

# ORDINANCE NO. \_\_\_\_\_

## AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF SYCAMORE OF 1994, AS AMENDED, BY THE ADDITION OF CHAPTER 20 OF TITLE 3, REAL ESTATE TRANSFER TAX, IN THE CITY OF SYCAMORE, ILLINOIS

1. The City Council of the City of Sycamore, Illinois hereby amends the municipal code of the City of Sycamore by adding the following as Chapter 20 of Title 3:

TITLE 3, BUSINESS AND LICENSE REGULATIONS,  
CHAPTER 20, REAL ESTATE TRANSFER TAX  
SECTION 1, DEFINITIONS

3-20-1 DEFINITIONS

For the purpose of this subchapter the following definitions shall apply unless the context clearly indicates or requires a different meaning.

DEED. All documents transferring or reflecting the transfer of legal title, equitable title or both legal and equitable title to real property, or the beneficial interest in a land trust. Delivery of any deed shall be deemed to have occurred when the transferee or purchaser, or his representative or agent, receives possession of the deed or in the case of a land trust when the trustee receives possession of a valid assignment of a beneficial interest.

PERSON. Any natural person, receiver, administrator, executor, conservator, assignee, trust in perpetuity, trust, estate, firm, partnership, joint venture, club, company, business trust, municipal corporation, political subdivision of the state, domestic or foreign corporation, association, syndicate, society or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise, and the United States or any instrumentality thereof. Whenever the term PERSON is used in any clause prescribing and imposing a penalty, the term as applied to associations shall mean the owners thereof, and as applied to corporations, the officers thereof.

RECORDATION. The recording of deeds with the office of the Recorders of Deeds of DeKalb County.

VALUE. The amount of the full actual consideration for any transfer covered hereunder, including the amount of any mortgage or other lien assumed by the grantee or purchaser.

### Section 3-20-2 Imposition of Tax.

A tax is hereby imposed on the transfer of title to real property located in the City of Sycamore as evidenced by the recordation of a deed by any person or by the delivery of any deed conveying an interest in the real property, made after \_\_\_\_\_, 2006 [date of passage of ordinance], whether vesting the owner with the beneficial interest in or legal title to the property or merely the possession or use thereof for any purpose or to secure future payment of money or the future transfer of any such real property. The tax shall be imposed at the rate of five and 00/100 dollars (\$5.00) for each one thousand dollars (\$1,000.00) of value or fraction thereof stated in the declaration provided for in this Chapter. The tax herein levied shall be in addition to any and all other taxes.

### 3-20-3 Liability for Tax.

The ultimate incidence of and liability for payment of the tax imposed by this article shall be borne by the grantee of any deed, or buyer, subject to this Chapter.

### 3-20-4 Purchase of Stamps.

The tax levied by this Chapter shall be paid by purchase of tax stamps from the City Treasurer or his designated agent. The payment of such tax shall be denoted by an adhesive stamp or stamps affixed to the face of the deed.

### 3-20-5 Filing of Declaration.

At the time the tax is paid, or an exemption is applied for, there shall also be presented to the City Treasurer or his/her designee, on a form prescribed by the City Treasurer, a declaration in substantial accordance with the Real Estate Transfer Tax Law as set forth in 35 ILCS 200/31-1 et seq. However, the execution by at least one of the grantees or buyers or their agents, shall be deemed sufficient under this section. The information required to be provided in the declaration shall be given under the oath of the person affixing his signature thereto that the matters contained therein are true and correct.

### 3-20-6 Exemptions.

1. The following deeds shall be exempt from the tax levied by this Article:
  - (a) Deeds representing real estate transfers made before \_\_\_\_\_, 2006, [date of passage of ordinance] but recorded after that date and trust documents executed before \_\_\_\_\_2006, but recorded after that date.
  - (b) Deeds to or trust documents relating to (1) property acquired by any governmental body or from any governmental body, (2) property or interests transferred between governmental bodies, or (3) property acquired

by or from any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes. However, deeds or trust documents, other than those in which the Administrator of Veterans' Affairs of the United States is the grantee pursuant to a foreclosure proceeding, shall not be exempt from filing the declaration referenced in Section 5 of this Chapter.

(c) Deeds or trust documents that secure debt or other obligation.

(d) Deeds or trust documents that, without additional consideration, confirm, correct, modify, or supplement a deed or trust document previously recorded.

