

HB3763



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB3763

Introduced 2/28/2007, by Rep. Jim Durkin

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-3-20 new

Amends the Illinois Municipal Code. Authorizes non-home rule municipalities to impose a real estate transfer tax. Requires referendum approval to impose or increase the rate of the tax. Effective immediately.

LRB095 03819 BDD 23850 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 adding
5 Section 8-3-20 as follows:

6 (65 ILCS 5/8-3-20 new)

7 Sec. 8-3-20. Non-home rule real estate transfer taxes.

8 (a) A non-home rule municipality may impose a real estate
9 transfer tax in accordance with the requirements set forth
10 under this Section.

11 (b) Before adopting a resolution to submit the question of
12 imposing or increasing the rate of a real estate transfer tax
13 to a referendum, the corporate authorities shall give public
14 notice of and hold a public hearing on the intent to submit the
15 question to referendum. The notice must be published in a
16 newspaper of general circulation within the municipality not
17 more than 30 nor less than 10 days prior to the public hearing.
18 The notice must be published in substantially the following
19 form:

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

22 A public hearing on a resolution to submit to
23 referendum the question of a proposed (increased) real

1 estate transfer tax for (legal name of the municipality) in
2 an amount of (rate) to be paid by the buyer (seller) of the
3 real estate transferred will be held on (date) at (time) at
4 (location). The current rate of real estate transfer tax
5 imposed by (name of municipality) is (rate). Any person
6 desiring to appear at the public hearing and present
7 testimony to the taxing district may do so.

8 A notice that includes any information that is not specified
9 and required by this Section is an invalid notice.

10 (c) Any hearing under this Section is open to the public
11 and may be part of a regularly scheduled meeting of the
12 corporate authorities. At the public hearing, the corporate
13 authorities of the municipality must explain the reasons for
14 the proposed or increased real estate transfer tax and must
15 permit any person who desires to be heard an opportunity to
16 present testimony within reasonable time limits determined by
17 the corporate authorities. A copy of the proposed ordinance
18 must be made available to the general public for inspection
19 before the public hearing.

20 (d) The tax under this Section may not be imposed or
21 increased until the question of imposing or increasing the tax
22 has been submitted to the electors of the municipality at a
23 regular election and approved by a majority of the electors
24 voting on the question. The corporate authorities must certify
25 the question to the proper election authority, which must
26 submit the question at an election in accordance with the

1 Election Code.

2 The election authority must submit the question to impose a
3 new real estate transfer tax in substantially the following
4 form:

5 Shall (name of municipality) impose a real estate transfer
6 tax at a rate of (rate) to be paid by the buyer (seller) of
7 the real estate transferred, with the revenue of the
8 proposed transfer tax to be used for (purpose)?

9 The election authority must submit the question to increase
10 a new real estate transfer tax in substantially the following
11 form:

12 Shall (name of municipality) impose a real estate transfer
13 tax increase of (percent increase) to establish a new
14 transfer tax rate of (rate) to be paid by the buyer
15 (seller) of the real estate transferred? The current rate
16 of the real estate transfer tax is (rate), and the revenue
17 is used for (purpose). The revenue from the increase is to
18 be used for (purpose).

19 The election authority must record the votes as "Yes" or
20 "No".

21 If a majority of the electors voting on the question vote
22 in the affirmative, then the municipality may impose or
23 increase the municipal real estate transfer tax.

24 (f) A municipality may discontinue or reduce a real estate
25 transfer tax without referendum approval. Nothing in this
26 Section limits the purposes for which real-estate-transfer-tax

1 revenues may be collected or expended.

2 (g) For the purposes of this Section:

3 "Real estate transfer tax" means a tax or other fee on (i)
4 the privilege of transferring title to real estate, (ii) on the
5 privilege of transferring a beneficial interest in real
6 property, and (iii) on the privilege of transferring a
7 controlling interest in a real-estate entity.

8 "Beneficial interest", "controlling interest", and "real
9 estate entity" have the definitions set forth under Article 31
10 of the Property Tax Code.

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.