

SB0056



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB0056

Introduced 1/11/2017, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

35 ILCS 200/16-55
35 ILCS 200/16-65
35 ILCS 200/16-183
35 ILCS 200/17-10
35 ILCS 200/31-25

Amends the Property Tax Code. Provides that provisions requiring boards of review and the Property Tax Appeal Board to consider compulsory sales for the purpose of revising and correcting assessments apply only to complaints affecting assessments for assessment years 2011 through 2016. Provides that boards of review shall consider compulsory sales in the equalization process only in assessment years 2011 through 2016. Provides that, beginning on the effective date of the amendatory Act, transfer declarations are no longer required to state whether the transfer is pursuant to compulsory sale. Effective immediately.

LRB100 00072 HLH 10076 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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 16-55, 16-65, 16-183, 17-10, and 31-25 as follows:

6 (35 ILCS 200/16-55)

7 Sec. 16-55. Complaints.

8 (a) On written complaint that any property is overassessed
9 or underassessed, the board shall review the assessment, and
10 correct it, as appears to be just, but in no case shall the
11 property be assessed at a higher percentage of fair cash value
12 than other property in the assessment district prior to
13 equalization by the board or the Department.

14 (b) With respect to complaints affecting the assessment of
15 property for assessment years 2011 through 2016, the ~~The~~ board
16 shall include compulsory sales in reviewing and correcting
17 assessments, including, but not limited to, those compulsory
18 sales submitted by the complainant, if the board determines
19 that those sales reflect the same property characteristics and
20 condition as those originally used to make the assessment. With
21 respect to complaints affecting the assessment of property for
22 assessment years 2011 through 2016, the ~~The~~ board shall also
23 consider whether the compulsory sale would otherwise be

1 considered an arm's length transaction.

2 (c) If a complaint is filed by an attorney on behalf of a
3 complainant, all notices and correspondence from the board
4 relating to the appeal shall be directed to the attorney. The
5 board may require proof of the attorney's authority to
6 represent the taxpayer. If the attorney fails to provide proof
7 of authority within the compliance period granted by the board
8 pursuant to subsection (d), the board may dismiss the
9 complaint. The Board shall send, electronically or by mail,
10 notice of the dismissal to the attorney and complainant.

11 (d) A complaint to affect the assessment for the current
12 year shall be filed on or before 30 calendar days after the
13 date of publication of the assessment list under Section 12-10.
14 Upon receipt of a written complaint that is timely filed under
15 this Section, the board of review shall docket the complaint.
16 If the complaint does not comply with the board of review rules
17 adopted under Section 9-5 entitling the complainant to a
18 hearing, the board shall send, electronically or by mail,
19 notification acknowledging receipt of the complaint. The
20 notification must identify which rules have not been complied
21 with and provide the complainant with not less than 10 business
22 days to bring the complaint into compliance with those rules.
23 If the complainant complies with the board of review rules
24 either upon the initial filing of a complaint or within the
25 time as extended by the board of review for compliance, then
26 the board of review shall send, electronically or by mail, a

1 notice of hearing and the board shall hear the complaint and
2 shall issue and send, electronically or by mail, a decision
3 upon resolution. Except as otherwise provided in subsection
4 (c), if the complainant has not complied with the rules within
5 the time as extended by the board of review, the board shall
6 nonetheless issue and send a decision. The board of review may
7 adopt rules allowing any party to attend and participate in a
8 hearing by telephone or electronically.

9 (d-5) Complaints and other written correspondence sent by
10 the United States mail shall be considered filed as of the
11 postmark date in accordance with Section 1.25 of the Statute on
12 Statutes. Complaints and other written correspondence sent by a
13 delivery service other than the United States Postal System
14 shall be considered as filed as of the date sent as indicated
15 by the shipper's tracking label. If allowed by board of review
16 rule, complaints and other written correspondence transmitted
17 electronically shall be considered filed as of the date
18 received.

19 (e) The board may also, at any time before its revision of
20 the assessments is completed in every year, increase, reduce or
21 otherwise adjust the assessment of any property, making changes
22 in the valuation as may be just, and shall have full power over
23 the assessment of any person and may do anything in regard
24 thereto that it may deem necessary to make a just assessment,
25 but the property shall not be assessed at a higher percentage
26 of fair cash value than the assessed valuation of other

1 property in the assessment district prior to equalization by
2 the board or the Department.

3 (f) No assessment shall be increased until the person to be
4 affected has been notified and given an opportunity to be
5 heard, except as provided below.

