



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 2/6/2004, by Joe Dunn

**SYNOPSIS AS INTRODUCED:**

320 ILCS 30/Act title	
320 ILCS 30/1	from Ch. 67 1/2, par. 451
320 ILCS 30/2	from Ch. 67 1/2, par. 452
320 ILCS 30/3	from Ch. 67 1/2, par. 453
320 ILCS 30/4	from Ch. 67 1/2, par. 454
320 ILCS 30/5	from Ch. 67 1/2, par. 455
320 ILCS 30/6	from Ch. 67 1/2, par. 456
320 ILCS 30/7	from Ch. 67 1/2, par. 457
320 ILCS 30/8	from Ch. 67 1/2, par. 458
320 ILCS 30/8.1 new	

Amends the Senior Citizens Real Estate Tax Deferral Act. Changes the name of the Act to the Real Estate Tax Deferral Act. Removes all age and income requirements.

LRB093 19891 SJM 45634 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning tax deferral.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Senior Citizens Real Estate Tax Deferral Act  
5 is amended by changing the title of the Act and Sections 1, 2,  
6 3, 4, 5, 6, 7, and 8 and by adding Section 8.1 as follows:

7 (320 ILCS 30/Act title)

8 An Act in relation to the deferral of payment of real  
9 estate taxes ~~by persons 65 years of age and over.~~

10 (320 ILCS 30/1) (from Ch. 67 1/2, par. 451)

11 Sec. 1. Short title. This Act ~~shall be known and~~ may be  
12 cited as the ~~"Senior Citizens~~ Real Estate Tax Deferral Act".

13 (Source: P.A. 83-895.)

14 (320 ILCS 30/2) (from Ch. 67 1/2, par. 452)

15 Sec. 2. Definitions. As used in this Act:

16 ~~(a) "Taxpayer" means an individual whose household income~~  
17 ~~for the year is no greater than \$40,000.~~

18 ~~(b) "Tax deferred property" means the property upon which~~  
19 real estate taxes are deferred under this Act.

20 ~~(c) "Homestead" means the land and buildings thereon,~~  
21 including a condominium or a dwelling unit in a multidwelling  
22 building that is owned and operated as a cooperative, occupied  
23 by the taxpayer as his or her residence or that ~~which~~ are  
24 temporarily unoccupied by the taxpayer because that ~~such~~  
25 taxpayer is temporarily residing, for not more than one ~~±~~ year,  
26 in a licensed facility as defined in Section 1-113 of the  
27 Nursing Home Care Act.

28 ~~(d) "Real estate taxes" or "taxes" means the taxes on real~~  
29 property for which the taxpayer would be liable under the  
30 Property Tax Code, including special service area taxes, and

1 special assessments on benefited real property for which the  
2 taxpayer would be liable to a unit of local government.

3 ~~(e)~~ "Department" means the Department of Revenue.

4 ~~(f)~~ "Qualifying property" means a homestead that ~~which~~ (a)  
5 the taxpayer or the taxpayer and his or her spouse own in fee  
6 simple or are purchasing in fee simple under a recorded  
7 instrument of sale, (b) is not income-producing property, (c)  
8 is not subject to a lien for unpaid real estate taxes when a  
9 claim under this Act is filed.

10 ~~(g)~~ "Equity interest" means the current assessed valuation  
11 of the qualified property times the fraction necessary to  
12 convert that figure to full market value minus any outstanding  
13 debts or liens on that property. In the case of qualifying  
14 property not having a separate assessed valuation, the  
15 appraised value as determined by a qualified real estate  
16 appraiser shall be used instead of the current assessed  
17 valuation.

18 ~~(h) "Household income" has the meaning ascribed to that~~  
19 ~~term in the Senior Citizens and Disabled Persons Property Tax~~  
20 ~~Relief and Pharmaceutical Assistance Act.~~

21 ~~(i)~~ "Collector" means the county collector or, if the taxes  
22 to be deferred are special assessments, an official designated  
23 by a unit of local government to collect special assessments.

