



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB3082

Introduced 1/29/2026, by Sen. Paul Faraci

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Downstate Police Article of the Illinois Pension Code. Provides that, beginning July 1, 2026, any line-of-duty disability pension shall be at least \$40,000 per year (instead of \$400 per month), without regard to whether the disability or death of the police officer occurred before July 1, 2026. In provisions concerning an annual increase in the line-of-duty disability pension, removes requirements that an applicant must file an affidavit stating that the applicant has not earned any income from gainful employment during the most recently concluded tax year; have service credit in the Fund for at least 7 years of active duty; and have been receiving a line-of-duty disability pension for a period which, when added to the officer's total service credit in the Fund, equals at least 20 years. Provides that, if a disabled police officer is receiving a line-of-duty disability pension and is an annuitant of a municipality that sponsors a group hospital and medical plan that includes police officers or is participating in certain group insurance coverage, then the pension fund shall pay the total monthly premium on behalf of that police officer for such group insurance coverage. Amends the Property Tax Code. Sets forth a homestead exemption for property owned by a person receiving a line-of-duty disability pension in an amount equal to 50% of the equalized or assessed value of the property if the person is age 25 or over and under the age of 36, 75% of the equalized or assessed value of the property if the person is age 36 or over and under the age of 50, and 100% of the equalized or assessed value of the property if the person is age 50 or over. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB104 16392 RPS 29781 b

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

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 adding  
5 Section 15-169.5 as follows:

6 (35 ILCS 200/15-169.5 new)

7 Sec. 15-169.5. Homestead exemption for property owned by a  
8 police officer with a line-of-duty disability pension.

9 (a) Beginning with taxable year 2027, an annual homestead  
10 exemption is granted to persons who are receiving a pension  
11 under Section 3-114.1 of the Illinois Pension Code in the  
12 following amounts:

13 (1) 50% of the property's value as equalized or  
14 assessed by the Department of Revenue if the person  
15 receiving the pension under Section 3-114.1 of the  
16 Illinois Pension Code is age 25 or over and under the age  
17 of 36;

18 (2) 75% of the property's value as equalized or  
19 assessed by the Department of Revenue if the person  
20 receiving the pension under Section 3-114.1 of the  
21 Illinois Pension Code is age 36 or over and under the age  
22 of 50; or

23 (3) 100% of the property's value as equalized or

1 assessed by the Department of Revenue if the person  
2 receiving the pension under Section 3-114.1 of the  
3 Illinois Pension Code is age 50 or over.

4 Persons who are receiving a pension under Section 3-114.1  
5 of the Illinois Pension Code shall receive the homestead  
6 exemption under this Section upon meeting the following  
7 requirements:

8 (A) The property must be occupied as the primary  
9 residence by the person.

10 (B) The person must be liable for paying the real  
11 estate taxes on the property.

12 (C) The person must be an owner of record of the  
13 property or have a legal or equitable interest in the  
14 property as evidenced by a written instrument. In the case  
15 of a leasehold interest in property, the lease must be for  
16 a single family residence.

17 (D) The person must file an annual application for the  
18 benefits under subsection (d) of Section 3-114.1 of the  
19 Illinois Pension Code with the applicable police officer  
20 pension fund.

21 A person who receives a pension under Section 3-114.1 of  
22 the Illinois Pension Code during a taxable year is eligible to  
23 apply for this homestead exemption during that year.  
24 Application must be made during the application period in  
25 effect for the county of residence. If a homestead exemption  
26 has been granted under this Section and the person awarded the

1 exemption subsequently becomes a resident of a facility  
2 licensed under the Nursing Home Care Act, the Specialized  
3 Mental Health Rehabilitation Act of 2013, the ID/DD Community  
4 Care Act, or the MC/DD Act, then the exemption shall continue  
5 (i) so long as the residence continues to be occupied by the  
6 qualifying person's spouse or (ii) if the residence remains  
7 unoccupied but is still owned by the person qualified for the  
8 homestead exemption.

9 (b) For land improved with (i) an apartment building owned  
10 and operated as a cooperative or (ii) a life care facility as  
11 defined under Section 2 of the Life Care Facilities Act that is  
12 considered to be a cooperative, the maximum reduction from the  
13 value of the property, as equalized or assessed by the  
14 Department, shall be multiplied by the number of apartments or  
15 units occupied by a person with a disability. The person  
16 receiving a pension under Section 3-114.1 of the Illinois  
17 Pension Code shall receive the homestead exemption upon  
18 meeting the following requirements:

19 (1) The property must be occupied as the primary  
20 residence by the person.

