 instrument, except for a leasehold interest, other than a
26 leasehold interest of land on which a single family residence
27 is located, which is occupied as a residence by a person 65
28 years or older who has an ownership interest therein, legal,
29 equitable or as a lessee, and on which he or she is liable for
30 the payment of property taxes. Before taxable year 2004, the
31 maximum reduction shall be \$2,500 in counties with 3,000,000 or
32 more inhabitants and \$2,000 in all other counties. For taxable
33 years 2004 through 2005 ~~and thereafter~~, the maximum reduction
34 shall be \$3,000 in all counties. For taxable years 2006 and

1 thereafter, the maximum reduction shall be \$3,500 in all
2 counties.

3 For land improved with an apartment building owned and
4 operated as a cooperative, the maximum reduction from the value
5 of the property, as equalized by the Department, shall be
6 multiplied by the number of apartments or units occupied by a
7 person 65 years of age or older who is liable, by contract with
8 the owner or owners of record, for paying property taxes on the
9 property and is an owner of record of a legal or equitable
10 interest in the cooperative apartment building, other than a
11 leasehold interest. For land improved with a life care
12 facility, the maximum reduction from the value of the property,
13 as equalized by the Department, shall be multiplied by the
14 number of apartments or units occupied by persons 65 years of
15 age or older, irrespective of any legal, equitable, or
16 leasehold interest in the facility, who are liable, under a
17 contract with the owner or owners of record of the facility,
18 for paying property taxes on the property. In a cooperative or
19 a life care facility where a homestead exemption has been
20 granted, the cooperative association or the management firm of
21 the cooperative or facility shall credit the savings resulting
22 from that exemption only to the apportioned tax liability of
23 the owner or resident who qualified for the exemption. Any
24 person who willfully refuses to so credit the savings shall be
25 guilty of a Class B misdemeanor. Under this Section and
26 Sections 15-175 and 15-176, "life care facility" means a
27 facility as defined in Section 2 of the Life Care Facilities
28 Act, with which the applicant for the homestead exemption has a
29 life care contract as defined in that Act.

30 When a homestead exemption has been granted under this
31 Section and the person qualifying subsequently becomes a
32 resident of a facility licensed under the Nursing Home Care
33 Act, the exemption shall continue so long as the residence
34 continues to be occupied by the qualifying person's spouse if
35 the spouse is 65 years of age or older, or if the residence
36 remains unoccupied but is still owned by the person qualified

1 for the homestead exemption.

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

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

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

28 The chief county assessment officer of each county with
29 less than 3,000,000 inhabitants shall provide to each person
30 allowed a homestead exemption under this Section a form to
31 designate any other person to receive a duplicate of any notice
32 of delinquency in the payment of taxes assessed and levied
33 under this Code on the property of the person receiving the
34 exemption. The duplicate notice shall be in addition to the
35 notice required to be provided to the person receiving the
36 exemption, and shall be given in the manner required by this

1 Code. The person filing the request for the duplicate notice
2 shall pay a fee of \$5 to cover administrative costs to the
3 supervisor of assessments, who shall then file the executed
4 designation with the county collector. Notwithstanding any
5 other provision of this Code to the contrary, the filing of
6 such an executed designation requires the county collector to
7 provide duplicate notices as indicated by the designation. A
8 designation may be rescinded by the person who executed such
9 designation at any time, in the manner and form required by the
10 chief county assessment officer.

11 The assessor or chief county assessment officer may
12 determine the eligibility of residential property to receive
13 the homestead exemption provided by this Section by
14 application, visual inspection, questionnaire or other
15 reasonable methods. The determination shall be made in
16 accordance with guidelines established by the Department.

17 In counties with less than 3,000,000 inhabitants, the
18 county board may by resolution provide that if a person has
19 been granted a homestead exemption under this Section, the
20 person qualifying need not reapply for the exemption.

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

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

35 Notwithstanding Sections 6 and 8 of the State Mandates Act,
36 no reimbursement by the State is required for the

1 implementation of any mandate created by this Section.

