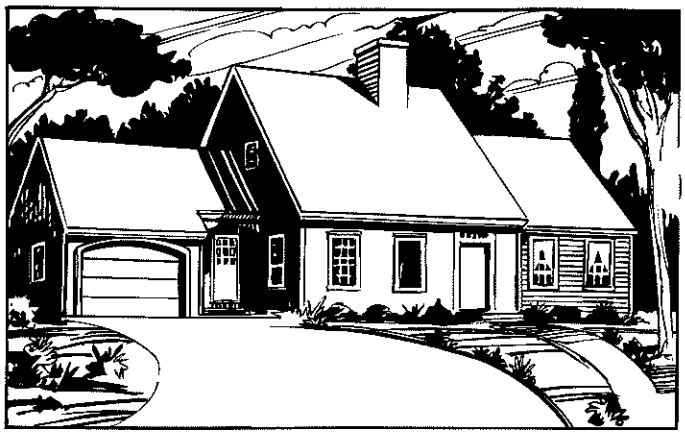
# A TAXPAYER'S GUIDE TO PROPERTY TAX RELIEF IN BOONE COUNTY



Prepared as a public service for property owners by: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Kris Hall
815-292-3221

Boone and Flora Township Assessor
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815-569-2211

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Kathi Hendrickson
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## TOWNSHIP GOVERNMENT

A township is a political and geographical subdivision of a county and state. It is a municipal corporate body that can own property, sue and be sued, borrow money and levy taxes in accordance with state statutes. A township's elected officials may act for the electorate in the township's name when conducting business.

Boone County is divided into eight geographic, and nine political townships. Generally there are eight officers in each township, elected for terms of four years. Supervisor, Clerk, Assessor, Highway Commissioner and four Trustees.

Townships have many duties and some permissive powers. Services which are expressly required of all townships include providing for welfare assistance, building, and maintaining rural roads and assessing property. In addition, townships may establish libraries, medical clinics, museums, community buildings, recreation districts, mental health facilities, cemeteries and youth committees.

### The Township Assessor

The Township Assessor might more accurately be called an appraiser. The Assessor does not levy a tax, but rather places a value on *(assesses)* all property for tax purposes, appraising it for its fair market value.

The County Clerk compiles a list of all lands and lots to be assessed, including those which are taxable, or which have become taxable for the first time. These lists are conveyed to the Township Assessor through the County Assessment Office.

The Assessor must then determine the market value of all taxable property, and assess that property at one-third of its market value. Township Assessors use the same principles, techniques and methodo-logies as those employed by fee appraisers with only slight variations to accommodate the uniformity criteria of the statutes. The ultimate purpose of the assessed value is to proportion the tax burden, as established by the taxing bodies, over all property in a fair and equitable manner based on the value of the real estate.

## EXEMPTIONS

Under Illinois Law, several programs designed to provide property tax relief are available to homeowners. This guide is prepared to familiarize the property owner with these programs, and to answer the most frequently asked questions. In the back of this brochure, we have provided definitions of terms which are frequently used in discussing property taxes.

As you will learn, eligibility requirements vary among these programs, and you should review each program's qualifications carefully.

The staff in the Township Assessor's Office or the County Assessment Office will be happy to provide additional information and you are encouraged to contact us if you have any questions.

# The Illinois Homestead Exemption Program

**What is the Illinois Homestead Exemption Program, and who qualifies?**

Through four different types of exemptions, this program either reduces or defers an increase in the equalized value of your property. The net effect of these exemptions is to lower the assessed valuation to which the tax rate is then applied. As explained below, qualifications and application procedures vary for each program. You must own the property to qualify for any of these exemptions or lease the property and be responsible for

## Homestead Limited Exemption

This exemption lowers the equalized assessed value of your property by $6,000.
To receive this exemption, you must:

- Own and live in the property on or before January 1 of the assessment year.

## Homestead Improvement Exemption

This exemption defers for four years any increase in the assessment of your property due to an addition or other improvement to your home which would add to the assessed value of the home.

