

# HB3392



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB3392

by Rep. Jeanne M Ives

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Increases the maximum reduction under the General Homestead Exemption from \$6,000 to \$7,000 for taxable year 2013 and indexes the reduction to the Consumer Price Index. Effective immediately.

LRB098 08355 HLH 38460 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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 15-175 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  
17 determined by local assessing officials, the Property Tax  
18 Appeal Board, or a court to have been excessive, the equalized  
19 assessed value which should have been placed on the property  
20 for 1977 shall be used to determine the amount of the  
21 exemption.

22 (b) Except as provided in Section 15-176, the maximum  
23 reduction before taxable year 2004 shall be \$4,500 in counties

1 with 3,000,000 or more inhabitants and \$3,500 in all other  
2 counties. Except as provided in Sections 15-176 and 15-177, for  
3 taxable years 2004 through 2007, the maximum reduction shall be  
4 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,  
5 ~~and~~, for taxable years 2009 through 2012 ~~and thereafter~~, the  
6 maximum reduction is \$6,000 in all counties, for taxable year  
7 2013, the maximum reduction is \$7,000 in all counties, and for  
8 taxable years 2014 and thereafter, the maximum reduction is the  
9 maximum reduction for the prior taxable year increased by the  
10 annual rate of increase, for the previous calendar year, of the  
11 Consumer Price Index for All Urban Consumers for all items,  
12 published by the United States Bureau of Labor Statistics. If a  
13 county has elected to subject itself to the provisions of  
14 Section 15-176 as provided in subsection (k) of that Section,  
15 then, for the first taxable year only after the provisions of  
16 Section 15-176 no longer apply, for owners who, for the taxable  
17 year, have not been granted a senior citizens assessment freeze  
18 homestead exemption under Section 15-172 or a long-time  
19 occupant homestead exemption under Section 15-177, there shall  
20 be an additional exemption of \$5,000 for owners with a  
21 household income of \$30,000 or less.

22 (c) In counties with fewer than 3,000,000 inhabitants, if,  
23 based on the most recent assessment, the equalized assessed  
24 value of the homestead property for the current assessment year  
25 is greater than the equalized assessed value of the property  
26 for 1977, the owner of the property shall automatically receive

1 the exemption granted under this Section in an amount equal to  
2 the increase over the 1977 assessment up to the maximum  
3 reduction set forth in this Section.

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

17 (e) The chief county assessment officer may, when  
18 considering whether to grant a leasehold exemption under this  
19 Section, require the following conditions to be met:

20 (1) that a notarized application for the exemption,  
21 signed by both the owner and the lessee of the property,  
22 must be submitted each year during the application period  
23 in effect for the county in which the property is located;

24 (2) that a copy of the lease must be filed with the  
25 chief county assessment officer by the owner of the  
26 property at the time the notarized application is

1 submitted;

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

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

22 In addition, if there is a change in lessee, or if the  
23 lessee vacates the property, then the chief county assessment  
24 officer may require the owner of the property to notify the  
25 chief county assessment officer of that change.

26 This subsection (e) does not apply to leasehold interests

1 in property owned by a municipality.

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

23 "Household", as used in this Section, means the owner, the  
24 spouse of the owner, and all persons using the residence of the  
25 owner as their principal place of residence.

26 "Household income", as used in this Section, means the

1 combined income of the members of a household for the calendar  
2 year preceding the taxable year.

3 "Income", as used in this Section, has the same meaning as  
4 provided in Section 3.07 of the Senior Citizens and Disabled  
5 Persons Property Tax Relief Act, except that "income" does not  
6 include veteran's benefits.

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

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

17 (i) In all counties, the assessor or chief county  
18 assessment officer may determine the eligibility of  
19 residential property to receive the homestead exemption and the  
20 amount of the exemption by application, visual inspection,  
21 questionnaire or other reasonable methods. The determination  
22 shall be made in accordance with guidelines established by the  
23 Department, provided that the taxpayer applying for an  
24 additional general exemption under this Section shall submit to  
25 the chief county assessment officer an application with an  
26 affidavit of the applicant's total household income, age,

1 marital status (and, if married, the name and address of the  
2 applicant's spouse, if known), and principal dwelling place of  
3 members of the household on January 1 of the taxable year. The  
4 Department shall issue guidelines establishing a method for  
5 verifying the accuracy of the affidavits filed by applicants  
6 under this paragraph. The applications shall be clearly marked  
7 as applications for the Additional General Homestead  
8 Exemption.

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

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

19 (Source: P.A. 97-689, eff. 6-14-12; 97-1125, eff. 8-28-12;  
20 revised 9-20-12.)

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