



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB0202

Introduced 1/31/2023, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

New Act

Creates the Vacancy Fraud Act. Provides that, on or after January 1, 2024, any owner of real property located in a county with 3,000,000 or more inhabitants may file a written vacancy fraud complaint alleging that: (i) certain real property in that county has received a decrease in assessed value, a decrease in market value, or an abatement of taxes because the property is vacant; and (ii) the owner of that vacant property is not actively attempting to sell or lease the property or actively attempting to alter or modify the property to prepare it for sale or lease. Sets forth factors for determining vacancy fraud. Provides that the owner of the vacant property may be subject to the following penalties: (1) the payment of 3 times the amount of back taxes owed for any vacancy reduction the subject property received for the period in which the subject property received the reduction but was found to have engaged vacancy fraud; and (2) the payment of interest on any back taxes. Effective immediately.

LRB103 26070 HLH 52425 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. 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
17 or make the modifications or alterations necessary to lease or
18 sell those properties because it burdens homeowners and
19 actively operating businesses, lessens the taxing districts'
20 tax bases, and causes blight in commercial corridors.

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

22 "Subject property" means real property located in a county

1 with 3,000,000 or more inhabitants, or a portion of that
2 property, that is designated or zoned for commercial or
3 business use and receives a vacancy reduction. With respect to
4 real property that is zoned or designated as mixed-use
5 property, this Act applies only to that portion designated or
6 zoned for commercial or business use.

7 "Vacancy reduction" means a decrease in assessed value, a
8 decrease in market value, or an abatement of taxes by the chief
9 county assessment officer, a board of review, a county, or a
10 taxing district, which is permitted by ordinance, resolution,
11 or policy granting such a decrease in assessed value to
12 property that is vacant.

13 Section 15. Vacancy fraud complaints.

14 (a) The board of review in a county with 3,000,000 or more
15 inhabitants is authorized to hear vacancy fraud complaints
16 brought no more than 5 years after the vacancy fraud occurred.
17 No vacancy fraud complaints may be brought for vacancy
18 reductions that were granted prior to the effective date of
19 this Act. If there is no actively installed or operating board
20 of review, the chief county assessment officer is authorized
21 to designate a department or official to hear those
22 complaints. If the chief county assessment officer designates
23 a department or official to hear complaints because there is
24 no actively installed or operating board of review, then
25 references to the board of review in this Act shall mean the

1 designated department or official.

2 (b) Beginning on January 1, 2024, any owner of real
3 property located in a county with 3,000,000 or more
4 inhabitants may file a written vacancy fraud complaint with
5 the appropriately designated board of review within the
6 applicable filing period set forth in subsection (a) alleging
7 that the subject property has received a vacancy reduction and
8 that the owner of the subject property is not actively
9 attempting to lease, sell, alter, or modify the property to
10 prepare it for sale or lease. The board of review shall
11 determine the process by which a vacancy fraud complaint may
12 be filed.

13 (c) Only one vacancy fraud complaint shall be considered
14 and heard by the board of review for each instance a property
15 received a vacancy reduction. The decision of the board of
16 review shall be binding on future complaints based on the same
17 vacancy fraud reduction in the same year. If more than one
18 vacancy fraud complaint is pending concurrently, those
19 complaints shall be consolidated.

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

25 (e) Upon receipt of a written complaint that is timely
26 filed, the board of review shall process the complaint and

1 provide the appropriate notice to the property that is the
2 subject of the complaint. The board of review that will hear
3 the vacancy fraud complaint shall establish the process by
4 which notice shall be provided and by which complaints shall
5 be heard.

6 Section 20. Factors in determining vacancy fraud.

7 (a) In determining whether the owner of a subject property
8 is actively attempting to sell or lease the subject property
9 or actively attempting to modify or alter the subject property
10 for sale or lease, the board may consider the following
11 factors:

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

14 (2) whether the subject property is advertised for
15 sale or for lease in a newspaper of general circulation
16 where the property is located;

17 (3) whether the subject property is advertised for
18 sale or for lease on the internet, and whether potential
19 buyers or tenants are reasonably able to access the
20 internet listing;

21 (4) whether the owner of the subject property has
22 contracted for the services of an Illinois licensed real
23 estate professional for the purpose of selling or leasing
24 the subject property;

25 (5) whether any advertised sale price or advertised

1 rental price for the subject property is excessive;

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

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

7 (8) whether the owner has applied for and received
8 demolition or construction permits for the subject
9 property;

10 (9) whether the owner has responded to inquiries to
11 lease or sell the property;

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

14 (11) whether the property owner has attempted to
15 lease, sell, or alter or modify the subject property but
16 has not been able to proceed because of the inability to
17 obtain permits or because court proceedings involving
18 prior renters have precluded such action; and

19 (12) any other factors the board deems necessary to
20 determine if the owner of the subject property is actively
21 attempting to lease or sell the subject property or
22 actively attempting to modify or alter the subject
23 property for sale or lease.

24 (b) For purposes of paragraphs (1), (2), and (3) of
25 subsection (a), any signs, newspaper advertisements, or
26 internet advertisements shall contain valid contact

1 information for the owner or agent of the property. If the
2 contact information does not connect potential tenants or
3 buyers to a person who can facilitate the purchase or lease of
4 the subject property, or if the owner or agent does not respond
5 to the inquiry within 30 days, the signs, newspaper
6 advertisements, or internet advertisements may be disregarded
7 in the determination of whether a property owner was actively
8 attempting to sell or lease the subject property or actively
9 attempting to modify or alter the subject property for sale or
10 lease.

11 Section 25. Penalties.

12 (a) Before assessing any penalties under this Act, the
13 board of review shall give notice of the complaint to the chief
14 county assessment officer who certified the vacancy relief and
15 give the chief county assessment officer an opportunity to be
16 heard on the matter.

17 (b) Upon determining that an owner of a subject property
18 is not actively attempting to sell or lease the subject
19 property, or actively attempting to alter or modify the
20 subject property for sale or lease, the board of review may
21 direct the chief county assessment officer to do any of the
22 following:

23 (1) require from the owner of the subject property the
24 payment of up to 3 times the amount of back taxes owed for
25 any vacancy reduction the subject property received for

1 the period in which the subject property received the
2 reduction but was found to have engaged in vacancy fraud
3 as defined in this Act; and

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

7 (c) The unpaid taxes shall be paid to the appropriate
8 taxing districts in the manner provided for the payment of
9 property taxes under the Property Tax Code and allocated to
10 fund the implementation of this Act. Interest and penalties
11 shall be paid to the chief county assessment officer's office
12 to cover the costs associated with educating the public on the
13 provisions of this Act.

14 (d) No penalties shall be assessed until the person to be
15 affected has been notified and given an opportunity to be
16 heard.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.