2 (Source: P.A. 92-196, eff. 1-1-02; 93-511, eff. 8-11-03;
3 93-715, eff. 7-12-04.)

4 (35 ILCS 200/15-172)

5 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
6 Exemption.

7 (a) This Section may be cited as the Senior Citizens
8 Assessment Freeze Homestead Exemption.

9 (b) As used in this Section:

10 "Applicant" means an individual who has filed an
11 application under this Section.

12 "Base amount" means the base year equalized assessed value
13 of the residence plus the first year's equalized assessed value
14 of any added improvements which increased the assessed value of
15 the residence after the base year.

16 "Base year" means the taxable year prior to the taxable
17 year for which the applicant first qualifies and applies for
18 the exemption provided that in the prior taxable year the
19 property was improved with a permanent structure that was
20 occupied as a residence by the applicant who was liable for
21 paying real property taxes on the property and who was either
22 (i) an owner of record of the property or had legal or
23 equitable interest in the property as evidenced by a written
24 instrument or (ii) had a legal or equitable interest as a
25 lessee in the parcel of property that was single family
26 residence. If in any subsequent taxable year for which the
27 applicant applies and qualifies for the exemption the equalized
28 assessed value of the residence is less than the equalized
29 assessed value in the existing base year (provided that such
30 equalized assessed value is not based on an assessed value that
31 results from a temporary irregularity in the property that
32 reduces the assessed value for one or more taxable years), then
33 that subsequent taxable year shall become the base year until a
34 new base year is established under the terms of this paragraph.
35 For taxable year 1999 only, the Chief County Assessment Officer

1 shall review (i) all taxable years for which the applicant
2 applied and qualified for the exemption and (ii) the existing
3 base year. The assessment officer shall select as the new base
4 year the year with the lowest equalized assessed value. An
5 equalized assessed value that is based on an assessed value
6 that results from a temporary irregularity in the property that
7 reduces the assessed value for one or more taxable years shall
8 not be considered the lowest equalized assessed value. The
9 selected year shall be the base year for taxable year 1999 and
10 thereafter until a new base year is established under the terms
11 of this paragraph.

12 "Chief County Assessment Officer" means the County
13 Assessor or Supervisor of Assessments of the county in which
14 the property is located.

15 "Equalized assessed value" means the assessed value as
16 equalized by the Illinois Department of Revenue.

17 "Household" means the applicant, the spouse of the
18 applicant, and all persons using the residence of the applicant
19 as their principal place of residence.

20 "Household income" means the combined income of the members
21 of a household for the calendar year preceding the taxable
22 year.

23 "Income" has the same meaning as provided in Section 3.07
24 of the Senior Citizens and Disabled Persons Property Tax Relief
25 and Pharmaceutical Assistance Act, except that, beginning in
26 assessment year 2001, "income" does not include veteran's
27 benefits.

28 "Internal Revenue Code of 1986" means the United States
29 Internal Revenue Code of 1986 or any successor law or laws
30 relating to federal income taxes in effect for the year
31 preceding the taxable year.

32 "Life care facility that qualifies as a cooperative" means
33 a facility as defined in Section 2 of the Life Care Facilities
34 Act.

35 "Residence" means the principal dwelling place and
36 appurtenant structures used for residential purposes in this

1 State occupied on January 1 of the taxable year by a household
2 and so much of the surrounding land, constituting the parcel
3 upon which the dwelling place is situated, as is used for
4 residential purposes. If the Chief County Assessment Officer
5 has established a specific legal description for a portion of
6 property constituting the residence, then that portion of
7 property shall be deemed the residence for the purposes of this
8 Section.

9 "Taxable year" means the calendar year during which ad
10 valorem property taxes payable in the next succeeding year are
11 levied.

