

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 9-275 as follows:

6 (35 ILCS 200/9-275)

7 Sec. 9-275. Erroneous homestead exemptions.

8 (a) For purposes of this Section:

9 "Erroneous homestead exemption" means a homestead
10 exemption that was granted for real property in a taxable year
11 if the property was not eligible for that exemption in that
12 taxable year. If the taxpayer receives an erroneous homestead
13 exemption under a single Section of this Code for the same
14 property in multiple years, that exemption is considered a
15 single erroneous homestead exemption for purposes of this
16 Section. However, if the taxpayer receives erroneous homestead
17 exemptions under multiple Sections of this Code for the same
18 property, or if the taxpayer receives erroneous homestead
19 exemptions under the same Section of this Code for multiple
20 properties, then each of those exemptions is considered a
21 separate erroneous homestead exemption for purposes of this
22 Section.

23 "Homestead exemption" means an exemption under Section

1 15-165 (disabled veterans), 15-167 (returning veterans),
2 15-168 (disabled persons), 15-169 (disabled veterans standard
3 homestead), 15-170 (senior citizens), 15-172 (senior citizens
4 assessment freeze), 15-175 (general homestead), 15-176
5 (alternative general homestead), or 15-177 (long-time
6 occupant).

7 "Erroneous exemption principal amount" means the total
8 difference between the property taxes actually billed to a
9 property index number and the amount of property taxes that
10 would have been billed but for the erroneous exemption or
11 exemptions amount of property tax principal that would have
12 been billed to a property index number but for the erroneous
13 homestead exemption or exemptions a taxpayer received.

14 "Taxpayer" means the property owner or leasehold owner that
15 erroneously received a homestead exemption upon property.

16 (b) Notwithstanding any other provision of law, in counties
17 with 3,000,000 or more inhabitants, the chief county assessment
18 officer shall include the following information with each
19 assessment notice sent in a general assessment year: (1) a list
20 of each homestead exemption available under Article 15 of this
21 Code and a description of the eligibility criteria for that
22 exemption; (2) a list of each homestead exemption applied to
23 the property in the current assessment year; (3) information
24 regarding penalties and interest that may be incurred under
25 this Section if the taxpayer ~~property owner~~ received an
26 erroneous homestead exemption in a previous taxable year; and

1 (4) notice of the 60-day grace period available under this
2 subsection. If, within 60 days after receiving his or her
3 assessment notice, the taxpayer ~~property owner~~ notifies the
4 chief county assessment officer that he or she received an
5 erroneous homestead exemption in a previous taxable assessment
6 year, and if the taxpayer ~~property owner~~ pays the erroneous
7 exemption principal amount, plus interest as provided in
8 subsection (f), then the taxpayer ~~property owner~~ shall not be
9 liable for the penalties provided in subsection (f) with
10 respect to that exemption.

11 (c) In counties with 3,000,000 or more inhabitants, when
12 the chief county assessment officer determines that one or more
13 erroneous homestead exemptions was applied to the property, the
14 erroneous exemption principal amount, together with all
15 applicable interest and penalties as provided in subsections
16 (f) and (j), shall constitute a lien in the name of the People
17 of Cook County on the property receiving the erroneous
18 homestead exemption. Upon becoming aware of the existence of
19 one or more erroneous homestead exemptions, the chief county
20 assessment officer shall cause to be served, by both regular
21 mail and certified mail, a notice of discovery as set forth in
22 subsection (c-5). The chief county assessment officer in a
23 county with 3,000,000 or more inhabitants may cause a lien to
24 be recorded against property that (1) is located in the county
25 and (2) received one or more erroneous homestead exemptions if,
26 upon determination of the chief county assessment officer, the

