

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 Sections 21-310, 21-315, and 21-385 as follows:

6 (35 ILCS 200/21-310)

7 Sec. 21-310. Sales in error.

8 (a) When, upon application of the county collector, the  
9 owner of the certificate of purchase, or a municipality which  
10 owns or has owned the property ordered sold, it appears to the  
11 satisfaction of the court which ordered the property sold that  
12 any of the following subsections are applicable, the court  
13 shall declare the sale to be a sale in error:

14 (1) the property was not subject to taxation, or all or  
15 any part of the lien of taxes sold has become null and void  
16 pursuant to Section 21-95 or unenforceable pursuant to  
17 subsection (c) of Section 18-250 or subsection (b) of  
18 Section 22-40,

19 (2) the taxes or special assessments had been paid  
20 prior to the sale of the property,

21 (3) there is a double assessment,

22 (4) the description is void for uncertainty,

23 (5) the assessor, chief county assessment officer,

1 board of review, board of appeals, or other county official  
2 has made an error (other than an error of judgment as to  
3 the value of any property),

4 (5.5) the owner of the homestead property had tendered  
5 timely and full payment to the county collector that the  
6 owner reasonably believed was due and owing on the  
7 homestead property, and the county collector did not apply  
8 the payment to the homestead property; provided that this  
9 provision applies only to homeowners, not their agents or  
10 third-party payors,

11 (6) prior to the tax sale a voluntary or involuntary  
12 petition has been filed by or against the legal or  
13 beneficial owner of the property requesting relief under  
14 the provisions of 11 U.S.C. Chapter 7, 11, 12, or 13,

15 (7) the property is owned by the United States, the  
16 State of Illinois, a municipality, or a taxing district, or

17 (8) the owner of the property is a reservist or  
18 guardsperson who is granted an extension of his or her due  
19 date under Sections 21-15, 21-20, and 21-25 of this Act.

20 (b) When, upon application of the owner of the certificate  
21 of purchase only, it appears to the satisfaction of the court  
22 which ordered the property sold that any of the following  
23 subsections are applicable, the court shall declare the sale to  
24 be a sale in error:

25 (1) A voluntary or involuntary petition under the  
26 provisions of 11 U.S.C. Chapter 7, 11, 12, or 13 has been

1 filed subsequent to the tax sale and prior to the issuance  
2 of the tax deed.

3 (2) The improvements upon the property sold have been  
4 substantially destroyed or rendered uninhabitable or  
5 otherwise unfit for occupancy subsequent to the tax sale  
6 and prior to the issuance of the tax deed; however, if the  
7 court declares a sale in error under this paragraph (2),  
8 the court may order assignment of the certificate of  
9 purchase to the county collector or the delinquent county  
10 tax agent, if requested by the county collector.

11 (3) There is an interest held by the United States in  
12 the property sold which could not be extinguished by the  
13 tax deed.

14 (4) The real property contains a hazardous substance,  
15 hazardous waste, or underground storage tank that would  
16 require cleanup or other removal under any federal, State,  
17 or local law, ordinance, or regulation, only if the tax  
18 purchaser purchased the property without actual knowledge  
19 of the hazardous substance, hazardous waste, or  
20 underground storage tank. This paragraph (4) applies only  
21 if the owner of the certificate of purchase has made  
22 application for a sale in error at any time before the  
23 issuance of a tax deed.

24 Whenever a court declares a sale in error under this  
25 subsection (b), the court shall promptly notify the county  
26 collector in writing.

1           (c) When the county collector discovers, prior to the  
2 expiration of the period of redemption, that a tax sale should  
3 not have occurred for one or more of the reasons set forth in  
4 subdivision (a) (1), (a) (2), (a) (6), or (a) (7) of this Section,  
5 the county collector shall notify the last known owner of the  
6 certificate of purchase by certified and regular mail, or other  
7 means reasonably calculated to provide actual notice, that the  
8 county collector intends to declare an administrative sale in  
9 error and of the reasons therefor, including documentation  
10 sufficient to establish the reason why the sale should not have  
11 occurred. The owner of the certificate of purchase may object  
12 in writing within 28 days after the date of the mailing by the  
13 county collector. If an objection is filed, the county  
14 collector shall not administratively declare a sale in error,  
15 but may apply to the circuit court for a sale in error as  
16 provided in subsection (a) of this Section. Thirty days  
17 following the receipt of notice by the last known owner of the  
18 certificate of purchase, or within a reasonable time  
19 thereafter, the county collector shall make a written  
20 declaration, based upon clear and convincing evidence, that the  
21 taxes were sold in error and shall deliver a copy thereof to  
22 the county clerk within 30 days after the date the declaration  
23 is made for entry in the tax judgment, sale, redemption, and  
24 forfeiture record pursuant to subsection (d) of this Section.  
25 The county collector shall promptly notify the last known owner  
26 of the certificate of purchase of the declaration by regular

1 mail and shall promptly pay the amount of the tax sale,  
2 together with interest and costs as provided in Section 21-315,  
3 upon surrender of the original certificate of purchase.