21 (2) The person must be liable by contract with the  
22 owner or owners of record for paying the apportioned  
23 property taxes on the property of the cooperative or life  
24 care facility. In the case of a life care facility, the  
25 person must be liable for paying the apportioned property  
26 taxes under a life care contract as defined in Section 2 of

1 the Life Care Facilities Act.

2 (3) The person must be an owner of record of a legal or  
3 equitable interest in the cooperative apartment building.  
4 A leasehold interest does not meet this requirement.

5 (4) The person must file an annual application for the  
6 benefits under subsection (d) of Section 3-114.1 of the  
7 Illinois Pension Code with the applicable police officer  
8 pension fund.

9 If a homestead exemption is granted under this subsection,  
10 the cooperative association or management firm shall credit  
11 the savings resulting from the exemption to the apportioned  
12 tax liability of the qualifying person. The chief county  
13 assessment officer may request reasonable proof that the  
14 association or firm has properly credited the exemption. A  
15 person who willfully refuses to credit an exemption to the  
16 qualified person with a disability is guilty of a Class B  
17 misdemeanor.

18 (c) The chief county assessment officer shall determine  
19 the eligibility of property to receive the homestead exemption  
20 according to guidelines established by the Department. After a  
21 person has received an exemption under this Section, an annual  
22 verification of eligibility for the exemption shall be mailed  
23 to the taxpayer. In counties with fewer than 3,000,000  
24 inhabitants, the chief county assessment officer shall provide  
25 to each person granted a homestead exemption under this  
26 Section a form to designate any other person to receive a

1 duplicate of any notice of delinquency in the payment of taxes  
2 assessed and levied under this Code on the person's qualifying  
3 property. The duplicate notice shall be in addition to the  
4 notice required to be provided to the person receiving the  
5 exemption and shall be given in the manner required by this  
6 Code. The person filing the request for the duplicate notice  
7 shall pay an administrative fee of \$5 to the chief county  
8 assessment officer. The assessment officer shall then file the  
9 executed designation with the county collector, who shall  
10 issue the duplicate notices as indicated by the designation. A  
11 designation may be rescinded by the person with a disability  
12 in the manner required by the chief county assessment officer.

13 Section 10. The Illinois Pension Code is amended by  
14 changing Sections 3-114.1 and 3-124.2 as follows:

15 (40 ILCS 5/3-114.1) (from Ch. 108 1/2, par. 3-114.1)

16 Sec. 3-114.1. Disability pension; line pension—Line of  
17 duty.

18 (a) If a police officer, as the result of sickness,  
19 accident, or injury incurred in or resulting from the  
20 performance of an act of duty, is found to be physically or  
21 mentally disabled for service in the police department, so as  
22 to render necessary his or her suspension or retirement from  
23 the police service, the police officer shall be entitled to a  
24 disability retirement pension equal to the greatest of (1) 65%

1 of the salary attached to the rank on the police force held by  
2 the officer at the date of suspension of duty or retirement,  
3 (2) the retirement pension that the police officer would be  
4 eligible to receive if he or she retired (but not including any  
5 automatic annual increase in that retirement pension), or (3)  
6 the pension provided under subsection (d), if applicable.

7 A police officer shall be considered "on duty" while on  
8 any assignment approved by the chief of the police department  
9 of the municipality he or she serves, whether the assignment  
10 is within or outside the municipality.

11 (b) If a police officer on disability pension dies while  
12 still disabled, the disability pension shall continue to be  
13 paid to his or her survivors in the sequence provided in  
14 Section 3-112.

15 (c) Until July 1, 2026, ~~From and after July 1, 1987,~~ any  
16 pension payable under this Section shall be at least \$400 per  
17 month, without regard to the fact that the disability or death  
18 of the police officer occurred prior to that date.

19 Beginning July 1, 2026, any pension payable under this  
20 Section shall be at least \$40,000 per year, without regard to  
21 whether the disability or death of the police officer occurred  
22 before July 1, 2026.

23 If the minimum pension established in Section 3-113.1 is  
24 greater than the minimum provided in this Section, the Section  
25 3-113.1 minimum controls.

