

HB3471



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3471

Introduced 2/18/2025, by Rep. Mary Gill

SYNOPSIS AS INTRODUCED:

35 ILCS 200/9-275

Amends the Property Tax Code. Provides that, for taxable years 2026 and thereafter, provisions concerning erroneous homestead exemptions also apply to persons who received an erroneous low-income senior citizens assessment freeze homestead exemption in a county with less than 3,000,000 inhabitants. Effective immediately.

LRB104 08131 HLH 18177 b

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 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 (veterans with disabilities), 15-167 (returning
2 veterans), 15-168 (persons with disabilities), 15-169
3 (standard homestead for veterans with disabilities), 15-170
4 (senior citizens), 15-172 (low-income senior citizens
5 assessment freeze), 15-175 (general homestead), 15-176
6 (alternative general homestead), or 15-177 (long-time
7 occupant).

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

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

15 (b) Notwithstanding any other provision of law, in
16 counties with 3,000,000 or more inhabitants, the chief county
17 assessment officer shall include the following information
18 with each assessment notice sent in a general assessment year:
19 (1) a list of each homestead exemption available under Article
20 15 of this Code and a description of the eligibility criteria
21 for that exemption, including the number of assessment years
22 of automatic renewal remaining on a current senior citizens
23 homestead exemption if such an exemption has been applied to
24 the property; (2) a list of each homestead exemption applied
25 to the property in the current assessment year; (3)
26 information regarding penalties and interest that may be

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

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

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

1 interest, penalties, and administrative costs including, but
2 not limited to, recording fees described in subsection (f);
3 (3) inform the taxpayer that he or she will be served with a
4 notice of intent to record a lien within 3 years from the date
5 of service of the notice of discovery; (4) inform the taxpayer
6 that he or she may pay the outstanding amount, plus interest,
7 penalties, and administrative costs at any time prior to being
8 served with the notice of intent to record a lien or within 30
9 days after the notice of intent to record a lien is served; and
10 (5) inform the taxpayer that, if the taxpayer provided notice
11 to the chief county assessment officer as provided in
12 subsection (d-1) of Section 15-175 of this Code, upon
13 submission by the taxpayer of evidence of timely notice and
14 receipt thereof by the chief county assessment officer, the
15 chief county assessment officer will withdraw the notice of
16 discovery and reissue a notice of discovery in compliance with
17 this Section in which the taxpayer is not liable for interest
18 and penalties for the current tax year in which the notice was
19 received.

20 For the purposes of this subsection (c-5):

21 "Collection year" means the year in which the first and
22 second installment of the current tax year is billed.

23 "Current tax year" means the year prior to the collection
24 year.

25 (d) The notice of intent to record a lien described in
26 subsection (c) shall: (1) identify, by property index number,

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

20 (e) The notice of intent to record a lien shall also
21 include a form that the taxpayer may return to the chief county
22 assessment officer to request a hearing. The taxpayer may
23 request a hearing by returning the form within 30 days after
24 service. The hearing shall be held within 90 days after the
25 taxpayer is served. The chief county assessment officer shall
26 promulgate rules of service and procedure for the hearing. The

1 chief county assessment officer must generally follow rules of
2 evidence and practices that prevail in the county circuit
3 courts, but, because of the nature of these proceedings, the
4 chief county assessment officer is not bound by those rules in
5 all particulars. The chief county assessment officer shall
6 appoint a hearing officer to oversee the hearing. The taxpayer
7 shall be allowed to present evidence to the hearing officer at
8 the hearing. After taking into consideration all the relevant
9 testimony and evidence, the hearing officer shall make an
10 administrative decision on whether the taxpayer was
11 erroneously granted a homestead exemption for the taxable year
12 in question. The taxpayer may appeal the hearing officer's
13 ruling to the circuit court of the county where the property is
14 located as a final administrative decision under the
15 Administrative Review Law.