12 (c) Beginning in taxable year 1994, a senior citizens
13 assessment freeze homestead exemption is granted for real
14 property that is improved with a permanent structure that is
15 occupied as a residence by an applicant who (i) is 65 years of
16 age or older during the taxable year, (ii) has a household
17 income of \$35,000 or less prior to taxable year 1999, \$40,000
18 or less in taxable years 1999 through 2003, ~~and~~ \$45,000 or less
19 in taxable year 2004 and 2005, and \$50,000 or less in taxable
20 year 2006 and thereafter, (iii) is liable for paying real
21 property taxes on the property, and (iv) is an owner of record
22 of the property or has a legal or equitable interest in the
23 property as evidenced by a written instrument. This homestead
24 exemption shall also apply to a leasehold interest in a parcel
25 of property improved with a permanent structure that is a
26 single family residence that is occupied as a residence by a
27 person who (i) is 65 years of age or older during the taxable
28 year, (ii) has a household income of \$35,000 or less prior to
29 taxable year 1999, \$40,000 or less in taxable years 1999
30 through 2003, ~~and~~ \$45,000 or less in taxable year 2004 and
31 2005, and \$50,000 or less in taxable year 2006 and thereafter,
32 (iii) has a legal or equitable ownership interest in the
33 property as lessee, and (iv) is liable for the payment of real
34 property taxes on that property.

35 The amount of this exemption shall be the equalized
36 assessed value of the residence in the taxable year for which

1 application is made minus the base amount.

2 When the applicant is a surviving spouse of an applicant
3 for a prior year for the same residence for which an exemption
4 under this Section has been granted, the base year and base
5 amount for that residence are the same as for the applicant for
6 the prior year.

7 Each year at the time the assessment books are certified to
8 the County Clerk, the Board of Review or Board of Appeals shall
9 give to the County Clerk a list of the assessed values of
10 improvements on each parcel qualifying for this exemption that
11 were added after the base year for this parcel and that
12 increased the assessed value of the property.

13 In the case of land improved with an apartment building
14 owned and operated as a cooperative or a building that is a
15 life care facility that qualifies as a cooperative, the maximum
16 reduction from the equalized assessed value of the property is
17 limited to the sum of the reductions calculated for each unit
18 occupied as a residence by a person or persons (i) 65 years of
19 age or older, (ii) with a household income of \$35,000 or less
20 prior to taxable year 1999, \$40,000 or less in taxable years
21 1999 through 2003, ~~and~~ \$45,000 or less in taxable year 2004 and
22 2005, and \$50,000 or less in taxable year 2006 and thereafter,
23 (iii) who is liable, by contract with the owner or owners of
24 record, for paying real property taxes on the property, and
25 (iv) who is an owner of record of a legal or equitable interest
26 in the cooperative apartment building, other than a leasehold
27 interest. In the instance of a cooperative where a homestead
28 exemption has been granted under this Section, the cooperative
29 association or its management firm shall credit the savings
30 resulting from that exemption only to the apportioned tax
31 liability of the owner who qualified for the exemption. Any
32 person who willfully refuses to credit that savings to an owner
33 who qualifies for the exemption is guilty of a Class B
34 misdemeanor.

35 When a homestead exemption has been granted under this
36 Section and an applicant then becomes a resident of a facility

1 licensed under the Nursing Home Care Act, the exemption shall
2 be granted in subsequent years so long as the residence (i)
3 continues to be occupied by the qualified applicant's spouse or
4 (ii) if remaining unoccupied, is still owned by the qualified
5 applicant for the homestead exemption.

6 Beginning January 1, 1997, when an individual dies who
7 would have qualified for an exemption under this Section, and
8 the surviving spouse does not independently qualify for this
9 exemption because of age, the exemption under this Section
10 shall be granted to the surviving spouse for the taxable year
11 preceding and the taxable year of the death, provided that,
12 except for age, the surviving spouse meets all other
13 qualifications for the granting of this exemption for those
14 years.

15 When married persons maintain separate residences, the
16 exemption provided for in this Section may be claimed by only
17 one of such persons and for only one residence.

