



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB1331

Introduced 2/18/2009, by Rep. Mike Boland

SYNOPSIS AS INTRODUCED:

35 ILCS 200/14-20
35 ILCS 200/15-10
35 ILCS 200/15-172

Amends the Property Tax Code. Includes disabled persons within the provisions awarding an assessment freeze homestead exemption to senior citizens. Changes the name to the Senior Citizens and Disabled Persons Assessment Freeze Homestead Exemption (now Senior Citizens Assessment Freeze Homestead Exemption). Makes corresponding changes to a cross-reference to the exemption. Effective July 1, 2009.

LRB096 07648 RCE 17747 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 14-20, 15-10, and 15-172 as follows:

6 (35 ILCS 200/14-20)

7 Sec. 14-20. Certificate of error; counties of less than
8 3,000,000. In any county with less than 3,000,000 inhabitants,
9 if, at any time before judgment or order of sale is entered in
10 any proceeding to collect or to enjoin the collection of taxes
11 based upon any assessment of any property, the chief county
12 assessment officer discovers an error or mistake in the
13 assessment (other than errors of judgment as to the valuation
14 of the property), he or she shall issue to the person
15 erroneously assessed a certificate setting forth the nature of
16 the error and the cause or causes of the error. In any county
17 with less than 3,000,000 inhabitants, if an owner fails to file
18 an application for the Senior Citizens and Disabled Persons
19 Assessment Freeze Homestead Exemption provided in Section
20 15-172 during the previous assessment year and qualifies for
21 the exemption, the Chief County Assessment Officer pursuant to
22 this Section, or the Board of Review pursuant to Section 16-75,
23 shall issue a certificate of error setting forth the correct

1 taxable valuation of the property. The certificate, when
2 properly endorsed by the majority of the board of review,
3 showing their concurrence, and not otherwise, may be used in
4 evidence in any court of competent jurisdiction, and when so
5 introduced in evidence, shall become a part of the court record
6 and shall not be removed from the files except on an order of
7 the court.

8 (Source: P.A. 90-552, eff. 12-12-97; 91-377, eff. 7-30-99.)

9 (35 ILCS 200/15-10)

10 Sec. 15-10. Exempt property; procedures for certification.
11 All property granted an exemption by the Department pursuant to
12 the requirements of Section 15-5 and described in the Sections
13 following Section 15-30 and preceding Section 16-5, to the
14 extent therein limited, is exempt from taxation. In order to
15 maintain that exempt status, the titleholder or the owner of
16 the beneficial interest of any property that is exempt must
17 file with the chief county assessment officer, on or before
18 January 31 of each year (May 31 in the case of property
19 exempted by Section 15-170), an affidavit stating whether there
20 has been any change in the ownership or use of the property or
21 the status of the owner-resident, or that a disabled veteran
22 who qualifies under Section 15-165 owned and used the property
23 as of January 1 of that year. The nature of any change shall be
24 stated in the affidavit. Failure to file an affidavit shall, in
25 the discretion of the assessment officer, constitute cause to

1 terminate the exemption of that property, notwithstanding any
2 other provision of this Code. Owners of 5 or more such exempt
3 parcels within a county may file a single annual affidavit in
4 lieu of an affidavit for each parcel. The assessment officer,
5 upon request, shall furnish an affidavit form to the owners, in
6 which the owner may state whether there has been any change in
7 the ownership or use of the property or status of the owner or
8 resident as of January 1 of that year. The owner of 5 or more
9 exempt parcels shall list all the properties giving the same
10 information for each parcel as required of owners who file
11 individual affidavits.

12 However, titleholders or owners of the beneficial interest
13 in any property exempted under any of the following provisions
14 are not required to submit an annual filing under this Section:

15 (1) Section 15-45 (burial grounds) in counties of less
16 than 3,000,000 inhabitants and owned by a not-for-profit
17 organization.

18 (2) Section 15-40.

19 (3) Section 15-50 (United States property).

20 If there is a change in use or ownership, however, notice
21 must be filed pursuant to Section 15-20.

22 An application for homestead exemptions shall be filed as
23 provided in Section 15-170 (senior citizens homestead
24 exemption), Section 15-172 (senior citizens and disabled
25 persons assessment freeze homestead exemption), and Sections
26 15-175 (general homestead exemption), 15-176 (general

1 alternative homestead exemption), and 15-177 (long-time
2 occupant homestead exemption), respectively.

