



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1012

Introduced 2/8/2007, by Rep. Mike Boland

SYNOPSIS AS INTRODUCED:

- 35 ILCS 200/14-15
- 35 ILCS 200/14-20
- 35 ILCS 200/15-10
- 35 ILCS 200/15-173 new
- 35 ILCS 200/20-178
- 30 ILCS 805/8.31 new

Amends the Property Tax Code. Creates the disabled veterans assessment freeze homestead exemption for a person who has served in the armed forces of the United States, the reserves of the armed forces of the United States, or the Illinois National Guard and who is disabled. Provides that the amount of this exemption shall be the equalized assessed value of the residence in the taxable year for which application is made minus the base amount. Defines "base amount" as the base year equalized assessed value of the residence plus the first year's equalized assessed value of any added improvements that increased the assessed value of the residence after the base year. Defines "base year" as, in most instances, the taxable year prior to the taxable year for which the applicant first qualifies and applies for the exemption. Makes corresponding changes to cross-references in other provisions of the Property Tax Code. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 07981 BDD 28143 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning taxes.

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

4 Section 10. The Property Tax Code is amended by changing
5 Sections 14-15, 14-20, 15-10, and 20-178 and by adding Section
6 15-173 as follows:

7 (35 ILCS 200/14-15)

8 Sec. 14-15. Certificate of error; counties of 3,000,000 or
9 more.

10 (a) In counties with 3,000,000 or more inhabitants, if,
11 after the assessment is certified pursuant to Section 16-150,
12 but subject to the limitations of subsection (c) of this
13 Section, the county assessor discovers an error or mistake in
14 the assessment, the assessor shall execute a certificate
15 setting forth the nature and cause of the error. The
16 certificate when endorsed by the county assessor, or when
17 endorsed by the county assessor and board of appeals (until the
18 first Monday in December 1998 and the board of review beginning
19 the first Monday in December 1998 and thereafter) where the
20 certificate is executed for any assessment which was the
21 subject of a complaint filed in the board of appeals (until the
22 first Monday in December 1998 and the board of review beginning
23 the first Monday in December 1998 and thereafter) for the tax

1 year for which the certificate is issued, may, either be
2 certified according to the procedure authorized by this Section
3 or be presented and received in evidence in any court of
4 competent jurisdiction. Certification is authorized, at the
5 discretion of the county assessor, for: (1) certificates of
6 error allowing homestead exemptions pursuant to Sections
7 15-170, 15-172, 15-173, 15-175, and 15-176; (2) certificates of
8 error on residential property of 6 units or less; (3)
9 certificates of error allowing exemption of the property
10 pursuant to Section 14-25; and (4) other certificates of error
11 reducing assessed value by less than \$100,000. Any certificate
12 of error not certified shall be presented to the court. The
13 county assessor shall develop reasonable procedures for the
14 filing and processing of certificates of error. Prior to the
15 certification or presentation to the court, the county assessor
16 or his or her designee shall execute and include in the
17 certificate of error a statement attesting that all procedural
18 requirements pertaining to the issuance of the certificate of
19 error have been met and that in fact an error exists. When so
20 introduced in evidence such certificate shall become a part of
21 the court records, and shall not be removed from the files
22 except upon the order of the court.

23 Certificates of error that will be presented to the court
24 shall be filed as an objection in the application for judgment
25 and order of sale for the year in relation to which the
26 certificate is made or as an amendment to the objection under

1 subsection (b). Certificates of error that are to be certified
2 according to the procedure authorized by this Section need not
3 be presented to the court as an objection or an amendment under
4 subsection (b). The State's Attorney of the county in which the
5 property is situated shall mail a copy of any final judgment
6 entered by the court regarding any certificate of error to the
7 taxpayer of record for the year in question.

8 Any unpaid taxes after the entry of the final judgment by
9 the court or certification on certificates issued under this
10 Section may be included in a special tax sale, provided that an
11 advertisement is published and a notice is mailed to the person
12 in whose name the taxes were last assessed, in a form and
13 manner substantially similar to the advertisement and notice
14 required under Sections 21-110 and 21-135. The advertisement
15 and sale shall be subject to all provisions of law regulating
16 the annual advertisement and sale of delinquent property, to
17 the extent that those provisions may be made applicable.

