

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

7 (35 ILCS 200/1-23 new)

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

16 (35 ILCS 200/16-55)

17 Sec. 16-55. Complaints. On written complaint that any  
18 property is overassessed or underassessed, the board shall  
19 review the assessment, and correct it, as appears to be just,  
20 but in no case shall the property be assessed at a higher  
21 percentage of fair cash value than other property in the  
22 assessment district prior to equalization by the board or the

1 Department. The board shall include compulsory sales in  
2 reviewing and correcting assessments, including, but not  
3 limited to, those compulsory sales submitted by the taxpayer,  
4 if the board determines that those sales reflect the same  
5 property characteristics and condition as those originally  
6 used to make the assessment. The board shall also consider  
7 whether the compulsory sale would otherwise be considered an  
8 arm's length transaction. A complaint to affect the assessment  
9 for the current year shall be filed on or before the 10th day  
10 of August in counties with less than 150,000 inhabitants and on  
11 or before the 10th day of September in counties with 150,000 or  
12 more but less than 3,000,000 inhabitants, except if the  
13 assessment books containing the assessment complained of are  
14 not filed with the board of review by the 10th day of July in a  
15 county with fewer than 150,000 inhabitants or by the 10th day  
16 of August in a county with 150,000 or more but less than  
17 3,000,000 inhabitants, then the complaint shall be filed on or  
18 before 30 calendar days after the date of publication of the  
19 assessment list under Section 12-10. The board may also, at any  
20 time before its revision of the assessments is completed in  
21 every year, increase, reduce or otherwise adjust the assessment  
22 of any property, making changes in the valuation as may be  
23 just, and shall have full power over the assessment of any  
24 person and may do anything in regard thereto that it may deem  
25 necessary to make a just assessment, but the property shall not  
26 be assessed at a higher percentage of fair cash value than the

1 assessed valuation of other property in the assessment district  
2 prior to equalization by the board or the Department. No  
3 assessment shall be increased until the person to be affected  
4 has been notified and given an opportunity to be heard, except  
5 as provided below. Before making any reduction in assessments  
6 of its own motion, the board of review shall give notice to the  
7 assessor or chief county assessment officer who certified the  
8 assessment, and give the assessor or chief county assessment  
9 officer an opportunity to be heard thereon. All complaints of  
10 errors in assessments of property shall be in writing, and  
11 shall be filed by the complaining party with the board of  
12 review, in duplicate. The duplicate shall be filed by the board  
13 of review with the assessor or chief county assessment officer  
14 who certified the assessment. In all cases where a change in  
15 assessed valuation of \$100,000 or more is sought, the board of  
16 review shall also serve a copy of the petition on all taxing  
17 districts as shown on the last available tax bill at least 14  
18 days prior to the hearing on the complaint. All taxing  
19 districts shall have an opportunity to be heard on the  
20 complaint. Complaints shall be classified by townships or  
21 taxing districts by the clerk of the board of review. All  
22 classes of complaints shall be docketed numerically, each in  
23 its own class, in the order in which they are presented, in  
24 books kept for that purpose, which books shall be open to  
25 public inspection. Complaints shall be considered by townships  
26 or taxing districts until all complaints have been heard and

1 passed upon by the board.

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

3 (35 ILCS 200/16-65)

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

14 For each assessment district of the county, the board of  
15 review shall annually determine the percentage relationship  
16 between the valuations at which property other than farm and  
17 coal property is listed and the estimated 33 1/3% of the fair  
18 cash value of such property. To make this analysis, the board  
19 shall use at least 25 property transfers, or a combination of  
20 at least 25 property transfers and property appraisals, such  
21 information as may be submitted by interested taxing bodies, or  
22 any other means as it deems proper and reasonable. If there are  
23 not 25 property transfers available, or if these 25 property  
24 transfers do not represent a fair sample of the types of  
25 properties and their proportional distribution in the

1 assessment district, the board shall select a random sample of  
2 properties of a number necessary to provide a combination of at  
3 least 25 property transfers and property appraisals as much as  
4 possible representative of the entire assessment district, and  
5 provide for their appraisal. The township or multi-township  
6 assessor shall be notified of and participate in the  
7 deliberations and determinations.

