

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 Sections 15-170 and 15-175 as follows:

6 (35 ILCS 200/15-170)

7 Sec. 15-170. Senior Citizens Homestead Exemption. An  
8 annual homestead exemption limited, except as described here  
9 with relation to cooperatives or life care facilities, to a  
10 maximum reduction set forth below from the property's value, as  
11 equalized or assessed by the Department, is granted for  
12 property that is occupied as a residence by a person 65 years  
13 of age or older who is liable for paying real estate taxes on  
14 the property and is an owner of record of the property or has a  
15 legal or equitable interest therein as evidenced by a written  
16 instrument, except for a leasehold interest, other than a  
17 leasehold interest of land on which a single family residence  
18 is located, which is occupied as a residence by a person 65  
19 years or older who has an ownership interest therein, legal,  
20 equitable or as a lessee, and on which he or she is liable for  
21 the payment of property taxes. Before taxable year 2004, the  
22 maximum reduction shall be \$2,500 in counties with 3,000,000 or  
23 more inhabitants and \$2,000 in all other counties. For taxable

1 years 2004 through 2005, the maximum reduction shall be \$3,000  
2 in all counties. For taxable years 2006 and 2007, the maximum  
3 reduction shall be \$3,500. For ~~and, for~~ taxable years 2008  
4 through 2011 and thereafter, the maximum reduction is \$4,000 in  
5 all counties. For taxable year 2012, the maximum reduction is  
6 \$5,000 in counties with 3,000,000 or more inhabitants and  
7 \$4,000 in all other counties. For taxable years 2013 and  
8 thereafter, the maximum reduction is \$5,000 in all counties.

9 For land improved with an apartment building owned and  
10 operated as a cooperative, the maximum reduction from the value  
11 of the property, as equalized by the Department, shall be  
12 multiplied by the number of apartments or units occupied by a  
13 person 65 years of age or older who is liable, by contract with  
14 the owner or owners of record, for paying property taxes on the  
15 property and is an owner of record of a legal or equitable  
16 interest in the cooperative apartment building, other than a  
17 leasehold interest. For land improved with a life care  
18 facility, the maximum reduction from the value of the property,  
19 as equalized by the Department, shall be multiplied by the  
20 number of apartments or units occupied by persons 65 years of  
21 age or older, irrespective of any legal, equitable, or  
22 leasehold interest in the facility, who are liable, under a  
23 contract with the owner or owners of record of the facility,  
24 for paying property taxes on the property. In a cooperative or  
25 a life care facility where a homestead exemption has been  
26 granted, the cooperative association or the management firm of

1 the cooperative or facility shall credit the savings resulting  
2 from that exemption only to the apportioned tax liability of  
3 the owner or resident who qualified for the exemption. Any  
4 person who willfully refuses to so credit the savings shall be  
5 guilty of a Class B misdemeanor. Under this Section and  
6 Sections 15-175, 15-176, and 15-177, "life care facility" means  
7 a facility, as defined in Section 2 of the Life Care Facilities  
8 Act, with which the applicant for the homestead exemption has a  
9 life care contract as defined in that Act.

10 When a homestead exemption has been granted under this  
11 Section and the person qualifying subsequently becomes a  
12 resident of a facility licensed under the Assisted Living and  
13 Shared Housing Act, the Nursing Home Care Act, the Specialized  
14 Mental Health Rehabilitation Act, or the ID/DD Community Care  
15 Act, the exemption shall continue so long as the residence  
16 continues to be occupied by the qualifying person's spouse if  
17 the spouse is 65 years of age or older, or if the residence  
18 remains unoccupied but is still owned by the person qualified  
19 for the homestead exemption.

20 A person who will be 65 years of age during the current  
21 assessment year shall be eligible to apply for the homestead  
22 exemption during that assessment year. Application shall be  
23 made during the application period in effect for the county of  
24 his residence.

25 Beginning with assessment year 2003, for taxes payable in  
26 2004, property that is first occupied as a residence after

1 January 1 of any assessment year by a person who is eligible  
2 for the senior citizens homestead exemption under this Section  
3 must be granted a pro-rata exemption for the assessment year.  
4 The amount of the pro-rata exemption is the exemption allowed  
5 in the county under this Section divided by 365 and multiplied  
6 by the number of days during the assessment year the property  
7 is occupied as a residence by a person eligible for the  
8 exemption under this Section. The chief county assessment  
9 officer must adopt reasonable procedures to establish  
10 eligibility for this pro-rata exemption.

