



Rep. Daniel Didech

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10200HB4374ham001

LRB102 22958 HLH 36376 a

1 AMENDMENT TO HOUSE BILL 4374

2 AMENDMENT NO. _____. Amend House Bill 4374 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Vacancy Fraud Act.

6 Section 5. Public policy. Certain commercial properties in
7 Cook County receive a vacancy reduction because they are
8 partly or completely vacant. In order to revitalize struggling
9 commercial corridors and foster economic development in Cook
10 County commercial corridors, it is imperative that owners of
11 commercial properties that receive a vacancy reduction attempt
12 to lease or sell those properties or make the alterations or
13 modifications necessary to lease or sell those properties.

14 The General Assembly finds that it is against public
15 policy for commercial property owners to receive a vacancy
16 reduction without attempting to lease or sell those properties

1 or make the modifications or alterations necessary to lease or
2 sell those properties because it burdens homeowners and
3 actively operating businesses, lessens the taxing districts'
4 tax bases, and causes blight in commercial corridors.

5 Section 10. Definitions. As used in this Act:

6 "Subject property" means real property located in a county
7 with 3,000,000 or more inhabitants, or a portion of that
8 property, that is designated or zoned for commercial or
9 business use and receives a vacancy reduction. With respect to
10 real property that is zoned or designated as mixed-use
11 property, this Act applies only to that portion designated or
12 zoned for commercial or business use.

13 "Vacancy reduction" means a decrease in assessed value, a
14 decrease in market value, or an abatement of taxes by the chief
15 county assessment officer, a board of review, a county, or a
16 taxing district, which is permitted by ordinance, resolution,
17 or policy granting such a decrease in assessed value to
18 property that is vacant.

19 Section 15. Vacancy fraud complaints.

20 (a) The board of review in a county with 3,000,000 or more
21 inhabitants is authorized to hear vacancy fraud complaints
22 brought no more than 5 years after the vacancy fraud occurred.
23 No vacancy fraud complaints may be brought for vacancy
24 reductions that were granted prior to the effective date of

1 this Act. If there is no actively installed or operating board
2 of review, the chief county assessment officer is authorized
3 to designate a department or official to hear those
4 complaints. If the chief county assessment officer designates
5 a department or official to hear complaints because there is
6 no actively installed or operating board of review, then
7 references to the board of review in this Act shall mean the
8 designated department or official.

9 (b) Beginning on January 1, 2023, any owner of real
10 property located in a county with 3,000,000 or more
11 inhabitants may file a written vacancy fraud complaint with
12 the appropriately designated board of review within the
13 applicable filing period set forth in subsection (a) alleging
14 that the subject property has received a vacancy reduction and
15 that the owner of the subject property is not actively
16 attempting to lease, sell, alter, or modify the property to
17 prepare it for sale or lease. The board of review shall
18 determine the process by which a vacancy fraud complaint may
19 be filed.

20 (c) Only one vacancy fraud complaint shall be considered
21 and heard by the board of review for each instance a property
22 received a vacancy reduction. The decision of the board of
23 review shall be binding on future complaints based on the same
24 vacancy fraud reduction in the same year. If more than one
25 vacancy fraud complaint is pending concurrently, those
26 complaints shall be consolidated.

1 (d) The party alleging vacancy fraud shall file the
2 appropriate notice and documents, as prescribed by the board
3 of review, in the manner determined by the board of review.
4 Vacancy fraud complaints may be filed by the party alleging
5 vacancy fraud or an attorney acting on that party's behalf.

6 (e) Upon receipt of a written complaint that is timely
7 filed, the board of review shall process the complaint and
8 provide the appropriate notice to the property that is the
9 subject of the complaint. The board of review that will hear
10 the vacancy fraud complaint shall establish the process by
11 which notice shall be provided and by which complaints shall
12 be heard.

13 Section 20. Factors in determining vacancy fraud.

14 (a) In determining whether the owner of a subject property
15 is actively attempting to sell or lease the subject property
16 or actively attempting to modify or alter the subject property
17 for sale or lease, the board may consider the following
18 factors:

19 (1) whether there is a sign on the subject property
20 advertising that it is for sale or for lease;

21 (2) whether the subject property is advertised for
22 sale or for lease in a newspaper of general circulation
23 where the property is located;

24 (3) whether the subject property is advertised for
25 sale or for lease on the internet, and whether potential

1 buyers or tenants are reasonably able to access the
2 internet listing;

3 (4) whether the owner of the subject property has
4 contracted for the services of an Illinois licensed real
5 estate professional for the purpose of selling or leasing
6 the subject property;

7 (5) whether any advertised sale price or advertised
8 rental price for the subject property is excessive;

9 (6) whether a contract for sale or lease of the
10 subject property is pending;

11 (7) whether the subject property is subsequently sold
12 or leased and the amount of time that passed from the
13 original vacancy until the sale or lease date;

14 (8) whether the owner has applied for and received
15 demolition or construction permits for the subject
16 property;

17 (9) whether the owner has responded to inquiries to
18 lease or sell the property;

19 (10) whether the property has been altered or modified
20 for the purpose of leasing or selling the property;

21 (11) whether the property owner has attempted to
22 lease, sell, or alter or modify the subject property but
23 has not been able to proceed because of the inability to
24 obtain permits or because court proceedings involving
25 prior renters have precluded such action; and

26 (12) any other factors the board deems necessary to

1 determine if the owner of the subject property is actively
2 attempting to lease or sell the subject property or
3 actively attempting to modify or alter the subject
4 property for sale or lease.

5 (b) For purposes of paragraphs (1), (2), and (3) of
6 subsection (a), any signs, newspaper advertisements, or
7 internet advertisements shall contain valid contact
8 information for the owner or agent of the property. If the
9 contact information does not connect potential tenants or
10 buyers to a person who can facilitate the purchase or lease of
11 the subject property, or if the owner or agent does not respond
12 to the inquiry within 30 days, the signs, newspaper
13 advertisements, or internet advertisements may be disregarded
14 in the determination of whether a property owner was actively
15 attempting to sell or lease the subject property or actively
16 attempting to modify or alter the subject property for sale or
17 lease.

18 Section 25. Penalties.

19 (a) Before assessing any penalties under this Act, the
20 board of review shall give notice of the complaint to the chief
21 county assessment officer who certified the vacancy relief and
22 give the chief county assessment officer an opportunity to be
23 heard on the matter.

24 (b) Upon determining that an owner of a subject property
25 is not actively attempting to sell or lease the subject

1 property, or actively attempting to alter or modify the
2 subject property for sale or lease, the board of review may
3 direct the chief county assessment officer to do any of the
4 following:

5 (1) require from the owner of the subject property the
6 payment of up to 3 times the amount of back taxes owed for
7 any vacancy reduction the subject property received for
8 the period in which the subject property received the
9 reduction but was found to have engaged in vacancy fraud
10 as defined in this Act; and

11 (2) require from the owner of the subject property the
12 payment of interest of up to 10% per annum on any back
13 taxes sought under paragraph (1).

14 (c) The unpaid taxes shall be paid to the appropriate
15 taxing districts in the manner provided for the payment of
16 property taxes under the Property Tax Code and allocated to
17 fund the implementation of this Act. Interest and penalties
18 shall be paid to the chief county assessment officer's office
19 to cover the costs associated with educating the public on the
20 provisions of this Act.

21 (d) No penalties shall be assessed until the person to be
22 affected has been notified and given an opportunity to be
23 heard.

24 Section 99. Effective date. This Act takes effect upon
25 becoming law."