3 (Source: P.A. 95-644, eff. 10-12-07.)

4 (35 ILCS 200/15-172)

5 Sec. 15-172. Senior Citizens and Disabled Persons
6 Assessment Freeze Homestead Exemption.

7 (a) This Section may be cited as the Senior Citizens and
8 Disabled Persons Assessment Freeze Homestead Exemption.

9 (b) As used in this Section:

10 "Applicant" means an individual who has filed an
11 application under this Section.

12 "Base amount" means the base year equalized assessed value
13 of the residence plus the first year's equalized assessed value
14 of any added improvements which increased the assessed value of
15 the residence after the base year.

16 "Base year" means the taxable year prior to the taxable
17 year for which the applicant first qualifies and applies for
18 the exemption provided that in the prior taxable year the
19 property was improved with a permanent structure that was
20 occupied as a residence by the applicant who was liable for
21 paying real property taxes on the property and who was either
22 (i) an owner of record of the property or had legal or
23 equitable interest in the property as evidenced by a written
24 instrument or (ii) had a legal or equitable interest as a
25 lessee in the parcel of property that was single family

1 residence. If in any subsequent taxable year for which the
2 applicant applies and qualifies for the exemption the equalized
3 assessed value of the residence is less than the equalized
4 assessed value in the existing base year (provided that such
5 equalized assessed value is not based on an assessed value that
6 results from a temporary irregularity in the property that
7 reduces the assessed value for one or more taxable years), then
8 that subsequent taxable year shall become the base year until a
9 new base year is established under the terms of this paragraph.
10 For taxable year 1999 only, the Chief County Assessment Officer
11 shall review (i) all taxable years for which the applicant
12 applied and qualified for the exemption and (ii) the existing
13 base year. The assessment officer shall select as the new base
14 year the year with the lowest equalized assessed value. An
15 equalized assessed value that is based on an assessed value
16 that results from a temporary irregularity in the property that
17 reduces the assessed value for one or more taxable years shall
18 not be considered the lowest equalized assessed value. The
19 selected year shall be the base year for taxable year 1999 and
20 thereafter until a new base year is established under the terms
21 of this paragraph.

22 "Chief County Assessment Officer" means the County
23 Assessor or Supervisor of Assessments of the county in which
24 the property is located.

25 "Disabled person" means a person unable to engage in any
26 substantial gainful activity by reason of a medically

1 determinable physical or mental impairment that (i) can be
2 expected to result in death or (ii) has lasted or can be
3 expected to last for a continuous period of not less than 12
4 months. Disabled persons applying for the exemption under this
5 Section must submit proof of the disability in the manner
6 prescribed by the chief county assessment officer. Proof that
7 an applicant is eligible to receive disability benefits under
8 the federal Social Security Act constitutes proof of disability
9 for purposes of this Section. Issuance of an Illinois Disabled
10 Person Identification Card to the applicant stating that the
11 possessor is under a Class 2 disability, as defined in Section
12 4A of the Illinois Identification Card Act, constitutes proof
13 that the person is a disabled person for purposes of this
14 Section. A disabled person not covered under the federal Social
15 Security Act and not presenting a Disabled Person
16 Identification Card stating that the claimant is under a Class
17 2 disability shall be examined by a physician designated by the
18 chief county assessment officer, and the status as a disabled
19 person shall be determined using the standards of the Social
20 Security Administration. The applicant shall pay the costs of
21 any required examination.

22 "Equalized assessed value" means the assessed value as
23 equalized by the Illinois Department of Revenue.

24 "Household" means the applicant, the spouse of the
25 applicant, and all persons using the residence of the applicant
26 as their principal place of residence.

1 "Household income" means the combined income of the members
2 of a household for the calendar year preceding the taxable
3 year.

4 "Income" has the same meaning as provided in Section 3.07
5 of the Senior Citizens and Disabled Persons Property Tax Relief
6 and Pharmaceutical Assistance Act, except that, beginning in
7 assessment year 2001, "income" does not include veteran's
8 benefits.

9 "Internal Revenue Code of 1986" means the United States
10 Internal Revenue Code of 1986 or any successor law or laws
11 relating to federal income taxes in effect for the year
12 preceding the taxable year.

