



Sen. Don Harmon

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1 AMENDMENT TO SENATE BILL 455

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 455 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by adding  
5 Section 15-176.5 as follows:

6 (35 ILCS 200/15-176.5 new)

7 Sec. 15-176.5. Alternative homestead exemption.

8 (a) For the assessment years as determined under this  
9 Section, in any county that has elected, by an ordinance in  
10 accordance with subsection (h), to be subject to the provisions  
11 of this Section in lieu of the provisions of Section 15-175,  
12 homestead property is entitled to a reduction in the property's  
13 equalized assessed value calculated as provided in this  
14 Section.

15 (b) As used in this Section:

16 (1) "Additional homeowner exemption" means the

1 difference between (i) the equalized assessed value for the  
2 current year minus the base year homeowner exemption value  
3 and (ii) the adjusted homestead value.

4 (2) "Adjusted homestead value". In counties with  
5 3,000,000 or more inhabitants, "adjusted homestead value"  
6 means:

7 (A) In the general reassessment year, the lesser of  
8 the following values:

9 (i) the property's base homestead value  
10 multiplied by the tax code EAV change multiplied by  
11 1.05; or

12 (ii) the property's equalized assessed value  
13 for the current tax year minus the base year  
14 homeowner exemption value.

15 (B) In the first year after general reassessment  
16 year, the lesser of the following values:

17 (i) the property's base homestead value  
18 multiplied by the tax code EAV change multiplied by  
19 1.075; or

20 (ii) the property's equalized assessed value  
21 for the current tax year minus the base year  
22 homeowner exemption value.

23 (C) In the second year after general reassessment  
24 year, the lesser of the following values:

25 (i) the property's base homestead value  
26 multiplied by the tax code EAV change multiplied by

1           1.10; or

2                   (ii) the property's equalized assessed value  
3                   for the current tax year minus the base year  
4                   homeowner exemption value.

5           In counties with less than 3,000,000 inhabitants,  
6           "adjusted homestead value" means:

7                   (A) In the general reassessment year, the lesser of  
8                   the following values:

9                           (i) the property's base homestead value  
10                           multiplied by the tax code EAV change multiplied by  
11                           1.05; or

12                           (ii) the property's equalized assessed value  
13                           for the current tax year minus the base year  
14                           homeowner exemption value.

15                   (B) In the first year after general reassessment  
16                   year, the lesser of the following values:

17                           (i) the property's base homestead value  
18                           multiplied by the tax code EAV change multiplied by  
19                           1.075; or

20                           (ii) the property's equalized assessed value  
21                           for the current tax year minus the base year  
22                           homeowner exemption value.

23                   (C) In the second year after general reassessment  
24                   year, the lesser of the following values:

25                           (i) the property's base homestead value  
26                           multiplied by the tax code EAV change multiplied by

1           1.10; or

2                   (ii) the property's equalized assessed value  
3                   for the current tax year minus the base year  
4                   homeowner exemption value.

5           (D) In the third year after general reassessment  
6           year, the lesser of the following values:

7                   (i) the property's base homestead value  
8                   multiplied by the tax code EAV change multiplied by  
9                   1.125; or

10                   (ii) the property's equalized assessed value  
11                   for the current tax year minus the base year  
12                   homeowner exemption value.

13           (3) "Base year". In counties with 3,000,000 or more  
14           inhabitants, "base year" means:

15                   (A) Tax year 2008 if the general assessment year  
16                   for the property is 2009. In subsequent general  
17                   reassessment years, the "base year" shall be the year  
18                   prior to the general reassessment year.

19                   (B) Tax year 2009 if the general assessment year  
20                   for the property is 2010. In subsequent general  
21                   reassessment years, the "base year" shall be the year  
22                   prior to the general reassessment year.

23                   (C) Tax year 2010 if the general assessment year  
24                   for the property is 2011. In subsequent general  
25                   reassessment years, the "base year" shall be the year  
26                   prior to the general reassessment year.

1           In counties with less than 3,000,000 inhabitants,  
2           "base year" means the year prior to the general assessment  
3           year.

4           (4) "Base year composite tax rate" means the combined  
5           tax rate for all taxing districts serving the property's  
6           tax code in the base year. If in the current year the tax  
7           rate for a particular district within the tax code is 0%,  
8           the base year composite tax rate shall be reduced by the  
9           base year taxing district rate for that district.

