



Sen. Daniel Biss

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LRB100 05135 HLH 27770 a

1 AMENDMENT TO SENATE BILL 475

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 475 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Election Code is amended by adding Section  
5 9-50 as follows:

6 (10 ILCS 5/9-50 new)

7 Sec. 9-50. Property tax appeal contributions. It is  
8 unlawful for any individual who is engaged in the business of  
9 providing legal representation in real estate tax assessment  
10 appeals to make campaign contributions of more than \$750, in  
11 the aggregate, to any political committee established to  
12 promote the candidacy of a candidate for township or  
13 multi-township assessor, county assessor, county supervisor of  
14 assessments, or member of the board of review in any  
15 jurisdiction where that individual provides such legal  
16 representation. It is unlawful for any candidate, political

1 committee, or other person to knowingly accept or receive any  
2 contribution prohibited by this Section.

3 Section 10. The Property Tax Code is amended by changing  
4 Sections 1-50 and 17-10 and by adding Sections 4-35 and 8-11 as  
5 follows:

6 (35 ILCS 200/1-50)

7 Sec. 1-50. Fair cash value.

8 (a) "Fair cash value" means the amount in terms of money  
9 that a well-informed buyer is justified in paying and a  
10 well-informed seller is justified in accepting for property in  
11 an open and competitive market, assuming that the parties are  
12 acting without undue compulsion. In determining the fair cash  
13 value of any real property which is subject to any special  
14 assessment, such value shall not be determined by adding the  
15 present value of the special assessment to the sales price.

16 (b) Sales in and of themselves shall not be the sole  
17 criteria of fair cash value, but shall be used in connection  
18 with cost, income, and other factors, including, but not  
19 limited to:

20 (1) the proper classification of lands and  
21 improvements;

22 (2) the size thereof;

23 (3) the effect of location on value;

24 (4) depreciation, including physical deterioration or

1 functional, economic, or social obsolescence;

2 (5) cost of reproduction of improvements;

3 (6) productivity, taking into account all restrictions  
4 imposed by the State, the federal government, or units of  
5 local government, including, but not limited to,  
6 restrictions on property rented or leased to low income  
7 individuals and families as authorized by Section 42 of the  
8 federal Internal Revenue Code;

9 (7) earning capacity as indicated by lease price, by  
10 capitalization of net income, or by absorption or sell-out  
11 period;

12 (8) rental or reasonable rental values or rental values  
13 restricted by the State, the federal government, or a unit  
14 of local government, including, but not limited to,  
15 restrictions on property rented or leased to low income  
16 individuals and families, as authorized by Section 42 of  
17 the federal Internal Revenue Code;

18 (9) sale value on open market with due allowance to  
19 abnormal inflationary factors influencing such values;

20 (10) restrictions or requirements imposed upon the use  
21 of real estate by the State, the federal government, or a  
22 unit of local government, including zoning and planning  
23 boards or commissions, and including, but not limited to,  
24 restrictions or requirements imposed upon the use of real  
25 estate rented or leased to low income individuals and  
26 families, as authorized by Section 42 of the federal

1       Internal Revenue Code; and

2               (11) comparison with values of other property of known  
3               or recognized value; sales ratio studies shall not be used  
4               as an appraisal for appraisal purposes.

5       ~~The amount for which a property can be sold in the due course~~  
6       ~~of business and trade, not under duress, between a willing~~  
7       ~~buyer and a willing seller.~~

8       (Source: P.A. 88-455.)

9               (35 ILCS 200/4-35 new)

10       Sec. 4-35. Publication of valuation models. Each  
11       assessment official, including each township or multi-township  
12       assessor, shall, on an annual basis, transmit to the chief  
13       county assessment officer valuation models for his or her  
14       jurisdiction, including methodologies, assumptions, and  
15       property values themselves. The chief county assessment  
16       officer shall post that information on his or her office's  
17       Internet website.

18               (35 ILCS 200/8-11 new)

19       Sec. 8-11. Department audits. Each year, the Department  
20       shall conduct an audit of each county, township, or  
21       multi-township assessment office to develop an accurate and  
22       credible mass appraisal system. The audit shall examine the  
23       following components of each office:

24               (1) each office's organizational plan; each county,

1 township, or multi-township assessment official shall  
2 produce for his or her jurisdiction a plan for the current  
3 and next assessment cycle, including an organizational  
4 chart and budget;

5 (2) independently-validated sales data;

6 (3) detailed parcel information, including, but not  
7 limited to:

8 (A) market factors;

9 (B) classification requirements; and

10 (C) use of the property;

11 (4) the valuation model or models used by the assessor;

12 (5) each officer's internal review process; and

13 (6) whether or not the assessor's office is in  
14 compliance with the factors set forth in subsections (d),  
15 (e), and (f) of Section 17-10.

16 Upon completion of the audit, the Department shall weigh  
17 each of the preceding components and shall make public a  
18 compliance list, detailing whether counties and townships are  
19 substantially compliant, partially compliant, or  
20 non-compliant. If a county or township is found to be  
21 non-compliant for a period of 6 consecutive years, then the  
22 county or township shall be deemed to be persistently  
23 non-compliant. If a county or township is persistently  
24 non-compliant, then the assessment official shall be removed  
25 from office, and the office shall be vacant. The county board,  
26 by an affirmative majority vote, shall appoint a replacement

1 assessment official to serve for the remainder of the former  
2 assessment official's unexpired term.

3 (35 ILCS 200/17-10)

4 Sec. 17-10. Sales ratio studies.

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

23 (b) When the declaration required under the Real Estate  
24 Transfer Tax Law contains financing information required under  
25 Section 31-25, the Department shall adjust sales prices to

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

22 (c) The sales ratio studies shall conform with the most  
23 recent standards and statistical measures developed by the  
24 International Association of Assessing Officers. All data used  
25 to develop the sales ratio studies shall be made public.

26 (d) The median ratio measure for each township must fall

1 between 0.9 and 1.1. If the median ratio measure does not fall  
2 within that range, then the appraisal level shall be found to  
3 be out of compliance unless, at a 95% level of confidence, the  
4 range estimate overlaps 1.

5 (e) The average deviation of ratios from the median level  
6 shall be measured by the coefficient of dispersion. A deviation  
7 that does not exceed the following value for each property type  
8 shall be considered in compliance:

9 (1) for single family residential, 20;

10 (2) for commercial or industrial property in a county  
11 with a population of 500,000 or more, 15; and

12 (3) for commercial or industrial property in a county  
13 with a population of less than 500,000, 25.

14 If, at a 95% level of confidence, the range estimate  
15 overlaps the maximum, then the appraisal level shall be found  
16 to be in compliance.

17 (f) The Department shall also determine the coefficient of  
18 the price-related bias for each township, which shall fall  
19 between -0.05 and 0.05. If, at a 95% level of confidence, the  
20 range estimate falls between -0.01 or 0.01, then the appraisal  
21 level shall be found to be in compliance.

22 (g) The sample size for each sales ratio study shall be not  
23 less than (i) 30 parcels or (ii) 10% of parcels in each  
24 property class within the jurisdiction, whichever is lower.

25 (h) The sales ratio study shall be subjected to a test of  
26 distribution such as Shapiro-Wilk, D'Agostino-Pearson  $K^2$ , or



1 Anderson-Darling A<sup>2</sup>.

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