6 (g) Before making any reduction in assessments of its own
7 motion, the board of review shall give notice to the assessor
8 or chief county assessment officer who certified the
9 assessment, and give the assessor or chief county assessment
10 officer an opportunity to be heard thereon.

11 (h) All complaints of errors in assessments of property
12 shall be in writing, and shall be filed by the complaining
13 party with the board of review, in the number of copies
14 required by board of review rule. A copy shall be filed by the
15 board of review with the assessor or chief county assessment
16 officer who certified the assessment.

17 (i) In all cases where a change in assessed valuation of
18 \$100,000 or more is sought, the board of review shall also
19 serve a copy of the petition on all taxing districts as shown
20 on the last available tax bill at least 14 days prior to the
21 hearing on the complaint. Service may be by electronic means if
22 the taxing district consents to electronic service and provides
23 the board of review with a valid e-mail address for the purpose
24 of receiving service. All taxing districts shall have an
25 opportunity to be heard on the complaint. A taxing district
26 wishing to intervene shall file a request to intervene with the

1 board of review at least five days in advance of a scheduled
2 hearing. If board of review rules require the appellant to
3 submit evidence in advance of a hearing, then any evidence in
4 support of the intervenor's opinion of assessed value must be
5 submitted to the board of review and complainant no later than
6 five calendar days prior to the hearing. Service shall be made
7 as set forth in subsection (d-5), but if board of review rules
8 allow complaints and correspondence to be transmitted
9 electronically, then the intervenor's evidence shall be
10 transmitted electronically.

11 (i-5) If board of review rules require the appellant to
12 submit evidence in advance of a hearing, then any evidence to
13 support the assessor's opinion of assessed value must be
14 submitted to the board of review and the complainant (or, if
15 represented by an attorney, to the attorney) no later than five
16 calendar days prior to the hearing. Service shall be made as
17 set forth in subsection (d-5), but if board of review rules
18 allow complaints and correspondence to be transmitted
19 electronically, then the assessor's evidence shall be
20 transmitted electronically.

21 (j) Complaints shall be classified by townships or taxing
22 districts by the clerk of the board of review. All classes of
23 complaints shall be docketed numerically, each in its own
24 class, in the order in which they are presented, in books kept
25 for that purpose, which books shall be open to public
26 inspection. Complaints shall be considered by townships or

1 taxing districts until all complaints have been heard and
2 passed upon by the board.

3 (Source: P.A. 98-322, eff. 8-12-13; 99-98, eff. 1-1-16; 99-579,
4 eff. 7-15-16.)

5 (35 ILCS 200/16-65)

6 Sec. 16-65. Equalization process.

7 (a) The board of review shall act as an equalizing
8 authority, if after equalization by the supervisor of
9 assessments the equalized assessed value of property in the
10 county is not 33 1/3% of the total fair cash value. The board
11 shall, after notice and hearing as required by Section 12-40,
12 lower or raise the total assessed value of property in any
13 assessment district within the county so that the property,
14 other than farm and coal property assessed under Sections
15 10-110 through 10-140 and Sections 10-170 through 10-200, will
16 be assessed at 33 1/3% of its fair cash value.

17 (b) For each assessment district of the county, the board
18 of review shall annually determine the percentage relationship
19 between the valuations at which property other than farm and
20 coal property is listed and the estimated 33 1/3% of the fair
21 cash value of such property. To make this analysis, the board
22 shall use at least 25 property transfers, or a combination of
23 at least 25 property transfers and property appraisals, such
24 information as may be submitted by interested taxing bodies, or
25 any other means as it deems proper and reasonable. If there are

1 not 25 property transfers available, or if these 25 property
2 transfers do not represent a fair sample of the types of
3 properties and their proportional distribution in the
4 assessment district, the board shall select a random sample of
5 properties of a number necessary to provide a combination of at
6 least 25 property transfers and property appraisals as much as
7 possible representative of the entire assessment district, and
8 provide for their appraisal. The township or multi-township
9 assessor shall be notified of and participate in the
10 deliberations and determinations.

11 (c) ~~The In assessment year 2011,~~ the board of review shall
12 consider compulsory sales in its equalization process.

