

SB1937



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1937

Introduced 2/15/2013, by Sen. Christine Radogno

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Property Tax Code. In a Section concerning the Senior Citizens Assessment Freeze Homestead Exemption, provides that the applicant's household income does not include the income of any disabled person who is a member of the household.

LRB098 09012 HLH 39147 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 15-172 as follows:

6 (35 ILCS 200/15-172)

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

9 (a) This Section may be cited as the Senior Citizens
10 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.

9 "Equalized assessed value" means the assessed value as
10 equalized by the Illinois Department of Revenue.

11 "Household" means the applicant, the spouse of the
12 applicant, and all persons using the residence of the applicant
13 as their principal place of residence.

14 "Household income" means the combined income of the members
15 of a household for the calendar year preceding the taxable
16 year. Household income does not include the income of any
17 disabled person who is a member of a household, as defined by
18 this Section.

19 "Income" has the same meaning as provided in Section 3.07
20 of the Senior Citizens and Disabled Persons Property Tax Relief
21 Act, except that, beginning in assessment year 2001, "income"
22 does not include veteran's benefits.

23 "Internal Revenue Code of 1986" means the United States
24 Internal Revenue Code of 1986 or any successor law or laws
25 relating to federal income taxes in effect for the year
26 preceding the taxable year.

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

4 "Maximum income limitation" means:

- 5 (1) \$35,000 prior to taxable year 1999;
- 6 (2) \$40,000 in taxable years 1999 through 2003;
- 7 (3) \$45,000 in taxable years 2004 through 2005;
- 8 (4) \$50,000 in taxable years 2006 and 2007; and
- 9 (5) \$55,000 in taxable year 2008 and thereafter.

10 "Residence" means the principal dwelling place and
11 appurtenant structures used for residential purposes in this
12 State occupied on January 1 of the taxable year by a household
13 and so much of the surrounding land, constituting the parcel
14 upon which the dwelling place is situated, as is used for
15 residential purposes. If the Chief County Assessment Officer
16 has established a specific legal description for a portion of
17 property constituting the residence, then that portion of
18 property shall be deemed the residence for the purposes of this
19 Section.

20 "Taxable year" means the calendar year during which ad
21 valorem property taxes payable in the next succeeding year are
22 levied.

23 (c) Beginning in taxable year 1994, a senior citizens
24 assessment freeze homestead exemption is granted for real
25 property that is improved with a permanent structure that is
26 occupied as a residence by an applicant who (i) is 65 years of

1 age or older during the taxable year, (ii) has a household
2 income that does not exceed the maximum income limitation,
3 (iii) is liable for paying real property taxes on the property,
4 and (iv) is an owner of record of the property or has a legal or
5 equitable interest in the property as evidenced by a written
6 instrument. This homestead exemption shall also apply to a
7 leasehold interest in a parcel of property improved with a
8 permanent structure that is a single family residence that is
9 occupied as a residence by a person who (i) is 65 years of age
10 or older during the taxable year, (ii) has a household income
11 that does not exceed the maximum income limitation, (iii) has a
12 legal or equitable ownership interest in the property as
13 lessee, and (iv) is liable for the payment of real property
14 taxes on that property.

15 In counties of 3,000,000 or more inhabitants, the amount of
16 the exemption for all taxable years is the equalized assessed
17 value of the residence in the taxable year for which
18 application is made minus the base amount. In all other
19 counties, the amount of the exemption is as follows: (i)
20 through taxable year 2005 and for taxable year 2007 and
21 thereafter, the amount of this exemption shall be the equalized
22 assessed value of the residence in the taxable year for which
23 application is made minus the base amount; and (ii) for taxable
24 year 2006, the amount of the exemption is as follows:

25 (1) For an applicant who has a household income of
26 \$45,000 or less, the amount of the exemption is the

1 equalized assessed value of the residence in the taxable
2 year for which application is made minus the base amount.

3 (2) For an applicant who has a household income
4 exceeding \$45,000 but not exceeding \$46,250, 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 0.8.

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

13 (4) For an applicant who has a household income
14 exceeding \$47,500 but not exceeding \$48,750, the amount of
15 the exemption is (i) the equalized assessed value of the
16 residence in the taxable year for which application is made
17 minus the base amount (ii) multiplied by 0.4.

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

23 When the applicant is a surviving spouse of an applicant
24 for a prior year for the same residence for which an exemption
25 under this Section has been granted, the base year and base
26 amount for that residence are the same as for the applicant for

1 the prior year.

2 Each year at the time the assessment books are certified to
3 the County Clerk, the Board of Review or Board of Appeals shall
4 give to the County Clerk a list of the assessed values of
5 improvements on each parcel qualifying for this exemption that
6 were added after the base year for this parcel and that
7 increased the assessed value of the property.

8 In the case of land improved with an apartment building
9 owned and operated as a cooperative or a building that is a
10 life care facility that qualifies as a cooperative, the maximum
11 reduction from the equalized assessed value of the property is
12 limited to the sum of the reductions calculated for each unit
13 occupied as a residence by a person or persons (i) 65 years of
14 age or older, (ii) with a household income that does not exceed
15 the maximum income limitation, (iii) who is liable, by contract
16 with the owner or owners of record, for paying real property
17 taxes on the property, and (iv) who is an owner of record of a
18 legal or equitable interest in the cooperative apartment
19 building, other than a leasehold interest. In the instance of a
20 cooperative where a homestead exemption has been granted under
21 this Section, the cooperative association or its management
22 firm shall credit the savings resulting from that exemption
23 only to the apportioned tax liability of the owner who
24 qualified for the exemption. Any person who willfully refuses
25 to credit that savings to an owner who qualifies for the
26 exemption is guilty of a Class B misdemeanor.