10           (5) "Base homestead value" means the assessed value of  
11           the property for the base year as equalized by the  
12           Department, less the base year homeowner exemption value,  
13           provided that the property was assessed in the base year as  
14           residential property qualified for any of the homestead  
15           exemptions under Sections 15-170 through 15-175 of this  
16           Code, then in force, and further provided that the  
17           property's assessment was not based on a reduced assessed  
18           value resulting from a temporary irregularity in the  
19           property for that year.

20           (6) "Base year homeowner exemption value". In counties  
21           with more than 3,000,000 inhabitants, "base year homeowner  
22           exemption value" means the sum of the value of the  
23           homeowner exemption in effect in the base year, plus the  
24           value of any additional homeowner exemption in effect in  
25           the base year, with the following limitations:

26           (A) In the first year after the initial base year,

1       after the additional homeowner exemption value for the  
2       current tax year is calculated, the base year homeowner  
3       exemption value, if greater than \$18,000, shall be  
4       reduced to \$18,000.

5       (B) In the second year after the initial base year,  
6       after the additional homeowner exemption value for the  
7       current tax year is calculated, the base year homeowner  
8       exemption value, if greater than \$16,000, shall be  
9       reduced to \$16,000.

10       (C) In the third year after the initial base year,  
11       after the additional homeowner exemption value for the  
12       current tax year is calculated, the base year homeowner  
13       exemption value, if greater than \$14,000, shall be  
14       reduced to \$14,000.

15       (D) In the fourth year after the initial base year,  
16       after the additional homeowner exemption value for the  
17       current tax year is calculated, the base year homeowner  
18       exemption value, if greater than \$12,000, shall be  
19       reduced to \$12,000 plus the value of any additional  
20       homeowner exemption value in effect in the second base  
21       year.

22       (E) In the fifth year after the initial base year,  
23       after the additional homeowner exemption value for the  
24       current tax year is calculated, the base year homeowner  
25       exemption value, if greater than \$10,000, shall be  
26       reduced to \$10,000 plus the value of any additional

1 homeowner exemption value in effect in the second base  
2 year.

3 (F) In the sixth year after the initial base year,  
4 after the additional homeowner exemption value for the  
5 current tax year is calculated, the base year homeowner  
6 exemption value, if greater than \$8,000, shall be  
7 reduced to \$8,000 plus the value of any additional  
8 homeowner exemption value in effect in the second base  
9 year.

10 (G) In the seventh year after the initial base  
11 year, after the additional homeowner exemption value  
12 for the current tax year is calculated, the base year  
13 homeowner exemption value, if between \$6,000 and  
14 \$8,000, shall be reduced to \$6,000 plus the value of  
15 any additional homeowner exemption value in effect in  
16 the third base year.

17 In counties with less than 3,000,000 inhabitants,  
18 "base year homeowner exemption value" means the value of  
19 the homeowner exemption in the base year plus the value of  
20 any additional homeowner exemption in effect in the base  
21 year.

22 (7) "Current tax year" means the tax year for which the  
23 exemption under this Section is being applied.

24 (8) "Equalized assessed value" means the property's  
25 assessed value as equalized by the Department.

26 (9) "Homestead" or "homestead property" means:

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

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

26           (10) "Initial base year". In counties with 3,000,000 or



1 more inhabitants, the "initial base year" means:

2 (A) Tax year 2008 if the general assessment year  
3 for the property is 2009.

4 (B) Tax year 2009 if the general assessment year  
5 for the property is 2010.

6 (C) Tax year 2010 if the general assessment year  
7 for the property is 2011.

8 In all other counties, the initial base year shall be  
9 2009, or 2010, as determined pursuant to subsection (h).

10 (11) "Life care facility" means a facility as defined  
11 in Section 2 of the Life Care Facilities Act.

12 (12) "Second base year". In counties with 3,000,000 or  
13 more inhabitants, the "second base year" means:

14 (A) Tax year 2011 if the general assessment year  
15 for the property is 2012.

16 (B) Tax year 2012 if the general assessment year  
17 for the property is 2013.

18 (C) Tax year 2013 if the general assessment year  
19 for the property is 2014.

