



Adopted in House Comm. on Nov 28, 2006

09400SB2300ham001

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1 AMENDMENT TO SENATE BILL 2300

2 AMENDMENT NO. _____. Amend Senate Bill 2300 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing
5 Sections 12-55, 15-176, and 20-5 as follows:

6 (35 ILCS 200/12-55)

7 Sec. 12-55. Notice requirement if assessment is increased;
8 counties of 3,000,000 or more.

9 (a) In counties with 3,000,000 or more inhabitants, a
10 revision by the county assessor, except where such revision is
11 made on complaint of the owner, shall not increase an
12 assessment without notice to the person to whom the most recent
13 tax bill was mailed and an opportunity to be heard before the
14 assessment is verified. When a notice is mailed by the county
15 assessor to the address of a mortgagee, the mortgagee, within 7
16 business days after the mortgagee receives the notice, shall
17 forward a copy of the notice to each mortgagor of the property
18 referred to in the notice at the last known address of each
19 mortgagor as shown on the records of the mortgagee. There shall
20 be no liability for the failure of the mortgagee to forward the
21 notice to each mortgagor. The assessor may provide for the
22 filing of complaints and make revisions at times other than
23 those dates published under Section 14-35. When the county
24 assessor has completed the revision and correction and entered

1 the changes and revision in the assessment books, an affidavit
2 shall be attached to the assessment books in the form required
3 by law, signed by the county assessor.

4 (b) In counties with 3,000,000 or more inhabitants, for
5 parcels, other than parcels in the class that includes the
6 majority of the single-family residential parcels under a
7 county ordinance adopted in accordance with Section 4 of
8 Article IX of the Illinois Constitution, located in the
9 assessment district for which the current assessment year is a
10 general assessment year, within 30 days after sending the
11 required notices under this Section, the county assessor shall
12 file with the board of appeals (until the first Monday in
13 December 1998, and the board of review beginning the first
14 Monday in December 1998 and thereafter) a list of the parcels
15 for which the notices under this Section were sent, showing the
16 following information for each such parcel: the parcel index
17 number, the township in which the parcel is located, the class
18 for the current year, the previous year's final total assessed
19 value, the total assessed value proposed by the county
20 assessor, and the name of the person to whom the notice
21 required under this Section was sent. The list shall be
22 available for public inspection at the office of the board
23 during the regular office hours of the board. The list shall be
24 retained by the board for at least 10 years after the date it
25 is initially filed by the county assessor.

26 (c) The provisions of subsection (b) of this Section shall
27 be applicable beginning with the assessment for the 1997 tax
28 year.

29 (d) On and after the effective date of this amendatory Act
30 of the 94th General Assembly and so long as any portion of the
31 county is subject to the provisions of Section 15-176 instead
32 of Section 15-175, the notice required under this Section must
33 include the following statement:

34 Beginning in 2003, the Cook County Board imposed a 7%

1 cap on annual increases in property tax assessments for
2 certain owner-occupied residences. This assessment cap
3 takes the form of an expanded homestead exemption. It is
4 designed to reduce the burden of large property tax
5 increases caused by rapid appreciation in home prices.

6 The assessment cap shifts the property tax burden. Some
7 homeowners pay less, but all other taxpayers pay more. This
8 is because a reduction in the assessed value of some
9 properties causes the tax rate to increase for all
10 properties in order for the taxing district to collect the
11 same total amount in taxes.

12 The taxpayers who pay more include owners of rental
13 housing, commercial property, industrial property, and
14 vacant land. The higher rate also causes some senior
15 citizen homeowners to pay more because, though technically
16 eligible for the 7% assessment cap, they already qualify
17 for the more advantageous "senior freeze" on assessments.
18 Similarly, homeowners whose property value appreciates
19 less than 7% annually will also pay more in taxes than if
20 the assessment cap were not in effect.

21 In general, the assessment cap shifts the tax burden
22 from fast-growing to slow-growing residential areas and
23 from homeowners to businesses. The magnitude of the shift
24 will depend on how rapidly home prices appreciate over
25 time.

26 Property tax bills for homestead property will
27 indicate whether the property taxes are more, less, or the
28 same as a result of the county's election to implement an
29 assessment cap.

