



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2027

Introduced 2/9/2023, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

New Act

Creates the Vacancy Fraud Act. Provides that the board of review in a county with 3,000,000 or more inhabitants has the power to review complaints of vacancy fraud related to property in that county. Provides that a property owner, or the agent of a property owner, commits vacancy fraud when he or she knowingly makes one or more false statements or representations to a chief county assessment officer, the board of review, or any other trier of fact, for the purpose of obtaining an enhanced vacancy reduction. Provides that an enhanced vacancy reduction means an enhanced abatement of taxes or a reduction in property taxes by a chief county assessment officer, the board of review, or a taxing district, based on full or partial vacancy of the property, under an ordinance of the county or taxing district, a resolution of the county or taxing district, or a policy of the county or taxing district. Effective immediately.

LRB103 29543 HLH 55938 b

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

6 Section 5. Public policy. There is a practice in Cook
7 County that allows commercial properties to receive an
8 enhanced reduction in their property taxes based on full or
9 partial vacancy. The abuse of this practice can have a
10 devastating impact on neighborhood business districts and
11 local communities. In recognition of the crucial need to
12 reduce commercial vacancies in local communities and the
13 economic circumstances of taxpayers and taxing districts, the
14 General Assembly finds that property owners that make false
15 statements to procure or attempt to procure enhanced
16 reductions in property taxes, on a specific property, should
17 be precluded from seeking future reductions for that property
18 and should be required to pay the civil penalties set forth in
19 this Act. Adopting this policy, which will discourage property
20 owners from making false statements to obtain enhanced
21 reductions in their property taxes based on vacancy, will
22 foster economic development in disadvantaged communities,
23 reduce blight, and support commercial corridors.

1 Section 10. Applicability. This Act applies to property
2 located in a county with 3,000,000 or more inhabitants.

3 Section 15. Definitions. As used in this Act:

4 "Board of review" means the board of review of the county
5 in which the property is located.

6 "Enhanced vacancy reduction" means an enhanced abatement
7 of taxes or a reduction in property taxes by a chief county
8 assessment officer, the board of review, or a taxing district,
9 based on full or partial vacancy of the property, under an
10 ordinance of the county or taxing district, a resolution of
11 the county or taxing district, or a policy of the county or
12 taxing district.

13 "Taxing district" means any unit of local government that
14 has the power to levy property taxes, any school district, or
15 any community college district.

16 "Unit of local government" has the meaning given to that
17 term in Section 1 of Article VII of the Constitution of the
18 State of Illinois.

19 "Vacancy fraud" means any instance of an action that
20 constitutes vacancy fraud under Section 25.

21 "Vacant property" means property that is receiving an
22 enhanced vacancy reduction.

23 Section 20. Vacancy fraud complaints.

1 (a) The board of review has the power to review complaints
2 of vacancy fraud if the vacancy fraud is alleged to have
3 occurred within 5 years before the filing of the complaint.

4 (b) Any taxing district in which the vacant property is
5 located, or any representative of that taxing district, any
6 chief county assessment officer, or the owner of any property
7 that is located in the same taxing district as the vacant
8 property may file a complaint alleging that the owner of the
9 vacant property, or an agent of the owner, engaged in vacancy
10 fraud or attempted to engage in vacancy fraud. The complaint
11 shall be in writing and shall comply with the rules adopted by
12 the board of review for the purpose of submitting vacancy
13 fraud complaints.

14 (c) Prior to filing a vacancy fraud complaint, the party
15 alleging vacancy fraud shall serve on the titleholder of
16 record a notice of intent to file a vacancy fraud complaint on
17 a form prescribed by rule of the board of review. The notice
18 shall disclose the common name and address of the property and
19 shall provide a short statement of the nature of the evidence
20 that will be submitted in support of the allegation of vacancy
21 fraud. This notice shall be served by first class mail,
22 postage prepaid.

