

1 AN ACT concerning taxation.

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. Homestead  
8 property is entitled to an annual homestead exemption  
9 limited, except as described here with relation to  
10 cooperatives, to a reduction in the equalized assessed value  
11 of homestead property equal to the increase in equalized  
12 assessed value for the current assessment year above the  
13 equalized assessed value of the property for 1977, up to the  
14 maximum reduction set forth below. If however, the 1977  
15 equalized assessed value upon which taxes were paid is  
16 subsequently determined by local assessing officials, the  
17 Property Tax Appeal Board, or a court to have been excessive,  
18 the equalized assessed value which should have been placed on  
19 the property for 1977 shall be used to determine the amount  
20 of the exemption.

21 The maximum reduction shall be \$4,500 in counties with  
22 3,000,000 or more inhabitants and ~~and--\$3,500--in--all--other~~  
23 counties. In all other counties the maximum reduction shall  
24 be \$3,500 for taxable years 2002 and before and \$4,500 for  
25 taxable years 2003 and thereafter.

26 In counties with fewer than 3,000,000 inhabitants, if,  
27 based on the most recent assessment, the equalized assessed  
28 value of the homestead property for the current assessment  
29 year is greater than the equalized assessed value of the  
30 property for 1977, the owner of the property shall  
31 automatically receive the exemption granted under this

1 Section in an amount equal to the increase over the 1977  
2 assessment up to the maximum reduction set forth in this  
3 Section.

4 If in any assessment year beginning with the 2000  
5 assessment year, homestead property has a pro-rata valuation  
6 under Section 9-180 resulting in an increase in the assessed  
7 valuation, a reduction in equalized assessed valuation equal  
8 to the increase in equalized assessed value of the property  
9 for the year of the pro-rata valuation above the equalized  
10 assessed value of the property for 1977 shall be applied to  
11 the property on a proportionate basis for the period the  
12 property qualified as homestead property during the  
13 assessment year. The maximum proportionate homestead  
14 exemption shall not exceed the maximum homestead exemption  
15 allowed in the county under this Section divided by 365 and  
16 multiplied by the number of days the property qualified as  
17 homestead property.

18 "Homestead property" under this Section includes  
19 residential property that is occupied by its owner or owners  
20 as his or their principal dwelling place, or that is a  
21 leasehold interest on which a single family residence is  
22 situated, which is occupied as a residence by a person who  
23 has an ownership interest therein, legal or equitable or as a  
24 lessee, and on which the person is liable for the payment of  
25 property taxes. For land improved with an apartment building  
26 owned and operated as a cooperative or a building which is a  
27 life care facility as defined in Section 15-170 and  
28 considered to be a cooperative under Section 15-170, the  
29 maximum reduction from the equalized assessed value shall be  
30 limited to the increase in the value above the equalized  
31 assessed value of the property for 1977, up to the maximum  
32 reduction set forth above, multiplied by the number of  
33 apartments or units occupied by a person or persons who is  
34 liable, by contract with the owner or owners of record, for

1 paying property taxes on the property and is an owner of  
2 record of a legal or equitable interest in the cooperative  
3 apartment building, other than a leasehold interest. For  
4 purposes of this Section, the term "life care facility" has  
5 the meaning stated in Section 15-170.

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

12 Where married persons maintain and reside in separate  
13 residences qualifying as homestead property, each residence  
14 shall receive 50% of the total reduction in equalized  
15 assessed valuation provided by this Section.

16 In counties with more than 3,000,000 inhabitants, the  
17 assessor or chief county assessment officer may determine the  
18 eligibility of residential property to receive the homestead  
19 exemption by application, visual inspection, questionnaire or  
20 other reasonable methods. The determination shall be made in  
21 accordance with guidelines established by the Department. In  
22 counties with fewer than 3,000,000 inhabitants, in the event  
23 of a sale of homestead property the homestead exemption shall  
24 remain in effect for the remainder of the assessment year of  
25 the sale. The assessor or chief county assessment officer  
26 may require the new owner of the property to apply for the  
27 homestead exemption for the following assessment year.

28 (Source: P.A. 90-368, eff. 1-1-98; 90-552, eff. 12-12-97;  
29 90-655, eff. 7-30-98; 91-346, eff. 7-29-99.)

30 Section 99. Effective date. This Act takes effect upon  
31 becoming law.