30 No other information related to the operation of the
31 alternative general homestead exemption may be included with
32 the notice required under this subsection (d).

33 (Source: P.A. 90-4, eff. 3-7-97; 91-751, eff. 6-2-00.)

1 (35 ILCS 200/15-176)

2 Sec. 15-176. Alternative general homestead exemption.

3 (a) For the assessment years as determined under subsection
4 (j), in any county that has elected, by an ordinance in
5 accordance with subsection (k), to be subject to the provisions
6 of this Section in lieu of the provisions of Section 15-175,
7 homestead property is entitled to an annual homestead exemption
8 equal to a reduction in the property's equalized assessed value
9 calculated as provided in this Section.

10 (b) As used in this Section:

11 (1) "Assessor" means the supervisor of assessments or
12 the chief county assessment officer of each county.

13 (2) "Adjusted homestead value" means the lesser of the
14 following values:

15 (A) The property's base homestead value increased
16 by 7% for each tax year after the base year through and
17 including the current tax year, or, if the property is
18 sold or ownership is otherwise transferred, the
19 property's base homestead value increased by 7% for
20 each tax year after the year of the sale or transfer
21 through and including the current tax year. The
22 increase by 7% each year is an increase by 7% over the
23 prior year.

24 (B) The property's equalized assessed value for
25 the current tax year minus (i) \$4,500 in Cook County or
26 \$3,500 in all other counties in tax year 2003 or (ii)
27 \$5,000 in all counties in tax year 2004 and thereafter.

28 (3) "Base homestead value".

29 (A) Except as provided in subdivision (b)(3)(B),
30 "base homestead value" means the equalized assessed
31 value of the property for the base year prior to
32 exemptions, minus (i) \$4,500 in Cook County or \$3,500
33 in all other counties in tax year 2003 or (ii) \$5,000
34 in all counties in tax year 2004 and thereafter,

1 provided that it was assessed for that year as
2 residential property qualified for any of the
3 homestead exemptions under Sections 15-170 through
4 15-175 of this Code, then in force, and further
5 provided that the property's assessment was not based
6 on a reduced assessed value resulting from a temporary
7 irregularity in the property for that year. Except as
8 provided in subdivision (b) (3) (B), if the property did
9 not have a residential equalized assessed value for the
10 base year, then "base homestead value" means the base
11 homestead value established by the assessor under
12 subsection (c).

13 (B) If the property is sold or ownership is
14 otherwise transferred, other than sales or transfers
15 between spouses or between a parent and a child, "base
16 homestead value" means the equalized assessed value of
17 the property at the time of the sale or transfer prior
18 to exemptions, minus (i) \$4,500 in Cook County or
19 \$3,500 in all other counties in tax year 2003 or (ii)
20 \$5,000 in all counties in tax year 2004 and thereafter,
21 provided that it was assessed as residential property
22 qualified for any of the homestead exemptions under
23 Sections 15-170 through 15-175 of this Code, then in
24 force, and further provided that the property's
25 assessment was not based on a reduced assessed value
26 resulting from a temporary irregularity in the
27 property.

28 (3.5) "Base year" means (i) tax year 2002 in Cook
29 County or (ii) tax year 2004 or 2005 ~~2002 or 2003~~ in all
30 other counties in accordance with the designation made by
31 the county as provided in subsection (k).

32 (4) "Current tax year" means the tax year for which the
33 exemption under this Section is being applied.

34 (5) "Equalized assessed value" means the property's

1 assessed value as equalized by the Department.

2 (6) "Homestead" or "homestead property" means:

3 (A) Residential property that as of January 1 of
4 the tax year is occupied by its owner or owners as his,
5 her, or their principal dwelling place, or that is a
6 leasehold interest on which a single family residence
7 is situated, that is occupied as a residence by a
8 person who has a legal or equitable interest therein
9 evidenced by a written instrument, as an owner or as a
10 lessee, and on which the person is liable for the
11 payment of property taxes. Residential units in an
12 apartment building owned and operated as a
13 cooperative, or as a life care facility, which are
14 occupied by persons who hold a legal or equitable
15 interest in the cooperative apartment building or life
16 care facility as owners or lessees, and who are liable
17 by contract for the payment of property taxes, shall be
18 included within this definition of homestead property.

