SUPREME COURT OF ILLINOIS

General Motors Corp. v. Pappas

General Motors Corp. v. Pappas · No. 108893 · Decided May 19, 2011

SUMMARY

The Supreme Court of Illinois considered whether taxpayers could receive judgment interest under section 2-1303 of the Code of Civil Procedure on unpaid interest owed under section 23-20 of the Property Tax Code. The court held that judgment interest could be awarded on fixed amounts of outstanding statutory interest, and that the circuit court retained jurisdiction to make such awards after a notice of appeal was filed. The court also held that the appellate court lacked jurisdiction to review the awards to SBC and Newcastle because the collector's notices of appeal did not include those orders.

CASE DETAILS

COURT	Supreme Court of Illinois
WRITING FOR THE COURT	Justice Theis; Chief Justice Kilbride; Justice Freeman; Justice Thomas; Justice Garman; Justice Karmeier; Justice Burke
JURISDICTION	Illinois
DECIDED	May 19, 2011
DOCKET	108893
DISPOSITION	other
PROCEDURAL POSTURE	The Cook County Treasurer appealed, and General Motors Corporation cross-appealed, from an Illinois Appellate Court judgment concerning interest on property-tax refunds and judgment interest on unpaid statutory interest. The Illinois Supreme Court granted the collector's petition for leave to appeal.
STANDARD OF REVIEW	De novo review, because the issues involved application of law to undisputed facts.
PRECEDENTIAL VALUE	published precedential opinion of the Supreme Court of Illinois
PARTIES	Maria Pappas, Treasurer and ex officio Collector of Cook County v. General Motors Corporation, SBC, Newcastle Properties, LLC, Charles Yetto and the Yetto taxpayers

TOPICS

property tax | tax refunds | appellate jurisdiction | tax court procedure | statutory interpretation

PRACTICE AREAS

property tax | tax litigation | appellate procedure | civil procedure | statutory interpretation

QUESTIONS PRESENTED

1. Whether the circuit court retained jurisdiction after notices of appeal were filed to award judgment interest to SBC and Newcastle on unpaid statutory interest stayed pending appeal.
2. Whether the appellate court had jurisdiction to review those judgment-interest awards when the collector's notices of appeal did not identify the later orders awarding the interest.
3. Whether the collector forfeited the right to challenge the Yetto taxpayers' judgment-interest awards by failing to object in the circuit court.
4. Whether section 2-1303 of the Code of Civil Procedure permits judgment interest on a fixed amount of statutory interest owed under section 23-20 of the Property Tax Code after the principal tax refund has been paid.
5. Whether the 2006 amendment to section 23-20 applied prospectively, permitting 5% interest only through December 31, 2005, and the CPI-based rate thereafter.
6. Whether General Motors could seek judgment interest under section 2-1303 even though it had not previously requested or been awarded that relief.

HOLDINGS

1. The circuit court retains jurisdiction to award judgment interest on a fixed sum of unpaid statutory interest when the award is collateral or incidental to the judgment and results from a stay pending appeal.
2. The appellate court lacked jurisdiction to review the SBC and Newcastle judgment-interest awards because the collector's notices of appeal did not identify the later orders awarding that relief.
3. The court overlooked any forfeiture arising from the collector's failure to object to the Yetto judgment-interest awards in the circuit court.
4. After the collector pays the principal property-tax refund, section 2-1303 permits judgment interest on the fixed amount of statutory interest that remains unpaid under section 23-20.
5. The amended section 23-20 applies prospectively; taxpayers receive the former 5% rate through December 31, 2005, and the amended CPI-based rate beginning January 1, 2006.
6. General Motors was not barred from seeking judgment interest under section 2-1303 merely because it had not previously requested or received such an award; the matter required remand to determine whether the outstanding statutory interest had been tendered.

