



Sen. Carole Pankau

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1 AMENDMENT TO SENATE BILL 3334

2 AMENDMENT NO. _____. Amend Senate Bill 3334, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Property Tax Code is amended by changing
6 Sections 16-55, 16-65, 17-10, and 31-25 and by adding Sections
7 1-23 and 16-183 as follows:

8 (35 ILCS 200/1-23 new)

9 Sec. 1-23. Compulsory sale. "Compulsory sale" means (i) the
10 sale of real estate for less than the amount owed to the
11 mortgage lender or mortgagor, if the lender or mortgagor has
12 agreed to the sale, commonly referred to as a "short sale" and
13 (ii) the first sale of real estate owned by a financial
14 institution as a result of a judgment of foreclosure, transfer
15 pursuant to a deed in lieu of foreclosure, or consent judgment,
16 occurring after the foreclosure proceeding is complete.

1 (35 ILCS 200/16-55)

2 Sec. 16-55. Complaints. On written complaint that any
3 property is overassessed or underassessed, the board shall
4 review the assessment, and correct it, as appears to be just,
5 but in no case shall the property be assessed at a higher
6 percentage of fair cash value than other property in the
7 assessment district prior to equalization by the board or the
8 Department. The board shall include compulsory sales in
9 reviewing and correcting assessments, including, but not
10 limited to, those compulsory sales submitted by the taxpayer,
11 if the board determines that those sales reflect the same
12 property characteristics and condition as those originally
13 used to make the assessment. The board shall also consider
14 whether the compulsory sale would otherwise be considered an
15 arm's length transaction. A complaint to affect the assessment
16 for the current year shall be filed on or before the 10th day
17 of August in counties with less than 150,000 inhabitants and on
18 or before the 10th day of September in counties with 150,000 or
19 more but less than 3,000,000 inhabitants, except if the
20 assessment books containing the assessment complained of are
21 not filed with the board of review by the 10th day of July in a
22 county with fewer than 150,000 inhabitants or by the 10th day
23 of August in a county with 150,000 or more but less than
24 3,000,000 inhabitants, then the complaint shall be filed on or
25 before 30 calendar days after the date of publication of the

1 assessment list under Section 12-10. The board may also, at any
2 time before its revision of the assessments is completed in
3 every year, increase, reduce or otherwise adjust the assessment
4 of any property, making changes in the valuation as may be
5 just, and shall have full power over the assessment of any
6 person and may do anything in regard thereto that it may deem
7 necessary to make a just assessment, but the property shall not
8 be assessed at a higher percentage of fair cash value than the
9 assessed valuation of other property in the assessment district
10 prior to equalization by the board or the Department. No
11 assessment shall be increased until the person to be affected
12 has been notified and given an opportunity to be heard, except
13 as provided below. Before making any reduction in assessments
14 of its own motion, the board of review shall give notice to the
15 assessor or chief county assessment officer who certified the
16 assessment, and give the assessor or chief county assessment
17 officer an opportunity to be heard thereon. All complaints of
18 errors in assessments of property shall be in writing, and
19 shall be filed by the complaining party with the board of
20 review, in duplicate. The duplicate shall be filed by the board
21 of review with the assessor or chief county assessment officer
22 who certified the assessment. In all cases where a change in
23 assessed valuation of \$100,000 or more is sought, the board of
24 review shall also serve a copy of the petition on all taxing
25 districts as shown on the last available tax bill at least 14
26 days prior to the hearing on the complaint. All taxing

1 districts shall have an opportunity to be heard on the
2 complaint. Complaints shall be classified by townships or
3 taxing districts by the clerk of the board of review. All
4 classes of complaints shall be docketed numerically, each in
5 its own class, in the order in which they are presented, in
6 books kept for that purpose, which books shall be open to
7 public inspection. Complaints shall be considered by townships
8 or taxing districts until all complaints have been heard and
9 passed upon by the board.

10 (Source: P.A. 86-345; 86-413; 86-1028; 86-1481; 88-455.)