16 (f) A lien against the property imposed under this Section
17 shall be filed with the county recorder of deeds, but may not
18 be filed sooner than 60 days after the notice of intent to
19 record a lien was delivered to the taxpayer if the taxpayer
20 does not request a hearing, or until the conclusion of the
21 hearing and all appeals if the taxpayer does request a
22 hearing. If a lien is filed pursuant to this Section and the
23 taxpayer received one or 2 erroneous homestead exemptions
24 during any of the 3 collection years immediately prior to the
25 current collection year in which the notice of discovery is
26 served, then the erroneous exemption principal amount, plus

1 10% interest per annum or portion thereof from the date the
2 erroneous exemption principal amount would have become due if
3 properly included in the tax bill, shall be charged against
4 the property by the chief county assessment officer. However,
5 if a lien is filed pursuant to this Section and the taxpayer
6 received 3 or more erroneous homestead exemptions during any
7 of the 6 collection years immediately prior to the current
8 collection year in which the notice of discovery is served,
9 the erroneous exemption principal amount, plus a penalty of
10 50% of the total amount of the erroneous exemption principal
11 amount for that property and 10% interest per annum or portion
12 thereof from the date the erroneous exemption principal amount
13 would have become due if properly included in the tax bill,
14 shall be charged against the property by the chief county
15 assessment officer. If a lien is filed pursuant to this
16 Section, the taxpayer shall not be liable for interest that
17 accrues between the date the notice of discovery is served and
18 the date the lien is filed. Before recording the lien with the
19 county recorder of deeds, the chief county assessment officer
20 shall adjust the amount of the lien to add administrative
21 costs, including but not limited to the applicable recording
22 fee, to the total lien amount.

23 (g) If a person received an erroneous homestead exemption
24 under Section 15-170 and: (1) the person was the spouse,
25 child, grandchild, brother, sister, niece, or nephew of the
26 previous taxpayer; and (2) the person received the property by

1 bequest or inheritance; then the person is not liable for the
2 penalties imposed under this Section for any year or years
3 during which the chief county assessment officer did not
4 require an annual application for the exemption or, in a
5 county with 3,000,000 or more inhabitants, an application for
6 renewal of a multi-year exemption pursuant to subsection (i)
7 of Section 15-170, as the case may be. However, that person is
8 responsible for any interest owed under subsection (f).

9 (h) If the erroneous homestead exemption was granted as a
10 result of a clerical error or omission on the part of the chief
11 county assessment officer, and if the taxpayer has paid the
12 tax bills as received for the year in which the error occurred,
13 then the interest and penalties authorized by this Section
14 with respect to that homestead exemption shall not be
15 chargeable to the taxpayer. However, nothing in this Section
16 shall prevent the collection of the erroneous exemption
17 principal amount due and owing.

18 (i) A lien under this Section is not valid as to (1) any
19 bona fide purchaser for value without notice of the erroneous
20 homestead exemption whose rights in and to the underlying
21 parcel arose after the erroneous homestead exemption was
22 granted but before the filing of the notice of lien; or (2) any
23 mortgagee, judgment creditor, or other lienor whose rights in
24 and to the underlying parcel arose before the filing of the
25 notice of lien. A title insurance policy for the property that
26 is issued by a title company licensed to do business in the

1 State showing that the property is free and clear of any liens
2 imposed under this Section shall be *prima facie* evidence that
3 the taxpayer is without notice of the erroneous homestead
4 exemption. Nothing in this Section shall be deemed to impair
5 the rights of subsequent creditors and subsequent purchasers
6 under Section 30 of the Conveyances Act.

7 (j) When a lien is filed against the property pursuant to
8 this Section, the chief county assessment officer shall mail a
9 copy of the lien to the person to whom the most recent tax bill
10 was mailed and to the owner of record, and the outstanding
11 liability created by such a lien is due and payable within 30
12 days after the mailing of the lien by the chief county
13 assessment officer. This liability is deemed delinquent and
14 shall bear interest beginning on the day after the due date at
15 a rate of 1.5% per month or portion thereof. Payment shall be
16 made to the county treasurer. Upon receipt of the full amount
17 due, as determined by the chief county assessment officer, the
18 county treasurer shall distribute the amount paid as provided
19 in subsection (k). Upon presentment by the taxpayer to the
20 chief county assessment officer of proof of payment of the
21 total liability, the chief county assessment officer shall
22 provide in reasonable form a release of the lien. The release
23 of the lien provided shall clearly inform the taxpayer that it
24 is the responsibility of the taxpayer to record the lien
25 release form with the county recorder of deeds and to pay any
26 applicable recording fees.

