



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3908

Introduced 2/6/2026, by Sen. Celina Villanueva

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.1038 new
35 ILCS 200/21-90
35 ILCS 200/21-215
35 ILCS 200/21-295
35 ILCS 200/21-305
35 ILCS 200/21-355
35 ILCS 200/22-40
35 ILCS 200/22-55
35 ILCS 200/22-60
35 ILCS 200/22-65
35 ILCS 200/22-80
35 ILCS 200/22-100 new
35 ILCS 200/22-101 new

Amends the Property Tax Code. Establishes the State Tax Deed Equity Fund. Provides that moneys in the Tax Deed Equity Fund shall be expended exclusively for the purpose of paying the amount ordered for equity surplus payments to Illinois property owners who have lost their property by a recorded tax deed. Contains provisions concerning applications for payment from the Tax Deed Equity Fund. Makes changes to the amount of the indemnity fund fee. Makes changes concerning required notices by the tax deed grantee to the owner of the property.

LRB104 19458 HLH 32906 b

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 State Finance Act is amended by adding
5 Section 5.1038 as follows:

6 (30 ILCS 105/5.1038 new)

7 Sec. 5.1038. The Tax Deed Equity Fund.

8 Section 10. The Property Tax Code is amended by changing
9 Sections 21-90, 21-215, 21-295, 21-305, 21-355, 22-40, 22-55,
10 22-60, 22-65, and 22-80 and by adding Sections 22-100 and
11 22-101 as follows:

12 (35 ILCS 200/21-90)

13 Sec. 21-90. Purchase and sale by county; distribution of
14 proceeds.

15 (a) When any property is offered for sale under any of the
16 provisions of this Code, the county board of the county in
17 which the property is located, in its discretion, may bid, or,
18 in the case of forfeited property, may apply to purchase it or
19 otherwise acquire the tax lien or certificate in the name of
20 the county as trustee for all taxing districts having an
21 interest in the property's taxes or special assessments for

1 the nonpayment of which the property is sold. The presiding
2 officer of the county board, with the advice and consent of the
3 board, may appoint on its behalf some officer, person, or
4 entity to attend such sales, bid on tax liens or certificates,
5 and act on behalf of the county when exercising its authority
6 under this Section. The county shall apply on the bid or
7 purchase the unpaid taxes and special assessments due upon the
8 property. No cash need be paid for the unpaid taxes and special
9 assessments due on the property for any purchase of
10 forfeiture. The county shall pay all nonrefundable fees
11 required under Section 22-100, 22-101, 22-40, 22-80.

12 (b) The county, as trustee for all taxing districts having
13 an interest in the property's taxes or special assessments,
14 shall be the designated holder of all tax liens or
15 certificates that are forfeited to the State or county. No
16 cash need be paid for the forfeited tax lien or certificate.

17 (c) For any tax lien or certificate acquired under
18 subsection (a) or (b) of this Section, the county may take
19 steps necessary to acquire title to the property and may
20 manage and operate the property, including, but not limited
21 to, mowing of grass, removal of nuisance greenery, removal of
22 garbage, waste, debris or other materials, or the demolition,
23 repair, or remediation of unsafe structures. When a county, or
24 other taxing district within the county, is a petitioner for a
25 tax deed, no filing fee shall be required. When a county or
26 other taxing district within the county is the petitioner for

1 a tax deed, one petition may be filed including all parcels
2 that are tax delinquent within the county or taxing district,
3 and any publication made under Section 22-20 of this Code may
4 combine all such parcels within a single notice. The notice
5 may include the street address as listed on the most recent
6 available tax bills, if available, and shall list the Property
7 Index Number of the parcels for informational purposes. The
8 county, as tax creditor and as trustee for other tax
9 creditors, or other taxing district within the county, shall
10 not be required to allege and prove that all taxes and special
11 assessments which become due and payable after the sale or
12 forfeiture to the county have been paid nor shall the county be
13 required to pay the subsequently accruing taxes or special
14 assessments at any time. The county board or its designee may
15 prohibit the county collector from including the property in
16 the tax sale of one or more subsequent years. The lien of taxes
17 and special assessments which become due and payable after a
18 sale to a county shall merge in the fee title of the county, or
19 other taxing district within the county, on the issuance of a
20 deed.

