

SB0780



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB0780

Introduced 2/4/2015, by Sen. Emil Jones, III

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Provides that, in counties with 3,000,000 or more inhabitants, when homestead property is sold or transferred, the new owner of the property shall notify the chief county assessment officer of the sale or transfer and, if qualified, shall reapply for the general homestead exemption. Provides that, upon notification or application, the chief county assessment officer shall remove any previously granted homestead exemptions for which the property is no longer eligible. Effective immediately.

LRB099 06575 HLH 26648 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 2011, the maximum reduction
6 is \$6,000 in all counties. For taxable years 2012 and
7 thereafter, the maximum reduction is \$7,000 in counties with
8 3,000,000 or more inhabitants and \$6,000 in all other counties.
9 If a county has elected to subject itself to the provisions of
10 Section 15-176 as provided in subsection (k) of that Section,
11 then, for the first taxable year only after the provisions of
12 Section 15-176 no longer apply, for owners who, for the taxable
13 year, have not been granted a senior citizens assessment freeze
14 homestead exemption under Section 15-172 or a long-time
15 occupant homestead exemption under Section 15-177, there shall
16 be an additional exemption of \$5,000 for owners with a
17 household income of \$30,000 or less.

18 (c) In counties with fewer than 3,000,000 inhabitants, if,
19 based on the most recent assessment, the equalized assessed
20 value of the homestead property for the current assessment year
21 is greater than the equalized assessed value of the property
22 for 1977, the owner of the property shall automatically receive
23 the exemption granted under this Section in an amount equal to
24 the increase over the 1977 assessment up to the maximum
25 reduction set forth in this Section.

26 (d) If in any assessment year beginning with the 2000

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

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

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

20 (2) that a copy of the lease must be filed with the
21 chief county assessment officer by the owner of the
22 property at the time the notarized application is
23 submitted;

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

26 (4) that the lease must include the following language

1 in substantially the following form:

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

18 In addition, if there is a change in lessee, or if the
19 lessee vacates the property, then the chief county assessment
20 officer may require the owner of the property to notify the
21 chief county assessment officer of that change.

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

24 (f) "Homestead property" under this Section includes
25 residential property that is occupied by its owner or owners as
26 his or their principal dwelling place, or that is a leasehold

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

19 "Household", as used in this Section, means the owner, the
20 spouse of the owner, and all persons using the residence of the
21 owner as their principal place of residence.

22 "Household income", as used in this Section, means the
23 combined income of the members of a household for the calendar
24 year preceding the taxable year.

25 "Income", as used in this Section, has the same meaning as
26 provided in Section 3.07 of the Senior Citizens and Disabled

1 Persons Property Tax Relief Act, except that "income" does not
2 include veteran's benefits.

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

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

13 (i) In all counties, the assessor or chief county
14 assessment officer may determine the eligibility of
15 residential property to receive the homestead exemption and the
16 amount of the exemption by application, visual inspection,
17 questionnaire or other reasonable methods. The determination
18 shall be made in accordance with guidelines established by the
19 Department, provided that the taxpayer applying for an
20 additional general exemption under this Section shall submit to
21 the chief county assessment officer an application with an
22 affidavit of the applicant's total household income, age,
23 marital status (and, if married, the name and address of the
24 applicant's spouse, if known), and principal dwelling place of
25 members of the household on January 1 of the taxable year. The
26 Department shall issue guidelines establishing a method for

1 verifying the accuracy of the affidavits filed by applicants
2 under this paragraph. The applications shall be clearly marked
3 as applications for the Additional General Homestead
4 Exemption.

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

12 (j-5) In counties with 3,000,000 or more inhabitants, when
13 homestead property is sold or transferred, the new owner of the
14 property shall notify the chief county assessment officer of
15 the sale or transfer and, if qualified, shall apply for an
16 exemption under this Section. Upon receipt of the notification
17 or application, the chief county assessment officer shall
18 remove any previously granted homestead exemptions for which
19 the property is no longer eligible.

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

23 (Source: P.A. 97-689, eff. 6-14-12; 97-1125, eff. 8-28-12;
24 98-7, eff. 4-23-13; 98-463, eff. 8-16-13.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.