24 (Source: P.A. 92-639, eff. 1-1-03.)

25 (320 ILCS 30/3) (from Ch. 67 1/2, par. 453)

26 Sec. 3. Deferral. A taxpayer may, on or before March 1 of  
27 each year, apply to the county collector of the county where  
28 his or her qualifying property is located, or to the official  
29 designated by a unit of local government to collect special  
30 assessments on the qualifying property, as the case may be, for  
31 a deferral of all or a part of real estate taxes payable during  
32 that year for the preceding year in the case of real estate  
33 taxes other than special assessments, or for a deferral of any  
34 installments payable during that year in the case of special  
35 assessments, on all or part of his qualifying property. The

1 application shall be on a form prescribed by the Department and  
2 furnished by the collector, (a) ~~showing that the applicant will~~  
3 ~~be 65 years of age or older by June 1 of the year for which a~~  
4 ~~tax deferral is claimed, (b)~~ describing the property and  
5 verifying that the property is qualifying property as defined  
6 in Section 2, (b) ~~(c)~~ certifying that the taxpayer has owned  
7 and occupied as his or her residence such property or other  
8 qualifying property in the State for at least the last 3 years  
9 except for any periods during which the taxpayer may have  
10 temporarily resided in a nursing or sheltered care home, and  
11 (c) ~~(d)~~ specifying whether the deferral is for all or a part of  
12 the taxes, and, if for a part, the amount of deferral applied  
13 for. As to qualifying property not having a separate assessed  
14 valuation, the taxpayer shall also file with the county  
15 collector a written appraisal of the property prepared by a  
16 qualified real estate appraiser together with a certificate  
17 signed by the appraiser stating that he has personally examined  
18 the property and setting forth the value of the land and the  
19 value of the buildings thereon occupied by the taxpayer as his  
20 or her residence.

21 The collector shall grant the tax deferral provided the  
22 ~~such~~ deferral does not exceed funds available in the ~~Senior~~  
23 ~~Citizens~~ Real Estate Deferred Tax Revolving Fund and provided  
24 that the owner or owners of the ~~such~~ real property have entered  
25 into a tax deferral and recovery agreement with the collector  
26 on behalf of the county or other unit of local government,  
27 which agreement expressly states:

28 (1) That the total amount of taxes deferred under this Act,  
29 plus interest, for the year for which a tax deferral is claimed  
30 as well as for those previous years for which taxes are not  
31 delinquent and for which the ~~such~~ deferral has been claimed may  
32 not exceed 80% of the taxpayer's equity interest in the  
33 property for which taxes are to be deferred and that, if the  
34 total deferred taxes plus interest equals 80% of the taxpayer's  
35 equity interest in the property, the taxpayer shall thereafter  
36 pay the annual interest due on the ~~such~~ deferred taxes plus

1 interest so that total deferred taxes plus interest will not  
2 exceed such 80% of the taxpayer's equity interest in the  
3 property.

4 (2) That any real estate taxes deferred under this Act and  
5 any interest accrued thereon at the rate of 6% per year are a  
6 lien on the real estate and improvements thereon until paid. No  
7 sale or transfer of the ~~such~~ real property may be legally  
8 closed and recorded until the taxes that ~~which~~ would otherwise  
9 have been due on the property, plus accrued interest, have been  
10 paid unless the collector certifies in writing that an  
11 arrangement for prompt payment of the amount due has been made  
12 with his or her office. The same shall apply if the property is  
13 to be made the subject of a contract of sale.