21 The county may sell any property acquired with authority
22 provided in this Section, or assign any tax certificate to any
23 party, including, but not limited to, taxing districts,
24 municipalities, land banks created pursuant to Illinois law,
25 or non-profit developers focused on constructing affordable
26 housing.

1 The assigned tax certificate shall be void with no further
2 rights given to the assignee, including no right to refund or
3 reimbursement, if a tax deed has not been recorded within 4
4 years after the date of the assignment unless a court extends
5 the assignment period as provided in this Section. Upon a
6 motion by the assignee, a court may toll the 4-year deadline
7 for a specified period of time if the court finds the assignee
8 is prevented from obtaining or recording a deed by injunction
9 or order of any court, by the refusal or inability of any court
10 to act upon the application for a tax deed, by a municipality's
11 refusal to issue necessary transfer stamps or approvals for
12 recording, or by the refusal of the clerk to execute the deed.
13 If an assigned tax certificate is void under this Section, it
14 shall be forfeited to the county and held as a valid
15 certificate of sale in the county's name pursuant to this
16 Section 21-90. Upon such a forfeiture, the county shall pay
17 all nonrefundable fees required under Section 22-100, 22-101,
18 22-40, 22-80 unless previously paid by any certificate holder.
19 The proceeds of any sale or assignment under this Section,
20 less all costs of the county incurred in the acquisition,
21 operation, maintenance, and sale of the property or assignment
22 of the tax certificate, including all costs associated with
23 county staff and overhead used to perform the duties of the
24 trustee set forth in this Section, shall be distributed to the
25 taxing districts in proportion to their respective interests
26 therein.

1 Under Sections 21-110, 21-115, 21-120, and 21-190, a
2 county may bid or purchase only in the absence of other
3 bidders.

4 (Source: P.A. 102-363, eff. 1-1-22; 103-555, eff. 1-1-24.)

5 (35 ILCS 200/21-215)

6 Sec. 21-215. Penalty bids. The person at the sale offering
7 to pay the amount due on each property for the least penalty
8 percentage shall be the purchaser of that property. If
9 multiple bidders offer the least penalty percentage, the
10 collector shall declare the winning purchaser randomly. No bid
11 shall be accepted for a penalty exceeding 9% of the amount of
12 the tax or special assessment on property.

13 (Source: P.A. 102-363, eff. 1-1-22.)

14 (35 ILCS 200/21-295)

15 Sec. 21-295. Creation of indemnity fund.

16 (a) In counties of less than 3,000,000 inhabitants, each
17 person purchasing any property at a sale under this Code shall
18 pay to the County Collector, prior to the issuance of any
19 certificate of purchase, a nonrefundable ~~an~~ indemnity fee set
20 by the county collector of not more than \$25 ~~\$20~~ for each item
21 purchased. A like sum shall be paid for each year that all or a
22 portion of subsequent taxes are paid by the tax purchaser and
23 posted to the tax judgment, sale, redemption and forfeiture
24 record where the underlying certificate of purchase is

1 recorded.

2 (a-5) In counties of 3,000,000 or more inhabitants, each
3 person purchasing property at a sale under this Code shall pay
4 to the County Collector a nonrefundable fee of \$100 ~~\$80~~ for
5 each item purchased plus an additional sum equal to 5% of the
6 taxes, interest, and penalties paid under Section 21-240. In
7 these counties, prior to expiration of the period of
8 redemption, the certificate holder shall also pay to the
9 County Collector a nonrefundable fee of \$50 ~~\$80~~ for each year
10 that all or a portion of subsequent taxes are paid by the tax
11 purchaser and posted to the tax judgment, sale, redemption,
12 and forfeiture record. Following expiration of the period of
13 redemption, the certificate holder's payment of (i) any
14 subsequent tax and special assessment and (ii) any redemption
15 of any sale of subsequent taxes or forfeiture shall include a
16 nonrefundable 10% indemnity fund fee paid by the petitioner.
17 All fees received under this subsection shall be paid by the
18 collector and the county clerk to the county treasurer of the
19 county in which the land is situated for the purpose of funding
20 the county's indemnity fund established by this Section. No
21 fees incurred under this subsection shall be posted to the
22 subject tax sale pursuant to Section 21-355. The changes to
23 this subsection made by this amendatory Act of the 91st
24 General Assembly are not a new enactment, but declaratory of
25 existing law.

