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LRB104 13613 MST 26236 r

1 SENATE RESOLUTION

2 WHEREAS, The Department of Revenue annually calculates  
3 equalized assessed valuations of railroad operating properties  
4 according to the Illinois Property Tax Code; and

5 WHEREAS, 35 ILCS 200/11-70 defines what is railroad  
6 operating property and what is non-carrier real estate; and

7 WHEREAS, The Illinois Department of Revenue annually  
8 determines and publishes the equalized assessed value of  
9 railroad operating property subject to its assessment  
10 jurisdiction under the Property Tax Code, for each of the  
11 railroads operating in Illinois; and

12 WHEREAS, The Illinois Department of Revenue's authority  
13 does not extend to assessing non-carrier real estate; and

14 WHEREAS, The Illinois Property Tax Code provides local  
15 assessing officers with the authority to assess non-carrier  
16 real estate; and

17 WHEREAS, The Illinois Department of Revenue's  
18 administrative law judges have ruled on requests for hearings  
19 and challenges to this system in the following cases, PT 09-13  
20 Saint Clair County Assessor and City of Centreville v UPRR, PT

1 20-03 Spector v Railroads, PT 20-04 Spector v Railroads, and  
2 PT 20-07 Spector v Railroads; and

3 WHEREAS, The Illinois Department of Revenue publishes  
4 guides and information regarding the property tax system,  
5 including its property tax administration responsibilities;  
6 therefore, be it

7 RESOLVED, BY THE SENATE OF THE ONE HUNDRED FOURTH GENERAL  
8 ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is  
9 directed to conduct a performance audit of the Illinois  
10 Department of Revenue's (IDR) valuation and assessment of  
11 railroad companies' properties as required under the Property  
12 Tax Code; and be it further

13 RESOLVED, That the audit should focus on the following:

14 (1) The adequacy of IDR's procedures for providing  
15 access by members of the public, local assessors, and  
16 county treasurers to each year's data, processes, and  
17 guides regarding the assessment of railroad operating  
18 property;

19 (2) IDR's procedures for annually determining which  
20 railroad properties are no longer operating property;

21 (3) IDR's procedures for local assessors,  
22 municipalities, and private citizens to challenge the  
23 classification status of properties in their respective

1 areas as between railroad operating property and  
2 non-carrier real estate;

3 (4) IDR's procedures for notifying members of the  
4 public, local assessing officers, and county treasurers of  
5 property that is no longer railroad operating property so  
6 local assessing officials can assess that property;

7 (5) Whether IDR procedures assure that railroads  
8 adequately inform the department and the relevant county  
9 assessor when the classification of property should be  
10 reclassified and transferred from operating to  
11 non-operating (non-carrier) property so that it begins  
12 being assessed by the local assessor;

13 (6) Whether IDR procedures adequately incentivize  
14 local assessors to notify the department about  
15 railroad-owned properties that should no longer be  
16 classified as operating property;

17 (7) The procedures, methods, and deadlines for  
18 annually obtaining and setting the value for each railroad  
19 in Illinois;

20 (8) Whether a survey of stakeholders, including county  
21 assessors, county clerks, county treasurers, and members  
22 of the public, suggests that the phrase "any person  
23 feeling aggrieved" or the phrase "any party to the  
24 proceeding who feels aggrieved by the decision" in 35 ILCS  
25 200/8-35 is clear or should be defined in greater detail,  
26 including in a rule or regulation;

1           (9) The procedures, methods, and deadlines for  
2 allocating equalized assessed values for each railroad's  
3 operating property to each taxing body in the State of  
4 Illinois and the methods, deadlines, and procedures by  
5 which members of the public, local assessing officials,  
6 and county treasurers can challenge these decisions and  
7 request hearings;

8           (10) Whether IDR's rules, regulations, and guides  
9 adequately explain how it administers Sec. 11-110 of the  
10 Property Tax Code, which reads in part as follows: "The  
11 equalized assessed value of the operating property of  
12 every railroad company subject to assessment, when  
13 determined as prescribed in Section 11-80, shall be listed  
14 and taxed in the several taxing districts in the  
15 proportion that the length of all the track owned or used  
16 in such taxing district bears to the whole length of all  
17 the track owned or used in this state.";

18           (11) The adequacy of IDR's formula and process for  
19 distributing a railroad's statewide value to local taxing  
20 bodies;

21           (12) The notice and deadlines for filing  
22 classification challenges and requests for hearings as to  
23 whether local assessing officials and others believe these  
24 deadlines are adequate;

25           (13) How administrative law judges are chosen to  
26 preside over hearings and challenges to departmental

1 decisions and the degree to which these administrative law  
2 judges are independent of the department;

3 (14) Whether and how members of the public can obtain  
4 and review pleadings filed before the IDR's administrative  
5 law judges and whether these procedures are available to  
6 the public; and

7 (15) To what extent IDR should issue rules explaining  
8 its procedures; and be it further

9 RESOLVED, That the Illinois Department of Revenue and any  
10 other entity having information relevant to the audit  
11 cooperate fully and promptly with the Auditor General's Office  
12 in the conduct of this audit; and be it further

13 RESOLVED, That the Auditor General commence with this  
14 audit as soon as possible and report his findings and  
15 recommendations upon completion in accordance with the  
16 provisions of Section 3-14 of the Illinois State Auditing Act;  
17 and be it further

18 RESOLVED, That a copy of this resolution be delivered to  
19 the Auditor General and the Illinois Department of Revenue.