4 (d) If a sale is declared to be a sale in error, the county  
5 clerk shall make entry in the tax judgment, sale, redemption  
6 and forfeiture record, that the property was erroneously sold,  
7 and the county collector shall, on demand of the owner of the  
8 certificate of purchase, refund the amount paid, pay any  
9 interest and costs as may be ordered under Sections 21-315  
10 through 21-335, and cancel the certificate so far as it relates  
11 to the property. The county collector shall deduct from the  
12 accounts of the appropriate taxing bodies their pro rata  
13 amounts paid. Alternatively, for sales in error declared under  
14 subsection (b) (2), the county collector may request the circuit  
15 court to direct the county clerk to assign the tax certificate  
16 to the county collector or the county delinquent tax agent  
17 without charging a fee for the assignment. The owner of the  
18 certificate of purchase shall receive all statutory refunds and  
19 payments. The county collector shall deduct costs and payments  
20 in the same manner as if a sale in error had occurred. The  
21 county delinquent tax agent shall extend the redemption period  
22 by 24 months in order to proceed with filing a petition for tax  
23 deed.

24 (Source: P.A. 94-312, eff. 7-25-05; 94-662, eff. 1-1-06;  
25 95-331, eff. 8-21-07.)

1 (35 ILCS 200/21-315)

2 Sec. 21-315. Refund of costs; interest on refund.

3 (a) If a sale in error under Section 21-310, 22-35, or  
4 22-50 is declared, the amount refunded shall also include all  
5 costs paid by the owner of the certificate of purchase or his  
6 or her assignor which were posted to the tax judgment, sale,  
7 redemption and forfeiture record.

8 (b) In those cases which arise solely under grounds set  
9 forth in Section 21-310, the amount refunded shall also include  
10 interest on the refund of the amount paid for the certificate  
11 of purchase, except as otherwise provided in this Section.  
12 Interest shall be awarded and paid to the tax purchaser at the  
13 rate of 1% per month from the date of sale to the date of  
14 payment, or in an amount equivalent to the penalty interest  
15 which would be recovered on a redemption at the time of payment  
16 pursuant to the order for sale in error, whichever is less.  
17 Interest shall not be paid when the sale in error is made  
18 pursuant to paragraph (2) or (4) of subsection (b) of Section  
19 21-310, Section 22-35, Section 22-50, any ground not enumerated  
20 in Section 21-310, or in any other case where the court  
21 determines that the tax purchaser had actual knowledge prior to  
22 the sale of the grounds on which the sale is declared to be  
23 erroneous.

24 (c) When the county collector files a petition for sale in  
25 error under Section 21-310 and mails a notice thereof by  
26 certified or registered mail to the last known owner of the

1 certificate of purchase, any interest otherwise payable under  
2 this Section shall cease to accrue as of the date the petition  
3 is filed, unless the tax purchaser agrees to an order for sale  
4 in error upon the presentation of the petition to the court.  
5 Notices under this subsection may be mailed to the last known  
6 owner of the certificate of purchase. When the owner of the  
7 certificate of purchase contests the collector's petition  
8 solely to determine whether the grounds for sale in error are  
9 such as to support a claim for interest, the court may direct  
10 that the principal amount of the refund be paid to the owner of  
11 the certificate of purchase forthwith. If the court thereafter  
12 determines that a claim for interest lies under this Section,  
13 it shall award such interest from the date of sale to the date  
14 the principal amount was paid. If the owner of the certificate  
15 of purchase files an objection to the county collector's  
16 intention to declare an administrative sale in error, as  
17 provided under subsection (c) of Section 21-310, and,  
18 thereafter, the county collector elects to apply to the circuit  
19 court for a sale in error under subsection (a) of Section  
20 21-310, then, if the circuit court grants the county  
21 collector's application for a sale in error, the court may not  
22 award interest to the owner of the certificate of purchase for  
23 the period after the mailing date of the county collector's  
24 notice of intention to declare an administrative sale in error.

25 (d) When a petition for a sale in error is filed under  
26 subsection (b) of Section 21-310, the petition shall be filed

1 under the order in which the court previously ordered the taxes  
2 sold. The certificate holder shall not be required to pay a  
3 filing fee under this Section.

4 (Source: P.A. 94-662, eff. 1-1-06.)

5 (35 ILCS 200/21-385)

6 Sec. 21-385. Extension of period of redemption. The  
7 purchaser or his or her assignee of property sold for  
8 nonpayment of general taxes or special assessments may extend  
9 the period of redemption at any time before the expiration of  
10 the original period of redemption, or thereafter prior to the  
11 expiration of any extended period of redemption, for a period  
12 which will expire not later than 3 years from the date of sale,  
13 by filing with the county clerk of the county in which the  
14 property is located a written notice to that effect describing  
15 the property, stating the date of the sale and specifying the  
16 extended period of redemption. If prior to the expiration of  
17 the period of redemption or extended period of redemption a  
18 petition for tax deed has been filed under Section 22-30, upon  
19 application of the petitioner, the court shall allow the  
20 purchaser or his or her assignee to extend the period of  
21 redemption after expiration of the original period or any  
22 extended period of redemption, provided that any extension  
23 allowed will expire not later than 3 years from the date of  
24 sale, unless the certificate has been assigned to the county  
25 collector or the county delinquent tax agent by the court which

1 ordered the property sold, in which case the period of  
2 redemption shall be extended for 24 months. If the period of  
3 redemption is extended, the purchaser or his or her assignee  
4 must give the notices provided for in Section 22-10 at the  
5 specified times prior to the expiration of the extended period  
6 of redemption by causing a sheriff (or if he or she is  
7 disqualified, a coroner) of the county in which the property,  
8 or any part thereof, is located to serve the notices as  
9 provided in Sections 22-15 and 22-20. The notices may also be  
10 served as provided in Sections 22-15 and 22-20 by a special  
11 process server appointed by the court under Section 22-15.  
12 (Source: P.A. 91-209, eff. 1-1-00; 91-554, eff. 8-14-99.)