19 (B) A homestead includes the dwelling place,
20 appurtenant structures, and so much of the surrounding
21 land constituting the parcel on which the dwelling
22 place is situated as is used for residential purposes.
23 If the assessor has established a specific legal
24 description for a portion of property constituting the
25 homestead, then the homestead shall be limited to the
26 property within that description.

27 (7) "Life care facility" means a facility as defined in
28 Section 2 of the Life Care Facilities Act.

29 (c) If the property did not have a residential equalized
30 assessed value for the base year as provided in subdivision
31 (b) (3) (A) of this Section, then the assessor shall first
32 determine an initial value for the property by comparison with
33 assessed values for the base year of other properties having
34 physical and economic characteristics similar to those of the

1 subject property, so that the initial value is uniform in
2 relation to assessed values of those other properties for the
3 base year. The product of the initial value multiplied by the
4 equalized factor for the base year for homestead properties in
5 that county, less (i) \$4,500 in Cook County or \$3,500 in all
6 other counties in tax year 2003 or (ii) \$5,000 in all counties
7 in tax year 2004 and thereafter, is the base homestead value.

8 For any tax year for which the assessor determines or
9 adjusts an initial value and hence a base homestead value under
10 this subsection (c), the initial value shall be subject to
11 review by the same procedures applicable to assessed values
12 established under this Code for that tax year.

13 (d) The base homestead value shall remain constant, except
14 that the assessor may revise it under the following
15 circumstances:

16 (1) If the equalized assessed value of a homestead
17 property for the current tax year is less than the previous
18 base homestead value for that property, then the current
19 equalized assessed value (provided it is not based on a
20 reduced assessed value resulting from a temporary
21 irregularity in the property) shall become the base
22 homestead value in subsequent tax years.

23 (2) For any year in which new buildings, structures, or
24 other improvements are constructed on the homestead
25 property that would increase its assessed value, the
26 assessor shall adjust the base homestead value as provided
27 in subsection (c) of this Section with due regard to the
28 value added by the new improvements.

29 (3) If the property is sold or ownership is otherwise
30 transferred, the base homestead value of the property shall
31 be adjusted as provided in subdivision (b) (3) (B). This item
32 (3) does not apply to sales or transfers between spouses or
33 between a parent and a child.

34 (e) The amount of the exemption under this Section is the

1 equalized assessed value of the homestead property for the
2 current tax year, minus the adjusted homestead value, with the
3 following exceptions:

4 (1) The exemption under this Section shall not exceed
5 \$20,000 for any taxable year.

6 (2) In the case of homestead property that also
7 qualifies for the exemption under Section 15-172, the
8 property is entitled to the exemption under this Section,
9 limited to the amount of (i) \$4,500 in Cook County or
10 \$3,500 in all other counties in tax year 2003 or (ii)
11 \$5,000 in all counties in tax year 2004 and thereafter.

12 (e-5) For each assessment year in which the alternative
13 general homestead exemption under this Section applies to any
14 portion of the county, the county clerk must determine whether
15 the taxes for that year on each homestead property are more,
16 less, or the same as a result of the county having elected to
17 be subject to the provisions of this Section rather than the
18 general homestead exemption under Section 15-175. The assessor
19 must provide the county clerk with any assistance that the
20 clerk requires. The determination of whether the taxes for that
21 year are more, less, or the same must be made without regard to
22 any other factor. In making the determination, the actual taxes
23 on the property for that year shall be compared to what the
24 taxes would have been for that year had the county not elected
25 to be subject to the provisions of this Section. In calculating
26 what the taxes would have been for that year had the county not
27 elected to be subject to the provisions of this Section, the
28 county clerk shall use the equalized assessed value of the
29 homestead property and the combined tax rate of all taxing
30 districts, both computed based on the assumption that the
31 general homestead exemption under Section 15-175 was in effect
32 throughout the county when this Section applied to any portion
33 of the county.

34 The county clerk must provide the results of these

1 calculations for each homestead property to the assessor and to
2 the official in the county who is responsible for preparing and
3 mailing the property tax bills so that the official and
4 assessor can comply with subsections (b) and (c) of Section
5 20-5. For the purpose of this subsection, "homestead property"
6 has the definition set forth under Section 15-175.

