

SB2544



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2544

Introduced 2/26/2021, by Sen. Melinda Bush

SYNOPSIS AS INTRODUCED:

35 ILCS 200/16-55
35 ILCS 200/16-65
35 ILCS 200/17-10
35 ILCS 200/31-25
35 ILCS 200/1-23 rep.
35 ILCS 200/16-183 rep.

Amends the Property Tax Code. Removes provisions concerning compulsory sales.

LRB102 16264 HLH 21646 b

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, 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) (Blank). ~~The board shall include compulsory sales in~~
15 ~~reviewing and correcting assessments, including, but not~~
16 ~~limited to, those compulsory sales submitted by the~~
17 ~~complainant, if the board determines that those sales reflect~~
18 ~~the same property characteristics and condition as those~~
19 ~~originally used to make the assessment. The board shall also~~
20 ~~consider whether the compulsory sale would otherwise be~~
21 ~~considered an arm's length transaction.~~

22 (c) If a complaint is filed by an attorney on behalf of a
23 complainant, all notices and correspondence from the board

1 relating to the appeal shall be directed to the attorney. The
2 board may require proof of the attorney's authority to
3 represent the taxpayer. If the attorney fails to provide proof
4 of authority within the compliance period granted by the board
5 pursuant to subsection (d), the board may dismiss the
6 complaint. The Board shall send, electronically or by mail,
7 notice of the dismissal to the attorney and complainant.

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

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

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

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

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

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

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

15 (i) In all cases where a change in assessed valuation of
16 \$100,000 or more is sought, the board of review shall also
17 serve a copy of the petition on all taxing districts as shown
18 on the last available tax bill at least 14 days prior to the
19 hearing on the complaint. Service may be by electronic means
20 if the taxing district consents to electronic service and
21 provides the board of review with a valid e-mail address for
22 the purpose of receiving service. All taxing districts shall
23 have an opportunity to be heard on the complaint. A taxing
24 district wishing to intervene shall file a request to
25 intervene with the board of review at least five days in
26 advance of a scheduled hearing. If board of review rules

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

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

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

1 passed upon by the board.

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

4 (35 ILCS 200/16-65)

5 Sec. 16-65. Equalization process. The board of review
6 shall act as an equalizing authority, if after equalization by
7 the supervisor of assessments the equalized assessed value of
8 property in the county is not 33 1/3% of the total fair cash
9 value. The board shall, after notice and hearing as required
10 by Section 12-40, lower or raise the total assessed value of
11 property in any assessment district within the county so that
12 the property, other than farm and coal property assessed under
13 Sections 10-110 through 10-140 and Sections 10-170 through
14 10-200, will be assessed at 33 1/3% of its fair cash value.

15 For each assessment district of the county, the board of
16 review shall annually determine the percentage relationship
17 between the valuations at which property other than farm and
18 coal property is listed and the estimated 33 1/3% of the fair
19 cash value of such property. To make this analysis, the board
20 shall use at least 25 property transfers, or a combination of
21 at least 25 property transfers and property appraisals, such
22 information as may be submitted by interested taxing bodies,
23 or any other means as it deems proper and reasonable. If there
24 are not 25 property transfers available, or if these 25
25 property transfers do not represent a fair sample of the types

1 of properties and their proportional distribution in the
2 assessment district, the board shall select a random sample of
3 properties of a number necessary to provide a combination of
4 at least 25 property transfers and property appraisals as much
5 as possible representative of the entire assessment district,
6 and provide for their appraisal. The township or
7 multi-township assessor shall be notified of and participate
8 in the deliberations and determinations.

9 ~~In assessment year 2011, the board of review shall~~
10 ~~consider compulsory sales in its equalization process.~~

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

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

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

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

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

17 (35 ILCS 200/17-10)

18 Sec. 17-10. Sales ratio studies. The Department shall
19 monitor the quality of local assessments by designing,
20 preparing and using ratio studies, and shall use the results
21 as the basis for equalization decisions. In compiling sales
22 ratio studies, the Department shall exclude from the reported
23 sales price of any property any amounts included for personal
24 property and, for sales occurring through December 31, 1999,
25 shall exclude seller paid points. The Department shall not