18 A certificate of error certified under this Section shall
19 be given effect by the county treasurer, who shall mark the tax
20 books and, upon receipt of one of the following certificates
21 from the county assessor or the county assessor and the board
22 of review where the board of review is required to endorse the
23 certificate of error, shall issue refunds to the taxpayer
24 accordingly:

25 "CERTIFICATION

1 I,, county assessor, hereby certify
 2 that the Certificates of Error set out on the attached list
 3 have been duly issued to correct an error or mistake in the
 4 assessment."

"CERTIFICATION

5
 6 I,, county assessor, and we,
 7,
 8 members of the board of review, hereby certify that the
 9 Certificates of Error set out on the attached list have
 10 been duly issued to correct an error or mistake in the
 11 assessment and that any certificates of error required to
 12 be endorsed by the board of review have been so endorsed."

13 The county treasurer has the power to mark the tax books to
 14 reflect the issuance of certificates of error certified
 15 according to the procedure authorized in this Section for
 16 certificates of error issued under Section 14-25 or
 17 certificates of error issued to and including 3 years after the
 18 date on which the annual judgment and order of sale for that
 19 tax year was first entered. The county treasurer has the power
 20 to issue refunds to the taxpayer as set forth above until all
 21 refunds authorized by this Section have been completed.

22 To the extent that the certificate of error obviates the
 23 liability for nonpayment of taxes, certification of a
 24 certificate of error according to the procedure authorized in

1 this Section shall operate to vacate any judgment or forfeiture
2 as to that year's taxes, and the warrant books and judgment
3 books shall be marked to reflect that the judgment or
4 forfeiture has been vacated.

5 (b) Nothing in subsection (a) of this Section shall be
6 construed to prohibit the execution, endorsement, issuance,
7 and adjudication of a certificate of error if (i) the annual
8 judgment and order of sale for the tax year in question is
9 reopened for further proceedings upon consent of the county
10 collector and county assessor, represented by the State's
11 Attorney, and (ii) a new final judgment is subsequently entered
12 pursuant to the certificate. This subsection (b) shall be
13 construed as declarative of existing law and not as a new
14 enactment.

15 (c) No certificate of error, other than a certificate to
16 establish an exemption under Section 14-25, shall be executed
17 for any tax year more than 3 years after the date on which the
18 annual judgment and order of sale for that tax year was first
19 entered, except that during calendar years 1999 and 2000 a
20 certificate of error may be executed for any tax year, provided
21 that the error or mistake in the assessment was discovered no
22 more than 3 years after the date on which the annual judgment
23 and order of sale for that tax year was first entered.

24 (d) The time limitation of subsection (c) shall not apply
25 to a certificate of error correcting an assessment to \$1, under
26 Section 10-35, on a parcel that a subdivision or planned

1 development has acquired by adverse possession, if during the
2 tax year for which the certificate is executed the subdivision
3 or planned development used the parcel as common area, as
4 defined in Section 10-35, and if application for the
5 certificate of error is made prior to December 1, 1997.

6 (e) The changes made by this amendatory Act of the 91st
7 General Assembly apply to certificates of error issued before,
8 on, and after the effective date of this amendatory Act of the
9 91st General Assembly.

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

11 (35 ILCS 200/14-20)

12 Sec. 14-20. Certificate of error; counties of less than
13 3,000,000. In any county with less than 3,000,000 inhabitants,
14 if, at any time before judgment or order of sale is entered in
15 any proceeding to collect or to enjoin the collection of taxes
16 based upon any assessment of any property, the chief county
17 assessment officer discovers an error or mistake in the
18 assessment (other than errors of judgment as to the valuation
19 of the property), he or she shall issue to the person
20 erroneously assessed a certificate setting forth the nature of
21 the error and the cause or causes of the error. In any county
22 with less than 3,000,000 inhabitants, if an owner fails to file
23 an application for the Senior Citizens Assessment Freeze
24 Homestead Exemption provided in Section 15-172 or the disabled
25 veterans homestead exemption provided in Section 15-173 during