11 (35 ILCS 200/16-65)

12 Sec. 16-65. Equalization process. The board of review shall
13 act as an equalizing authority, if after equalization by the
14 supervisor of assessments the equalized assessed value of
15 property in the county is not 33 1/3% of the total fair cash
16 value. The board shall, after notice and hearing as required by
17 Section 12-40, lower or raise the total assessed value of
18 property in any assessment district within the county so that
19 the property, other than farm and coal property assessed under
20 Sections 10-110 through 10-140 and Sections 10-170 through
21 10-200, will be assessed at 33 1/3% of its fair cash value.

22 For each assessment district of the county, the board of
23 review shall annually determine the percentage relationship
24 between the valuations at which property other than farm and
25 coal property is listed and the estimated 33 1/3% of the fair

1 cash value of such property. To make this analysis, the board
2 shall use at least 25 property transfers, or a combination of
3 at least 25 property transfers and property appraisals, such
4 information as may be submitted by interested taxing bodies, or
5 any other means as it deems proper and reasonable. If there are
6 not 25 property transfers available, or if these 25 property
7 transfers do not represent a fair sample of the types of
8 properties and their proportional distribution in the
9 assessment district, the board shall select a random sample of
10 properties of a number necessary to provide a combination of at
11 least 25 property transfers and property appraisals as much as
12 possible representative of the entire assessment district, and
13 provide for their appraisal. The township or multi-township
14 assessor shall be notified of and participate in the
15 deliberations and determinations.

16 In assessment year 2011, the board of review shall consider
17 compulsory sales in its equalization process.

18 The board of review, in conjunction with the chief county
19 assessment officer, shall determine the number of compulsory
20 sales from the prior year for the purpose of revising and
21 correcting assessments. The board of review shall determine if
22 the number of compulsory sales is at least 25% of all property
23 transfers within the neighborhood, township, multi-township
24 assessment district, or other specific geographic region in the
25 county for that class of property, but shall exclude from the
26 calculation (i) all property transfers for which the property

1 characteristics and condition are not the same as those
2 characteristics and condition used to determine the assessed
3 value and (ii) any property transfer that is not an arm's
4 length transaction based on existing sales ratio study
5 standards (except for compulsory sales). If the board
6 determines that the number of compulsory sales is at least 25%
7 of all property transfers within the defined geographic region
8 for that class of property, then the board of review must
9 determine (i) the median assessment level of arm's length
10 transactions and (ii) the median assessment level of compulsory
11 sales. If the median assessment level of compulsory sales is
12 higher than the median assessment level of arm's length
13 transactions, then compulsory sales shall be included in the
14 arm's length transaction study and the board must calculate the
15 new median assessment level. Assessed values of properties
16 within the specific geographic area for that class of property
17 must be revised to reflect this new median assessment level.
18 The revised median assessment level shall be the basis for
19 equalization as otherwise provided in this Section.

20 With the ratio determined for each assessment district, the
21 board shall ascertain the amount to be added or deducted from
22 the aggregate assessment on property subject to local
23 assessment jurisdiction, other than farm and coal property, to
24 produce a ratio of assessed value to 33 1/3% of the fair cash
25 value equivalent to 100%. However, in determining the amount to
26 be added to the aggregate assessment on property subject to

1 local jurisdiction in order to produce a ratio of assessed
2 value to 33 1/3% of the fair cash value equivalent to 100%, the
3 board shall not, in any one year, increase or decrease the
4 aggregate assessment of any assessment district by more than
5 25% of the equalized valuation of the district for the previous
6 year, except that additions, deletions or depletions to the
7 taxable property shall be excluded in computing the 25%
8 limitation. The board shall complete the equalization by the
9 date prescribed in Section 16-35 for the board's adjournment,
10 and, within 10 days thereafter, shall report the results of its
11 work under this Section to the Department. At least 30 days
12 prior to its adjournment, the board shall publish a notice
13 declaring whether it intends to equalize assessments as
14 provided in this Section. The notice shall be published in a
15 newspaper of general circulation in the county. If the board
16 fails to report to the Department within the required time, or
17 if the report discloses that the board has failed to make a
18 proper and adequate equalization of assessments, the
19 Department shall direct, determine, and supervise the
20 assessment so that all assessments of property are relatively
21 just and equal as provided in Section 8-5.

22 (Source: P.A. 84-1343; 88-455.)

