

Land Bank & Property Tax Issues

Background Information

Ill. Const. of 1970 Art. 9 Sec. 6

The Illinois General Assembly may exempt from taxation only property of the state, units of local government and school districts, and property that is used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and and charitable purposes. GA may grant homestead exemptions of rent credits.

Land Bank Issues

- ◉ Under Const. exemptions are designated by the legislature, based on certain ownership and/or use of property.
- ◉ Property Tax Code- Illinois General Assembly enacted specific provisions that provide tax exemptions under specific use or ownership conditions, and a process for obtaining those exemptions.
- ◉ 35 ILCS 200/15-60 Addresses exemptions for property belonging to any county or municipality that is used for certain purposes or that is being held for future expansion or development.

Land Bank – Issues

- ◉ If property owned by a county or taxing district is leased for some reason other than a “public purpose,” property will not fall within exemption provided by Sec. 15-60.
- ◉ Other provisions of the Code provide for the assessment and taxation of leasehold interests in property.

Land Bank

- Tax Sale and Tax deed process in Circuit Court.
- States Attorney obtains Judgment and order of sale in Circuit Court which authorizes and directs sale of delinquent taxes by the Treasurer (assistance from County Clerk).
- Statutory provisions in Chapter 35, portions of the Illinois Property Tax Code govern the tax sale and tax deed process.

Land Bank Issues

- The process for obtaining a tax deed is very precise.
- Specific time frames for notices, forms of notice and all who are entitled to receive notice. Those attempting to obtain tax deed *must strictly comply* with most provisions of Code.
- PTC and ILL. Const. govern the redemption process. (PTC = Property Tax Code)

Land Bank

Tax & Acquisition Issues

- Tax Sales may be redeemed in manner provided in PTC, specified parameters (35 ILCS 200/21-350-355).
- Time periods are affected by the type of sale...
- Scavenger Tax Sale v. Annual Tax Sale
- (No cash bid system currently functions through Scavenger and forfeiture Tax Sales)
- Type of property affects length of redemption period.
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- If *residential* property is sold at the scavenger tax sale, and purchased through the no cash bid program, the redemption period is a minimum of 2 years. The IL Const. guarantees residential owners at least 2 years to redeem. Other properties may be as little as 6 months to redeem.

Land Bank Issues

- If County or municipality acquires property- what are tax implications?
- Going forward- and prior liens, taxes
- Section 21-95 of PTC allows due and unpaid property taxes and liens for unpaid taxes to be declared null and void under certain circumstances....
- When a county or taxing district acquires property through the no cash bid process taxes may be declared null and void.
- 35 ILCS 200/21-95

Land Bank Issues

35 ILCS 200/21-95

- Allows tax liens to become null and void where property is acquired by the county or municipality under other limited and specified circumstances:
- i.e. through the foreclosure of a lien or a judicial deed, or by acceptance of deed in lieu of foreclosure.

Land Bank Issues

- ◉ Property owned by a County, Land Bank or municipality-
Going forward tax status
- ◉ Tax exempt status of the property will depend on ownership and use.
- ◉ See provisions of Illinois Property Tax Code. 35 ILCS 200/1-1 et. Seq. (Chapter 15 of PTC in particular)
- ◉ Even where a governmental unit acquires property There is an exemption application process. See 35 ILCS 200/16-115 et. seq. This begins at the Cook County Board of Review – proceeds through the Illinois Department of Revenue.

Land Bank Advisory Committee

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