1 the previous assessment year and qualifies for the exemption,
2 the Chief County Assessment Officer pursuant to this Section,
3 or the Board of Review pursuant to Section 16-75, shall issue a
4 certificate of error setting forth the correct taxable
5 valuation of the property. The certificate, when properly
6 endorsed by the majority of the board of review, showing their
7 concurrence, and not otherwise, may be used in evidence in any
8 court of competent jurisdiction, and when so introduced in
9 evidence, shall become a part of the court record and shall not
10 be removed from the files except on an order of the court.

11 (Source: P.A. 90-552, eff. 12-12-97; 91-377, eff. 7-30-99.)

12 (35 ILCS 200/15-10)

13 Sec. 15-10. Exempt property; procedures for certification.
14 All property granted an exemption by the Department pursuant to
15 the requirements of Section 15-5 and described in the Sections
16 following Section 15-30 and preceding Section 16-5, to the
17 extent therein limited, is exempt from taxation. In order to
18 maintain that exempt status, the titleholder or the owner of
19 the beneficial interest of any property that is exempt must
20 file with the chief county assessment officer, on or before
21 January 31 of each year (May 31 in the case of property
22 exempted by Section 15-170), an affidavit stating whether there
23 has been any change in the ownership or use of the property or
24 the status of the owner-resident, or that a disabled veteran
25 who qualifies under Section 15-165 owned and used the property

1 as of January 1 of that year. The nature of any change shall be
2 stated in the affidavit. Failure to file an affidavit shall, in
3 the discretion of the assessment officer, constitute cause to
4 terminate the exemption of that property, notwithstanding any
5 other provision of this Code. Owners of 5 or more such exempt
6 parcels within a county may file a single annual affidavit in
7 lieu of an affidavit for each parcel. The assessment officer,
8 upon request, shall furnish an affidavit form to the owners, in
9 which the owner may state whether there has been any change in
10 the ownership or use of the property or status of the owner or
11 resident as of January 1 of that year. The owner of 5 or more
12 exempt parcels shall list all the properties giving the same
13 information for each parcel as required of owners who file
14 individual affidavits.

15 However, titleholders or owners of the beneficial interest
16 in any property exempted under any of the following provisions
17 are not required to submit an annual filing under this Section:

18 (1) Section 15-45 (burial grounds) in counties of less
19 than 3,000,000 inhabitants and owned by a not-for-profit
20 organization.

21 (2) Section 15-40.

22 (3) Section 15-50 (United States property).

23 If there is a change in use or ownership, however, notice
24 must be filed pursuant to Section 15-20.

25 An application for homestead exemptions shall be filed as
26 provided in Section 15-170 (senior citizens homestead

1 exemption), Section 15-172 (senior citizens assessment freeze
2 homestead exemption), Section 15-173 (disabled veterans
3 assessment freeze homestead exemption), and Sections 15-175
4 and 15-176 (general homestead exemption), respectively.
5 (Source: P.A. 92-333, eff. 8-10-01; 92-729, eff. 7-25-02;
6 93-715, eff. 7-12-04.)

7 (35 ILCS 200/15-173 new)

8 Sec. 15-173. Disabled veterans assessment freeze homestead
9 exemption.

10 (a) This Section may be cited as the disabled veterans
11 assessment freeze homestead exemption.

12 (b) As used in this Section:

13 "Applicant" means an individual who has filed an
14 application under this Section.

15 "Base amount" means the base year equalized assessed value
16 of the residence plus the first year's equalized assessed value
17 of any added improvements that increased the assessed value of
18 the residence after the base year.