14 (3) That upon the death of the taxpayer claiming the  
15 deferral, the heirs-at-law, assignees, or legatees shall have  
16 first priority to the real property upon which taxes have been  
17 deferred by paying in full the total taxes that ~~which~~ would  
18 otherwise have been due, plus interest. However, if the ~~such~~  
19 heir-at-law, assignee, or legatee is a surviving spouse, the  
20 tax deferred status of the property shall be continued during  
21 the life of that surviving spouse if the spouse ~~is 55 years of~~  
22 ~~age or older within 6 months of the date of death of the~~  
23 ~~taxpayer and~~ enters into a tax deferral and recovery agreement  
24 before the time when deferred taxes become due under this  
25 Section. Any additional taxes deferred, plus interest, on the  
26 real property under a tax deferral and recovery agreement  
27 signed by a surviving spouse shall be added to the taxes and  
28 interest that ~~which~~ would otherwise have been due, and the  
29 payment of which has been postponed during the life of the ~~such~~  
30 surviving spouse, in determining the 80% equity requirement  
31 provided by this Section.

32 (4) That if the taxes due, plus interest, are not paid by  
33 the heir-at-law, assignee, or legatee or if payment is not  
34 postponed during the life of a surviving spouse, the deferred  
35 taxes and interest shall be recovered from the estate of the  
36 taxpayer within one year after ~~of~~ the date of his or her death.

1 In addition, deferred real estate taxes and any interest  
2 accrued thereon are due within 90 days after any tax deferred  
3 property ceases to be qualifying property as defined in Section  
4 2.

5 If payment is not made when required by this Section,  
6 foreclosure proceedings may be instituted under the Property  
7 Tax Code.

8 (5) That any joint owner has given written prior approval  
9 for such agreement, which written approval shall be made a part  
10 of the ~~such~~ agreement.

11 (6) That a guardian for a person under legal disability  
12 appointed for a taxpayer who otherwise qualifies under this Act  
13 may act for the taxpayer in complying with this Act.

14 (7) That a taxpayer or his or her agent has provided to the  
15 satisfaction of the collector, sufficient evidence that the  
16 qualifying property on which the taxes are to be deferred is  
17 insured against fire or casualty loss for at least the total  
18 amount of taxes that ~~which~~ have been deferred.

19 If the taxes to be deferred are special assessments, the  
20 unit of local government making the assessments shall forward a  
21 copy of the agreement entered into pursuant to this Section and  
22 the bills for those ~~such~~ assessments to the county collector of  
23 the county in which the qualifying property is located.

24 (Source: P.A. 90-170, eff. 7-23-97; 91-357, eff. 7-29-99.)

25 (320 ILCS 30/4) (from Ch. 67 1/2, par. 454)

26 Sec. 4. Recording of statement. In the case of each tax  
27 deferral and recovery agreement entered into between the  
28 collector and the owner or owners of qualifying property, the  
29 collector shall forthwith cause to be recorded with the  
30 recorder of the county in which the qualifying property is  
31 located a statement of their action, which shall constitute a  
32 lien upon the real estate and improvements thereon covered by  
33 the ~~such~~ agreement for those ~~such~~ taxes as have been deferred  
34 under the provisions of this Act, plus accrued interest as  
35 provided for by Section 3. In the case of a dwelling unit in a

1 multidwelling building that is owned and operated as a  
2 cooperative, the lien shall be upon only that portion of the  
3 real estate that constitutes a homestead exemption occupied by  
4 the taxpayer. The statement shall name the owner or owners and  
5 shall include a description of the real estate adequate for  
6 identification. The filing fee for the ~~such~~ statement shall be  
7 paid by the county or other unit of local government and shall  
8 be added to and become a part of the deferred taxes due.

9 (Source: P.A. 88-268.)

10 (320 ILCS 30/5) (from Ch. 67 1/2, par. 455)

11 Sec. 5. The county collector shall note on his or her books  
12 each claim for deferral of real estate taxes that ~~which~~ meets  
13 the requirements of Section 3 and, when taxes are extended,  
14 shall send to the Department the tax bills, including special  
15 assessment bills forwarded to the county collector under  
16 Section 3, on all tax deferred property in that collector's  
17 county. The Department shall then pay by June 1 or within 30  
18 days after ~~of~~ the receipt of these tax bills, whichever is  
19 later, to the county collector, for distribution to the taxing  
20 bodies in his county, the total amount of taxes so deferred.  
21 The Department shall make these payments from the ~~Senior~~  
22 ~~Citizens~~ Real Estate Deferred Tax Revolving Fund.