23 (d) A vacancy fraud complaint must include a certificate
24 of service of the notice of intent to file a vacancy fraud
25 complaint required under this Section. The certificate of
26 service shall be made on a form prescribed by rule of the board

1 of review.

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

11 (f) Upon receipt of a written complaint that is timely
12 filed, the board of review shall docket the complaint. If the
13 complaint does not comply with the board of review rules
14 entitling the complainant to a hearing, the board or review
15 shall send, electronically or by mail, notification
16 acknowledging receipt of the complaint. The notification must
17 identify which rules have not been complied with and provide
18 the complainant with not less than 10 business days to bring
19 the complaint into compliance with those rules. If the
20 complainant complies with the board of review rules either
21 upon the initial filing of a complaint or within the time as
22 extended by the board of review for compliance, then the board
23 of review shall send, electronically or by mail, a notice of
24 hearing and the board of review shall hear the complaint and
25 shall issue and send, electronically or by mail, a decision.
26 Except as otherwise provided, if the complainant has not

1 complied with the rules within the time as extended by the
2 board of review, the board or review shall dismiss the
3 complaint without prejudice. The board of review may adopt
4 rules allowing any party to attend and participate in a
5 hearing virtually, by phone or electronically. The party
6 alleging vacancy fraud shall cause duplicate notice of the
7 hearing date to be provided to the titleholder of record.

8 (g) The board of review may consolidate validly docketed
9 complaints related to the same property for the same time
10 period, provided that each complainant shall have an
11 opportunity to separately address the board of review in the
12 course of resolving the complaint. No complainant in a
13 consolidated complaint shall have their complaint dismissed on
14 the basis of actions taken or statements made by another
15 complainant.

16 Section 25. Actions constituting vacancy fraud. Statements
17 or representations that are knowingly made by an owner, or an
18 agent of an owner, to a chief county assessment officer, board
19 of review, or other trier of fact during the process of
20 requesting an enhanced vacancy reduction that are (i)
21 demonstrably false or (ii) contradict statements or
22 representations made by or on behalf of the same owner or agent
23 of an owner, to an actual or prospective lender to, investor
24 in, or insurer of the property about the value or condition of
25 the same property constitute vacancy fraud.

1 Section 30. Adjudication of vacancy fraud complaints.

2 (a) No board of review shall make a declaration or issue a
3 decision about vacancy fraud until the owner and the chief
4 county assessment officer have been notified of the complaint
5 and have been given an opportunity to address the board of
6 review in response to the complaint.

7 (b) If the majority of the members of the board of review
8 agree that a specific statement, representation, or act by an
9 owner of a property or an owner's agent constitutes vacancy
10 fraud, then those members of the board or review shall declare
11 which specific statement, statements, representations,
12 representations, act, or acts in the complaint constitute
13 vacancy fraud. If the property owner obtained an enhanced
14 reduction of their property tax bill as a result of such
15 vacancy fraud, or attempted to obtain an enhanced reduction of
16 their property tax bill as a result of said vacancy fraud, then
17 the board of review shall declare that the owner has committed
18 vacancy fraud.

19 (c) A decision by the board of review that an owner
20 committed vacancy fraud may be appealed to the circuit court
21 of the county in which the board of review has jurisdiction in
22 the same manner as other determinations by the board of
23 review.

24 Section 35. Penalties.

1 (a) A person who is found by the board of review to have
2 committed vacancy fraud is subject to the following penalties:

3 (1) a civil penalty equaling 2 times the total amount
4 of a reduction in property taxes received because of the
5 vacancy fraud; and

6 (2) a 3-year prohibition on the property owner
7 receiving an enhanced vacancy reduction for the subject
8 property.

9 (b) These penalties shall first be paid to the appropriate
10 taxing districts. The remaining funds shall be split equally
11 between the board of review and the chief county assessment
12 officer's office to pay for the costs of administering claims
13 of vacancy fraud.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.