

SB3403



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3403

Introduced 2/7/2012, by Sen. Carole Pankau

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172
30 ILCS 805/8.36 new

Amends the Property Tax Code. Includes disabled persons within the provisions granting an assessment freeze homestead exemption to senior citizens and changes the title of the exemption to the Senior Citizens and Disabled Persons Assessment Freeze Homestead Exemption. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

LRB097 19856 HLH 65136 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 15-172 as follows:

6 (35 ILCS 200/15-172)

7 Sec. 15-172. Senior Citizens and Disabled Persons
8 Assessment Freeze Homestead Exemption.

9 (a) This Section may be cited as the Senior Citizens and
10 Disabled Persons 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 which 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

1 (i) an owner of record of the property or had legal or
2 equitable interest in the property as evidenced by a written
3 instrument or (ii) had a legal or equitable interest as a
4 lessee in the parcel of property that was single family
5 residence. If in any subsequent taxable year for which the
6 applicant applies and qualifies for the exemption the equalized
7 assessed value of the residence is less than the equalized
8 assessed value in the existing base year (provided that such
9 equalized assessed value is not based on an assessed value that
10 results from a temporary irregularity in the property that
11 reduces the assessed value for one or more taxable years), then
12 that subsequent taxable year shall become the base year until a
13 new base year is established under the terms of this paragraph.
14 For taxable year 1999 only, the Chief County Assessment Officer
15 shall review (i) all taxable years for which the applicant
16 applied and qualified for the exemption and (ii) the existing
17 base year. The assessment officer shall select as the new base
18 year the year with the lowest equalized assessed value. An
19 equalized assessed value that is based on an assessed value
20 that results from a temporary irregularity in the property that
21 reduces the assessed value for one or more taxable years shall
22 not be considered the lowest equalized assessed value. The
23 selected year shall be the base year for taxable year 1999 and
24 thereafter until a new base year is established under the terms
25 of this paragraph.

26 "Chief County Assessment Officer" means the County

1 Assessor or Supervisor of Assessments of the county in which
2 the property is located.

3 "Disabled person" means a person unable to engage in any
4 substantial gainful activity by reason of a medically
5 determinable physical or mental impairment that (i) can be
6 expected to result in death or (ii) has lasted or can be
7 expected to last for a continuous period of not less than 12
8 months. Disabled persons applying for the exemption under this
9 Section must submit proof of the disability in the manner
10 prescribed by the chief county assessment officer. Proof that
11 an applicant is eligible to receive disability benefits under
12 the federal Social Security Act constitutes proof of disability
13 for purposes of this Section. Issuance of an Illinois Disabled
14 Person Identification Card to the applicant stating that the
15 possessor is under a Class 2 disability, as defined in Section
16 4A of the Illinois Identification Card Act, constitutes proof
17 that the person is a disabled person for purposes of this
18 Section.

19 "Equalized assessed value" means the assessed value as
20 equalized by the Illinois Department of Revenue.

21 "Household" means the applicant, the spouse of the
22 applicant, and all persons using the residence of the applicant
23 as their principal place of residence.

24 "Household income" means the combined income of the members
25 of a household for the calendar year preceding the taxable
26 year.

1 "Income" has the same meaning as provided in Section 3.07
2 of the Senior Citizens and Disabled Persons Property Tax Relief
3 and Pharmaceutical Assistance Act, except that, beginning in
4 assessment year 2001, "income" does not include veteran's
5 benefits.

6 "Internal Revenue Code of 1986" means the United States
7 Internal Revenue Code of 1986 or any successor law or laws
8 relating to federal income taxes in effect for the year
9 preceding the taxable year.

10 "Life care facility that qualifies as a cooperative" means
11 a facility as defined in Section 2 of the Life Care Facilities
12 Act.

13 "Maximum income limitation" means:

- 14 (1) \$35,000 prior to taxable year 1999;
- 15 (2) \$40,000 in taxable years 1999 through 2003;
- 16 (3) \$45,000 in taxable years 2004 through 2005;
- 17 (4) \$50,000 in taxable years 2006 and 2007; and
- 18 (5) \$55,000 in taxable year 2008 and thereafter.

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

1 property shall be deemed the residence for the purposes of this
2 Section.

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

6 (c) Beginning in (1) taxable year 1994 for, — a senior
7 citizens and (2) taxable year 2012 for disabled persons, an
8 assessment freeze homestead exemption is granted for real
9 property that is improved with a permanent structure that is
10 occupied as a residence by an applicant who (i) is 65 years of
11 age or older or is a disabled person during the taxable year,
12 (ii) has a household income that does not exceed the maximum
13 income limitation, (iii) is liable for paying real property
14 taxes on the property, and (iv) is an owner of record of the
15 property or has a legal or equitable interest in the property
16 as evidenced by a written instrument. This homestead exemption
17 shall also apply to a leasehold interest in a parcel of
18 property improved with a permanent structure that is a single
19 family residence that is occupied as a residence by a person
20 who (i) is 65 years of age or older or is a disabled person
21 during the taxable year, (ii) has a household income that does
22 not exceed the maximum income limitation, (iii) has a legal or
23 equitable ownership interest in the property as lessee, and
24 (iv) is liable for the payment of real property taxes on that
25 property.