1 taxpayer ~~property owner~~ received: (A) one or 2 erroneous
2 homestead exemptions for real property, including at least one
3 erroneous homestead exemption granted for the property against
4 which the lien is sought, during any of the 3 collection
5 ~~assessment~~ years immediately prior to the current collection
6 ~~assessment~~ year in which the notice of discovery ~~intent to~~
7 ~~record a lien~~ is served; or (B) 3 or more erroneous homestead
8 exemptions for real property, including at least one erroneous
9 homestead exemption granted for the property against which the
10 lien is sought, during any of the 6 collection ~~assessment~~ years
11 immediately prior to the current collection ~~assessment~~ year in
12 which the notice of discovery ~~intent to record a lien~~ is
13 served. Prior to recording the lien against the property, the
14 chief county assessment officer shall cause to be served, by
15 both regular mail and certified mail, return receipt requested,
16 on the person to whom the most recent tax bill was mailed and
17 the owner of record, a notice of intent to record a lien
18 against the property. The chief county assessment officer shall
19 cause the notice of intent to record a lien to be served within
20 3 years from the date on which the notice of discovery was
21 served.

22 (c-5) The notice of discovery described in subsection (c)
23 shall: (1) identify, by property index number, the property for
24 which the chief county assessment officer has knowledge
25 indicating the existence of an erroneous homestead exemption;
26 (2) set forth the taxpayer's liability for principal, interest,

1 penalties, and administrative costs including, but not limited
2 to, recording fees described in subsection (f); (3) inform the
3 taxpayer that he or she will be served with a notice of intent
4 to record a lien within 3 years from the date of service of the
5 notice of discovery; and (4) inform the taxpayer that he or she
6 may pay the outstanding amount, plus interest, penalties, and
7 administrative costs at any time prior to being served with the
8 notice of intent to record a lien or within 30 days after the
9 notice of intent to record a lien is served.

10 (d) The notice of intent to record a lien described in
11 subsection (c) shall: (1) identify, by property index number,
12 the property against which the lien is being sought; (2)
13 identify each specific homestead exemption that was
14 erroneously granted and the year or years in which each
15 exemption was granted; (3) set forth the erroneous exemption
16 principal amount due and the interest amount and any penalty
17 and administrative costs due; (4) inform the taxpayer that he
18 or she may request a hearing within 30 days after service and
19 may appeal the hearing officer's ruling to the circuit court;
20 ~~and~~ (5) inform the taxpayer that he or she may pay the
21 erroneous exemption principal amount, plus interest and
22 penalties, within 30 days after service; and (6) inform the
23 taxpayer that, if the lien is recorded against the property,
24 the amount of the lien will be adjusted to include the
25 applicable recording fee and that fees for recording a release
26 of the lien shall be incurred by the taxpayer. A lien shall not

1 be filed pursuant to this Section if the taxpayer ~~property~~
2 ~~owner~~ pays the erroneous exemption principal amount, plus
3 penalties and interest, within 30 days of service of the notice
4 of intent to record a lien.

5 (e) The notice of intent to record a lien shall also
6 include a form that the taxpayer ~~property owner~~ may return to
7 the chief county assessment officer to request a hearing. The
8 taxpayer ~~property owner~~ may request a hearing by returning the
9 form within 30 days after service. The hearing shall be held
10 within 90 days after the taxpayer ~~property owner~~ is served. The
11 chief county assessment officer shall promulgate rules of
12 service and procedure for the hearing. The chief county
13 assessment officer must generally follow rules of evidence and
14 practices that prevail in the county circuit courts, but,
15 because of the nature of these proceedings, the chief county
16 assessment officer is not bound by those rules in all
17 particulars. The chief county assessment officer shall appoint
18 a hearing officer to oversee the hearing. The taxpayer ~~property~~
19 ~~owner~~ shall be allowed to present evidence to the hearing
20 officer at the hearing. After taking into consideration all the
21 relevant testimony and evidence, the hearing officer shall make
22 an administrative decision on whether the taxpayer ~~property~~
23 ~~owner~~ was erroneously granted a homestead exemption for the
24 taxable ~~assessment~~ year in question. The taxpayer ~~property~~
25 ~~owner~~ may appeal the hearing officer's ruling to the circuit
26 court of the county where the property is located as a final

1 administrative decision under the Administrative Review Law.

