

HB1814



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB1814

Introduced 2/17/2021, by Rep. Delia C. Ramirez

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-3-19

Amends the Illinois Municipal Code. Makes a technical change in a Section concerning home rule real estate transfer taxes.

LRB102 14034 AWJ 19386 b

A BILL FOR

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Municipal Code is amended by
5 changing Section 8-3-19 as follows:

6 (65 ILCS 5/8-3-19)

7 Sec. 8-3-19. Home rule real estate transfer taxes.

8 (a) After the ~~the~~ effective date of this amendatory Act of
9 the 93rd General Assembly and subject to this Section, a home
10 rule municipality may impose or increase a tax or other fee on
11 the privilege of transferring title to real estate, on the
12 privilege of transferring a beneficial interest in real
13 property, and on the privilege of transferring a controlling
14 interest in a real estate entity, as the terms "beneficial
15 interest", "controlling interest", and "real estate entity"
16 are defined in Article 31 of the Property Tax Code. Such a tax
17 or other fee shall hereafter be referred to as a real estate
18 transfer tax.

19 (b) Before adopting a resolution to submit the question of
20 imposing or increasing a real estate transfer tax to
21 referendum, the corporate authorities shall give public notice
22 of and hold a public hearing on the intent to submit the
23 question to referendum. This hearing may be part of a

1 regularly scheduled meeting of the corporate authorities. The
2 notice shall be published not more than 30 nor less than 10
3 days prior to the hearing in a newspaper of general
4 circulation within the municipality. The notice shall be
5 published in the following form:

6 Notice of Proposed (Increased) Real Estate Transfer
7 Tax for (commonly known name of municipality).

8 A public hearing on a resolution to submit to
9 referendum the question of a proposed (increased) real
10 estate transfer tax for (legal name of the municipality)
11 in an amount of (rate) to be paid by the buyer (seller) of
12 the real estate transferred will be held on (date) at
13 (time) at (location). The current rate of real estate
14 transfer tax imposed by (name of municipality) is (rate).

15 Any person desiring to appear at the public hearing
16 and present testimony to the taxing district may do so.

17 (c) A notice that includes any information not specified
18 and required by this Section is an invalid notice. All
19 hearings shall be open to the public. At the public hearing,
20 the corporate authorities of the municipality shall explain
21 the reasons for the proposed or increased real estate transfer
22 tax and shall permit persons desiring to be heard an
23 opportunity to present testimony within reasonable time limits
24 determined by the corporate authorities. A copy of the
25 proposed ordinance shall be made available to the general
26 public for inspection before the public hearing.

1 (d) Except as provided in subsection (i), no home rule
2 municipality shall impose a new real estate transfer tax after
3 the effective date of this amendatory Act of 1996 without
4 prior approval by referendum. Except as provided in subsection
5 (i), no home rule municipality shall impose an increase of the
6 rate of a current real estate transfer tax without prior
7 approval by referendum. A home rule municipality may impose a
8 new real estate transfer tax or may increase an existing real
9 estate transfer tax with prior referendum approval. The
10 referendum shall be conducted as provided in subsection (e).
11 An existing ordinance or resolution imposing a real estate
12 transfer tax may be amended without approval by referendum if
13 the amendment does not increase the rate of the tax or add
14 transactions on which the tax is imposed.

15 (e) The home rule municipality shall, by resolution,
16 provide for submission of the proposition to the voters. The
17 home rule municipality shall certify the resolution and the
18 proposition to the proper election officials in accordance
19 with the general election law. If the proposition is to impose
20 a new real estate transfer tax, it shall be in substantially
21 the following form: "Shall (name of municipality) impose a
22 real estate transfer tax at a rate of (rate) to be paid by the
23 buyer (seller) of the real estate transferred, with the
24 revenue of the proposed transfer tax to be used for
25 (purpose)?" . If the proposition is to increase an existing
26 real estate transfer tax, it shall be in the following form:

1 "Shall (name of municipality) impose a real estate transfer
2 tax increase of (percent increase) to establish a new transfer
3 tax rate of (rate) to be paid by the buyer (seller) of the real
4 estate transferred? The current rate of the real estate
5 transfer tax is (rate), and the revenue is used for (purpose).
6 The revenue from the increase is to be used for (purpose).".

7 If a majority of the electors voting on the proposition
8 vote in favor of it, the municipality may impose or increase
9 the municipal real estate transfer tax or fee.

10 (f) Nothing in this amendatory Act of 1996 shall limit the
11 purposes for which real estate transfer tax revenues may be
12 collected or expended.

13 (g) A home rule municipality may not impose real estate
14 transfer taxes other than as authorized by this Section. This
15 Section is a denial and limitation of home rule powers and
16 functions under subsection (g) of Section 6 of Article VII of
17 the Illinois Constitution.

18 (h) Notwithstanding subsection (g) of this Section, any
19 real estate transfer taxes adopted by a municipality at any
20 time prior to January 17, 1997 (the effective date of Public
21 Act 89-701) and any amendments to any existing real estate
22 transfer tax ordinance adopted after that date, in accordance
23 with the law in effect at the time of the adoption of the
24 amendments, are not preempted by this amendatory Act of the
25 93rd General Assembly.

26 (i) Within 6 months after the effective date of this

1 amendatory Act of the 95th General Assembly, by ordinance
2 adopted without a referendum, a home rule municipality with a
3 population in excess of 1,000,000 may increase the rate of an
4 existing real estate transfer tax by a rate of up to \$1.50 for
5 each \$500 of value or fraction thereof, or in the alternative
6 may impose a real estate transfer tax at a rate of up to \$1.50
7 for each \$500 of value or fraction thereof, which may be on the
8 buyer or seller of real estate, or jointly and severally on
9 both, for the sole purpose of providing financial assistance
10 to the Chicago Transit Authority. All amounts collected under
11 such supplemental tax, after fees for costs of collection,
12 shall be provided to the Chicago Transit Authority pursuant to
13 an intergovernmental agreement as promptly as practicable upon
14 their receipt. Such municipality shall file a copy of any
15 ordinance imposing or increasing such tax with the Illinois
16 Department of Revenue and shall file a report with the
17 Department each month certifying the amount paid to the
18 Chicago Transit Authority in the previous month from the
19 proceeds of such tax.

20 (Source: P.A. 95-708, eff. 1-18-08.)