

**SB3227**



**101ST GENERAL ASSEMBLY**

**State of Illinois**

**2019 and 2020**

**SB3227**

Introduced 2/11/2020, by Sen. Laura Fine

**SYNOPSIS AS INTRODUCED:**

65 ILCS 5/8-3-19.1 new

Amends the Illinois Municipal Code. Provides that a non-home rule municipality may impose a real estate transfer tax after notice, resolution, hearing, and referendum. Includes notice, resolution, hearing, and referendum requirements.

LRB101 20092 AWJ 69625 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 8-3-19.1 as follows:

6 (65 ILCS 5/8-3-19.1 new)

7 Sec. 8-3-19.1. Non-home rule real estate transfer taxes.

8 (a) A non-home rule municipality may impose or increase a  
9 tax or other fee on the privilege of transferring title to real  
10 estate, on the privilege of transferring a beneficial interest  
11 in real property, and on the privilege of transferring a  
12 controlling interest in a real estate entity, as the terms  
13 "beneficial interest", "controlling interest", and "real  
14 estate entity" are defined in Article 31 of the Property Tax  
15 Code. Such a tax or other fee shall be referred to as a "real  
16 estate transfer tax" in this Section.

17 (b) Before adopting a resolution to submit the question of  
18 imposing or increasing a real estate transfer tax to  
19 referendum, the corporate authorities shall give public notice  
20 of and hold a public hearing on the intent to submit the  
21 question to referendum. This hearing may be part of a regularly  
22 scheduled meeting of the corporate authorities. The notice  
23 shall be published not more than 30 nor less than 10 days prior

1 to the hearing in a newspaper of general circulation within the  
2 municipality. The notice shall be published in the following  
3 form:

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

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

13 A notice that includes any information not specified and  
14 required by this subsection is an invalid notice.

15 (c) Any person desiring to appear at the public hearing and  
16 present testimony to the non-home rule municipality may do so.  
17 All hearings shall be open to the public. At the public  
18 hearing, the corporate authorities of the municipality shall  
19 explain the reasons for the proposed or increased real estate  
20 transfer tax and shall permit persons desiring to be heard an  
21 opportunity to present testimony within reasonable time limits  
22 determined by the corporate authorities. A copy of the proposed  
23 ordinance shall be made available to the general public for  
24 inspection before the public hearing.

1       (d) A non-home rule municipality may impose a real estate  
2 transfer tax or may increase an existing real estate transfer  
3 tax with prior referendum approval. The referendum shall be  
4 conducted as provided in subsection (e). An existing ordinance  
5 or resolution imposing a real estate transfer tax may be  
6 amended without approval by referendum if the amendment does  
7 not increase the rate of the tax or add transactions on which  
8 the tax is imposed.

9       (e) The non-home rule municipality shall, by resolution,  
10 provide for submission of the proposition to the voters. The  
11 non-home rule municipality shall certify the resolution and the  
12 proposition to the proper election officials in accordance with  
13 the general election law. If the proposition is to impose a new  
14 real estate transfer tax, it shall be in substantially the  
15 following form:

16       "Shall (name of municipality) impose a real estate transfer  
17 tax at a rate of (rate) to be paid by the buyer (seller) of  
18 the real estate transferred, with the revenue of the  
19 proposed transfer tax to be used for (purpose)?".

20       If the proposition is to increase an existing real estate  
21 transfer tax, it shall be in the following form:

22       "Shall (name of municipality) impose a real estate transfer  
23 tax increase of (percent increase) to establish a new

1       transfer tax rate of (rate) to be paid by the buyer  
2       (seller) of the real estate transferred? The current rate  
3       of the real estate transfer tax is (rate), and the revenue  
4       is used for (purpose). The revenue from the increase is to  
5       be used for (purpose)".

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

9       (f) Nothing in this Section shall limit the purposes for  
10      which real estate transfer tax revenues may be collected or  
11      expended.