KEY QUOTATIONS

> *“This award of judgment interest was not part of the judgment itself, but incidental thereto, and imposed on a specific sum contained in the underlying orders with a rate of interest set forth in the Code of Civil Procedure.”* (at 7)

> *“Likewise, the collector’s failure to file a proper notice of appeal in this case could not be remedied by addressing the issue in her appellate brief.”* (at 10)

> *“Thereafter, if the statutory interest on the tax refund is not paid in full, judgment interest under section 2–1303 is allowed on the set amount of outstanding interest that is owed as a result of the judgment.”* (at 16)

> *“Contrary to the collector’s assertion, this assessment of interest under section 2–1303 on the fixed judgment does not constitute compound interest.”* (at 16)

FACTUAL BACKGROUND

The taxpayers successfully challenged Cook County property assessments or tax rates and obtained orders requiring refunds of overpaid property taxes plus statutory interest. After a 2006 amendment changed the refund-interest rate from a flat 5% to the lesser of 5% or the Consumer Price Index, the collector paid the principal refunds and calculated interest using the lower CPI-based rate for the entire period. The circuit court required additional interest at 5% through December 31, 2005, stayed that payment pending appeal, and awarded 6% judgment interest on the fixed amount of unpaid statutory interest. General Motors received its principal refund and statutory interest but had not sought judgment interest before the appellate proceedings.

PROCEDURAL HISTORY

Taxpayers brought property-tax valuation and tax-rate objection proceedings in the Cook County circuit court. The circuit court ordered refunds with interest, applied the former 5% statutory rate through December 31, 2005, applied the amended CPI-based rate thereafter, and awarded judgment interest under section 2-1303 on unpaid statutory interest stayed pending appeal. The appellate court affirmed in substantial part, including the judgment-interest awards, and rejected the taxpayers' request for a continuing 5% rate. The Illinois Supreme Court affirmed in part, vacated portions concerning appellate jurisdiction and General Motors' entitlement to seek judgment interest, dismissed part of the appeal, and remanded.

DISPOSITION

other

REMAND INSTRUCTIONS

The matter was remanded to the circuit court for further proceedings concerning General Motors' entitlement to judgment interest, including whether the collector tendered or offered payment of the outstanding statutory interest, which would stop further accrual. The circuit court's judgment-interest orders for SBC and Newcastle remained in effect, while the appeal from those orders was dismissed for lack of appellate jurisdiction.

CASES CITED

- City of Champaign v. Torres, 214 Ill. 2d 234, 241

- Belleville Toyota, Inc. v. Toyota Motor Sales, U.S.A., Inc., 199 Ill. 2d 325, 334
- Sears Holdings Corp. v. Pappas, 391 Ill. App. 3d 147, 159
- Steinbrecher v. Steinbrecher, 197 Ill. 2d 514, 526-27 & n.4
- Daley v. Laurie, 106 Ill. 2d 33, 37
- Illinois State Toll Highway Authority v. Heritage Standard Bank & Trust Co., 157 Ill. 2d 282, 289-90
- Town of Libertyville v. Bank of Waukegan, 152 Ill. App. 3d 1066, 1072-73
- People v. Smith, 228 Ill. 2d 95, 104-05
- Niccum v. Botti, Marinaccio, DeSalvo & Tameling, Ltd., 182 Ill. 2d 6, 7
- People v. Lewis, 234 Ill. 2d 32, 37
- Atkinson v. Atkinson, 87 Ill. 2d 174, 178
- JPMorgan Chase Bank, N.A. v. Earth Foods, Inc., 238 Ill. 2d 455, 475
- O'Casek v. Children's Home & Aid Society of Illinois, 229 Ill. 2d 421, 438
- Hux v. Raben, 38 Ill. 2d 223, 225
- Village of Lake Villa v. Stokovich, 211 Ill. 2d 106, 121
- Beelman Trucking v. Illinois Workers' Compensation Comm'n, 233 Ill. 2d 364, 370
- Cinkus v. Village of Stickney Municipal Officers Electoral Board, 228 Ill. 2d 200, 216-17
- Madison Two Associates v. Pappas, 227 Ill. 2d 474, 479
- Yassin v. Certified Grocers of Illinois, Inc., 133 Ill. 2d 458, 462
- People v. Brown, 225 Ill. 2d 188, 201-02
- Landgraf v. USI Film Products, 511 U.S. 244
- Commonwealth Edison Co. v. Will County Collector, 196 Ill. 2d 27, 39
- Allegis Realty Investors v. Novak, 223 Ill. 2d 318, 330
- Noe v. City of Chicago, 56 Ill. 2d 346, 350
- Shell Oil Co. v. Department of Revenue, 95 Ill. 2d 541, 549-50