13 "Life care facility that qualifies as a cooperative" means
14 a facility as defined in Section 2 of the Life Care Facilities
15 Act.

16 "Maximum income limitation" means:

- 17 (1) \$35,000 prior to taxable year 1999;
- 18 (2) \$40,000 in taxable years 1999 through 2003;
- 19 (3) \$45,000 in taxable years 2004 through 2005;
- 20 (4) \$50,000 in taxable years 2006 and 2007; and
- 21 (5) \$55,000 in taxable year 2008 and thereafter.

22 "Residence" means the principal dwelling place and
23 appurtenant structures used for residential purposes in this
24 State occupied on January 1 of the taxable year by a household
25 and so much of the surrounding land, constituting the parcel
26 upon which the dwelling place is situated, as is used for

1 residential purposes. If the Chief County Assessment Officer
2 has established a specific legal description for a portion of
3 property constituting the residence, then that portion of
4 property shall be deemed the residence for the purposes of this
5 Section.

6 "Taxable year" means the calendar year during which ad
7 valorem property taxes payable in the next succeeding year are
8 levied.

9 (c) Beginning in (1) taxable year 1994, for a senior
10 citizens and (2) taxable year 2009, for disabled persons, an
11 assessment freeze homestead exemption is granted for real
12 property that is improved with a permanent structure that is
13 occupied as a residence by an applicant who (i) is 65 years of
14 age or older, or disabled, during the taxable year, (ii) has a
15 household income that does not exceed the maximum income
16 limitation, (iii) is liable for paying real property taxes on
17 the property, and (iv) is an owner of record of the property or
18 has a legal or equitable interest in the property as evidenced
19 by a written instrument. This homestead exemption shall also
20 apply to a leasehold interest in a parcel of property improved
21 with a permanent structure that is a single family residence
22 that is occupied as a residence by a person who (i) is 65 years
23 of age or older, or disabled, during the taxable year, (ii) has
24 a household income that does not exceed the maximum income
25 limitation, (iii) has a legal or equitable ownership interest
26 in the property as lessee, and (iv) is liable for the payment

1 of real property taxes on that property.

2 In counties of 3,000,000 or more inhabitants, the amount of
3 the exemption for all taxable years is the equalized assessed
4 value of the residence in the taxable year for which
5 application is made minus the base amount. In all other
6 counties, the amount of the exemption is as follows: (i)
7 through taxable year 2005 and for taxable year 2007 and
8 thereafter, the amount of this exemption shall be the equalized
9 assessed value of the residence in the taxable year for which
10 application is made minus the base amount; and (ii) for taxable
11 year 2006, the amount of the exemption is as follows:

12 (1) For an applicant who has a household income of
13 \$45,000 or less, the amount of the exemption is the
14 equalized assessed value of the residence in the taxable
15 year for which application is made minus the base amount.

16 (2) For an applicant who has a household income
17 exceeding \$45,000 but not exceeding \$46,250, the amount of
18 the exemption is (i) the equalized assessed value of the
19 residence in the taxable year for which application is made
20 minus the base amount (ii) multiplied by 0.8.

21 (3) For an applicant who has a household income
22 exceeding \$46,250 but not exceeding \$47,500, the amount of
23 the exemption is (i) the equalized assessed value of the
24 residence in the taxable year for which application is made
25 minus the base amount (ii) multiplied by 0.6.

26 (4) For an applicant who has a household income

1 exceeding \$47,500 but not exceeding \$48,750, the amount of
2 the exemption is (i) the equalized assessed value of the
3 residence in the taxable year for which application is made
4 minus the base amount (ii) multiplied by 0.4.

5 (5) For an applicant who has a household income
6 exceeding \$48,750 but not exceeding \$50,000, the amount of
7 the exemption is (i) the equalized assessed value of the
8 residence in the taxable year for which application is made
9 minus the base amount (ii) multiplied by 0.2.

10 When the applicant is a surviving spouse of an applicant
11 for a prior year for the same residence for which an exemption
12 under this Section has been granted, the base year and base
13 amount for that residence are the same as for the applicant for
14 the prior year.

15 Each year at the time the assessment books are certified to
16 the County Clerk, the Board of Review or Board of Appeals shall
17 give to the County Clerk a list of the assessed values of
18 improvements on each parcel qualifying for this exemption that
19 were added after the base year for this parcel and that
20 increased the assessed value of the property.