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

10 The board of review, in conjunction with the chief county  
11 assessment officer, shall determine the number of compulsory  
12 sales from the prior year for the purpose of revising and  
13 correcting assessments. The board of review shall determine if  
14 the number of compulsory sales is at least 25% of all property  
15 transfers within the neighborhood, township, multi-township  
16 assessment district, or other specific geographic region in the  
17 county for that class of property, but shall exclude from the  
18 calculation (i) all property transfers for which the property  
19 characteristics and condition are not the same as those  
20 characteristics and condition used to determine the assessed  
21 value and (ii) any property transfer that is not an arm's  
22 length transaction based on existing sales ratio study  
23 standards (except for compulsory sales). If the board  
24 determines that the number of compulsory sales is at least 25%  
25 of all property transfers within the defined geographic region  
26 for that class of property, then the board of review must

1 determine (i) the median assessment level of arm's length  
2 transactions and (ii) the median assessment level of compulsory  
3 sales. If the median assessment level of compulsory sales is  
4 higher than the median assessment level of arm's length  
5 transactions, then compulsory sales shall be included in the  
6 arm's length transaction study and the board must calculate the  
7 new median assessment level. Assessed values of properties  
8 within the specific geographic area for that class of property  
9 must be revised to reflect this new median assessment level.  
10 The revised median assessment level shall be the basis for  
11 equalization as otherwise provided in this Section.

12       With the ratio determined for each assessment district, the  
13 board shall ascertain the amount to be added or deducted from  
14 the aggregate assessment on property subject to local  
15 assessment jurisdiction, other than farm and coal property, to  
16 produce a ratio of assessed value to 33 1/3% of the fair cash  
17 value equivalent to 100%. However, in determining the amount to  
18 be added to the aggregate assessment on property subject to  
19 local jurisdiction in order to produce a ratio of assessed  
20 value to 33 1/3% of the fair cash value equivalent to 100%, the  
21 board shall not, in any one year, increase or decrease the  
22 aggregate assessment of any assessment district by more than  
23 25% of the equalized valuation of the district for the previous  
24 year, except that additions, deletions or depletions to the  
25 taxable property shall be excluded in computing the 25%  
26 limitation. The board shall complete the equalization by the

1 date prescribed in Section 16-35 for the board's adjournment,  
2 and, within 10 days thereafter, shall report the results of its  
3 work under this Section to the Department. At least 30 days  
4 prior to its adjournment, the board shall publish a notice  
5 declaring whether it intends to equalize assessments as  
6 provided in this Section. The notice shall be published in a  
7 newspaper of general circulation in the county. If the board  
8 fails to report to the Department within the required time, or  
9 if the report discloses that the board has failed to make a  
10 proper and adequate equalization of assessments, the  
11 Department shall direct, determine, and supervise the  
12 assessment so that all assessments of property are relatively  
13 just and equal as provided in Section 8-5.

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

15 (35 ILCS 200/16-183 new)

16 Sec. 16-183. Compulsory sales. The Property Tax Appeal  
17 Board shall consider compulsory sales of comparable properties  
18 for the purpose of revising and correcting assessments,  
19 including those compulsory sales of comparable properties  
20 submitted by the taxpayer.

21 (35 ILCS 200/17-10)

22 Sec. 17-10. Sales ratio studies. The Department shall  
23 monitor the quality of local assessments by designing,  
24 preparing and using ratio studies, and shall use the results as

1 the basis for equalization decisions. In compiling sales ratio  
2 studies, the Department shall exclude from the reported sales  
3 price of any property any amounts included for personal  
4 property and, for sales occurring through December 31, 1999,  
5 shall exclude seller paid points. The Department shall not  
6 include in its sales ratio studies sales of property which have  
7 been platted and for which an increase in the assessed  
8 valuation is restricted by Section 10-30. The Department shall  
9 not include in its sales ratio studies the initial sale of  
10 residential property that has been converted to condominium  
11 property. The Department shall include compulsory sales  
12 occurring on or after January 1, 2011 in its sales ratio  
13 studies. The Department shall also consider whether the  
14 compulsory sale would otherwise be considered an arm's length  
15 transaction, based on existing sales ratio study standards.