18 For taxable year 1994 only, in counties having less than
19 3,000,000 inhabitants, to receive the exemption, a person shall
20 submit an application by February 15, 1995 to the Chief County
21 Assessment Officer of the county in which the property is
22 located. In counties having 3,000,000 or more inhabitants, for
23 taxable year 1994 and all subsequent taxable years, to receive
24 the exemption, a person may submit an application to the Chief
25 County Assessment Officer of the county in which the property
26 is located during such period as may be specified by the Chief
27 County Assessment Officer. The Chief County Assessment Officer
28 in counties of 3,000,000 or more inhabitants shall annually
29 give notice of the application period by mail or by
30 publication. In counties having less than 3,000,000
31 inhabitants, beginning with taxable year 1995 and thereafter,
32 to receive the exemption, a person shall submit an application
33 by July 1 of each taxable year to the Chief County Assessment
34 Officer of the county in which the property is located. A
35 county may, by ordinance, establish a date for submission of
36 applications that is different than July 1. The applicant shall

1 submit with the application an affidavit of the applicant's
2 total household income, age, marital status (and if married the
3 name and address of the applicant's spouse, if known), and
4 principal dwelling place of members of the household on January
5 1 of the taxable year. The Department shall establish, by rule,
6 a method for verifying the accuracy of affidavits filed by
7 applicants under this Section. The applications shall be
8 clearly marked as applications for the Senior Citizens
9 Assessment Freeze Homestead Exemption.

10 Notwithstanding any other provision to the contrary, in
11 counties having fewer than 3,000,000 inhabitants, if an
12 applicant fails to file the application required by this
13 Section in a timely manner and this failure to file is due to a
14 mental or physical condition sufficiently severe so as to
15 render the applicant incapable of filing the application in a
16 timely manner, the Chief County Assessment Officer may extend
17 the filing deadline for a period of 30 days after the applicant
18 regains the capability to file the application, but in no case
19 may the filing deadline be extended beyond 3 months of the
20 original filing deadline. In order to receive the extension
21 provided in this paragraph, the applicant shall provide the
22 Chief County Assessment Officer with a signed statement from
23 the applicant's physician stating the nature and extent of the
24 condition, that, in the physician's opinion, the condition was
25 so severe that it rendered the applicant incapable of filing
26 the application in a timely manner, and the date on which the
27 applicant regained the capability to file the application.

28 Beginning January 1, 1998, notwithstanding any other
29 provision to the contrary, in counties having fewer than
30 3,000,000 inhabitants, if an applicant fails to file the
31 application required by this Section in a timely manner and
32 this failure to file is due to a mental or physical condition
33 sufficiently severe so as to render the applicant incapable of
34 filing the application in a timely manner, the Chief County
35 Assessment Officer may extend the filing deadline for a period
36 of 3 months. In order to receive the extension provided in this

1 paragraph, the applicant shall provide the Chief County
2 Assessment Officer with a signed statement from the applicant's
3 physician stating the nature and extent of the condition, and
4 that, in the physician's opinion, the condition was so severe
5 that it rendered the applicant incapable of filing the
6 application in a timely manner.

7 In counties having less than 3,000,000 inhabitants, if an
8 applicant was denied an exemption in taxable year 1994 and the
9 denial occurred due to an error on the part of an assessment
10 official, or his or her agent or employee, then beginning in
11 taxable year 1997 the applicant's base year, for purposes of
12 determining the amount of the exemption, shall be 1993 rather
13 than 1994. In addition, in taxable year 1997, the applicant's
14 exemption shall also include an amount equal to (i) the amount
15 of any exemption denied to the applicant in taxable year 1995
16 as a result of using 1994, rather than 1993, as the base year,
17 (ii) the amount of any exemption denied to the applicant in
18 taxable year 1996 as a result of using 1994, rather than 1993,
19 as the base year, and (iii) the amount of the exemption
20 erroneously denied for taxable year 1994.

21 For purposes of this Section, a person who will be 65 years
22 of age during the current taxable year shall be eligible to
23 apply for the homestead exemption during that taxable year.
24 Application shall be made during the application period in
25 effect for the county of his or her residence.

26 The Chief County Assessment Officer may determine the
27 eligibility of a life care facility that qualifies as a
28 cooperative to receive the benefits provided by this Section by
29 use of an affidavit, application, visual inspection,
30 questionnaire, or other reasonable method in order to insure
31 that the tax savings resulting from the exemption are credited
32 by the management firm to the apportioned tax liability of each
33 qualifying resident. The Chief County Assessment Officer may
34 request reasonable proof that the management firm has so
35 credited that exemption.