19 "Base year" means the taxable year prior to the taxable
20 year for which the applicant first qualifies and applies for
21 the exemption provided that in the prior taxable year the
22 property was improved with a permanent structure that was
23 occupied as a residence by the applicant who was liable for
24 paying real property taxes on the property and who was either
25 (i) an owner of record of the property or had legal or

1 equitable interest in the property as evidenced by a written
2 instrument or (ii) had a legal or equitable interest as a
3 lessee in the parcel of property that was single family
4 residence. If in any subsequent taxable year for which the
5 applicant applies and qualifies for the exemption the equalized
6 assessed value of the residence is less than the equalized
7 assessed value in the existing base year (provided that such
8 equalized assessed value is not based on an assessed value that
9 results from a temporary irregularity in the property that
10 reduces the assessed value for one or more taxable years), then
11 that subsequent taxable year shall become the base year until a
12 new base year is established under the terms of this paragraph.

13 "Chief county assessment officer" means the county
14 assessor or supervisor of assessments of the county in which
15 the property is located.

16 "Disabled veteran" means a person who has served in the
17 armed forces of the United States, the reserves of the armed
18 forces of the United States, or the Illinois National Guard and
19 (i) who was found 100% disabled under 38 U.S.C., Chapter 11
20 (Disabled Veterans Benefits) or (ii) who was found disabled
21 under 42 U.S.C., Chapter 7, Subchapter II (Federal Old-Age,
22 Survivors, and Disability Insurance Benefits) or 42 U.S.C.,
23 Chapter 7, Subchapter XVI (Supplemental Security Income for
24 Aged, Blind, and Disabled).

25 "Equalized assessed value" means the assessed value as
26 equalized by the Illinois Department of Revenue.

1 "Household" means the applicant, the spouse of the
2 applicant, and all persons using the residence of the applicant
3 as their principal place of residence.

4 "Household income" means the combined income of the members
5 of a household for the calendar year preceding the taxable
6 year.

7 "Income" has the same meaning as provided in Section 3.07
8 of the Senior Citizens and Disabled Persons Property Tax Relief
9 and Pharmaceutical Assistance Act, except that "income" does
10 not include veteran's benefits.

11 "Internal Revenue Code of 1986" means the United States
12 Internal Revenue Code of 1986 or any successor law or laws
13 relating to federal income taxes in effect for the year
14 preceding the taxable year.

15 "Life care facility that qualifies as a cooperative" means
16 a facility as defined in Section 2 of the Life Care Facilities
17 Act.

18 "Residence" means the principal dwelling place and
19 appurtenant structures used for residential purposes in this
20 State occupied on January 1 of the taxable year by a household
21 and so much of the surrounding land, constituting the parcel
22 upon which the dwelling place is situated, as is used for
23 residential purposes. If the chief county assessment officer
24 has established a specific legal description for a portion of
25 property constituting the residence, then that portion of
26 property shall be deemed the residence for the purposes of this

1 Section.

2 "Taxable year" means the calendar year during which ad
3 valorem property taxes payable in the next succeeding year are
4 levied.

5 (c) Beginning in taxable year 2007, a disabled veterans
6 assessment freeze homestead exemption is granted for real
7 property that is improved with a permanent structure that is
8 occupied as a residence by an applicant who (i) is a disabled
9 veteran during the taxable year, (ii) has a household income of
10 \$40,000 or less, (iii) is liable for paying real property taxes
11 on the property, and (iv) is an owner of record of the property
12 or has a legal or equitable interest in the property as
13 evidenced by a written instrument. This homestead exemption
14 shall also apply to a leasehold interest in a parcel of
15 property improved with a permanent structure that is a single
16 family residence that is occupied as a residence by a person
17 who (i) is a disabled veteran during the taxable year, (ii) has
18 a household income of \$40,000 or less, (iii) has a legal or
19 equitable ownership interest in the property as lessee, and
20 (iv) is liable for the payment of real property taxes on that
21 property.

22 The amount of this exemption shall be the equalized
23 assessed value of the residence in the taxable year for which
24 application is made minus the base amount.

25 When the applicant is a surviving spouse of an applicant
26 for a prior year for the same residence for which an exemption

1 under this Section has been granted, the base year and base
2 amount for that residence are the same as for the applicant for
3 the prior year.