21 In the case of land improved with an apartment building
22 owned and operated as a cooperative or a building that is a
23 life care facility that qualifies as a cooperative, the maximum
24 reduction from the equalized assessed value of the property is
25 limited to the sum of the reductions calculated for each unit
26 occupied as a residence by a person or persons (i) 65 years of

1 age or older, or disabled, (ii) with a household income that
2 does not exceed the maximum income limitation, (iii) who is
3 liable, by contract with the owner or owners of record, for
4 paying real property taxes on the property, and (iv) who is an
5 owner of record of a legal or equitable interest in the
6 cooperative apartment building, other than a leasehold
7 interest. In the instance of a cooperative where a homestead
8 exemption has been granted under this Section, the cooperative
9 association or its management firm shall credit the savings
10 resulting from that exemption only to the apportioned tax
11 liability of the owner who qualified for the exemption. Any
12 person who willfully refuses to credit that savings to an owner
13 who qualifies for the exemption is guilty of a Class B
14 misdemeanor.

15 When a homestead exemption has been granted under this
16 Section and an applicant then becomes a resident of a facility
17 licensed under the Nursing Home Care Act, the exemption shall
18 be granted in subsequent years so long as the residence (i)
19 continues to be occupied by the qualified applicant's spouse or
20 (ii) if remaining unoccupied, is still owned by the qualified
21 applicant for the homestead exemption.

22 Beginning January 1, 1997 for senior citizens and January
23 1, 2009 for disabled persons, when an individual dies who would
24 have qualified for an exemption under this Section, and the
25 surviving spouse does not independently qualify for this
26 exemption because he or she meets neither the of age nor the

1 disability requirement, the exemption under this Section shall
2 be granted to the surviving spouse for the taxable year
3 preceding and the taxable year of the death, provided that,
4 except for meeting neither the age nor the disability
5 requirement, the surviving spouse meets all ~~other~~
6 qualifications for the granting of this exemption for those
7 years.

8 When married persons maintain separate residences, the
9 exemption provided for in this Section may be claimed by only
10 one of such persons and for only one residence.

11 For taxable year 1994 only, in counties having less than
12 3,000,000 inhabitants, to receive the exemption, a person shall
13 submit an application by February 15, 1995 to the Chief County
14 Assessment Officer of the county in which the property is
15 located. In counties having 3,000,000 or more inhabitants, for
16 taxable year 1994 and all subsequent taxable years, to receive
17 the exemption, a person may submit an application to the Chief
18 County Assessment Officer of the county in which the property
19 is located during such period as may be specified by the Chief
20 County Assessment Officer. The Chief County Assessment Officer
21 in counties of 3,000,000 or more inhabitants shall annually
22 give notice of the application period by mail or by
23 publication. In counties having less than 3,000,000
24 inhabitants, beginning with taxable year 1995 and thereafter,
25 to receive the exemption, a person shall submit an application
26 by July 1 of each taxable year to the Chief County Assessment

1 Officer of the county in which the property is located. A
2 county may, by ordinance, establish a date for submission of
3 applications that is different than July 1. The applicant shall
4 submit with the application an affidavit of the applicant's
5 total household income, age, marital status (and if married the
6 name and address of the applicant's spouse, if known),
7 disability (if applying for the exemption as a disabled
8 person), and principal dwelling place of members of the
9 household on January 1 of the taxable year. The Department
10 shall establish, by rule, a method for verifying the accuracy
11 of affidavits filed by applicants under this Section, and the
12 Chief County Assessment Officer may conduct audits of any
13 taxpayer claiming an exemption under this Section to verify
14 that the taxpayer is eligible to receive the exemption. Each
15 application shall contain or be verified by a written
16 declaration that it is made under the penalties of perjury. A
17 taxpayer's signing a fraudulent application under this Act is
18 perjury, as defined in Section 32-2 of the Criminal Code of
19 1961. The applications shall be clearly marked as applications
20 for the Senior Citizens and Disabled Persons Assessment Freeze
21 Homestead Exemption and must contain a notice that any taxpayer
22 who receives the exemption is subject to an audit by the Chief
23 County Assessment Officer.

