



FROM THE OFFICE OF STATE REPRESENTATIVE JOHN FRITCHEY

Dear Neighbor:

I am pleased to have been one of the Chief Sponsors of HB664, legislation to extend and increase the property tax cap bill that we enacted a few years back. The result is the product of months of negotiations, and will continue to provide some relief for homeowners for the next three years. For your convenience, below you will find a summary of the legislation that we have sent to the Governor.

In the interim, I will continue my efforts to reform how we assess property in Cook County so that homeowners won't continue to suffer from skyrocketing property taxes.

It is my understanding that, provided Governor Blagojevich acts quickly to sign the bill, Cook County Assessor James Houlihan will still have sufficient time to implement the relief provided in the legislation for our upcoming property tax bills. For further information on this issue, you may want to consult the Assessor's website at: www.cookcountyassessor.com.

Sincerely,

A handwritten signature in black ink that reads "John Fritchey". The signature is written in a cursive style and is positioned to the left of a vertical line.

John A. Fritchey

Summary of House Bill 664:

1. **General Homestead Exemption** – Increase from \$5,000 to \$5,500 for 2008; increase to \$6,000 in 2009 and thereafter. The last increase was in 2004.
2. **Senior Homestead Exemption** - Increase from \$3,500 to \$4,000 in 2008 and thereafter. The last increase was in 2004.
3. **Disabled Homestead Exemption (New)** – Creates a \$2,000 exemption for disabled homeowners.
4. **Returning Veteran Homestead Exemption (New)** – Provides a one-time \$5,000 exemption, available for the year in which they return from duty.
5. **Disabled Veteran Homestead Exemption (New)** – Gives a \$2,500 exemption for veterans who are 50% to 75% disabled; \$5,000 for 75% to 100% disabled.
6. **Senior Freeze** – Removes the graduated exemption between \$45,000 and \$50,000; the maximum income will be \$55,000 beginning in 2008 and thereafter. The last increase was 2006.

7. **Circuit Breaker** – Increase each income threshold by \$1,000. The last increase was in 2006.

8. **Municipal abatement** – A municipality or county may abate some or all of its own taxes levied upon property owned by the surviving spouse of a police officer/firefighter/rescue worker killed in the line of duty.

The measure also establishes a Property Tax Reform & Relief Task Force, with two members appointed by each legislative leader (the Senate President appoints 3 members, one of whom is the chairman), to make recommendations directed at comprehensive property tax reform.

Alternative Homestead Exemption

The measure also renews and extends for three years the so-called 7% solution for homeowners in counties that elect to participate. (In the past, only Cook County has opted in to this provision, but any county in the state could.)

****It increases the exemption cap from \$20,000 to \$33,000 in the first year, \$26,000 for the second year and \$20,000 for the third year.****

In addition, to address the problem of gentrification, the bill creates a permanent, long-term homeowner exemption in participating counties.

Long-Term Homeowner Exemption

	Group 1	Group 2
Household Income Limit	\$75,000 and under	\$75,000 - \$100,000
Property Ownership Period	10 years (5 years if the taxpayer received a government/non-profit housing subsidy)	Same as Group 1
Annual Taxable EAV Growth Limit	7%, with no cap	10%, with no cap

Transitional Provision

A transition year to the new long-term homeowner’s exemption is needed, because that exemption cannot be implemented until taxable year 2007 (payable in 2008). Therefore, in the first year an additional \$5,000 exemption would be added to the cap for any taxpayer whose increase in EAV over the last two reassessments was in excess of 80% but less than 100%, and an additional \$7,000 exemption would be added to the cap for any taxpayer whose increase in EAV over the same period was in excess of 100%.