26 In counties of 3,000,000 or more inhabitants, the amount of

1 the exemption for all taxable years is the equalized assessed
2 value of the residence in the taxable year for which
3 application is made minus the base amount. In all other
4 counties, the amount of the exemption is as follows: (i)
5 through taxable year 2005 and for taxable year 2007 and
6 thereafter, the amount of this exemption shall be the equalized
7 assessed value of the residence in the taxable year for which
8 application is made minus the base amount; and (ii) for taxable
9 year 2006, the amount of the exemption is as follows:

10 (1) For an applicant who has a household income of
11 \$45,000 or less, the amount of the exemption is the
12 equalized assessed value of the residence in the taxable
13 year for which application is made minus the base amount.

14 (2) For an applicant who has a household income
15 exceeding \$45,000 but not exceeding \$46,250, the amount of
16 the exemption is (i) the equalized assessed value of the
17 residence in the taxable year for which application is made
18 minus the base amount (ii) multiplied by 0.8.

19 (3) For an applicant who has a household income
20 exceeding \$46,250 but not exceeding \$47,500, the amount of
21 the exemption is (i) the equalized assessed value of the
22 residence in the taxable year for which application is made
23 minus the base amount (ii) multiplied by 0.6.

24 (4) For an applicant who has a household income
25 exceeding \$47,500 but not exceeding \$48,750, the amount of
26 the exemption is (i) the equalized assessed value of the

1 residence in the taxable year for which application is made
2 minus the base amount (ii) multiplied by 0.4.

3 (5) For an applicant who has a household income
4 exceeding \$48,750 but not exceeding \$50,000, the amount of
5 the exemption is (i) the equalized assessed value of the
6 residence in the taxable year for which application is made
7 minus the base amount (ii) multiplied by 0.2.

8 When the applicant is a surviving spouse of an applicant
9 for a prior year for the same residence for which an exemption
10 under this Section has been granted, the base year and base
11 amount for that residence are the same as for the applicant for
12 the prior year.

13 Each year at the time the assessment books are certified to
14 the County Clerk, the Board of Review or Board of Appeals shall
15 give to the County Clerk a list of the assessed values of
16 improvements on each parcel qualifying for this exemption that
17 were added after the base year for this parcel and that
18 increased the assessed value of the property.

19 In the case of land improved with an apartment building
20 owned and operated as a cooperative or a building that is a
21 life care facility that qualifies as a cooperative, the maximum
22 reduction from the equalized assessed value of the property is
23 limited to the sum of the reductions calculated for each unit
24 occupied as a residence by a person or persons (i) 65 years of
25 age or older or by a disabled person, (ii) with a household
26 income that does not exceed the maximum income limitation,

1 (iii) who is liable, by contract with the owner or owners of
2 record, for paying real property taxes on the property, and
3 (iv) who is an owner of record of a legal or equitable interest
4 in the cooperative apartment building, other than a leasehold
5 interest. In the instance of a cooperative where a homestead
6 exemption has been granted under this Section, the cooperative
7 association or its management firm shall credit the savings
8 resulting from that exemption only to the apportioned tax
9 liability of the owner who qualified for the exemption. Any
10 person who willfully refuses to credit that savings to an owner
11 who qualifies for the exemption is guilty of a Class B
12 misdemeanor.

13 When a homestead exemption has been granted under this
14 Section and an applicant then becomes a resident of a facility
15 licensed under the Assisted Living and Shared Housing Act, the
16 Nursing Home Care Act, the Specialized Mental Health
17 Rehabilitation Act, or the ID/DD Community Care Act, the
18 exemption shall be granted in subsequent years so long as the
19 residence (i) continues to be occupied by the qualified
20 applicant's spouse or (ii) if remaining unoccupied, is still
21 owned by the qualified applicant for the homestead exemption.

22 Beginning January 1, 1997 for senior citizens and January
23 1, 2012 for disabled persons, when an individual dies who would
24 have qualified for an exemption under this Section, and the
25 surviving spouse does not independently qualify for this
26 exemption because of age or nondisability, the exemption under

1 this Section shall be granted to the surviving spouse for the
2 taxable year preceding and the taxable year of the death,
3 provided that, except for age or nondisability, the surviving
4 spouse meets all other qualifications for the granting of this
5 exemption for those years.