13 The board of review, in conjunction with the chief county
14 assessment officer, shall determine the number of compulsory
15 sales from the prior year for the purpose of revising and
16 correcting assessments. The board of review shall determine if
17 the number of compulsory sales is at least 25% of all property
18 transfers within the neighborhood, township, multi-township
19 assessment district, or other specific geographic region in the
20 county for that class of property, but shall exclude from the
21 calculation (i) all property transfers for which the property
22 characteristics and condition are not the same as those
23 characteristics and condition used to determine the assessed
24 value and (ii) any property transfer that is not an arm's
25 length transaction based on existing sales ratio study
26 standards (except for compulsory sales). If the board

1 determines that the number of compulsory sales is at least 25%
2 of all property transfers within the defined geographic region
3 for that class of property, then the board of review must
4 determine (i) the median assessment level of arm's length
5 transactions and (ii) the median assessment level of compulsory
6 sales. If the median assessment level of compulsory sales is
7 higher than the median assessment level of arm's length
8 transactions, then compulsory sales shall be included in the
9 arm's length transaction study and the board must calculate the
10 new median assessment level. Assessed values of properties
11 within the specific geographic area for that class of property
12 must be revised to reflect this new median assessment level.
13 The revised median assessment level shall be the basis for
14 equalization as otherwise provided in this Section.

15 This subsection (c) applies only in assessment years 2011
16 through 2016.

17 (d) With the ratio determined for each assessment district,
18 the board shall ascertain the amount to be added or deducted
19 from the aggregate assessment on property subject to local
20 assessment jurisdiction, other than farm and coal property, to
21 produce a ratio of assessed value to 33 1/3% of the fair cash
22 value equivalent to 100%. However, in determining the amount to
23 be added to the aggregate assessment on property subject to
24 local jurisdiction in order to produce a ratio of assessed
25 value to 33 1/3% of the fair cash value equivalent to 100%, the
26 board shall not, in any one year, increase or decrease the

1 aggregate assessment of any assessment district by more than
2 25% of the equalized valuation of the district for the previous
3 year, except that additions, deletions or depletions to the
4 taxable property shall be excluded in computing the 25%
5 limitation. The board shall complete the equalization by the
6 date prescribed in Section 16-35 for the board's adjournment,
7 and, within 10 days thereafter, shall report the results of its
8 work under this Section to the Department. At least 30 days
9 prior to its adjournment, the board shall publish a notice
10 declaring whether it intends to equalize assessments as
11 provided in this Section. The notice shall be published in a
12 newspaper of general circulation in the county. If the board
13 fails to report to the Department within the required time, or
14 if the report discloses that the board has failed to make a
15 proper and adequate equalization of assessments, the
16 Department shall direct, determine, and supervise the
17 assessment so that all assessments of property are relatively
18 just and equal as provided in Section 8-5.

19 (Source: P.A. 96-1083, eff. 7-16-10.)

20 (35 ILCS 200/16-183)

21 Sec. 16-183. Compulsory sales. With respect to a complaint
22 to affect the assessment for assessment years 2011 through
23 2016, the ~~The~~ Property Tax Appeal Board shall consider
24 compulsory sales of comparable properties for the purpose of
25 revising and correcting assessments, including those

1 compulsory sales of comparable properties submitted by the
2 taxpayer.

3 (Source: P.A. 96-1083, eff. 7-16-10.)

4 (35 ILCS 200/17-10)

5 Sec. 17-10. Sales ratio studies. The Department shall
6 monitor the quality of local assessments by designing,
7 preparing and using ratio studies, and shall use the results as
8 the basis for equalization decisions. In compiling sales ratio
9 studies, the Department shall exclude from the reported sales
10 price of any property any amounts included for personal
11 property and, for sales occurring through December 31, 1999,
12 shall exclude seller paid points. The Department shall not
13 include in its sales ratio studies sales of property which have
14 been platted and for which an increase in the assessed
15 valuation is restricted by Section 10-30. The Department shall
16 not include in its sales ratio studies the initial sale of
17 residential property that has been converted to condominium
18 property. The Department shall include compulsory sales
19 occurring on or after January 1, 2011 and prior to January 1,
20 2016 in its sales ratio studies. The Department shall also
21 consider whether ~~the~~ compulsory sales occurring on or after
22 January 1, 2011 and prior to January 1, 2016 ~~sale~~ would
23 otherwise be considered ~~an~~ arm's length transactions
24 ~~transaction~~, based on existing sales ratio study standards.