7 (f) In the case of an apartment building owned and operated
8 as a cooperative, or as a life care facility, that contains
9 residential units that qualify as homestead property under this
10 Section, the maximum cumulative exemption amount attributed to
11 the entire building or facility shall not exceed the sum of the
12 exemptions calculated for each qualified residential unit. The
13 cooperative association, management firm, or other person or
14 entity that manages or controls the cooperative apartment
15 building or life care facility shall credit the exemption
16 attributable to each residential unit only to the apportioned
17 tax liability of the owner or other person responsible for
18 payment of taxes as to that unit. Any person who willfully
19 refuses to so credit the exemption is guilty of a Class B
20 misdemeanor.

21 (g) When married persons maintain separate residences, the
22 exemption provided under this Section shall be claimed by only
23 one such person and for only one residence.

24 (h) In the event of a sale or other transfer in ownership
25 of the homestead property, the exemption under this Section
26 shall remain in effect for the remainder of the tax year in
27 which the sale or transfer occurs, but (other than for sales or
28 transfers between spouses or between a parent and a child)
29 shall be calculated using the new base homestead value as
30 provided in subdivision (b) (3) (B). The assessor may require the
31 new owner of the property to apply for the exemption in the
32 following year.

33 (i) The assessor may determine whether property qualifies
34 as a homestead under this Section by application, visual

1 inspection, questionnaire, or other reasonable methods. Each
2 year, at the time the assessment books are certified to the
3 county clerk by the board of review, the assessor shall furnish
4 to the county clerk a list of the properties qualified for the
5 homestead exemption under this Section. The list shall note the
6 base homestead value of each property to be used in the
7 calculation of the exemption for the current tax year.

8 (j) In counties with 3,000,000 or more inhabitants, the
9 provisions of this Section apply as follows:

10 (1) If the general assessment year for the property is
11 2003, this Section applies for assessment years 2003, 2004,
12 and 2005. Thereafter, the provisions of Section 15-175
13 apply.

14 (2) If the general assessment year for the property is
15 2004, this Section applies for assessment years 2004, 2005,
16 and 2006. Thereafter, the provisions of Section 15-175
17 apply.

18 (3) If the general assessment year for the property is
19 2005, this Section applies for assessment years 2005, 2006,
20 and 2007. Thereafter, the provisions of Section 15-175
21 apply.

22 (4) If the general assessment year for the property is
23 2006 and only if the county elects, by ordinance, to extend
24 the application of this Section under subsection (k-5),
25 then this Section continues to apply for assessment years
26 2006, 2007, and 2008. Thereafter, the provisions of Section
27 15-175 apply.

28 (5) If the general assessment year for the property is
29 2007 and only if the county elects, by ordinance, to extend
30 the application of this Section under subsection (k-5),
31 then this Section continues to apply for assessment years
32 2007, 2008, and 2009. Thereafter, the provisions of Section
33 15-175 apply.

34 (6) If the general assessment year for the property is

1 2008 and only if the county elects, by ordinance, to extend
2 the application of this Section under subsection (k-5),
3 then this Section continues to apply for assessment years
4 2008, 2009, and 2010. Thereafter, the provisions of Section
5 15-175 apply.

6 In counties with less than 3,000,000 inhabitants, this
7 Section applies for assessment years (i) 2005, 2006, and 2007
8 if tax year 2004 ~~2003, 2004, and 2005~~ if 2002 is the designated
9 base year or (ii) 2006, 2007, and 2008 if tax year 2005 ~~2004,~~
10 ~~2005, and 2006~~ if 2003 is the designated base year. Thereafter,
11 the provisions of Section 15-175 apply.

12 (k) To be subject to the provisions of this Section in lieu
13 of Section 15-175, a county must adopt an ordinance to subject
14 itself to the provisions of this Section within (i) 6 months
15 after the effective date of this amendatory Act of the 93rd
16 General Assembly for Cook County, except as provided in
17 subsection (k-5), or (ii) within 6 months after the effective
18 date of this amendatory Act of the 94th General Assembly for
19 all other counties. In a county other than Cook County, the
20 ordinance must designate either tax year 2004 ~~2002~~ or tax year
21 2005 ~~2003~~ as the base year.