1 When a homestead exemption has been granted under this
2 Section and an applicant then becomes a resident of a facility
3 licensed under the Assisted Living and Shared Housing Act, the
4 Nursing Home Care Act, the Specialized Mental Health
5 Rehabilitation Act, or the ID/DD Community Care Act, the
6 exemption shall be granted in subsequent years so long as the
7 residence (i) continues to be occupied by the qualified
8 applicant's spouse or (ii) if remaining unoccupied, is still
9 owned by the qualified applicant for the homestead exemption.

10 Beginning January 1, 1997, when an individual dies who
11 would have qualified for an exemption under this Section, and
12 the surviving spouse does not independently qualify for this
13 exemption because of age, the exemption under this Section
14 shall be granted to the surviving spouse for the taxable year
15 preceding and the taxable year of the death, provided that,
16 except for age, the surviving spouse meets all other
17 qualifications for the granting of this exemption for those
18 years.

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

22 For taxable year 1994 only, in counties having less than
23 3,000,000 inhabitants, to receive the exemption, a person shall
24 submit an application by February 15, 1995 to the Chief County
25 Assessment Officer of the county in which the property is
26 located. In counties having 3,000,000 or more inhabitants, for

1 taxable year 1994 and all subsequent taxable years, to receive
2 the exemption, a person may submit an application to the Chief
3 County Assessment Officer of the county in which the property
4 is located during such period as may be specified by the Chief
5 County Assessment Officer. The Chief County Assessment Officer
6 in counties of 3,000,000 or more inhabitants shall annually
7 give notice of the application period by mail or by
8 publication. In counties having less than 3,000,000
9 inhabitants, beginning with taxable year 1995 and thereafter,
10 to receive the exemption, a person shall submit an application
11 by July 1 of each taxable year to the Chief County Assessment
12 Officer of the county in which the property is located. A
13 county may, by ordinance, establish a date for submission of
14 applications that is different than July 1. The applicant shall
15 submit with the application an affidavit of the applicant's
16 total household income, age, marital status (and if married the
17 name and address of the applicant's spouse, if known), and
18 principal dwelling place of members of the household on January
19 1 of the taxable year. The Department shall establish, by rule,
20 a method for verifying the accuracy of affidavits filed by
21 applicants under this Section, and the Chief County Assessment
22 Officer may conduct audits of any taxpayer claiming an
23 exemption under this Section to verify that the taxpayer is
24 eligible to receive the exemption. Each application shall
25 contain or be verified by a written declaration that it is made
26 under the penalties of perjury. A taxpayer's signing a

1 fraudulent application under this Act is perjury, as defined in
2 Section 32-2 of the Criminal Code of 2012. The applications
3 shall be clearly marked as applications for the Senior Citizens
4 Assessment Freeze Homestead Exemption and must contain a notice
5 that any taxpayer who receives the exemption is subject to an
6 audit by the Chief County Assessment Officer.

7 If any applicant's household contains a disabled person,
8 and if that disabled person's income is not reported as part of
9 the applicant's household income on an application for an
10 exemption under this Section, then that applicant shall submit
11 proof of the disability in the manner prescribed by the chief
12 county assessment officer. Proof that an applicant is eligible
13 to receive disability benefits under the federal Social
14 Security Act constitutes proof of disability for purposes of
15 this Section. Issuance of an Illinois Disabled Person
16 Identification Card to the applicant stating that the possessor
17 is under a Class 2 disability, as defined in Section 4A of the
18 Illinois Identification Card Act, constitutes proof that the
19 person is a disabled person for purposes of this Section.

20 Notwithstanding any other provision to the contrary, in
21 counties having fewer than 3,000,000 inhabitants, if an
22 applicant fails to file the application required by this
23 Section in a timely manner and this failure to file is due to a
24 mental or physical condition sufficiently severe so as to
25 render the applicant incapable of filing the application in a
26 timely manner, the Chief County Assessment Officer may extend

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

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

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

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

20 The Chief County Assessment Officer may determine the
21 eligibility of a life care facility that qualifies as a
22 cooperative to receive the benefits provided by this Section by
23 use of an affidavit, application, visual inspection,
24 questionnaire, or other reasonable method in order to insure
25 that the tax savings resulting from the exemption are credited
26 by the management firm to the apportioned tax liability of each

1 qualifying resident. The Chief County Assessment Officer may
2 request reasonable proof that the management firm has so
3 credited that exemption.

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

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

22 (d) Each Chief County Assessment Officer shall annually
23 publish a notice of availability of the exemption provided
24 under this Section. The notice shall be published at least 60
25 days but no more than 75 days prior to the date on which the
26 application must be submitted to the Chief County Assessment

1 Officer of the county in which the property is located. The
2 notice shall appear in a newspaper of general circulation in
3 the county.

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

7 (Source: P.A. 96-339, eff. 7-1-10; 96-355, eff. 1-1-10;
8 96-1000, eff. 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12;
9 97-689, eff. 6-14-12; 97-813, eff. 7-13-12; 97-1150, eff.
10 1-25-13.)