20 (13) "Tax code" means a geographical area in which an  
21 identical set of taxing districts have jurisdiction.

22 (14) "Tax code EAV change" means a percentage  
23 calculated by dividing the base year composite tax rate by  
24 the sum of the taxing district EAV change for all taxing  
25 districts in the property's tax code.

26 (15) "Taxing district EAV" means the combined assessed

1 value of all properties in the taxing district, as  
2 equalized by the Department, less the value of all  
3 exemptions in the taxing district less the value of all TIF  
4 increment in the district.

5 (16) "Taxing district EAV change" means a number  
6 calculated for a taxing district by first dividing the base  
7 year taxing district EAV by the tentative current year  
8 taxing district EAV, and multiplying the result by the  
9 taxing district rate for the base year.

10 (17) "Taxing district rate" means the tax rate for the  
11 taxing district.

12 (18) "Tentative current year taxing district EAV"  
13 means the taxing district EAV for the current year without  
14 taking account of the aggregate value of the additional  
15 homeowner exemptions in the taxing district.

16 (19) "Third base year" In counties with 3,000,000 or  
17 more inhabitants, the "third base year" means:

18 (A) Tax year 2014 if the general assessment year  
19 for the property is 2015.

20 (B) Tax year 2015 if the general assessment year  
21 for the property is 2016.

22 (C) Tax year 2016 if the general assessment year  
23 for the property is 2017.

24 (c) For any year in which the assessed value of a homestead  
25 increases because of the construction of new buildings,  
26 structures, or other significant improvements, and for any year

1 in which the assessed value of a homestead increases because of  
2 the expiration of the home improvement exemption, the  
3 additional homeowner exemption shall be reduced to zero, and  
4 shall remain at that level until the next general reassessment.

5 (d) The exemption granted under this Section is the sum of  
6 the base year homeowner exemption plus the additional homeowner  
7 exemption, with the following exceptions:

8 (1) The additional homeowner exemption cannot exceed  
9 the difference between (i) the property's base homestead  
10 value multiplied by the tax code EAV change multiplied by  
11 1.40 and (ii) the property's adjusted homestead value.

12 (2) In the case of homestead property that also  
13 qualifies for the exemption under Section 15-172 or Section  
14 15-177, the property is entitled to the exemption under  
15 this Section, limited to \$6,000 in all counties.

16 (e) In the case of an apartment building owned and operated  
17 as a cooperative, or as a life care facility, that contains  
18 residential units that qualify as homestead property under this  
19 Section, the maximum cumulative exemption amount attributed to  
20 the entire building or facility shall not exceed the sum of the  
21 exemptions calculated for each qualified residential unit. The  
22 cooperative association, management firm, or other person or  
23 entity that manages or controls the cooperative apartment  
24 building or life care facility shall credit the exemption  
25 attributable to each residential unit only to the apportioned  
26 tax liability of the owner or other person responsible for

1 payment of taxes as to that unit. Any person who willfully  
2 refuses to so credit the exemption is guilty of a Class B  
3 misdemeanor.

4 (f) When married persons maintain separate residences, the  
5 exemption provided under this Section shall be claimed by only  
6 one such person and for only one residence.

7 (g) The assessor may determine whether property qualifies  
8 as a homestead under this Section by application, visual  
9 inspection, questionnaire, or other reasonable methods. Each  
10 year, at the time the assessment books are certified to the  
11 county clerk by the board of review, the assessor shall furnish  
12 to the county clerk a list of the properties qualified for the  
13 homestead exemption under this Section. The list shall note the  
14 base homestead value of each property to be used in the  
15 calculation of the exemption for the current tax year.

16 (h) To be subject to the provisions of this Section in lieu  
17 of Section 15-175, a county must adopt an ordinance to subject  
18 itself to the provisions of this Section within 6 months after  
19 the effective date of this amendatory Act of the 96th General  
20 Assembly. In a county other than Cook County, the ordinance  
21 must designate either tax year 2009 or tax year 2010 as the  
22 initial base year.

23 (i) Notwithstanding Sections 6 and 8 of the State Mandates  
24 Act, no reimbursement by the State is required for the  
25 implementation of any mandate created by this Section.

1           Section 99. Effective date. This Act takes effect upon  
2    becoming law.".