

# HB3538



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3538

Introduced 2/17/2023, by Rep. Amy L. Grant

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-165  
35 ILCS 200/15-169

Amends the Property Tax Code. Provides that a veteran may submit an application for the homestead exemptions for veterans with disabilities to the chief county assessment officer with respect to a specific property before the veteran purchases the property. Effective immediately.

LRB103 29865 HLH 56274 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 Sections 15-165 and 15-169 as follows:

6 (35 ILCS 200/15-165)

7 Sec. 15-165. Veterans with disabilities. Property up to an  
8 assessed value of \$100,000, owned and used exclusively by a  
9 veteran with a disability, or the spouse or unmarried  
10 surviving spouse of the veteran, as a home, is exempt. As used  
11 in this Section, a "veteran with a disability" means a person  
12 who has served in the Armed Forces of the United States and  
13 whose disability is of such a nature that the Federal  
14 Government has authorized payment for purchase or construction  
15 of Specially Adapted Housing as set forth in the United States  
16 Code, Title 38, Chapter 21, Section 2101.

17 The exemption applies to housing where Federal funds have  
18 been used to purchase or construct special adaptations to suit  
19 the veteran's disability.

20 The exemption also applies to housing that is specially  
21 adapted to suit the veteran's disability, and purchased  
22 entirely or in part by the proceeds of a sale, casualty loss  
23 reimbursement, or other transfer of a home for which the

1 Federal Government had previously authorized payment for  
2 purchase or construction as Specially Adapted Housing.

3 However, the entire proceeds of the sale, casualty loss  
4 reimbursement, or other transfer of that housing shall be  
5 applied to the acquisition of subsequent specially adapted  
6 housing to the extent that the proceeds equal the purchase  
7 price of the subsequently acquired housing.

8 Beginning with the 2015 tax year, the exemption also  
9 applies to housing that is specifically constructed or adapted  
10 to suit a qualifying veteran's disability if the housing or  
11 adaptations are donated by a charitable organization, the  
12 veteran has been approved to receive funds for the purchase or  
13 construction of Specially Adapted Housing under Title 38,  
14 Chapter 21, Section 2101 of the United States Code, and the  
15 home has been inspected and certified by a licensed home  
16 inspector to be in compliance with applicable standards set  
17 forth in U.S. Department of Veterans Affairs, Veterans  
18 Benefits Administration Pamphlet 26-13 Handbook for Design of  
19 Specially Adapted Housing.

20 For purposes of this Section, "charitable organization"  
21 means any benevolent, philanthropic, patriotic, or  
22 eleemosynary entity that solicits and collects funds for  
23 charitable purposes and includes each local, county, or area  
24 division of that charitable organization.

25 For purposes of this Section, "unmarried surviving spouse"  
26 means the surviving spouse of the veteran at any time after the

1 death of the veteran during which such surviving spouse is not  
2 married.

3 This exemption must be reestablished on an annual basis by  
4 certification from the Illinois Department of Veterans'  
5 Affairs to the Department, which shall forward a copy of the  
6 certification to local assessing officials.

7 Notwithstanding any other provision of law, a veteran may  
8 submit an application for the exemption under this Section to  
9 the chief county assessment officer with respect to a specific  
10 property before the veteran purchases the property. The chief  
11 county assessment officer shall process the application under  
12 this subsection within 15 days after receipt of the  
13 application and shall notify the applicant of the approval or  
14 denial of the application.

15 A taxpayer who claims an exemption under Section 15-168 or  
16 15-169 may not claim an exemption under this Section.

17 (Source: P.A. 98-1145, eff. 12-30-14; 99-143, eff. 7-27-15.)

18 (35 ILCS 200/15-169)

19 Sec. 15-169. Homestead exemption for veterans with  
20 disabilities.

21 (a) Beginning with taxable year 2007, an annual homestead  
22 exemption, limited to the amounts set forth in subsections (b)  
23 and (b-3), is granted for property that is used as a qualified  
24 residence by a veteran with a disability.

25 (b) For taxable years prior to 2015, the amount of the

1 exemption under this Section is as follows:

2 (1) for veterans with a service-connected disability  
3 of at least (i) 75% for exemptions granted in taxable  
4 years 2007 through 2009 and (ii) 70% for exemptions  
5 granted in taxable year 2010 and each taxable year  
6 thereafter, as certified by the United States Department  
7 of Veterans Affairs, the annual exemption is \$5,000; and

8 (2) for veterans with a service-connected disability  
9 of at least 50%, but less than (i) 75% for exemptions  
10 granted in taxable years 2007 through 2009 and (ii) 70%  
11 for exemptions granted in taxable year 2010 and each  
12 taxable year thereafter, as certified by the United States  
13 Department of Veterans Affairs, the annual exemption is  
14 \$2,500.