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

9 For taxable year 1994 only, in counties having less than
10 3,000,000 inhabitants, to receive the exemption, a person shall
11 submit an application by February 15, 1995 to the Chief County
12 Assessment Officer of the county in which the property is
13 located. In counties having 3,000,000 or more inhabitants, for
14 taxable year 1994 and all subsequent taxable years, to receive
15 the exemption, a person may submit an application to the Chief
16 County Assessment Officer of the county in which the property
17 is located during such period as may be specified by the Chief
18 County Assessment Officer. The Chief County Assessment Officer
19 in counties of 3,000,000 or more inhabitants shall annually
20 give notice of the application period by mail or by
21 publication. In counties having less than 3,000,000
22 inhabitants, beginning with taxable year 1995 and thereafter,
23 to receive the exemption, a person shall submit an application
24 by July 1 of each taxable year to the Chief County Assessment
25 Officer of the county in which the property is located. A
26 county may, by ordinance, establish a date for submission of

1 applications that is different than July 1. The applicant shall
2 submit with the application an affidavit of the applicant's
3 total household income, age, marital status (and if married the
4 name and address of the applicant's spouse, if known),
5 disability (if applying for the exemption as a disabled
6 person), and principal dwelling place of members of the
7 household on January 1 of the taxable year. The Department
8 shall establish, by rule, a method for verifying the accuracy
9 of affidavits filed by applicants under this Section, and the
10 Chief County Assessment Officer may conduct audits of any
11 taxpayer claiming an exemption under this Section to verify
12 that the taxpayer is eligible to receive the exemption. Each
13 application shall contain or be verified by a written
14 declaration that it is made under the penalties of perjury. A
15 taxpayer's signing a fraudulent application under this Act is
16 perjury, as defined in Section 32-2 of the Criminal Code of
17 1961. The applications shall be clearly marked as applications
18 for the Senior Citizens and Disabled Persons Assessment Freeze
19 Homestead Exemption and must contain a notice that any taxpayer
20 who receives the exemption is subject to an audit by the Chief
21 County Assessment Officer.

22 Notwithstanding any other provision to the contrary, in
23 counties having fewer than 3,000,000 inhabitants, if an
24 applicant fails to file the application required by this
25 Section in a timely manner and this failure to file is due to a
26 mental or physical condition sufficiently severe so as to

1 render the applicant incapable of filing the application in a
2 timely manner, the Chief County Assessment Officer may extend
3 the filing deadline for a period of 30 days after the applicant
4 regains the capability to file the application, but in no case
5 may the filing deadline be extended beyond 3 months of the
6 original filing deadline. In order to receive the extension
7 provided in this paragraph, the applicant shall provide the
8 Chief County Assessment Officer with a signed statement from
9 the applicant's physician stating the nature and extent of the
10 condition, that, in the physician's opinion, the condition was
11 so severe that it rendered the applicant incapable of filing
12 the application in a timely manner, and the date on which the
13 applicant regained the capability to file the application.

14 Beginning January 1, 1998, notwithstanding any other
15 provision to the contrary, in counties having fewer than
16 3,000,000 inhabitants, if an applicant fails to file the
17 application required by this Section in a timely manner and
18 this failure to file is due to a mental or physical condition
19 sufficiently severe so as to render the applicant incapable of
20 filing the application in a timely manner, the Chief County
21 Assessment Officer may extend the filing deadline for a period
22 of 3 months. In order to receive the extension provided in this
23 paragraph, the applicant shall provide the Chief County
24 Assessment Officer with a signed statement from the applicant's
25 physician stating the nature and extent of the condition, and
26 that, in the physician's opinion, the condition was so severe

1 that it rendered the applicant incapable of filing the
2 application in a timely manner.

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

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

23 The Chief County Assessment Officer may determine the
24 eligibility of a life care facility that qualifies as a
25 cooperative to receive the benefits provided by this Section by
26 use of an affidavit, application, visual inspection,

1 questionnaire, or other reasonable method in order to insure
2 that the tax savings resulting from the exemption are credited
3 by the management firm to the apportioned tax liability of each
4 qualifying resident. The Chief County Assessment Officer may
5 request reasonable proof that the management firm has so
6 credited that exemption.

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

18 Nothing contained in this Section shall prevent the
19 Director or chief county assessment officer from publishing or
20 making available reasonable statistics concerning the
21 operation of the exemption contained in this Section in which
22 the contents of claims are grouped into aggregates in such a
23 way that information contained in any individual claim shall
24 not be disclosed.

25 (d) Each Chief County Assessment Officer shall annually
26 publish a notice of availability of the exemption provided

1 under this Section. The notice shall be published at least 60
2 days but no more than 75 days prior to the date on which the
3 application must be submitted to the Chief County Assessment
4 Officer of the county in which the property is located. The
5 notice shall appear in a newspaper of general circulation in
6 the county.

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

10 (Source: P.A. 96-339, eff. 7-1-10; 96-355, eff. 1-1-10;
11 96-1000, eff. 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12;
12 revised 9-12-11.)

13 Section 90. The State Mandates Act is amended by adding
14 Section 8.36 as follows:

15 (30 ILCS 805/8.36 new)

16 Sec. 8.36. Exempt mandate. Notwithstanding Sections 6 and 8
17 of this Act, no reimbursement by the State is required for the
18 implementation of any mandate created by this amendatory Act of
19 the 97th General Assembly.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.