25 When the declaration required under the Real Estate

1 Transfer Tax Law contains financing information required under
2 Section 31-25, the Department shall adjust sales prices to
3 exclude seller-paid points and shall adjust sales prices to
4 "cash value" when seller related financing is used that is
5 different than the prevailing cost of cash. The prevailing cost
6 of cash for sales occurring on or after January 1, 1992 shall
7 be established as the monthly average 30-year fixed Primary
8 Mortgage Market Survey rate for the North Central Region as
9 published weekly by the Federal Home Loan Mortgage Corporation,
10 as computed by the Department, or such other rate as determined
11 by the Department. This rate shall be known as the survey rate.
12 For sales occurring on or after January 1, 1992, through
13 December 31, 1999, adjustments in the prevailing cost of cash
14 shall be made only after the survey rate has been at or above
15 13% for 12 consecutive months and will continue until the
16 survey rate has been below 13% for 12 consecutive months. For
17 sales occurring on or after January 1, 2000, adjustments for
18 seller paid points and adjustments in the prevailing cost of
19 cash shall be made only after the survey rate has been at or
20 above 13% for 12 consecutive months and will continue until the
21 survey rate has been below 13% for 12 consecutive months. The
22 Department shall make public its adjustment procedure upon
23 request.

24 (Source: P.A. 96-1083, eff. 7-16-10.)

1 Sec. 31-25. Transfer declaration. At the time a deed, a
2 document transferring a controlling interest in real property,
3 or trust document is presented for recordation, or within 3
4 business days after the transfer is effected, whichever is
5 earlier, there shall also be presented to the recorder or
6 registrar of titles a declaration, signed by at least one of
7 the sellers and also signed by at least one of the buyers in
8 the transaction or by the attorneys or agents for the sellers
9 or buyers. The declaration shall state information including,
10 but not limited to: (a) the value of the real property or
11 beneficial interest in real property located in Illinois so
12 transferred; (b) the parcel identifying number of the property;
13 (c) the legal description of the property; (d) the date of the
14 deed, the date the transfer was effected, or the date of the
15 trust document; (e) the type of deed, transfer, or trust
16 document; (f) the address of the property; (g) the type of
17 improvement, if any, on the property; (h) information as to
18 whether the transfer is between related individuals or
19 corporate affiliates or is a compulsory transaction; (i) the
20 lot size or acreage; (j) the value of personal property sold
21 with the real estate; (k) the year the contract was initiated
22 if an installment sale; (l) any homestead exemptions, as
23 provided in Sections 15-170, 15-172, 15-175, and 15-176 as
24 reflected on the most recent annual tax bill; (m) the name,
25 address, and telephone number of the person preparing the
26 declaration; and (n) for transfers occurring on or after July

1 16, 2010 (the effective date of Public Act 96-1083) and prior
2 to the effective date of this amendatory Act of the 100th
3 General Assembly, whether the transfer is pursuant to
4 compulsory sale. Except as provided in Section 31-45, a deed, a
5 document transferring a controlling interest in real property,
6 or trust document shall not be accepted for recordation unless
7 it is accompanied by a declaration containing all the
8 information requested in the declaration. When the declaration
9 is signed by an attorney or agent on behalf of sellers or
10 buyers who have the power of direction to deal with the title
11 to the real estate under a land trust agreement, the trustee
12 being the mere repository of record legal title with a duty of
13 conveying the real estate only when and if directed in writing
14 by the beneficiary or beneficiaries having the power of
15 direction, the attorneys or agents executing the declaration on
16 behalf of the sellers or buyers need identify only the land
17 trust that is the repository of record legal title and not the
18 beneficiary or beneficiaries having the power of direction
19 under the land trust agreement. The declaration form shall be
20 prescribed by the Department and shall contain sales
21 information questions. For sales occurring during a period in
22 which the provisions of Section 17-10 require the Department to
23 adjust sale prices for seller paid points and prevailing cost
24 of cash, the declaration form shall contain questions regarding
25 the financing of the sale. The subject of the financing
26 questions shall include any direct seller participation in the

1 financing of the sale or information on financing that is
2 unconventional so as to affect the fair cash value received by
3 the seller. The intent of the sales and financing questions is
4 to aid in the reduction in the number of buyers required to
5 provide financing information necessary for the adjustment
6 outlined in Section 17-10. For sales occurring during a period
7 in which the provisions of Section 17-10 require the Department
8 to adjust sale prices for seller paid points and prevailing
9 cost of cash, the declaration form shall include, at a minimum,
10 the following data: (a) seller paid points, (b) the sales
11 price, (c) type of financing (conventional, VA, FHA,
12 seller-financed, or other), (d) down payment, (e) term, (f)
13 interest rate, (g) type and description of interest rate
14 (fixed, adjustable or renegotiable), and (h) an appropriate
15 place for the inclusion of special facts or circumstances, if
16 any. The Department shall provide an adequate supply of forms
17 to each recorder and registrar of titles in the State.

18 (Source: P.A. 96-1083, eff. 7-16-10.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.