15 (b-3) For taxable years 2015 and thereafter:

16 (1) if the veteran has a service connected disability  
17 of 30% or more but less than 50%, as certified by the  
18 United States Department of Veterans Affairs, then the  
19 annual exemption is \$2,500;

20 (2) if the veteran has a service connected disability  
21 of 50% or more but less than 70%, as certified by the  
22 United States Department of Veterans Affairs, then the  
23 annual exemption is \$5,000;

24 (3) if the veteran has a service connected disability  
25 of 70% or more, as certified by the United States  
26 Department of Veterans Affairs, then the property is

1 exempt from taxation under this Code; and

2 (4) for taxable year 2023 and thereafter, if the  
3 taxpayer is the surviving spouse of a veteran whose death  
4 was determined to be service-connected and who is  
5 certified by the United States Department of Veterans  
6 Affairs as a recipient of dependency and indemnity  
7 compensation under federal law, then the property is also  
8 exempt from taxation under this Code.

9 (b-5) If a homestead exemption is granted under this  
10 Section and the person awarded the exemption subsequently  
11 becomes a resident of a facility licensed under the Nursing  
12 Home Care Act or a facility operated by the United States  
13 Department of Veterans Affairs, then the exemption shall  
14 continue (i) so long as the residence continues to be occupied  
15 by the qualifying person's spouse or (ii) if the residence  
16 remains unoccupied but is still owned by the person who  
17 qualified for the homestead exemption.

18 (c) The tax exemption under this Section carries over to  
19 the benefit of the veteran's surviving spouse as long as the  
20 spouse holds the legal or beneficial title to the homestead,  
21 permanently resides thereon, and does not remarry. If the  
22 surviving spouse sells the property, an exemption not to  
23 exceed the amount granted from the most recent ad valorem tax  
24 roll may be transferred to his or her new residence as long as  
25 it is used as his or her primary residence and he or she does  
26 not remarry.

1 As used in this subsection (c):

2 (1) for taxable years prior to 2015, "surviving  
3 spouse" means the surviving spouse of a veteran who  
4 obtained an exemption under this Section prior to his or  
5 her death;

6 (2) for taxable years 2015 through 2022, "surviving  
7 spouse" means (i) the surviving spouse of a veteran who  
8 obtained an exemption under this Section prior to his or  
9 her death and (ii) the surviving spouse of a veteran who  
10 was killed in the line of duty at any time prior to the  
11 expiration of the application period in effect for the  
12 exemption for the taxable year for which the exemption is  
13 sought; and

14 (3) for taxable year 2023 and thereafter, "surviving  
15 spouse" means: (i) the surviving spouse of a veteran who  
16 obtained the exemption under this Section prior to his or  
17 her death; (ii) the surviving spouse of a veteran who was  
18 killed in the line of duty at any time prior to the  
19 expiration of the application period in effect for the  
20 exemption for the taxable year for which the exemption is  
21 sought; (iii) the surviving spouse of a veteran who did  
22 not obtain an exemption under this Section before death,  
23 but who would have qualified for the exemption under this  
24 Section in the taxable year for which the exemption is  
25 sought if he or she had survived, and whose surviving  
26 spouse has been a resident of Illinois from the time of the

1 veteran's death through the taxable year for which the  
2 exemption is sought; and (iv) the surviving spouse of a  
3 veteran whose death was determined to be  
4 service-connected, but who would not otherwise qualify  
5 under item ~~items~~ (i), (ii), or (iii), if the spouse (A) is  
6 certified by the United States Department of Veterans  
7 Affairs as a recipient of dependency and indemnity  
8 compensation under federal law at any time prior to the  
9 expiration of the application period in effect for the  
10 exemption for the taxable year for which the exemption is  
11 sought and (B) remains eligible for that dependency and  
12 indemnity compensation as of January 1 of the taxable year  
13 for which the exemption is sought.

14 (c-1) Beginning with taxable year 2015, nothing in this  
15 Section shall require the veteran to have qualified for or  
16 obtained the exemption before death if the veteran was killed  
17 in the line of duty.

18 (d) The exemption under this Section applies for taxable  
19 year 2007 and thereafter. A taxpayer who claims an exemption  
20 under Section 15-165 or 15-168 may not claim an exemption  
21 under this Section.

