



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004
SB2168

Introduced 1/14/2004, by William E. Peterson - Adeline Jay
Geo-Karis - Pamela J. Althoff

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-170
35 ILCS 200/15-175

Amends the Property Tax Code. Provides that for all counties, except counties with 3,000,000 or more inhabitants, the maximum reduction from assessed value for the senior citizens homestead exemption shall be \$2,500 for taxable years 2003 and thereafter (now, \$2,000). Provides that for all counties, except counties with 3,000,000 or more inhabitants, the maximum reduction from assessed value for the general homestead exemption shall be \$4,500 for taxable years 2003 and thereafter (now, \$3,500). Effective immediately.

LRB093 14938 SJM 40506 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning taxes.

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 15-170 and 15-175 as follows:

6 (35 ILCS 200/15-170)

7 Sec. 15-170. Senior Citizens Homestead Exemption. An
8 annual homestead exemption limited, except as described here
9 with relation to cooperatives or life care facilities, to a
10 maximum reduction set forth below from the property's value, as
11 equalized or assessed by the Department, is granted for
12 property that is occupied as a residence by a person 65 years
13 of age or older who is liable for paying real estate taxes on
14 the property and is an owner of record of the property or has a
15 legal or equitable interest therein as evidenced by a written
16 instrument, except for a leasehold interest, other than a
17 leasehold interest of land on which a single family residence
18 is located, which is occupied as a residence by a person 65
19 years or older who has an ownership interest therein, legal,
20 equitable or as a lessee, and on which he or she is liable for
21 the payment of property taxes.

22 The maximum reduction shall be \$2,500 in counties with
23 3,000,000 or more inhabitants and ~~\$2,000 in all other counties.~~
24 In all other counties the maximum reduction shall be \$2,000 for
25 taxable years 2002 and before and \$2,500 for taxable years 2003
26 and thereafter.

27 For land improved with an apartment building owned and
28 operated as a cooperative, the maximum reduction from the value
29 of the property, as equalized by the Department, shall be
30 multiplied by the number of apartments or units occupied by a
31 person 65 years of age or older who is liable, by contract with
32 the owner or owners of record, for paying property taxes on the

1 property and is an owner of record of a legal or equitable
2 interest in the cooperative apartment building, other than a
3 leasehold interest. For land improved with a life care
4 facility, the maximum reduction from the value of the property,
5 as equalized by the Department, shall be multiplied by the
6 number of apartments or units occupied by persons 65 years of
7 age or older, irrespective of any legal, equitable, or
8 leasehold interest in the facility, who are liable, under a
9 contract with the owner or owners of record of the facility,
10 for paying property taxes on the property. In a cooperative or
11 a life care facility where a homestead exemption has been
12 granted, the cooperative association or the management firm of
13 the cooperative or facility shall credit the savings resulting
14 from that exemption only to the apportioned tax liability of
15 the owner or resident who qualified for the exemption. Any
16 person who willfully refuses to so credit the savings shall be
17 guilty of a Class B misdemeanor. Under this Section and Section
18 15-175, "life care facility" means a facility as defined in
19 Section 2 of the Life Care Facilities Act, with which the
20 applicant for the homestead exemption has a life care contract
21 as defined in that Act.

22 When a homestead exemption has been granted under this
23 Section and the person qualifying subsequently becomes a
24 resident of a facility licensed under the Nursing Home Care
25 Act, the exemption shall continue so long as the residence
26 continues to be occupied by the qualifying person's spouse if
27 the spouse is 65 years of age or older, or if the residence
28 remains unoccupied but is still owned by the person qualified
29 for the homestead exemption.

30 A person who will be 65 years of age during the current
31 assessment year shall be eligible to apply for the homestead
32 exemption during that assessment year. Application shall be
33 made during the application period in effect for the county of
34 his residence.

35 Beginning with assessment year 2003, for taxes payable in
36 2004, property that is first occupied as a residence after

1 January 1 of any assessment year by a person who is eligible
2 for the senior citizens homestead exemption under this Section
3 must be granted a pro-rata exemption for the assessment year.
4 The amount of the pro-rata exemption is the exemption allowed
5 in the county under this Section divided by 365 and multiplied
6 by the number of days during the assessment year the property
7 is occupied as a residence by a person eligible for the
8 exemption under this Section. The chief county assessment
9 officer must adopt reasonable procedures to establish
10 eligibility for this pro-rata exemption.

11 The assessor or chief county assessment officer may
12 determine the eligibility of a life care facility to receive
13 the benefits provided by this Section, by affidavit,
14 application, visual inspection, questionnaire or other
15 reasonable methods in order to insure that the tax savings
16 resulting from the exemption are credited by the management
17 firm to the apportioned tax liability of each qualifying
18 resident. The assessor may request reasonable proof that the
19 management firm has so credited the exemption.

20 The chief county assessment officer of each county with
21 less than 3,000,000 inhabitants shall provide to each person
22 allowed a homestead exemption under this Section a form to
23 designate any other person to receive a duplicate of any notice
24 of delinquency in the payment of taxes assessed and levied
25 under this Code on the property of the person receiving the
26 exemption. The duplicate notice shall be in addition to the
27 notice required to be provided to the person receiving the
28 exemption, and shall be given in the manner required by this
29 Code. The person filing the request for the duplicate notice
30 shall pay a fee of \$5 to cover administrative costs to the
31 supervisor of assessments, who shall then file the executed
32 designation with the county collector. Notwithstanding any
33 other provision of this Code to the contrary, the filing of
34 such an executed designation requires the county collector to
35 provide duplicate notices as indicated by the designation. A
36 designation may be rescinded by the person who executed such

1 designation at any time, in the manner and form required by the
2 chief county assessment officer.

