



Rep. Michael J. Zalewski

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LRB097 15221 HLH 69097 a

1 AMENDMENT TO HOUSE BILL 4239

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4239 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing  
5 Section 15-175 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption.

8 (a) Except as provided in Sections 15-176 and 15-177,  
9 homestead property is entitled to an annual homestead exemption  
10 limited, except as described here with relation to  
11 cooperatives, to a reduction in the equalized assessed value of  
12 homestead property equal to the increase in equalized assessed  
13 value for the current assessment year above the equalized  
14 assessed value of the property for 1977, up to the maximum  
15 reduction set forth below. If however, the 1977 equalized  
16 assessed value upon which taxes were paid is subsequently

1 determined by local assessing officials, the Property Tax  
2 Appeal Board, or a court to have been excessive, the equalized  
3 assessed value which should have been placed on the property  
4 for 1977 shall be used to determine the amount of the  
5 exemption.

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

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

1 for 1977, the owner of the property shall automatically receive  
2 the exemption granted under this Section in an amount equal to  
3 the increase over the 1977 assessment up to the maximum  
4 reduction set forth in this Section.

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

18 (e) An exemption shall not be granted under this Section  
19 for leasehold interests in property unless all of the following  
20 conditions are met:

21 (1) a notarized application, signed by the owner of the  
22 property, for the exemption is submitted each year during  
23 the application period in effect for the county in which  
24 the property is located;

25 (2) a copy of the lease is filed with the chief county  
26 assessment officer by the owner of the property at the time

1 the notarized application is submitted;

2 (3) the lease expressly states that the lessee is  
3 liable for the payment of property taxes; and

4 (4) the lease includes the following language in  
5 substantially the following form:

6 "Lessee shall be liable for the payment of real  
7 estate taxes with respect to the residence in  
8 accordance with the terms and conditions of 35 ILCS  
9 200/15-175. The permanent real estate index number for  
10 the premises is (insert number), and, according to the  
11 most recent property tax bill, the current amount of  
12 real estate taxes associated with the premises is  
13 (insert amount) per year. The parties agree that the  
14 monthly rent set forth above shall be increased or  
15 decreased pro rata (effective January 1 of each  
16 calendar year) to reflect any increase or decrease in  
17 real estate taxes. Lessee shall be deemed to be  
18 satisfying Lessee's liability for the above mentioned  
19 real estate taxes with the monthly rent payments as set  
20 forth above (or increased or decreased as set forth  
21 herein)."

22 If there is a change in lessee, or if the lessee vacates  
23 the property, then the owner of the property shall notify the  
24 chief county assessment officer within 30 days after the  
25 effective date of that change.

26 The requirements of this subsection (e) do not apply to

1 leasehold interests in property owned by a municipality.

2 This subsection (e) is a limitation under subsection (i) of  
3 Section 6 of Article VII of the Illinois Constitution on the  
4 concurrent exercise by home rule units of powers and functions  
5 exercised by the State.

6 (f) "Homestead property" under this Section includes  
7 residential property that is occupied by its owner or owners as  
8 his or their principal dwelling place, or that is a leasehold  
9 interest on which a single family residence is situated, which  
10 is occupied as a residence by a person who has an ownership  
11 interest therein, legal or equitable or as a lessee, and on  
12 which the person is liable for the payment of property taxes.  
13 For land improved with an apartment building owned and operated  
14 as a cooperative or a building which is a life care facility as  
15 defined in Section 15-170 and considered to be a cooperative  
16 under Section 15-170, the maximum reduction from the equalized  
17 assessed value shall be limited to the increase in the value  
18 above the equalized assessed value of the property for 1977, up  
19 to the maximum reduction set forth above, multiplied by the  
20 number of apartments or units occupied by a person or persons  
21 who is liable, by contract with the owner or owners of record,  
22 for paying property taxes on the property and is an owner of  
23 record of a legal or equitable interest in the cooperative  
24 apartment building, other than a leasehold interest. For  
25 purposes of this Section, the term "life care facility" has the  
26 meaning stated in Section 15-170.

1 "Household", as used in this Section, means the owner, the  
2 spouse of the owner, and all persons using the residence of the  
3 owner as their principal place of residence.

4 "Household income", as used in this Section, means the  
5 combined income of the members of a household for the calendar  
6 year preceding the taxable year.

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

11 (g) In a cooperative where a homestead exemption has been  
12 granted, the cooperative association or its management firm  
13 shall credit the savings resulting from that exemption only to  
14 the apportioned tax liability of the owner who qualified for  
15 the exemption. Any person who willfully refuses to so credit  
16 the savings shall be guilty of a Class B misdemeanor.

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

21 (i) In all counties, the assessor or chief county  
22 assessment officer may determine the eligibility of  
23 residential property to receive the homestead exemption and the  
24 amount of the exemption by application, visual inspection,  
25 questionnaire or other reasonable methods. The determination  
26 shall be made in accordance with guidelines established by the

1 Department, provided that the taxpayer applying for an  
2 additional general exemption under this Section shall submit to  
3 the chief county assessment officer an application with an  
4 affidavit of the applicant's total household income, age,  
5 marital status (and, if married, the name and address of the  
6 applicant's spouse, if known), and principal dwelling place of  
7 members of the household on January 1 of the taxable year. The  
8 Department shall issue guidelines establishing a method for  
9 verifying the accuracy of the affidavits filed by applicants  
10 under this paragraph. The applications shall be clearly marked  
11 as applications for the Additional General Homestead  
12 Exemption.

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

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

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