24 Notwithstanding any other provision to the contrary, in
25 counties having fewer than 3,000,000 inhabitants, if an
26 applicant fails to file the application required by this

1 Section in a timely manner and this failure to file is due to a
2 mental or physical condition sufficiently severe so as to
3 render the applicant incapable of filing the application in a
4 timely manner, the Chief County Assessment Officer may extend
5 the filing deadline for a period of 30 days after the applicant
6 regains the capability to file the application, but in no case
7 may the filing deadline be extended beyond 3 months of the
8 original filing deadline. In order to receive the extension
9 provided in this paragraph, the applicant shall provide the
10 Chief County Assessment Officer with a signed statement from
11 the applicant's physician stating the nature and extent of the
12 condition, that, in the physician's opinion, the condition was
13 so severe that it rendered the applicant incapable of filing
14 the application in a timely manner, and the date on which the
15 applicant regained the capability to file the application.

16 Beginning January 1, 1998, notwithstanding any other
17 provision to the contrary, in counties having fewer than
18 3,000,000 inhabitants, if an applicant fails to file the
19 application required by this Section in a timely manner and
20 this failure to file is due to a mental or physical condition
21 sufficiently severe so as to render the applicant incapable of
22 filing the application in a timely manner, the Chief County
23 Assessment Officer may extend the filing deadline for a period
24 of 3 months. In order to receive the extension provided in this
25 paragraph, the applicant shall provide the Chief County
26 Assessment Officer with a signed statement from the applicant's

1 physician stating the nature and extent of the condition, and
2 that, in the physician's opinion, the condition was so severe
3 that it rendered the applicant incapable of filing the
4 application in a timely manner.

5 In counties having less than 3,000,000 inhabitants, if an
6 applicant was denied an exemption in taxable year 1994 and the
7 denial occurred due to an error on the part of an assessment
8 official, or his or her agent or employee, then beginning in
9 taxable year 1997 the applicant's base year, for purposes of
10 determining the amount of the exemption, shall be 1993 rather
11 than 1994. In addition, in taxable year 1997, the applicant's
12 exemption shall also include an amount equal to (i) the amount
13 of any exemption denied to the applicant in taxable year 1995
14 as a result of using 1994, rather than 1993, as the base year,
15 (ii) the amount of any exemption denied to the applicant in
16 taxable year 1996 as a result of using 1994, rather than 1993,
17 as the base year, and (iii) the amount of the exemption
18 erroneously denied for taxable year 1994.

19 For purposes of this Section, a person who will be 65 years
20 of age or is disabled during the current taxable year shall be
21 eligible to apply for the homestead exemption during that
22 taxable year. Application shall be made during the application
23 period in effect for the county of his or her residence.

24 The Chief County Assessment Officer may determine the
25 eligibility of a life care facility that qualifies as a
26 cooperative to receive the benefits provided by this Section by

1 use of an affidavit, application, visual inspection,
2 questionnaire, or other reasonable method in order to insure
3 that the tax savings resulting from the exemption are credited
4 by the management firm to the apportioned tax liability of each
5 qualifying resident. The Chief County Assessment Officer may
6 request reasonable proof that the management firm has so
7 credited that exemption.

8 Except as provided in this Section, all information
9 received by the chief county assessment officer or the
10 Department from applications filed under this Section, or from
11 any investigation conducted under the provisions of this
12 Section, shall be confidential, except for official purposes or
13 pursuant to official procedures for collection of any State or
14 local tax or enforcement of any civil or criminal penalty or
15 sanction imposed by this Act or by any statute or ordinance
16 imposing a State or local tax. Any person who divulges any such
17 information in any manner, except in accordance with a proper
18 judicial order, is guilty of a Class A misdemeanor.

19 Nothing contained in this Section shall prevent the
20 Director or chief county assessment officer from publishing or
21 making available reasonable statistics concerning the
22 operation of the exemption contained in this Section in which
23 the contents of claims are grouped into aggregates in such a
24 way that information contained in any individual claim shall
25 not be disclosed.

26 (d) Each Chief County Assessment Officer shall annually

1 publish a notice of availability of the exemption provided
2 under this Section. The notice shall be published at least 60
3 days but no more than 75 days prior to the date on which the
4 application must be submitted to the Chief County Assessment
5 Officer of the county in which the property is located. The
6 notice shall appear in a newspaper of general circulation in
7 the county.

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

11 (Source: P.A. 94-794, eff. 5-22-06; 95-644, eff. 10-12-07.)

12 Section 99. Effective date. This Act takes effect July 1,
13 2009.