



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0886

Introduced 2/10/2009, by Rep. Mike Boland

SYNOPSIS AS INTRODUCED:

- 35 ILCS 200/14-20
- 35 ILCS 200/15-10
- 35 ILCS 200/15-173 new
- 35 ILCS 200/20-178
- 30 ILCS 805/8.33 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.

LRB096 04049 RCE 14087 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 14-20, 15-10, and 20-178 and by adding Section 15-173
6 as follows:

7 (35 ILCS 200/14-20)

8 Sec. 14-20. Certificate of error; counties of less than
9 3,000,000. In any county with less than 3,000,000 inhabitants,
10 if, at any time before judgment or order of sale is entered in
11 any proceeding to collect or to enjoin the collection of taxes
12 based upon any assessment of any property, the chief county
13 assessment officer discovers an error or mistake in the
14 assessment (other than errors of judgment as to the valuation
15 of the property), he or she shall issue to the person
16 erroneously assessed a certificate setting forth the nature of
17 the error and the cause or causes of the error. In any county
18 with less than 3,000,000 inhabitants, if an owner fails to file
19 an application for the Senior Citizens Assessment Freeze
20 Homestead Exemption provided in Section 15-172 or the disabled
21 veterans homestead exemption provided in Section 15-173 during
22 the previous assessment year and qualifies for the exemption,
23 the Chief County Assessment Officer pursuant to this Section,

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

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

10 (35 ILCS 200/15-10)

11 Sec. 15-10. Exempt property; procedures for certification.
12 All property granted an exemption by the Department pursuant to
13 the requirements of Section 15-5 and described in the Sections
14 following Section 15-30 and preceding Section 16-5, to the
15 extent therein limited, is exempt from taxation. In order to
16 maintain that exempt status, the titleholder or the owner of
17 the beneficial interest of any property that is exempt must
18 file with the chief county assessment officer, on or before
19 January 31 of each year (May 31 in the case of property
20 exempted by Section 15-170), an affidavit stating whether there
21 has been any change in the ownership or use of the property or
22 the status of the owner-resident, or that a disabled veteran
23 who qualifies under Section 15-165 owned and used the property
24 as of January 1 of that year. The nature of any change shall be
25 stated in the affidavit. Failure to file an affidavit shall, in

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

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

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

19 (2) Section 15-40.

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

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

23 An application for homestead exemptions shall be filed as
24 provided in Section 15-170 (senior citizens homestead
25 exemption), Section 15-172 (senior citizens assessment freeze
26 homestead exemption), Section 15-173 (disabled veterans

1 assessment freeze homestead exemption), and Sections 15-175
2 (general homestead exemption), 15-176 (general alternative
3 homestead exemption), and 15-177 (long-time occupant homestead
4 exemption), respectively.

5 (Source: P.A. 95-644, eff. 10-12-07.)

6 (35 ILCS 200/15-173 new)

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

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

11 (b) As used in this Section:

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

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

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

1 instrument or (ii) had a legal or equitable interest as a
2 lessee in the parcel of property that was single family
3 residence. If in any subsequent taxable year for which the
4 applicant applies and qualifies for the exemption the equalized
5 assessed value of the residence is less than the equalized
6 assessed value in the existing base year (provided that such
7 equalized assessed value is not based on an assessed value that
8 results from a temporary irregularity in the property that
9 reduces the assessed value for one or more taxable years), then
10 that subsequent taxable year shall become the base year until a
11 new base year is established under the terms 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 "Disabled veteran" means a person who has served in the
16 armed forces of the United States, the reserves of the armed
17 forces of the United States, or the Illinois National Guard and
18 (i) who was found 100% disabled under 38 U.S.C., Chapter 11
19 (Disabled Veterans Benefits) or (ii) who was found disabled
20 under 42 U.S.C., Chapter 7, Subchapter II (Federal Old-Age,
21 Survivors, and Disability Insurance Benefits) or 42 U.S.C.,
22 Chapter 7, Subchapter XVI (Supplemental Security Income for
23 Aged, Blind, and Disabled).

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

26 "Household" means the applicant, the spouse of the

1 applicant, and all persons using the residence of the applicant
2 as their principal place of residence.

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

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

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

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

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

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

4 (c) Beginning in taxable year 2009, a disabled veterans
5 assessment freeze homestead exemption is granted for real
6 property that is improved with a permanent structure that is
7 occupied as a residence by an applicant who (i) is a disabled
8 veteran during the taxable year, (ii) has a household income of
9 \$40,000 or less, (iii) is liable for paying real property taxes
10 on the property, and (iv) is an owner of record of the property
11 or has a legal or equitable interest in the property as
12 evidenced by a written instrument. This homestead exemption
13 shall also apply to a leasehold interest in a parcel of
14 property improved with a permanent structure that is a single
15 family residence that is occupied as a residence by a person
16 who (i) is a disabled veteran during the taxable year, (ii) has
17 a household income of \$40,000 or less, (iii) has a legal or
18 equitable ownership interest in the property as lessee, and
19 (iv) is liable for the payment of real property taxes on that
20 property.

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

24 When the applicant is a surviving spouse of an applicant
25 for a prior year for the same residence for which an exemption
26 under this Section has been granted, the base year and base

1 amount for that residence are the same as for the applicant for
2 the prior year.

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

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

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

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

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

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

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

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

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

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

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

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

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

22 Nothing contained in this Section shall prevent the
23 Director or chief county assessment officer from publishing or
24 making available reasonable statistics concerning the
25 operation of the exemption contained in this Section in which
26 the contents of claims are grouped into aggregates in such a

1 way that information contained in any individual claim shall
2 not be disclosed.

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

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

14 (35 ILCS 200/20-178)

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

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

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

11 This Section shall not apply to any certificate of error
12 granting a homestead exemption under Section 15-170, 15-172,
13 15-173, 15-175, 15-176, or 15-177.

14 (Source: P.A. 95-644, eff. 10-12-07.)

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.33 as follows:

17 (30 ILCS 805/8.33 new)

18 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
19 of this Act, no reimbursement by the State is required for the
20 implementation of any mandate created by this amendatory Act of
21 the 96th General Assembly.

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