3 The assessor or chief county assessment officer may
4 determine the eligibility of residential property to receive
5 the homestead exemption provided by this Section by
6 application, visual inspection, questionnaire or other
7 reasonable methods. The determination shall be made in
8 accordance with guidelines established by the Department.

9 In counties with less than 3,000,000 inhabitants, the
10 county board may by resolution provide that if a person has
11 been granted a homestead exemption under this Section, the
12 person qualifying need not reapply for the exemption.

13 In counties with less than 3,000,000 inhabitants, if the
14 assessor or chief county assessment officer requires annual
15 application for verification of eligibility for an exemption
16 once granted under this Section, the application shall be
17 mailed to the taxpayer.

18 The assessor or chief county assessment officer shall
19 notify each person who qualifies for an exemption under this
20 Section that the person may also qualify for deferral of real
21 estate taxes under the Senior Citizens Real Estate Tax Deferral
22 Act. The notice shall set forth the qualifications needed for
23 deferral of real estate taxes, the address and telephone number
24 of county collector, and a statement that applications for
25 deferral of real estate taxes may be obtained from the county
26 collector.

27 Notwithstanding Sections 6 and 8 of the State Mandates Act,
28 no reimbursement by the State is required for the
29 implementation of any mandate created by this Section.

30 (Source: P.A. 92-196, eff. 1-1-02; 93-511, eff. 8-11-03.)

31 (35 ILCS 200/15-175)

32 Sec. 15-175. General homestead exemption. Homestead
33 property is entitled to an annual homestead exemption limited,
34 except as described here with relation to cooperatives, to a
35 reduction in the equalized assessed value of homestead property

1 equal to the increase in equalized assessed value for the
2 current assessment year above the equalized assessed value of
3 the property for 1977, up to the maximum reduction set forth
4 below. If however, the 1977 equalized assessed value upon which
5 taxes were paid is subsequently determined by local assessing
6 officials, the Property Tax Appeal Board, or a court to have
7 been excessive, the equalized assessed value which should have
8 been placed on the property for 1977 shall be used to determine
9 the amount of the exemption.

10 The maximum reduction shall be \$4,500 in counties with
11 3,000,000 or more inhabitants ~~and \$3,500 in all other counties.~~
12 In all other counties the maximum reduction shall be \$3,500 for
13 taxable years 2002 and before and \$4,500 for taxable years 2003
14 and thereafter.

15 In counties with fewer than 3,000,000 inhabitants, if,
16 based on the most recent assessment, the equalized assessed
17 value of the homestead property for the current assessment year
18 is greater than the equalized assessed value of the property
19 for 1977, the owner of the property shall automatically receive
20 the exemption granted under this Section in an amount equal to
21 the increase over the 1977 assessment up to the maximum
22 reduction set forth in this Section.

23 If in any assessment year beginning with the 2000
24 assessment year, homestead property has a pro-rata valuation
25 under Section 9-180 resulting in an increase in the assessed
26 valuation, a reduction in equalized assessed valuation equal to
27 the increase in equalized assessed value of the property for
28 the year of the pro-rata valuation above the equalized assessed
29 value of the property for 1977 shall be applied to the property
30 on a proportionate basis for the period the property qualified
31 as homestead property during the assessment year. The maximum
32 proportionate homestead exemption shall not exceed the maximum
33 homestead exemption allowed in the county under this Section
34 divided by 365 and multiplied by the number of days the
35 property qualified as homestead property.

36 "Homestead property" under this Section includes

1 residential property that is occupied by its owner or owners as
2 his or their principal dwelling place, or that is a leasehold
3 interest on which a single family residence is situated, which
4 is occupied as a residence by a person who has an ownership
5 interest therein, legal or equitable or as a lessee, and on
6 which the person is liable for the payment of property taxes.
7 For land improved with an apartment building owned and operated
8 as a cooperative or a building which is a life care facility as
9 defined in Section 15-170 and considered to be a cooperative
10 under Section 15-170, the maximum reduction from the equalized
11 assessed value shall be limited to the increase in the value
12 above the equalized assessed value of the property for 1977, up
13 to the maximum reduction set forth above, multiplied by the
14 number of apartments or units occupied by a person or persons
15 who is liable, by contract with the owner or owners of record,
16 for paying property taxes on the property and is an owner of
17 record of a legal or equitable interest in the cooperative
18 apartment building, other than a leasehold interest. For
19 purposes of this Section, the term "life care facility" has the
20 meaning stated in Section 15-170.

21 In a cooperative where a homestead exemption has been
22 granted, the cooperative association or its management firm
23 shall credit the savings resulting from that exemption only to
24 the apportioned tax liability of the owner who qualified for
25 the exemption. Any person who willfully refuses to so credit
26 the savings shall be guilty of a Class B misdemeanor.

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

31 In counties with more than 3,000,000 inhabitants, the
32 assessor or chief county assessment officer may determine the
33 eligibility of residential property to receive the homestead
34 exemption by application, visual inspection, questionnaire or
35 other reasonable methods. The determination shall be made in
36 accordance with guidelines established by the Department. In

1 counties with fewer than 3,000,000 inhabitants, in the event of
2 a sale of homestead property the homestead exemption shall
3 remain in effect for the remainder of the assessment year of
4 the sale. The assessor or chief county assessment officer may
5 require the new owner of the property to apply for the
6 homestead exemption for the following assessment year.

7 (Source: P.A. 90-368, eff. 1-1-98; 90-552, eff. 12-12-97;
8 90-655, eff. 7-30-98; 91-346, eff. 7-29-99.)

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