4 Each year at the time the assessment books are certified to
5 the county clerk, the board of review shall give to the county
6 clerk a list of the assessed values of improvements on each
7 parcel qualifying for this exemption that were added after the
8 base year for this parcel and that increased the assessed value
9 of the property.

10 In the case of land improved with an apartment building
11 owned and operated as a cooperative or a building that is a
12 life care facility that qualifies as a cooperative, the maximum
13 reduction from the equalized assessed value of the property is
14 limited to the sum of the reductions calculated for each unit
15 occupied as a residence by a disabled veteran with a household
16 income of \$40,000 or less who is liable, by contract with the
17 owner or owners of record, for paying real property taxes on
18 the property and who is an owner of record of a legal or
19 equitable interest in the cooperative apartment building,
20 other than a leasehold interest. In the instance of a
21 cooperative where a homestead exemption has been granted under
22 this Section, the cooperative association or its management
23 firm shall credit the savings resulting from that exemption
24 only to the apportioned tax liability of the owner who
25 qualified for the exemption. Any person who willfully refuses
26 to credit that savings to an owner who qualifies for the

1 exemption is guilty of a Class B misdemeanor.

2 When a homestead exemption has been granted under this
3 Section and an applicant then becomes a resident of a facility
4 licensed under the Nursing Home Care Act, the exemption shall
5 be granted in subsequent years so long as the residence (i)
6 continues to be occupied by the qualified applicant's spouse or
7 (ii) if remaining unoccupied, is still owned by the qualified
8 applicant for the homestead exemption.

9 If an individual dies who would have qualified for an
10 exemption under this Section, and the surviving spouse does not
11 independently qualify for this exemption because the surviving
12 spouse is not a disabled veteran, the exemption under this
13 Section shall be granted to the surviving spouse for the
14 taxable year preceding and the taxable year of the death,
15 provided that, except for not being a disabled veteran, the
16 surviving spouse meets all other qualifications for the
17 granting of this exemption for those years.

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

21 In counties having 3,000,000 or more inhabitants, to
22 receive the exemption, a person may submit an application to
23 the chief county assessment officer of the county in which the
24 property is located during such period as may be specified by
25 the chief county assessment officer. The chief county
26 assessment officer in counties of 3,000,000 or more inhabitants

1 shall annually give notice of the application period by mail or
2 by publication. In counties having less than 3,000,000
3 inhabitants, to receive the exemption, a person shall submit an
4 application by July 1 of each taxable year to the chief county
5 assessment officer of the county in which the property is
6 located. A county may, by ordinance, establish a date for
7 submission of applications that is different than July 1. The
8 applicant shall submit with the application an affidavit of the
9 applicant's total household income, disabled veteran status,
10 marital status (and if married the name and address of the
11 applicant's spouse, if known), and principal dwelling place of
12 members of the household on January 1 of the taxable year. The
13 Department shall establish, by rule, a method for verifying the
14 accuracy of affidavits filed by applicants under this Section.
15 The applications shall be clearly marked as applications for
16 the disabled veterans assessment freeze homestead exemption.

17 Notwithstanding any other provision to the contrary, in
18 counties having fewer than 3,000,000 inhabitants, if an
19 applicant fails to file the application required by this
20 Section in a timely manner and this failure to file is due to a
21 mental or physical condition sufficiently severe so as to
22 render the applicant incapable of filing the application in a
23 timely manner, the chief county assessment officer may extend
24 the filing deadline for a period of 30 days after the applicant
25 regains the capability to file the application, but in no case
26 may the filing deadline be extended beyond 3 months after the

1 original filing deadline. In order to receive the extension
2 provided in this paragraph, the applicant shall provide the
3 chief county assessment officer with a signed statement from
4 the applicant's physician stating the nature and extent of the
5 condition, that, in the physician's opinion, the condition was
6 so severe that it rendered the applicant incapable of filing
7 the application in a timely manner, and the date on which the
8 applicant regained the capability to file the application.