16 When the declaration required under the Real Estate  
17 Transfer Tax Law contains financing information required under  
18 Section 31-25, the Department shall adjust sales prices to  
19 exclude seller-paid points and shall adjust sales prices to  
20 "cash value" when seller related financing is used that is  
21 different than the prevailing cost of cash. The prevailing cost  
22 of cash for sales occurring on or after January 1, 1992 shall  
23 be established as the monthly average 30-year fixed Primary  
24 Mortgage Market Survey rate for the North Central Region as  
25 published weekly by the Federal Home Loan Mortgage Corporation,  
26 as computed by the Department, or such other rate as determined



1 by the Department. This rate shall be known as the survey rate.  
2 For sales occurring on or after January 1, 1992, through  
3 December 31, 1999, adjustments in the prevailing cost of cash  
4 shall be made only after the survey rate has been at or above  
5 13% for 12 consecutive months and will continue until the  
6 survey rate has been below 13% for 12 consecutive months. For  
7 sales occurring on or after January 1, 2000, adjustments for  
8 seller paid points and adjustments in the prevailing cost of  
9 cash shall be made only after the survey rate has been at or  
10 above 13% for 12 consecutive months and will continue until the  
11 survey rate has been below 13% for 12 consecutive months. The  
12 Department shall make public its adjustment procedure upon  
13 request.

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

15 (35 ILCS 200/31-25)

16 Sec. 31-25. Transfer declaration. At the time a deed, a  
17 document transferring a controlling interest in real property,  
18 or trust document is presented for recordation, or within 3  
19 business days after the transfer is effected, whichever is  
20 earlier, there shall also be presented to the recorder or  
21 registrar of titles a declaration, signed by at least one of  
22 the sellers and also signed by at least one of the buyers in  
23 the transaction or by the attorneys or agents for the sellers  
24 or buyers. The declaration shall state information including,  
25 but not limited to: (a) the value of the real property or

1 beneficial interest in real property located in Illinois so  
2 transferred; (b) the parcel identifying number of the property;  
3 (c) the legal description of the property; (d) the date of the  
4 deed, the date the transfer was effected, or the date of the  
5 trust document; (e) the type of deed, transfer, or trust  
6 document; (f) the address of the property; (g) the type of  
7 improvement, if any, on the property; (h) information as to  
8 whether the transfer is between related individuals or  
9 corporate affiliates or is a compulsory transaction; (i) the  
10 lot size or acreage; (j) the value of personal property sold  
11 with the real estate; (k) the year the contract was initiated  
12 if an installment sale; (l) any homestead exemptions, as  
13 provided in Sections 15-170, 15-172, 15-175, and 15-176 as  
14 reflected on the most recent annual tax bill; ~~and~~ (m) the name,  
15 address, and telephone number of the person preparing the  
16 declaration; and (n) whether the transfer is pursuant to  
17 compulsory sale. Except as provided in Section 31-45, a deed, a  
18 document transferring a controlling interest in real property,  
19 or trust document shall not be accepted for recordation unless  
20 it is accompanied by a declaration containing all the  
21 information requested in the declaration. When the declaration  
22 is signed by an attorney or agent on behalf of sellers or  
23 buyers who have the power of direction to deal with the title  
24 to the real estate under a land trust agreement, the trustee  
25 being the mere repository of record legal title with a duty of  
26 conveying the real estate only when and if directed in writing

1 by the beneficiary or beneficiaries having the power of  
2 direction, the attorneys or agents executing the declaration on  
3 behalf of the sellers or buyers need identify only the land  
4 trust that is the repository of record legal title and not the  
5 beneficiary or beneficiaries having the power of direction  
6 under the land trust agreement. The declaration form shall be  
7 prescribed by the Department and shall contain sales  
8 information questions. For sales occurring during a period in  
9 which the provisions of Section 17-10 require the Department to  
10 adjust sale prices for seller paid points and prevailing cost  
11 of cash, the declaration form shall contain questions regarding  
12 the financing of the sale. The subject of the financing  
13 questions shall include any direct seller participation in the  
14 financing of the sale or information on financing that is  
15 unconventional so as to affect the fair cash value received by  
16 the seller. The intent of the sales and financing questions is  
17 to aid in the reduction in the number of buyers required to  
18 provide financing information necessary for the adjustment  
19 outlined in Section 17-10. For sales occurring during a period  
20 in which the provisions of Section 17-10 require the Department  
21 to adjust sale prices for seller paid points and prevailing  
22 cost of cash, the declaration form shall include, at a minimum,  
23 the following data: (a) seller paid points, (b) the sales  
24 price, (c) type of financing (conventional, VA, FHA,  
25 seller-financed, or other), (d) down payment, (e) term, (f)  
26 interest rate, (g) type and description of interest rate

1 (fixed, adjustable or renegotiable), and (h) an appropriate  
2 place for the inclusion of special facts or circumstances, if  
3 any. The Department shall provide an adequate supply of forms  
4 to each recorder and registrar of titles in the State.

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

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.