- The property has to be exclusively used as residential property.
- The property is owned and occupied as of January 1 of the assessment year.
- A maximum of $25,000 of assessed value ($75,000 of market value) may be deferred under this exemption.
- This exemption is initiated by the Township Assessor and approved by the Board of Review.

# SENIOR CITIZENS

## Senior Homestead Exemption

This exemption lowers the equalized assessed value of your property by $5,000 and may be claimed in addition to the other exemptions.
To receive this exemption, you must:

- Own and occupy the home during the assessment year.
- Reached the age of 65 during the assessment year.
- Apply for the exemption in the County Assessment Office. Proof of ownership and age may be required.
- If the property is in trust, a copy of the trust agreement is required.
- This exemption no longer needs to be renewed in Boone County. Initial application is required.
- A property owner who resides in a nursing home may still receive this exemption if the home is not rented and left for the property owner to return to.

## Senior Citizens Assessment Freeze Homestead Exemption

This exemption freezes the assessment on your property, but does not freeze the taxes. This exemption may be claimed in addition to any or all of the above.

The filing deadline for this exemption, by Boone County Board of Review action is November 1. To receive this exemption you must:

- Own and occupy the property as of January 1 of the assessment year and January 1 of the previous year.
- Reach the age of 65 during the assessment year.
- Have a maximum **household** income of $55,000 or less. This household income includes that of **all** persons using the property as their principal dwelling place on January 1 of the assessment year.
- Applications are mailed by the Boone County Assessment Office to all those who have applied and qualified for the Senior Homestead Exemption during January or may be obtained in the Boone County Assessment Office. Your completed application and proof of income must be provided to the Boone County Board of Review. The application must be notarized and returned to the Boone County Assessment Office. The County Assessment Office will make copies and notarize the application for property owners.

## Senior Citizens Real Estate Tax Deferral Program

**What is the Senior Citizens Tax Deferral Program and who qualifies?**

This program is designed to allow senior citizens to defer payment of part or all of the property taxes on their homes. This program functions as a loan with an annual interest rate of six percent. To qualify for this deferral, you must:

- Own the property which must be used exclusively as a residence. Please note that joint ownership under this program is limited to you and your spouse.
- Have lived on this or another qualifying property for at least three years, except for periods in which you may have resided temporarily in a nursing or sheltered care home.
- Be age 65 or older by June 1 of the tax year.
- Have a maximum household income of $40,000.
- Owe no delinquent taxes on the property.
- Note: The filing deadline for the program is March 1 of the assessment year.

**How much may be deferred?**

Eligible residents may defer part or all of their property taxes for each year in which they qualify. The maximum which may be deferred (including interest and fees) is 80 percent of the taxpayer's equity in the property.

**When must deferred taxes be paid?**

Property taxes which are deferred under this program become due when the residence is sold or upon the death of the taxpayer. The deferral may be continued by a surviving spouse who is at least age 55 within six months of the taxpayer's death.

**How does one apply for this tax deferral program?**

Application for the Senior Citizens Real Estate Tax Deferral Program must be made each year and involves completing two forms which are available at the Boone County Treasurer's Office. This application includes:

- A request for information about the taxpayer, his or her income and the property for which the deferral is being sought.
- A request that any joint owners and mortgage lenders agree to the deferral.
- Presentation of evidence of adequate insurance on the property.
- Completion of an agreement which sets out the conditions of the tax deferral, including the maximum amount which can be deferred, the interest rate to be charged and arrangements for repaying the "loan".
- Assistance with filling out these forms, and further processing of the completed forms are available from:

**Boone County Treasurer's Office**
601 N. Main St. Suite 203
Boone County Courthouse
Belvidere, Il 61008
815-544-2666

## Senior Citizens Circuit Breaker Grants

**What is a Senior Citizens Circuit Breaker Grant and who qualifies?**

This program provides low-income senior citizens with yearly grants to help pay property taxes. The amount of grant is determined by a formula which takes into account your property taxes and your total household income. To qualify for a "circuit breaker" you must:

- Be age 65 or older before January 1 of the assessment year. If you reach age 65 during the assessment year, you may be eligible for a partial grant covering the months which you qualify.
- Have lived in an Illinois residence which was subject to property taxes during the assessment year.
- Live in Illinois at the time you file for a grant.
- Obtain an application from the Keen-Age Center. The form needs to be completed and filed on or before December 31 of the assessment year. The form indicates the procedure and place for filing.