2 (f) A lien against the property imposed under this Section
3 shall be filed with the county recorder of deeds, but may not
4 be filed sooner than 60 days after the notice of intent to
5 record a lien was delivered to the taxpayer ~~property owner~~ if
6 the taxpayer ~~property owner~~ does not request a hearing, or
7 until the conclusion of the hearing and all appeals if the
8 taxpayer ~~property owner~~ does request a hearing. If a lien is
9 filed pursuant to this Section and the taxpayer ~~property owner~~
10 received one or 2 erroneous homestead exemptions during any of
11 the 3 collection ~~assessment~~ years immediately prior to the
12 current collection ~~assessment~~ year in which the notice of
13 discovery ~~intent to record a lien~~ is served, then the erroneous
14 exemption principal amount, plus 10% interest per annum or
15 portion thereof from the date the erroneous exemption principal
16 amount would have become due if properly included in the tax
17 bill, shall be charged against the property by the chief county
18 assessment officer. However, if a lien is filed pursuant to
19 this Section and the taxpayer ~~property owner~~ received 3 or more
20 erroneous homestead exemptions during any of the 6 collection
21 ~~assessment~~ years immediately prior to the current collection
22 ~~assessment~~ year in which the notice of discovery ~~intent to~~
23 ~~record a lien~~ is served, the erroneous exemption principal
24 amount, plus a penalty of 50% of the total amount of the
25 erroneous exemption principal amount for that property and 10%
26 interest per annum or portion thereof from the date the

1 erroneous exemption principal amount would have become due if
2 properly included in the tax bill, shall be charged against the
3 property by the chief county assessment officer. If a lien is
4 filed pursuant to this Section, the taxpayer shall not be
5 liable for interest that accrues between the date the notice of
6 discovery is served and the date the lien is filed. Before
7 recording the lien with the county recorder of deeds, the chief
8 county assessment officer shall adjust the amount of the lien
9 to add administrative costs, including but not limited to the
10 applicable recording fee, to the total lien amount.

11 (g) If a person received an erroneous homestead exemption
12 under Section 15-170 and: (1) the person was the spouse, child,
13 grandchild, brother, sister, niece, or nephew of the previous
14 taxpayer ~~property owner~~; and (2) the person received the
15 property by bequest or inheritance; then the person is not
16 liable for the penalties imposed under this Section for any
17 year or years during which the chief county assessment officer
18 did not require an annual application for the exemption.
19 However, that person is responsible for any interest owed under
20 subsection (f).

21 (h) If the erroneous homestead exemption was granted as a
22 result of a clerical error or omission on the part of the chief
23 county assessment officer, and if the taxpayer ~~property owner~~
24 has paid the tax bills as received for the year in which the
25 error occurred, then the interest and penalties authorized by
26 this Section with respect to that homestead exemption shall not

1 be chargeable to the taxpayer ~~property owner~~. However, nothing
2 in this Section shall prevent the collection of the erroneous
3 exemption principal amount due and owing.

4 (i) A lien under this Section is not valid as to (1) any
5 bona fide purchaser for value without notice of the erroneous
6 homestead exemption whose rights in and to the underlying
7 parcel arose after the erroneous homestead exemption was
8 granted but before the filing of the notice of lien; or (2) any
9 mortgagee, judgment creditor, or other lienor whose rights in
10 and to the underlying parcel arose before the filing of the
11 notice of lien. A title insurance policy for the property that
12 is issued by a title company licensed to do business in the
13 State showing that the property is free and clear of any liens
14 imposed under this Section shall be prima facie evidence that
15 the taxpayer ~~property owner~~ is without notice of the erroneous
16 homestead exemption. Nothing in this Section shall be deemed to
17 impair the rights of subsequent creditors and subsequent
18 purchasers under Section 30 of the Conveyances Act.