(e) Deeds or trust documents where the actual consideration is less than \$100.

(f) Tax deeds.

(g) Deeds or trust documents that release property that is security for a debt or other obligation.

(h) Deeds of partition.

(i) Deeds or trust documents made pursuant to mergers, consolidations or transfers or sales of substantially all of the assets of corporations under plans of reorganization under the Federal Internal Revenue Code or Title 11 of the Federal Bankruptcy Act.

(j) Deeds or trust documents made by a subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the subsidiary's stock.

(k) Deeds when there is an actual exchange of real estate and trust documents when there is an actual exchange of beneficial interests, except that that money difference or money's worth paid from one to the other is not exempt from the tax. These deeds or trust documents, however, shall not be exempt from filing the declaration.

(l) Deeds issued to a holder of a mortgage, as defined in Section 15-103 of the Code of Civil Procedure, 735 ILCS 5/15-103, pursuant to a mortgage foreclosure proceeding or pursuant to a transfer in lieu of foreclosure.

(m) A deed or trust document related to the purchase of a principal residence by a participant in the program authorized by the Home Ownership Made Easy Act, 310 ILCS 55/1 et seq., except that those deeds and trust documents shall not be exempt from filing the declaration.

(n) A deed or trust document where the grantee or buyer is purchasing homestead real estate within the city and has maintained resident status within the corporate limits of the City of Sycamore for a period of at least

one year prior to the date of application for exemption from the transfer tax to be imposed.

2. Every deed which is tax exempt pursuant to this Section shall be presented to the City Treasurer so as to be appropriately marked by said Treasurer as an exempt deed eligible for recordation without the payment of tax. At such time as a deed is presented to the City Treasurer pursuant to this Section, there shall be filed with the Treasurer a certificate setting forth the facts which justify the exemption of the deed presented. The certificate shall be executed on behalf of the grantee or buyer, and shall be on a form provided by the City Treasurer.

### 3-20-7 Recordation of Deeds.

After the effective date of this Ordinance, no deed conveying real property within the corporate limits of the City of Sycamore shall be entitled to recordation by the Recorder of Deeds for DeKalb County unless such deed shall bear either a Sycamore Real Estate Transfer Tax stamp in the amount required by this Article, or an exemption mark from the Sycamore City Treasurer.

### 3-20-8 Proceeds of Tax.

All proceeds resulting from the collection of the tax imposed by this Chapter, including interest and penalties, shall be paid to the Treasurer of the City of Sycamore and shall be credited to and deposited in the General Fund of the City provided however that not less frequently than quarterly, the collected amounts, less an administrative fee, shall be paid to the Sycamore Community Unit School District to be used for its general operating purposes.

### 3-20-9 Interest and Penalties.

In the event of failure by any person to pay to the City Treasurer the tax required hereunder when the same shall be due, interest shall accumulate and be due upon said tax at the rate of one percent per month commencing as of the first day following the day when the deed was recorded or the assignment of beneficial interest as accepted by the trustee. In addition, a penalty of fifty percent of the tax and interest due shall be assessed and collected against any person who shall fail to pay the tax imposed by this Chapter.

### 3-20-10 Civil Liability for Tax.

In the event of failure by any person to pay to the City Treasurer the tax required hereunder when the same shall be due, said person shall be liable to the City of Sycamore for such tax, together with interest and penalties. The City may bring an action to collect such tax, interest, and penalties in any court of competent jurisdiction.

3-20-11 Fine for Violation.

In addition to the remaining provisions of this Chapter, any person found guilty in a court of competent jurisdiction of violating, disobeying, omitting, neglecting or refusing to comply with any provision of this Chapter, upon conviction thereof, shall be punished in accordance with the provisions of Section 1-4-1 of the City Code.

3-20-12 Severability.

If any clause, sentence, section, provision or part of this Chapter or the application thereof to any person or circumstance shall be adjudged to be unconstitutional, the remainder of this Chapter or its application to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

2. This ordinance shall be in full force and effect from and after its passage and approval as provided by law.

Passed by the City Council of the City of Sycamore and approved by the Mayor of said City this \_\_\_day of \_\_\_\_\_, 2006.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Abstain: \_\_\_\_\_

APPROVED: \_\_\_\_\_, 2006.

ATTEST:

\_\_\_\_\_  
MAYOR – Ken Mundy

\_\_\_\_\_  
CITY CLERK – Candy Smith