



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4804

by Rep. Joe Sosnowski

SYNOPSIS AS INTRODUCED:

35 ILCS 200/21-205

Amends the Property Tax Code. Requires county collectors to adopt a single bidder rule sufficient to prohibit a tax purchaser from registering more than one related bidding entity. Provides that violation of a single bidder rule is a Class A misdemeanor for a first offense and a Class 4 felony for a second or subsequent offense. Provides that a second or subsequent offense shall operate as a bar to any future participation in tax sales within Illinois. Effective immediately.

LRB100 17222 HLH 32381 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Section 21-205 as follows:

6 (35 ILCS 200/21-205)

7 Sec. 21-205. Tax sale procedures.

8 (a) The collector, in person or by deputy, shall attend, on
9 the day and in the place specified in the notice for the sale
10 of property for taxes, and shall, between 9:00 a.m. and 4:00
11 p.m., or later at the collector's discretion, proceed to offer
12 for sale, separately and in consecutive order, all property in
13 the list on which the taxes, special assessments, interest or
14 costs have not been paid. However, in any county with 3,000,000
15 or more inhabitants, the offer for sale shall be made between
16 8:00 a.m. and 8:00 p.m. The collector's office shall be kept
17 open during all hours in which the sale is in progress. The
18 sale shall be continued from day to day, until all property in
19 the delinquent list has been offered for sale. However, any
20 city, village or incorporated town interested in the collection
21 of any tax or special assessment, may, in default of bidders,
22 withdraw from collection the special assessment levied against
23 any property by the corporate authorities of the city, village

1 or incorporated town. In case of a withdrawal, there shall be
2 no sale of that property on account of the delinquent special
3 assessment thereon.

4 Until January 1, 2013, in every sale of property pursuant
5 to the provisions of this Code, the collector may employ any
6 automated means that the collector deems appropriate.
7 Beginning on January 1, 2013, either (i) the collector shall
8 employ an automated bidding system that is programmed to accept
9 the lowest redemption price bid by an eligible tax purchaser,
10 subject to the penalty percentage limitation set forth in
11 Section 21-215, or (ii) all tax sales shall be digitally
12 recorded with video and audio. All bidders are required to
13 personally attend the sale and, if automated means are used,
14 all hardware and software used with respect to those automated
15 means must be certified by the Department and re-certified by
16 the Department every 5 years. If the tax sales are digitally
17 recorded and no automated bidding system is used, then the
18 recordings shall be maintained by the collector for a period of
19 at least 3 years from the date of the tax sale. The changes
20 made by this amendatory Act of the 94th General Assembly are
21 declarative of existing law.

22 (b) For tax sales conducted on or after the effective date
23 of this amendatory Act of the 100th General Assembly, each
24 county collector shall adopt a single bidder rule. The single
25 bidder rule shall prohibit a tax purchaser from registering
26 more than one related bidding entity. Each bidding entity shall

1 register only once for the purpose of bidding on or purchasing
2 tax lien certificates and may not maintain multiple
3 registrations for the purpose of increasing the principal's
4 likelihood of obtaining a successful bid on a parcel. A tax
5 purchaser shall not have a financial, legal, or contractual
6 relationship with any other bidder or bidding entity registered
7 in the same tax sale. No bidder shall employ or participate in
8 any post-sale certificate transfer strategy intended to
9 circumvent the spirit of the single bidder rule.

10 A person who knowingly violates a single bidder rule
11 adopted by a county collector under this Section is guilty of a
12 Class A misdemeanor for a first offense and a Class 4 felony
13 for a second or subsequent offense. A person who is convicted
14 of a second or subsequent offense of knowingly violating a
15 single bidder rule is prohibited from any future participation
16 in tax sales under this Act within the State.

17 For purposes of this subsection (b):

18 "Related bidding entity" means any individual,
19 corporation, partnership, joint venture, limited liability
20 company, business organization, or other individual or
21 commercial formation that has a shareholder, member,
22 partner, principal, officer, general partner, or other
23 person or entity having an ownership interest in common
24 with, or a contractual relationship with, any other
25 registered participant in the same annual tax sale.

26 "Contractual, legal, or financial relationship" means

1 2 or more individuals, corporate entities, shareholders,
2 principals, officers, partnerships, general or limited
3 partners, or other commercial ventures that have any type
4 of ownership interest in common.

5 It is prima facie evidence that a financial, legal,
6 contractual, or bidding relationship exists when 2 or more
7 bidding entities display any of the following
8 characteristics:

9 (1) they share a single registration or Taxpayer
10 Identification Number (TIN);

11 (2) they report earnings using a single tax return;

12 (3) they reside or are domiciled at the same address;

13 (4) they share common employees;

14 (5) they display non-competitive bidding behavior;

15 (6) they share a common pool of capital; or

16 (7) they employ any bidding or registration strategy
17 meant to gain an advantage when determining the winner
18 among tie bids.

19 (Source: P.A. 97-557, eff. 7-1-12; 97-1125, eff. 8-28-12.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.