11 The assessor or chief county assessment officer may  
12 determine the eligibility of a life care facility to receive  
13 the benefits provided by this Section, by affidavit,  
14 application, visual inspection, questionnaire or other  
15 reasonable methods in order to insure that the tax savings  
16 resulting from the exemption are credited by the management  
17 firm to the apportioned tax liability of each qualifying  
18 resident. The assessor may request reasonable proof that the  
19 management firm has so credited the exemption.

20 The chief county assessment officer of each county with  
21 less than 3,000,000 inhabitants shall provide to each person  
22 allowed a homestead exemption under this Section a form to  
23 designate any other person to receive a duplicate of any notice  
24 of delinquency in the payment of taxes assessed and levied  
25 under this Code on the property of the person receiving the  
26 exemption. The duplicate notice shall be in addition to the

1 notice required to be provided to the person receiving the  
2 exemption, and shall be given in the manner required by this  
3 Code. The person filing the request for the duplicate notice  
4 shall pay a fee of \$5 to cover administrative costs to the  
5 supervisor of assessments, who shall then file the executed  
6 designation with the county collector. Notwithstanding any  
7 other provision of this Code to the contrary, the filing of  
8 such an executed designation requires the county collector to  
9 provide duplicate notices as indicated by the designation. A  
10 designation may be rescinded by the person who executed such  
11 designation at any time, in the manner and form required by the  
12 chief county assessment officer.

13 The assessor or chief county assessment officer may  
14 determine the eligibility of residential property to receive  
15 the homestead exemption provided by this Section by  
16 application, visual inspection, questionnaire or other  
17 reasonable methods. The determination shall be made in  
18 accordance with guidelines established by the Department.

19 In counties with 3,000,000 or more inhabitants, beginning  
20 in taxable year 2010, each taxpayer who has been granted an  
21 exemption under this Section must reapply on an annual basis.  
22 The chief county assessment officer shall mail the application  
23 to the taxpayer. In counties with less than 3,000,000  
24 inhabitants, the county board may by resolution provide that if  
25 a person has been granted a homestead exemption under this  
26 Section, the person qualifying need not reapply for the

1 exemption.

2 In counties with less than 3,000,000 inhabitants, if the  
3 assessor or chief county assessment officer requires annual  
4 application for verification of eligibility for an exemption  
5 once granted under this Section, the application shall be  
6 mailed to the taxpayer.

7 The assessor or chief county assessment officer shall  
8 notify each person who qualifies for an exemption under this  
9 Section that the person may also qualify for deferral of real  
10 estate taxes under the Senior Citizens Real Estate Tax Deferral  
11 Act. The notice shall set forth the qualifications needed for  
12 deferral of real estate taxes, the address and telephone number  
13 of county collector, and a statement that applications for  
14 deferral of real estate taxes may be obtained from the county  
15 collector.

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

19 (Source: P.A. 96-339, eff. 7-1-10; 96-355, eff. 1-1-10;  
20 96-1000, eff. 7-2-10; 96-1418, eff. 8-2-10; 97-38, eff.  
21 6-28-11; 97-227, eff. 1-1-12; 97-813, eff. 7-13-12.)

22 (35 ILCS 200/15-175)

23 Sec. 15-175. General homestead exemption.

24 (a) Except as provided in Sections 15-176 and 15-177,  
25 homestead property is entitled to an annual homestead exemption

1 limited, except as described here with relation to  
2 cooperatives, to a reduction in the equalized assessed value of  
3 homestead property equal to the increase in equalized assessed  
4 value for the current assessment year above the equalized  
5 assessed value of the property for 1977, up to the maximum  
6 reduction set forth below. If however, the 1977 equalized  
7 assessed value upon which taxes were paid is subsequently  
8 determined by local assessing officials, the Property Tax  
9 Appeal Board, or a court to have been excessive, the equalized  
10 assessed value which should have been placed on the property  
11 for 1977 shall be used to determine the amount of the  
12 exemption.

13 (b) Except as provided in Section 15-176, the maximum  
14 reduction before taxable year 2004 shall be \$4,500 in counties  
15 with 3,000,000 or more inhabitants and \$3,500 in all other  
16 counties. Except as provided in Sections 15-176 and 15-177, for  
17 taxable years 2004 through 2007, the maximum reduction shall be  
18 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,  
19 and, for taxable years 2009 through 2011 ~~and thereafter~~, the  
20 maximum reduction is \$6,000 in all counties. For taxable years  
21 2012 and thereafter, the maximum reduction is \$7,000 in  
22 counties with 3,000,000 or more inhabitants and \$6,000 in all  
23 other counties. If a county has elected to subject itself to  
24 the provisions of Section 15-176 as provided in subsection (k)  
25 of that Section, then, for the first taxable year only after  
26 the provisions of Section 15-176 no longer apply, for owners

1 who, for the taxable year, have not been granted a senior  
2 citizens assessment freeze homestead exemption under Section  
3 15-172 or a long-time occupant homestead exemption under  
4 Section 15-177, there shall be an additional exemption of  
5 \$5,000 for owners with a household income of \$30,000 or less.