19 (j) When a lien is filed against the property pursuant to
20 this Section, the chief county assessment officer shall mail a
21 copy of the lien to the person to whom the most recent tax bill
22 was mailed and to the owner of record, and the outstanding
23 liability created by such a lien is due and payable within 30
24 days after the mailing of the lien by the chief county
25 assessment officer. This liability is deemed delinquent and
26 shall bear interest beginning on the day after the due date at

1 a rate of 1.5% per month or portion thereof. Payment shall be
2 made to the county treasurer. Upon receipt of the full amount
3 due, as determined by the chief county assessment officer, the
4 county treasurer shall distribute the amount paid as provided
5 in subsection (k). Upon presentment by the taxpayer ~~property~~
6 ~~owner~~ to the chief county assessment officer of proof of
7 payment of the total liability, the chief county assessment
8 officer shall provide in reasonable form a release of the lien.
9 The release of the lien provided shall clearly inform the
10 taxpayer that it is the responsibility of the taxpayer to
11 record the lien release form with the county recorder of deeds
12 and to pay any applicable recording fees. ~~This liability is~~
13 ~~deemed delinquent and shall bear interest beginning on the day~~
14 ~~after the due date at a rate of 1.5% per month or portion~~
15 ~~thereof.~~

16 (k) The county treasurer shall pay collected erroneous
17 exemption principal amounts, pro rata, to the taxing districts,
18 or their legal successors, that levied upon the subject
19 property in the taxable ~~assessment~~ year or years for which the
20 erroneous homestead exemptions were granted, except as set
21 forth in this Section. ~~The county treasurer shall pay collected~~
22 ~~interest to the county where the property is located.~~ The
23 county treasurer shall deposit collected penalties and
24 interest into a special fund established by the county
25 treasurer to offset the costs of administration of the
26 provisions of this Section ~~amendatory Act of the 98th General~~

1 ~~Assembly~~ by the chief county assessment officer's office, as
2 appropriated by the county board. If the costs of
3 administration of this Section exceed the amount of interest
4 and penalties collected in the special fund, the chief county
5 assessor shall be reimbursed by each taxing district or their
6 legal successors for those costs. Such costs shall be paid out
7 of the funds collected by the county treasurer on behalf of
8 each taxing district pursuant to this Section.

9 (1) The chief county assessment officer in a county with
10 3,000,000 or more inhabitants shall establish an amnesty period
11 for all taxpayers owing any tax due to an erroneous homestead
12 exemption granted in a tax year prior to the 2013 tax year. The
13 amnesty period shall begin on the effective date of this
14 amendatory Act of the 98th General Assembly and shall run
15 through December 31, 2013. If, during the amnesty period, the
16 taxpayer pays the entire arrearage of taxes due for tax years
17 prior to 2013, the county clerk shall abate and not seek to
18 collect any interest or penalties that may be applicable and
19 shall not seek civil or criminal prosecution for any taxpayer
20 for tax years prior to 2013. Failure to pay all such taxes due
21 during the amnesty period established under this Section shall
22 invalidate the amnesty period for that taxpayer.

23 The chief county assessment officer in a county with
24 3,000,000 or more inhabitants shall (i) mail notice of the
25 amnesty period with the tax bills for the second installment of
26 taxes for the 2012 assessment year and (ii) as soon as possible

1 after the effective date of this amendatory Act of the 98th
2 General Assembly, publish notice of the amnesty period in a
3 newspaper of general circulation in the county. Notices shall
4 include information on the amnesty period, its purpose, and the
5 method by which to make payment.

6 Taxpayers who are a party to any criminal investigation or
7 to any civil or criminal litigation that is pending in any
8 circuit court or appellate court, or in the Supreme Court of
9 this State, for nonpayment, delinquency, or fraud in relation
10 to any property tax imposed by any taxing district located in
11 the State on the effective date of this amendatory Act of the
12 98th General Assembly may not take advantage of the amnesty
13 period.

14 A taxpayer who has claimed 3 or more homestead exemptions
15 in error shall not be eligible for the amnesty period
16 established under this subsection.

17 (Source: P.A. 98-93, eff. 7-16-13; 98-756, eff. 7-16-14;
18 98-811, eff. 1-1-15.)

19 Section 99. Effective date. This Act takes effect January
20 1, 2015.