

GAC Issue Update

September 20, 2006

Aurora “No Tax Due” Transfer Stamp

Aurora just notified RWSSC of a new ordinance that requires properties that normally are exempt from their transfer stamp ordinance, to comply with a new “no tax due” transfer stamp.

RWSSC Staff has discussed this issue in detail with GAD Sharon Gorrell (who monitors the Aurora City Government) and she has asked for a few days to lobby the Mayor. Gorrell is bringing a letter to the Mayor from our State Legal Counsel that outlines our position on this new ordinance.

Our concern is that this new ordinance was passed without benefit of public referendum as required by state law. State law requires any imposition or changes to a transfer tax to be passed at public referendum before enactment by a municipality.

Aurora is taking the same position as West Chicago in that since the ordinance is “\$0” then the state law does not apply. The REALTOR® position is that the state law calls for a referendum when ANY transfer tax is imposed, regardless of the tax amount. As we are aware, the municipalities often use this tax to enforce other ordinances both driving up the cost and complexity of property sales.

RWSSC staff is monitoring this issue and will work with GAD Gorrell to bring an update to our membership by September 25.

October 2006 Update

Aurora has repealed the fee section of this ordinance. Sellers will no longer be charged a fee for this ‘no tax due’ stamp. We are continuing our efforts to repeal the entire ordinance as part of our larger efforts to defeat transfer taxes enacted without referendum.