9 Notwithstanding any other provision to the contrary, in
10 counties having fewer than 3,000,000 inhabitants, if an
11 applicant fails to file the application required by this
12 Section in a timely manner and this failure to file is due to a
13 mental or physical condition sufficiently severe so as to
14 render the applicant incapable of filing the application in a
15 timely manner, the chief county assessment officer may extend
16 the filing deadline for a period of 3 months. In order to
17 receive the extension provided in this paragraph, the applicant
18 shall provide the chief county assessment officer with a signed
19 statement from the applicant's physician stating the nature and
20 extent of the condition, and that, in the physician's opinion,
21 the condition was so severe that it rendered the applicant
22 incapable of filing the application in a timely manner.

23 For purposes of this Section, a person who becomes a
24 disabled veteran during the current taxable year shall be
25 eligible to apply for the homestead exemption during that
26 taxable year. Application shall be made during the application

1 period in effect for the county of his or her residence.

2 The chief county assessment officer may determine the
3 eligibility of a life care facility that qualifies as a
4 cooperative to receive the benefits provided by this Section by
5 use of an affidavit, application, visual inspection,
6 questionnaire, or other reasonable method in order to ensure
7 that the tax savings resulting from the exemption are credited
8 by the management firm to the apportioned tax liability of each
9 qualifying resident. The chief county assessment officer may
10 request reasonable proof that the management firm has so
11 credited that exemption.

12 Except as provided in this Section, all information
13 received by the chief county assessment officer or the
14 Department from applications filed under this Section, or from
15 any investigation conducted under the provisions of this
16 Section, shall be confidential, except for official purposes or
17 pursuant to official procedures for collection of any State or
18 local tax or enforcement of any civil or criminal penalty or
19 sanction imposed by this Act or by any statute or ordinance
20 imposing a State or local tax. Any person who divulges any such
21 information in any manner, except in accordance with a proper
22 judicial order, is guilty of a Class A misdemeanor.

23 Nothing contained in this Section shall prevent the
24 Director or chief county assessment officer from publishing or
25 making available reasonable statistics concerning the
26 operation of the exemption contained in this Section in which

1 the contents of claims are grouped into aggregates in such a
2 way that information contained in any individual claim shall
3 not be disclosed.

4 (d) Each chief county assessment officer shall annually
5 publish a notice of availability of the exemption provided
6 under this Section. The notice shall be published at least 60
7 days but no more than 75 days prior to the date on which the
8 application must be submitted to the chief county assessment
9 officer of the county in which the property is located. The
10 notice shall appear in a newspaper of general circulation in
11 the county.

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

15 (35 ILCS 200/20-178)

16 Sec. 20-178. Certificate of error; refund; interest. When
17 the county collector makes any refunds due on certificates of
18 error issued under Sections 14-15 through 14-25 that have been
19 either certified or adjudicated, the county collector shall pay
20 the taxpayer interest on the amount of the refund at the rate
21 of 0.5% per month.

22 No interest shall be due under this Section for any time
23 prior to 60 days after the effective date of this amendatory
24 Act of the 91st General Assembly. For certificates of error
25 issued prior to the effective date of this amendatory Act of

1 the 91st General Assembly, the county collector shall pay the
2 taxpayer interest from 60 days after the effective date of this
3 amendatory Act of the 91st General Assembly until the date the
4 refund is paid. For certificates of error issued on or after
5 the effective date of this amendatory Act of the 91st General
6 Assembly, interest shall be paid from 60 days after the
7 certificate of error is issued by the chief county assessment
8 officer to the date the refund is made. To cover the cost of
9 interest, the county collector shall proportionately reduce
10 the distribution of taxes collected for each taxing district in
11 which the property is situated.

12 This Section shall not apply to any certificate of error
13 granting a homestead exemption under Section 15-170, 15-172,
14 15-173, 15-175, or 15-176.

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

16 Section 90. The State Mandates Act is amended by adding
17 Section 8.31 as follows:

18 (30 ILCS 805/8.31 new)

19 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
20 of this Act, no reimbursement by the State is required for the
21 implementation of any mandate created by this amendatory Act of
22 the 95th General Assembly.

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