6 (c) In counties with fewer than 3,000,000 inhabitants, if,  
7 based on the most recent assessment, the equalized assessed  
8 value of the homestead property for the current assessment year  
9 is greater than the equalized assessed value of the property  
10 for 1977, the owner of the property shall automatically receive  
11 the exemption granted under this Section in an amount equal to  
12 the increase over the 1977 assessment up to the maximum  
13 reduction set forth in this Section.

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



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

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

8 (2) that a copy of the lease must be filed with the  
9 chief county assessment officer by the owner of the  
10 property at the time the notarized application is  
11 submitted;

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

14 (4) that the lease must include the following language  
15 in substantially the following form:

16 "Lessee shall be liable for the payment of real  
17 estate taxes with respect to the residence in  
18 accordance with the terms and conditions of Section  
19 15-175 of the Property Tax Code (35 ILCS 200/15-175).  
20 The permanent real estate index number for the premises  
21 is (insert number), and, according to the most recent  
22 property tax bill, the current amount of real estate  
23 taxes associated with the premises is (insert amount)  
24 per year. The parties agree that the monthly rent set  
25 forth above shall be increased or decreased pro rata  
26 (effective January 1 of each calendar year) to reflect

1           any increase or decrease in real estate taxes. Lessee  
2           shall be deemed to be satisfying Lessee's liability for  
3           the above mentioned real estate taxes with the monthly  
4           rent payments as set forth above (or increased or  
5           decreased as set forth herein).".

6           In addition, if there is a change in lessee, or if the  
7           lessee vacates the property, then the chief county assessment  
8           officer may require the owner of the property to notify the  
9           chief county assessment officer of that change.

10          This subsection (e) does not apply to leasehold interests  
11          in property owned by a municipality.

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

1 who is liable, by contract with the owner or owners of record,  
2 for paying property taxes on the property and is an owner of  
3 record of a legal or equitable interest in the cooperative  
4 apartment building, other than a leasehold interest. For  
5 purposes of this Section, the term "life care facility" has the  
6 meaning stated in Section 15-170.

7 "Household", as used in this Section, means the owner, the  
8 spouse of the owner, and all persons using the residence of the  
9 owner as their principal place of residence.

10 "Household income", as used in this Section, means the  
11 combined income of the members of a household for the calendar  
12 year preceding the taxable year.

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

17 (g) In a cooperative where a homestead exemption has been  
18 granted, the cooperative association or its management firm  
19 shall credit the savings resulting from that exemption only to  
20 the apportioned tax liability of the owner who qualified for  
21 the exemption. Any person who willfully refuses to so credit  
22 the savings shall be guilty of a Class B misdemeanor.

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

1           (i) In all counties, the assessor or chief county  
2 assessment officer may determine the eligibility of  
3 residential property to receive the homestead exemption and the  
4 amount of the exemption by application, visual inspection,  
5 questionnaire or other reasonable methods. The determination  
6 shall be made in accordance with guidelines established by the  
7 Department, provided that the taxpayer applying for an  
8 additional general exemption under this Section shall submit to  
9 the chief county assessment officer an application with an  
10 affidavit of the applicant's total household income, age,  
11 marital status (and, if married, the name and address of the  
12 applicant's spouse, if known), and principal dwelling place of  
13 members of the household on January 1 of the taxable year. The  
14 Department shall issue guidelines establishing a method for  
15 verifying the accuracy of the affidavits filed by applicants  
16 under this paragraph. The applications shall be clearly marked  
17 as applications for the Additional General Homestead  
18 Exemption.

19           (j) In counties with fewer than 3,000,000 inhabitants, in  
20 the event of a sale of homestead property the homestead  
21 exemption shall remain in effect for the remainder of the  
22 assessment year of the sale. The assessor or chief county  
23 assessment officer may require the new owner of the property to  
24 apply for the homestead exemption for the following assessment  
25 year.

26           (k) Notwithstanding Sections 6 and 8 of the State Mandates

1 Act, no reimbursement by the State is required for the  
2 implementation of any mandate created by this Section.

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

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.