36 Except as provided in this Section, all information

1 received by the chief county assessment officer or the
2 Department from applications filed under this Section, or from
3 any investigation conducted under the provisions of this
4 Section, shall be confidential, except for official purposes or
5 pursuant to official procedures for collection of any State or
6 local tax or enforcement of any civil or criminal penalty or
7 sanction imposed by this Act or by any statute or ordinance
8 imposing a State or local tax. Any person who divulges any such
9 information in any manner, except in accordance with a proper
10 judicial order, is guilty of a Class A misdemeanor.

11 Nothing contained in this Section shall prevent the
12 Director or chief county assessment officer from publishing or
13 making available reasonable statistics concerning the
14 operation of the exemption contained in this Section in which
15 the contents of claims are grouped into aggregates in such a
16 way that information contained in any individual claim shall
17 not be disclosed.

18 (d) Each Chief County Assessment Officer shall annually
19 publish a notice of availability of the exemption provided
20 under this Section. The notice shall be published at least 60
21 days but no more than 75 days prior to the date on which the
22 application must be submitted to the Chief County Assessment
23 Officer of the county in which the property is located. The
24 notice shall appear in a newspaper of general circulation in
25 the county.

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

29 (Source: P.A. 93-715, eff. 7-12-04.)

30 Section 10. The Senior Citizens Real Estate Tax Deferral
31 Act is amended by changing Section 2 as follows:

32 (320 ILCS 30/2) (from Ch. 67 1/2, par. 452)

33 Sec. 2. Definitions. As used in this Act:

34 (a) "Taxpayer" means an individual whose household income

1 for the year is no greater than: (i) \$40,000 through tax year
2 2005; and (ii) \$45,000 for tax year 2006 and thereafter.

3 (b) "Tax deferred property" means the property upon which
4 real estate taxes are deferred under this Act.

5 (c) "Homestead" means the land and buildings thereon,
6 including a condominium or a dwelling unit in a multidwelling
7 building that is owned and operated as a cooperative, occupied
8 by the taxpayer as his residence or which are temporarily
9 unoccupied by the taxpayer because such taxpayer is temporarily
10 residing, for not more than 1 year, in a licensed facility as
11 defined in Section 1-113 of the Nursing Home Care Act.

12 (d) "Real estate taxes" or "taxes" means the taxes on real
13 property for which the taxpayer would be liable under the
14 Property Tax Code, including special service area taxes, and
15 special assessments on benefited real property for which the
16 taxpayer would be liable to a unit of local government.

17 (e) "Department" means the Department of Revenue.

18 (f) "Qualifying property" means a homestead which (a) the
19 taxpayer or the taxpayer and his spouse own in fee simple or
20 are purchasing in fee simple under a recorded instrument of
21 sale, (b) is not income-producing property, (c) is not subject
22 to a lien for unpaid real estate taxes when a claim under this
23 Act is filed.

24 (g) "Equity interest" means the current assessed valuation
25 of the qualified property times the fraction necessary to
26 convert that figure to full market value minus any outstanding
27 debts or liens on that property. In the case of qualifying
28 property not having a separate assessed valuation, the
29 appraised value as determined by a qualified real estate
30 appraiser shall be used instead of the current assessed
31 valuation.

32 (h) "Household income" has the meaning ascribed to that
33 term in the Senior Citizens and Disabled Persons Property Tax
34 Relief and Pharmaceutical Assistance Act.

35 (i) "Collector" means the county collector or, if the taxes
36 to be deferred are special assessments, an official designated

1 by a unit of local government to collect special assessments.
2 (Source: P.A. 92-639, eff. 1-1-03.)

3 Section 90. The State Mandates Act is amended by adding
4 Section 8.30 as follows:

5 (30 ILCS 805/8.30 new)

6 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
7 of this Act, no reimbursement by the State is required for the
8 implementation of any mandate created by this amendatory Act of
9 the 94th General Assembly.

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