



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5776

Introduced 2/16/2012, by Rep. Tom Cross

SYNOPSIS AS INTRODUCED:

35 ILCS 200/10-30
35 ILCS 200/10-31

Amends the Property Tax Code. Provides that, through December 31, 2014, the assessed valuation of certain platted and subdivided property shall be determined based on the last assessed value assigned to the property prior to its last transfer or conveyance, not including the following transfers and conveyances: (i) the transfer to a holder of a mortgage pursuant to a mortgage foreclosure proceeding or pursuant to a transfer in lieu of foreclosure; (ii) the transfer to an agent or affiliate of a mortgage holder for the purposes of property management following a mortgage foreclosure proceeding or a transfer in lieu of foreclosure; or (iii) an initial sale of any platted lot. Provides that, beginning on January 1, 2015 (instead of January 1, 2012), the assessed valuation of that property shall be determined each year based on the estimated price the property would bring at a fair voluntary sale for use by the buyer for the same purposes for which the property was used when last assessed prior to its platting. Effective immediately.

LRB097 20498 HLH 66049 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 10-30 and 10-31 as follows:

6 (35 ILCS 200/10-30)

7 Sec. 10-30. Subdivisions; counties of less than 3,000,000.

8 (a) In counties with less than 3,000,000 inhabitants, the
9 platting and subdivision of property into separate lots and the
10 development of the subdivided property with streets,
11 sidewalks, curbs, gutters, sewer, water and utility lines shall
12 not increase the assessed valuation of all or any part of the
13 property, if:

14 (1) The property is platted and subdivided in
15 accordance with the Plat Act;

16 (2) The platting occurs after January 1, 1978;

17 (3) At the time of platting the property is in excess
18 of 5 acres; and

19 (4) At the time of platting the property is vacant or
20 used as a farm as defined in Section 1-60.

21 (b) Except as provided in subsection (c) of this Section,
22 the assessed valuation of property so platted and subdivided
23 shall be determined each year based on the estimated price the

1 property would bring at a fair voluntary sale for use by the
2 buyer for the same purposes for which the property was used
3 when last assessed prior to its platting.

4 (c) Upon completion of a habitable structure on any lot of
5 subdivided property, or upon the use of any lot, either alone
6 or in conjunction with any contiguous property, for any
7 business, commercial or residential purpose, or upon the
8 initial sale of any platted lot, including a platted lot which
9 is vacant: (i) the provisions of subsection (b) of this Section
10 shall no longer apply in determining the assessed valuation of
11 the lot, (ii) each lot shall be assessed without regard to any
12 provision of this Section, and (iii) the assessed valuation of
13 the remaining property, when next determined, shall be reduced
14 proportionately to reflect the exclusion of the property that
15 no longer qualifies for valuation under this Section. Holding
16 or offering a platted lot for initial sale shall not constitute
17 a use of the lot for business, commercial or residential
18 purposes unless a habitable structure is situated on the lot or
19 unless the lot is otherwise used for a business, commercial or
20 residential purpose.

21 (d) This Section applies before the effective date of this
22 amendatory Act of the 96th General Assembly and then applies
23 again beginning January 1, 2015 ~~January 1, 2012~~.

24 (Source: P.A. 95-135, eff. 1-1-08; 96-480, eff. 8-14-09.)

1 Sec. 10-31. Subdivisions; counties of less than 3,000,000.

2 (a) In counties with less than 3,000,000 inhabitants, the
3 platting and subdivision of property into separate lots and the
4 development of the subdivided property with streets,
5 sidewalks, curbs, gutters, sewer, water and utility lines shall
6 not increase the assessed valuation of all or any part of the
7 property, if:

8 (1) The property is platted and subdivided in
9 accordance with the Plat Act;

10 (2) The platting occurs after January 1, 1978;

11 (3) At the time of platting the property is in excess
12 of 5 acres; and

13 (4) At the time of platting or replatting the property
14 is vacant or used as a farm as defined in Section 1-60.

15 (b) Except as provided in subsection (c) of this Section,
16 the assessed valuation of property so platted and subdivided
17 shall be determined based on the assessed value assigned to the
18 property when last assessed prior to its last transfer or
19 conveyance. The following transfers and conveyances, used
20 individually or in any combination, do not disqualify a lot
21 from the provision of this subsection (b):

22 (1) the transfer to a holder of a mortgage, as defined
23 in Section 15-1207 of the Code of Civil Procedure, pursuant
24 to a mortgage foreclosure proceeding or pursuant to a
25 transfer in lieu of foreclosure;

26 (2) the transfer to an agent or affiliate of a mortgage

1 holder for the purposes of property management following a
2 mortgage foreclosure proceeding or a transfer in lieu of
3 foreclosure; or

4 (3) an initial sale of any platted lot, including a lot
5 that is vacant.

6 When a lot is transferred to a mortgage holder or its agent
7 or affiliate, as referenced in this subsection (b), the initial
8 sale shall mean the first transfer or conveyance of the
9 property to an entity that is not the holder of the mortgage or
10 its agent or affiliate. ~~An initial sale of any platted lot,~~
11 ~~including a lot that is vacant, or a transfer to a holder of a~~
12 ~~mortgage, as defined in Section 15-1207 of the Code of Civil~~
13 ~~Procedure, pursuant to a mortgage foreclosure proceeding or~~
14 ~~pursuant to a transfer in lieu of foreclosure, does not~~
15 ~~disqualify that lot from the provisions of this subsection (b).~~

16 (c) Upon completion of a habitable structure on any lot of
17 subdivided property, or upon the use of any lot, either alone
18 or in conjunction with any contiguous property, for any
19 business, commercial or residential purpose: (i) the
20 provisions of subsection (b) of this Section shall no longer
21 apply in determining the assessed valuation of the lot, (ii)
22 each lot shall be assessed without regard to any provision of
23 this Section, and (iii) the assessed valuation of the remaining
24 property, when next determined, shall be reduced
25 proportionately to reflect the exclusion of the property that
26 no longer qualifies for valuation under this Section. Holding

1 or offering a platted lot for initial sale shall not constitute
2 a use of the lot for business, commercial or residential
3 purposes unless a habitable structure is situated on the lot or
4 unless the lot is otherwise used for a business, commercial or
5 residential purpose. The replatting of a subdivision or portion
6 of a subdivision does not disqualify the replatted lots from
7 the provisions of subsection (b).

8 (d) This Section applies on and after the effective date of
9 this amendatory Act of the 96th General Assembly and through
10 December 31, 2014 ~~December 31, 2011~~.

11 (Source: P.A. 96-480, eff. 8-14-09.)

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