(k) The county treasurer shall pay collected erroneous exemption principal amounts, pro rata, to the taxing districts, or their legal successors, that levied upon the subject property in the taxable year or years for which the erroneous homestead exemptions were granted, except as set forth in this Section. The county treasurer shall deposit collected penalties and interest into a special fund established by the county treasurer to offset the costs of administration of the provisions of this Section by the chief county assessment officer's office, as appropriated by the county board. If the costs of administration of this Section exceed the amount of interest and penalties collected in the special fund, the chief county assessor shall be reimbursed by each taxing district or their legal successors for those costs. Such costs shall be paid out of the funds collected by the county treasurer on behalf of each taxing district pursuant to this Section.

(1) The chief county assessment officer in a county with 3,000,000 or more inhabitants shall establish an amnesty period for all taxpayers owing any tax due to an erroneous homestead exemption granted in a tax year prior to the 2013 tax year. The amnesty period shall begin on the effective date of this amendatory Act of the 98th General Assembly and shall run through December 31, 2013. If, during the amnesty period, the taxpayer pays the entire arrearage of taxes due for tax years prior to 2013, the county clerk shall abate and not seek to

1 collect any interest or penalties that may be applicable and
2 shall not seek civil or criminal prosecution for any taxpayer
3 for tax years prior to 2013. Failure to pay all such taxes due
4 during the amnesty period established under this Section shall
5 invalidate the amnesty period for that taxpayer.

6 The chief county assessment officer in a county with
7 3,000,000 or more inhabitants shall (i) mail notice of the
8 amnesty period with the tax bills for the second installment
9 of taxes for the 2012 assessment year and (ii) as soon as
10 possible after the effective date of this amendatory Act of
11 the 98th General Assembly, publish notice of the amnesty
12 period in a newspaper of general circulation in the county.
13 Notices shall include information on the amnesty period, its
14 purpose, and the method by which to make payment.

15 Taxpayers who are a party to any criminal investigation or
16 to any civil or criminal litigation that is pending in any
17 circuit court or appellate court, or in the Supreme Court of
18 this State, for nonpayment, delinquency, or fraud in relation
19 to any property tax imposed by any taxing district located in
20 the State on the effective date of this amendatory Act of the
21 98th General Assembly may not take advantage of the amnesty
22 period.

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

26 (m) Notwithstanding any other provision of law, for

1 taxable years 2019 through 2023, in counties with 3,000,000 or
2 more inhabitants, the chief county assessment officer shall,
3 if he or she learns that a taxpayer who has been granted a
4 senior citizens homestead exemption has died during the period
5 to which the exemption applies, send a notice to the address on
6 record for the owner of record of the property notifying the
7 owner that the exemption will be terminated unless, within 90
8 days after the notice is sent, the chief county assessment
9 officer is provided with a basis to continue the exemption.
10 The notice shall be sent by first-class mail, in an envelope
11 that bears on its front, in boldface red lettering that is at
12 least one inch in size, the words "Notice of Exemption
13 Termination"; however, if the taxpayer elects to receive the
14 notice by email and provides an email address, then the notice
15 shall be sent by email.

16 (n) Notwithstanding any other provision of law, for
17 taxable year 2026 and thereafter, this Section also applies in
18 counties with less than 3,000,000 inhabitants to persons who
19 received an erroneous homestead exemption under Section 15-172
20 (low-income senior citizens assessment freeze).

21 (Source: P.A. 101-453, eff. 8-23-19; 101-622, eff. 1-14-20;
22 102-895, eff. 5-23-22.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.