23 (35 ILCS 200/16-183 new)

24 Sec. 16-183. Compulsory sales. The Property Tax Appeal
25 Board shall consider compulsory sales of comparable properties

1 for the purpose of revising and correcting assessments,
2 including those compulsory sales of comparable properties
3 submitted by the taxpayer.

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 in its sales ratio
20 studies. The Department shall also consider whether the
21 compulsory sale would otherwise be considered an arm's length
22 transaction, based on existing sales ratio study standards.

23 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 (Source: P.A. 91-555, eff. 1-1-00.)

23 (35 ILCS 200/31-25)

24 Sec. 31-25. Transfer declaration. At the time a deed, a
25 document transferring a controlling interest in real property,

1 or trust document is presented for recordation, or within 3
2 business days after the transfer is effected, whichever is
3 earlier, there shall also be presented to the recorder or
4 registrar of titles a declaration, signed by at least one of
5 the sellers and also signed by at least one of the buyers in
6 the transaction or by the attorneys or agents for the sellers
7 or buyers. The declaration shall state information including,
8 but not limited to: (a) the value of the real property or
9 beneficial interest in real property located in Illinois so
10 transferred; (b) the parcel identifying number of the property;
11 (c) the legal description of the property; (d) the date of the
12 deed, the date the transfer was effected, or the date of the
13 trust document; (e) the type of deed, transfer, or trust
14 document; (f) the address of the property; (g) the type of
15 improvement, if any, on the property; (h) information as to
16 whether the transfer is between related individuals or
17 corporate affiliates or is a compulsory transaction; (i) the
18 lot size or acreage; (j) the value of personal property sold
19 with the real estate; (k) the year the contract was initiated
20 if an installment sale; (l) any homestead exemptions, as
21 provided in Sections 15-170, 15-172, 15-175, and 15-176 as
22 reflected on the most recent annual tax bill; ~~and~~ (m) the name,
23 address, and telephone number of the person preparing the
24 declaration; and (n) whether the transfer is pursuant to
25 compulsory sale. Except as provided in Section 31-45, a deed, a
26 document transferring a controlling interest in real property,

1 or trust document shall not be accepted for recordation unless
2 it is accompanied by a declaration containing all the
3 information requested in the declaration. When the declaration
4 is signed by an attorney or agent on behalf of sellers or
5 buyers who have the power of direction to deal with the title
6 to the real estate under a land trust agreement, the trustee
7 being the mere repository of record legal title with a duty of
8 conveying the real estate only when and if directed in writing
9 by the beneficiary or beneficiaries having the power of
10 direction, the attorneys or agents executing the declaration on
11 behalf of the sellers or buyers need identify only the land
12 trust that is the repository of record legal title and not the
13 beneficiary or beneficiaries having the power of direction
14 under the land trust agreement. The declaration form shall be
15 prescribed by the Department and shall contain sales
16 information questions. For sales occurring during a period in
17 which the provisions of Section 17-10 require the Department to
18 adjust sale prices for seller paid points and prevailing cost
19 of cash, the declaration form shall contain questions regarding
20 the financing of the sale. The subject of the financing
21 questions shall include any direct seller participation in the
22 financing of the sale or information on financing that is
23 unconventional so as to affect the fair cash value received by
24 the seller. The intent of the sales and financing questions is
25 to aid in the reduction in the number of buyers required to
26 provide financing information necessary for the adjustment

1 outlined in Section 17-10. For sales occurring during a period
2 in which the provisions of Section 17-10 require the Department
3 to adjust sale prices for seller paid points and prevailing
4 cost of cash, the declaration form shall include, at a minimum,
5 the following data: (a) seller paid points, (b) the sales
6 price, (c) type of financing (conventional, VA, FHA,
7 seller-financed, or other), (d) down payment, (e) term, (f)
8 interest rate, (g) type and description of interest rate
9 (fixed, adjustable or renegotiable), and (h) an appropriate
10 place for the inclusion of special facts or circumstances, if
11 any. The Department shall provide an adequate supply of forms
12 to each recorder and registrar of titles in the State.

13 (Source: P.A. 93-657, eff. 6-1-04; 94-489, eff. 8-8-05.)

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