23 (Source: P.A. 84-807.)

24 (320 ILCS 30/6) (from Ch. 67 1/2, par. 456)

25 Sec. 6. Advance payment. All or any part of taxes deferred  
26 under this Act and the accrued interest thereon, which are not  
27 due under a valid deferral and recovery agreement, may be paid  
28 to the collector at any time by the taxpayer or his or her  
29 spouse, or, if no objection is made by the taxpayer within 10  
30 days after the collector mails him or her a written notice of  
31 the tender of such a payment, by a child, heir, or next of kin  
32 of the taxpayer or other person claiming a legal or equitable  
33 interest in the property. In the absence of a valid agreement  
34 to the contrary and except as otherwise provided by law, such a

1 payment by a person other than the taxpayer or his or her  
2 spouse confers no interest in the property nor claim against  
3 the estate. Payments made under this Section shall be applied  
4 first against accrued interest and any remainder against the  
5 deferred taxes and do not affect the deferred tax status of the  
6 property.

7 (Source: P.A. 84-807.)

8 (320 ILCS 30/7) (from Ch. 67 1/2, par. 457)

9 Sec. 7. Collection and deposit. When any deferred taxes,  
10 including interest, are collected, the moneys shall be credited  
11 to a special account in the treasury of the unit of local  
12 government and the collector shall notify the treasurer of the  
13 unit of local government of the properties for which the taxes  
14 were collected by setting forth a description of the property  
15 and the amount of taxes and interest collected for each  
16 property. The treasurer shall remit by the 10th day of each  
17 month the amount of deferred taxes and accrued interest paid  
18 during the preceding month, minus \$50 or the total amount of  
19 deferred taxes and accrued interest collected, whichever is  
20 less, to the Department. The remittance shall be accompanied by  
21 a statement giving a description for each property for which  
22 the taxes were collected and setting out the amount of the  
23 taxes and interest collected for each property.

24 If the tax deferred property is sold by foreclosure under  
25 the Property Tax Code, the proceeds of the sale which may be  
26 applied under that Act to the payment of real estate taxes and  
27 interest shall be remitted by the county treasurer to the  
28 Department along with a description of the property and the  
29 amount of taxes and interest collected thereon.

30 When any deferred taxes and accrued interest are received  
31 by the Department, it shall enter the amounts received against  
32 the accounts that ~~which~~ have been set up for the tax deferred  
33 properties and shall within 5 days remit those ~~such~~ moneys to  
34 the State Treasurer for deposit into ~~in~~ the ~~Senior Citizens~~  
35 Real Estate Deferred Tax Revolving Fund.



1 (Source: P.A. 88-670, eff. 12-2-94.)

2 (320 ILCS 30/8) (from Ch. 67 1/2, par. 458)

3 Sec. 8. Mortgages; grants. Nothing in this Act (a) affects  
4 any provision of any mortgage or other instrument relating to  
5 land requiring a person to pay real estate taxes or (b) affects  
6 the eligibility of any person to receive any grant pursuant to  
7 the "Senior Citizens and Disabled Persons Property Tax Relief  
8 and Pharmaceutical Assistance Act".

9 (Source: P.A. 84-807; 84-832.)

10 (320 ILCS 30/8.1 new)

11 Sec. 8.1. Cross-references. Any reference in any other law,  
12 rule, form, or other document (i) to the Senior Citizens Real  
13 Estate Tax Deferral Act is deemed to be a reference to the Real  
14 Estate Tax Deferral Act and (ii) to the Senior Citizens Real  
15 Estate Deferral Tax Revolving Fund is deemed to be a reference  
16 to the Real Estate Deferral Tax Revolving Fund.