1 include in its sales ratio studies sales of property which
2 have been platted and for which an increase in the assessed
3 valuation is restricted by Section 10-30. ~~The Department shall~~
4 ~~not include in its sales ratio studies the initial sale of~~
5 ~~residential property that has been converted to condominium~~
6 ~~property. The Department shall include compulsory sales~~
7 ~~occurring on or after January 1, 2011 in its sales ratio~~
8 ~~studies. The Department shall also consider whether the~~
9 ~~compulsory sale would otherwise be considered an arm's length~~
10 ~~transaction, based on existing sales ratio study standards.~~

11 When the declaration required under the Real Estate
12 Transfer Tax Law contains financing information required under
13 Section 31-25, the Department shall adjust sales prices to
14 exclude seller-paid points and shall adjust sales prices to
15 "cash value" when seller related financing is used that is
16 different than the prevailing cost of cash. The prevailing
17 cost of cash for sales occurring on or after January 1, 1992
18 shall be established as the monthly average 30-year fixed
19 Primary Mortgage Market Survey rate for the North Central
20 Region as published weekly by the Federal Home Loan Mortgage
21 Corporation, as computed by the Department, or such other rate
22 as determined by the Department. This rate shall be known as
23 the survey rate. For sales occurring on or after January 1,
24 1992, through December 31, 1999, adjustments in the prevailing
25 cost of cash shall be made only after the survey rate has been
26 at or above 13% for 12 consecutive months and will continue

1 until the survey rate has been below 13% for 12 consecutive
2 months. For sales occurring on or after January 1, 2000,
3 adjustments for seller paid points and adjustments in the
4 prevailing cost of cash shall be made only after the survey
5 rate has been at or above 13% for 12 consecutive months and
6 will continue until the survey rate has been below 13% for 12
7 consecutive months. The Department shall make public its
8 adjustment procedure upon request.

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

10 (35 ILCS 200/31-25)

11 Sec. 31-25. Transfer declaration. At the time a deed, a
12 document transferring a controlling interest in real property,
13 or trust document is presented for recordation, or within 3
14 business days after the transfer is effected, whichever is
15 earlier, there shall also be presented to the recorder or
16 registrar of titles a declaration, signed by at least one of
17 the sellers and also signed by at least one of the buyers in
18 the transaction or by the attorneys or agents for the sellers
19 or buyers. The declaration shall state information including,
20 but not limited to: (a) the value of the real property or
21 beneficial interest in real property located in Illinois so
22 transferred; (b) the parcel identifying number of the
23 property; (c) the legal description of the property; (d) the
24 date of the deed, the date the transfer was effected, or the
25 date of the trust document; (e) the type of deed, transfer, or

1 trust document; (f) the address of the property; (g) the type
2 of improvement, if any, on the property; (h) information as to
3 whether the transfer is between related individuals or
4 corporate affiliates or is a compulsory transaction; (i) the
5 lot size or acreage; (j) the value of personal property sold
6 with the real estate; (k) the year the contract was initiated
7 if an installment sale; (l) any homestead exemptions, as
8 provided in Sections 15-170, 15-172, 15-175, and 15-176 as
9 reflected on the most recent annual tax bill; and (m) the name,
10 address, and telephone number of the person preparing the
11 declaration; ~~and (n) whether the transfer is pursuant to~~
12 ~~compulsory sale.~~ Except as provided in Section 31-45, a deed,
13 a document transferring a controlling interest in real
14 property, or trust document shall not be accepted for
15 recordation unless it is accompanied by a declaration
16 containing all the information requested in the declaration.
17 When the declaration is signed by an attorney or agent on
18 behalf of sellers or buyers who have the power of direction to
19 deal with the title to the real estate under a land trust
20 agreement, the trustee being the mere repository of record
21 legal title with a duty of conveying the real estate only when
22 and if directed in writing by the beneficiary or beneficiaries
23 having the power of direction, the attorneys or agents
24 executing the declaration on behalf of the sellers or buyers
25 need identify only the land trust that is the repository of
26 record legal title and not the beneficiary or beneficiaries

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

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

2 (35 ILCS 200/1-23 rep.)

3 (35 ILCS 200/16-183 rep.)

4 Section 10. The Property Tax Code is amended by repealing

5 Sections 1-23 and 16-183.