**When are these grants paid?**

If you file a qualifying claim early in the year, grants will be issued within three to four months. For claims filed after May 1, grants are generally issued within 8 to 10 weeks.

**If I die, will my spouse continue to receive the circuit breaker grant?**

If your surviving spouse was age 63 or older before your death, he or she may continue to file for circuit breaker grants.

# VETERANS

## Disabled Veterans Exemption

**What is a Disabled Veterans Exemption and who qualifies?**

Under this program, up to $58,000 of the equalized assessed value of a home owned by a qualifying veteran, or the veteran's spouse or unmarried surviving spouse is exempt from property taxes. To qualify for this exemption, you must:

- Have served in the Armed Forces of the United States.
- Have a disability of such nature that the Federal Government has authorized payment for the purchase or construction of housing which has special adaptations to meet the needs of the disability.

**How do I establish a Disabled Veterans Exemption?**

You apply for this exemption through the Illinois Department of Veterans' Affairs. Once the exemption has been approved the County Assessment Office and the Township Assessor are notified by the Illinois Department of Revenue. Please note that this exemption must be renewed each year.
You may obtain the required forms from the:
Illinois Department of Veterans Affairs
in Rockford or Woodstock, Illinois.

**Disabled Veterans' Standard**

The Disabled Veterans. Standard Homestead Exemption (35ILCS 200/15-169) provides an annual reduction in the equalized assessed value (EAV) of a primary residence occupied by a disabled veteran on January 2 of the assessment year. The DVSHE amount depends on the percentage of the service-connected disability as certified by the U.S. Department of Veterans' Affairs. A disabled veteran with at least a 70% service-connected disability will receiver $5,000 reduction in property's EAV. A disabled veteran with at least 50%, but less than 70% service-connected disability will receiver a DVSHE of $2,500 reduction in property's EAV.

**Returning Veterans' Homestead Exemption**

The Return Veterans' Homestead Exemption (32ILCS 200/15-167) provides a one-time $5,000 reduction in the equalized assessed value (EAV) of the veteran's principal residence for the taxable year, and the following year that the veteran returns from active duty in an armed conflict involving the armed forces of the United States. The veteran must own and occupy the property on January 1 of the assessment year as his or her principal residence. The Veterans' Homestead Exemption is eligible for two years after return from duty.

## Disabled Persons' Homestead Exemption

The Disabled Persons' Homestead Exemption (35ILCS 200/15-168) provides an annual $2,000 reduction in the equalized assessed value (EAV) of the property owned and occupied as the primary residence on January 1 of the assessment year by a disabled person who is liable for the payment of property taxes.

# DEFINITIONS

Below for your convenience are definitions of several terms which are used frequently in discussing the property tax system.

***Ad Valorem*** According to value.

***Assessed Value*** The value placed upon property after multiplying the assessment level by the market value.

***Assessment*** The official act of discovering, listing, and appraising property for ad valorem tax purposes.

***Assessment Level*** The percentage of full value at which property is assessed as mandated by state law - currently 33.33%.

***Assessor*** The government official responsible for establishing the value of property for ad valorem tax purposes.

***Board of Review*** A panel of three residents of a county, experienced in real estate appraisal, who review complaints filed by individual taxpayers. The Board of Review has specific statutory responsibilities to perform during a designated period of time.

***Equalization*** The process of providing uniform aggregate assessments between townships and counties (see multiplier).