26 (d) A disabled police officer who (1) is receiving a

1 pension under this Section on or after the effective date of  
2 this amendatory Act of the 104th General Assembly ~~this~~  
3 ~~amendatory Act of the 91st General Assembly,~~ and (2) annually  
4 files with the Fund, ~~within 30 days after that effective date~~  
5 ~~and annually thereafter~~ while the pension remains payable, a  
6 written application for the benefits of this subsection,  
7 regardless of whether the recipient is engaged in gainful  
8 employment, ~~including an affidavit stating that the applicant~~  
9 ~~has not earned any income from gainful employment during the~~  
10 ~~most recently concluded tax year and a copy of his or her most~~  
11 ~~recent Illinois income tax return,~~ (3) ~~has service credit in~~  
12 ~~the Fund for at least 7 years of active duty, and (4) has been~~  
13 ~~receiving the pension under this Section for a period which,~~  
14 ~~when added to the officer's total service credit in the Fund,~~  
15 ~~equals at least 20 years,~~ shall be eligible to receive an  
16 annual noncompounded increase in his or her pension under this  
17 Section, equal to 3% of the original pension.

18 The Fund may take appropriate steps to verify the  
19 applicant's disability and earnings status, and for this  
20 purpose may request from the Department of Revenue a certified  
21 copy of the applicant's Illinois income tax return for any  
22 year for which a benefit under this Section is payable or has  
23 been paid.

24 The annual increase shall accrue on each anniversary of  
25 the initial pension payment date, for so long as the pension  
26 remains payable to the disabled police officer and the

1 required annual application is made, ~~except that the annual~~  
2 ~~increases under this subsection shall cease if the disabled~~  
3 ~~police officer earns income from gainful employment.~~ Within 60  
4 days after accepting an initial application under this  
5 subsection, the Fund shall pay to the disabled police officer,  
6 in a lump sum without interest, the amounts resulting from the  
7 annual increases that have accrued retroactively.

8 This subsection is not limited to persons in active  
9 service on or after its effective date, but it applies only to  
10 a pension that is payable under this Section to a disabled  
11 police officer (rather than a survivor). Upon the death of the  
12 disabled police officer, the annuity payable under this  
13 Section to his or her survivors shall include any annual  
14 increases previously received, but no additional increases  
15 shall accrue under this subsection.

16 (Source: P.A. 91-939, eff. 2-1-01.)

17 (40 ILCS 5/3-124.2) (from Ch. 108 1/2, par. 3-124.2)

18 Sec. 3-124.2. Deduction for group plans; payment of  
19 premium for police officers receiving line-of-duty disability  
20 pensions. If a municipality sponsors a group hospital and  
21 medical plan which includes retired police officers and their  
22 spouses, upon written request of a retired police officer,  
23 deductions shall be made from the pension payments of the  
24 officer in the amounts which the officer is required to  
25 contribute toward the group plan in order to obtain such

1 coverage.

2 If a disabled police officer (1) is receiving a pension  
3 under Section 3-114.1 on or after the effective date of this  
4 amendatory Act of the 104th General Assembly and (2) is an  
5 annuitant of a municipality that sponsors a group hospital and  
6 medical plan that includes police officers and their spouses  
7 or is participating in group insurance coverage as elected in  
8 accordance with Section 367g of the Illinois Insurance Code,  
9 then the pension fund shall pay the total monthly premium on  
10 behalf of that police officer for such group insurance  
11 coverage.

12 Whenever continued group insurance coverage is elected in  
13 accordance with the provisions of Section 367g of the Illinois  
14 Insurance Code, as now or hereafter amended, the total monthly  
15 premium for such continued group insurance coverage or such  
16 portion thereof as is not paid by the municipality shall, upon  
17 request of the person electing such continued group insurance  
18 coverage, be deducted from any monthly pension benefit  
19 otherwise payable to such person pursuant to this Article, to  
20 be remitted by the pension fund making such deduction to the  
21 insurance company or other entity providing the group  
22 insurance coverage.

23 (Source: P.A. 84-1010.)

24 Section 90. The State Mandates Act is amended by adding  
25 Section 8.50 as follows:

1 (30 ILCS 805/8.50 new)

2 Sec. 8.50. Exempt mandate. Notwithstanding Sections 6 and  
3 8 of this Act, no reimbursement by the State is required for  
4 the implementation of any mandate created by this amendatory  
5 Act of the 104th General Assembly.

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

1 INDEX

2 Statutes amended in order of appearance

3 35 ILCS 200/15-169.5 new

4 40 ILCS 5/3-114.1 from Ch. 108 1/2, par. 3-114.1

5 40 ILCS 5/3-124.2 from Ch. 108 1/2, par. 3-124.2

6 30 ILCS 805/8.50 new