22 (k-5) Cook County may elect, by ordinance, to extend the
23 application of this Section for the assessment years set forth
24 under items (4), (5), and (6) of subsection (j). The ordinance
25 must be adopted within 6 months after the effective date of
26 this amendatory Act of the 94th General Assembly.

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

30 (Source: P.A. 93-715, eff. 7-12-04.)

31 (35 ILCS 200/20-5)

32 Sec. 20-5. Mailing tax bill to owner.

33 (a) Every township collector, and every county collector in

1 cases where there is no township collector, upon receiving the
2 tax book or books, shall prepare tax bills showing each
3 installment of property taxes assessed, which shall be filled
4 out in accordance with Section 20-40. A copy of the bill shall
5 be mailed by the collector, at least 30 days prior to the date
6 upon which unpaid taxes become delinquent, to the owner of the
7 property taxed or to the person in whose name the property is
8 taxed.

9 (b) In each county in which the county clerk is required to
10 make the determinations under subsection (e-5) of Section
11 15-176, the tax bill for each homestead property must include,
12 on the bill, a notification to the taxpayer as to whether the
13 taxes on the property are more, less, or the same as a result
14 of the county's election to be subject to the alternative
15 general homestead exemption under Section 15-176 rather than
16 the general homestead exemption under Section 15-175. The
17 notification must be based on the determinations made under
18 subsection (e-5) of Section 15-176. The notification must be
19 clearly visible and must be in the following form:

20 "The taxes on this property are (more/less/the same) as
21 a result of the county's election to be subject to the
22 alternative general homestead exemption under Section
23 15-176 of the Property Tax Code, sometimes known as the "7%
24 solution" or "assessment cap"."

25 For the purpose of this subsection, "homestead property"
26 has the definition set forth under Section 15-175.

27 (c) On and after the effective date of this amendatory Act
28 of the 94th General Assembly and so long as any portion of the
29 county is subject to the provisions of Section 15-176 instead
30 of Section 15-175, the following statement must be included
31 with each tax bill in Cook County:

32 Beginning in 2003, the Cook County Board imposed a 7%
33 cap on annual increases in property tax assessments for
34 certain owner-occupied residences. This assessment cap

1 takes the form of an expanded homestead exemption. It is
2 designed to reduce the burden of large property tax
3 increases caused by rapid appreciation in home prices.

4 The assessment cap shifts the property tax burden. Some
5 homeowners pay less, but all other taxpayers pay more. This
6 is because a reduction in the assessed value of some
7 properties causes the tax rate to increase for all
8 properties in order for the taxing district to collect the
9 same total amount in taxes.

10 The taxpayers who pay more include owners of rental
11 housing, commercial property, industrial property, and
12 vacant land. The higher rate also causes some senior
13 citizen homeowners to pay more because, though technically
14 eligible for the 7% assessment cap, they already qualify
15 for the more advantageous "senior freeze" on assessments.
16 Similarly, homeowners whose property value appreciates
17 less than 7% annually will also pay more in taxes than if
18 the assessment cap were not in effect.

19 In general, the assessment cap shifts the tax burden
20 from fast-growing to slow-growing residential areas and
21 from homeowners to businesses. The magnitude of the shift
22 will depend on how rapidly home prices appreciate over
23 time.

24 Property tax bills for homestead property will
25 indicate whether the property taxes are more, less, or the
26 same as a result of the county's election to implement an
27 assessment cap.

28 (d) In each county in which the county clerk is required to
29 make the determinations under subsection (e-5) of Section
30 15-176, as soon as practical after the tax bills are mailed,
31 but no more than 30 days, the assessor must mail a copy of the
32 notification set forth under subsections (b) and (c) to the
33 owner of each homestead property in the county at the mailing
34 address of the homestead property together with sufficient

1 information to identify the property in question, but the
2 mailing shall include nothing else.

3 (Source: P.A. 86-957; 87-818; 88-455.)

4 Section 90. The State Mandates Act is amended by adding
5 Section 8.30 as follows:

6 (30 ILCS 805/8.30 new)

7 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
8 of this Act, no reimbursement by the State is required for the
9 implementation of any mandate created by this amendatory Act of
10 the 94th General Assembly.

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.".