***Equalized Value*** The assessed value multiplied by the county and/ or state multiplier. This calculation gives the value of the property to which the tax rate is applied.

***Extension*** This term is used in two different contexts: 1) The process in which the County Clerk determines the tax rate needed to raise the revenue certified to the Clerk by each taxing body in the county; and 2) The actual dollar amount of revenue resulting from the tax rate when it is multiplied by the assessed value of a district.

***Improvement*** Any structure, addition, or other product of labor which is attached, lying upon or within the land that may not be removed without physical stress.

***Levy*** The amount of money that a taxing body requires to be collected through the property tax system.

***Market Value*** The most probable price, estimated in terms of money, which a property would bring in a sale between a willing buyer and seller under arms length conditions.

***Mass Appraisal*** The process of valuing a universe of property by employing a common reference for data in allowing for a statistical testing.



# DEFINITIONS *(continued)*

***Multiplier*** A figure used by county and state officials and applied uniformly to all parcels within a township to "equalize" assessment between townships and counties so that all values reflect the same assessment level.

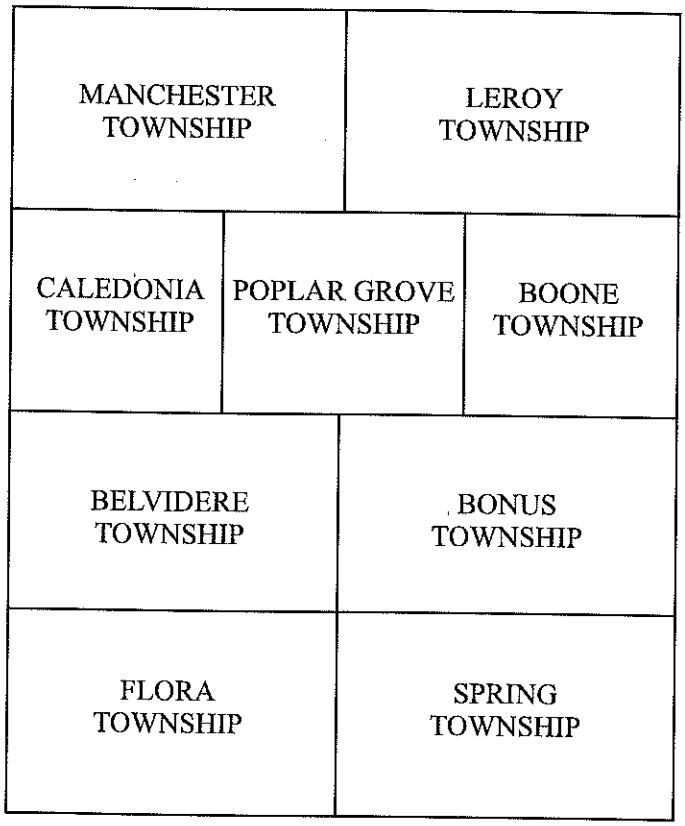
***Permanent Parcel Index Number*** A 10 digit number used to identify property for tax purposes. This number is used in place of lengthy legal description. This number indicates township, section, quarter section and parcel.

***Property Tax Appeal Board (PTAB)*** A state level panel of five residents, experienced in assessment appeals, who review complaints by property owners who are unsatisfied with decisions rendered by the Board of Review.

***Quadrennial Reassessment*** The assessment that takes place every four years during which the township assessor must revalue property based on the previous three years's sales activity.

***Taxing Body*** An organization or government body having the statutory right to fund itself through the property tax system. Examples include schools, park districts, villages and townships.

***Tax Rate*** A percentage applied to each taxing body's assessed valuation which will produce the amount of the that taxing body's levy or in other words the levy divided by assessed value equals the tax rate. The tax rate is expressed in terms of dollars per $100 of assessed value.

***Taxing District*** The geographic area whose boundaries define the taxing jurisdiction for a group of taxing bodies.

## BOONE COUNTY, ILLINOIS