22 (e) Except as otherwise provided in this subsection (e),  
23 each taxpayer who has been granted an exemption under this  
24 Section must reapply on an annual basis. Application must be  
25 made during the application period in effect for the county of  
26 his or her residence. The assessor or chief county assessment



1 officer may determine the eligibility of residential property  
2 to receive the homestead exemption provided by this Section by  
3 application, visual inspection, questionnaire, or other  
4 reasonable methods. The determination must be made in  
5 accordance with guidelines established by the Department.

6 On and after May 23, 2022 (the effective date of Public Act  
7 102-895) ~~this amendatory Act of the 102nd General Assembly~~, if  
8 a veteran has a combined service connected disability rating  
9 of 100% and is deemed to be permanently and totally disabled,  
10 as certified by the United States Department of Veterans  
11 Affairs, the taxpayer who has been granted an exemption under  
12 this Section shall no longer be required to reapply for the  
13 exemption on an annual basis, and the exemption shall be in  
14 effect for as long as the exemption would otherwise be  
15 permitted under this Section.

16 (e-1) If the person qualifying for the exemption does not  
17 occupy the qualified residence as of January 1 of the taxable  
18 year, the exemption granted under this Section shall be  
19 prorated on a monthly basis. The prorated exemption shall  
20 apply beginning with the first complete month in which the  
21 person occupies the qualified residence.

22 (e-5) Notwithstanding any other provision of law, each  
23 chief county assessment officer may approve this exemption for  
24 the 2020 taxable year, without application, for any property  
25 that was approved for this exemption for the 2019 taxable  
26 year, provided that:

1           (1) the county board has declared a local disaster as  
2 provided in the Illinois Emergency Management Agency Act  
3 related to the COVID-19 public health emergency;

4           (2) the owner of record of the property as of January  
5 1, 2020 is the same as the owner of record of the property  
6 as of January 1, 2019;

7           (3) the exemption for the 2019 taxable year has not  
8 been determined to be an erroneous exemption as defined by  
9 this Code; and

10          (4) the applicant for the 2019 taxable year has not  
11 asked for the exemption to be removed for the 2019 or 2020  
12 taxable years.

13          Nothing in this subsection shall preclude a veteran whose  
14 service connected disability rating has changed since the 2019  
15 exemption was granted from applying for the exemption based on  
16 the subsequent service connected disability rating.

17          (e-10) Notwithstanding any other provision of law, each  
18 chief county assessment officer may approve this exemption for  
19 the 2021 taxable year, without application, for any property  
20 that was approved for this exemption for the 2020 taxable  
21 year, if:

22           (1) the county board has declared a local disaster as  
23 provided in the Illinois Emergency Management Agency Act  
24 related to the COVID-19 public health emergency;

25           (2) the owner of record of the property as of January  
26 1, 2021 is the same as the owner of record of the property

1 as of January 1, 2020;

2 (3) the exemption for the 2020 taxable year has not  
3 been determined to be an erroneous exemption as defined by  
4 this Code; and

5 (4) the taxpayer for the 2020 taxable year has not  
6 asked for the exemption to be removed for the 2020 or 2021  
7 taxable years.

8 Nothing in this subsection shall preclude a veteran whose  
9 service connected disability rating has changed since the 2020  
10 exemption was granted from applying for the exemption based on  
11 the subsequent service connected disability rating.

12 (e-15) Notwithstanding any other provision of law, a  
13 veteran may submit an application for the exemption under this  
14 Section to the chief county assessment officer with respect to  
15 a specific property before the veteran purchases the property.  
16 The chief county assessment officer shall process the  
17 application under this subsection within 15 days after receipt  
18 of the application and shall notify the applicant of the  
19 approval or denial of the application.

20 (f) For the purposes of this Section:

21 "Qualified residence" means real property, but less any  
22 portion of that property that is used for commercial purposes,  
23 with an equalized assessed value of less than \$250,000 that is  
24 the primary residence of a veteran with a disability. Property  
25 rented for more than 6 months is presumed to be used for  
26 commercial purposes.

1 "Veteran" means an Illinois resident who has served as a  
2 member of the United States Armed Forces on active duty or  
3 State active duty, a member of the Illinois National Guard, or  
4 a member of the United States Reserve Forces and who has  
5 received an honorable discharge.

6 (Source: P.A. 101-635, eff. 6-5-20; 102-136, eff. 7-23-21;  
7 102-895, eff. 5-23-22; revised 9-6-22.)

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.