26 (b) The amount paid prior to issuance of the certificate

1 of purchase pursuant to subsection (a) or (a-5) shall be
2 included in the purchase price of the property in the
3 certificate of purchase and all amounts paid under this
4 Section shall be included in the amount required to redeem
5 under Section 21-355, except for the nonrefundable \$80 fee for
6 each item purchased at the tax sale as provided in this
7 Section. Except as otherwise provided in subsection (b) of
8 Section 21-300, all money received under subsection (a) or
9 (a-5) shall be paid by the Collector to the County Treasurer of
10 the County in which the land is situated, for the purpose of an
11 indemnity fund. The County Treasurer, as trustee of that fund,
12 shall invest all of that fund, principal and income, in his or
13 her hands from time to time, if not immediately required for
14 payments of indemnities under subsection (a) of Section
15 21-305, in investments permitted by the Illinois State Board
16 of Investment under Article 22A of the Illinois Pension Code.
17 The county collector shall report annually to the county clerk
18 on the condition and income of the fund. The indemnity fund
19 shall be held to satisfy judgments obtained against the County
20 Treasurer, as trustee of the fund. No payment shall be made
21 from the fund, except upon a judgment of the court which
22 ordered the issuance of a tax deed.

23 (c) All indemnity fund fees under this Section shall be
24 paid by all certificate holders, including any municipality,
25 trustee, or county authority who acquires a certificate of
26 purchase or forfeiture under any provision of this Code.

1 (Source: P.A. 100-1070, eff. 1-1-19; 101-659, eff. 3-23-21.)

2 (35 ILCS 200/21-305)

3 Sec. 21-305. Payments from Indemnity Fund.

4 (a) Any owner of property sold under any provision of this
5 Code who sustains loss or damage by reason of the issuance of a
6 tax deed under Section 21-445 or 22-40 and who is barred or is
7 in any way precluded from bringing an action for the recovery
8 of the property shall have the right to indemnity for the loss
9 or damage sustained, limited as follows:

10 (1) An owner who resided on property that contained 4
11 or less dwelling units on the last day of the period of
12 redemption and who is equitably entitled to compensation
13 for the loss or damage sustained has the right to
14 indemnity. An equitable indemnity award shall be limited
15 to the fair cash value of the property as of the date the
16 tax deed was issued less any mortgages or liens on the
17 property, and the award will not exceed \$99,000. The Court
18 shall liberally construe this equitable entitlement
19 standard to provide compensation wherever, in the
20 discretion of the Court, the equities warrant the action.

21 An owner of a property that contained 4 or less
22 dwelling units who requests an award in excess of \$99,000
23 must prove that the loss of his or her property was not
24 attributable to his or her own fault or negligence before
25 an award in excess of \$99,000 will be granted.

1 (2) An owner who sustains the loss or damage of any
2 property occasioned by reason of the issuance of a tax
3 deed, without fault or negligence of his or her own, has
4 the right to indemnity limited to the fair cash value of
5 the property less any mortgages or liens on the property.
6 In determining the existence of fault or negligence, the
7 court shall consider whether the owner exercised ordinary
8 reasonable diligence under all of the relevant
9 circumstances.

10 (3) In determining the fair cash value of property
11 less any mortgages or liens on the property, the fair cash
12 value shall be reduced by the principal amount of all
13 taxes paid by the tax purchaser or his or her assignee
14 before the issuance of the tax deed.

15 (4) If an award made under paragraph (1) or (2) is
16 subject to a reduction by the amount of an outstanding
17 mortgage or lien on the property, other than the principal
18 amount of all taxes paid by the tax purchaser or his or her
19 assignee before the issuance of the tax deed and the
20 petitioner would be personally liable to the mortgagee or
21 lienholder for all or part of that reduction amount, the
22 court shall order an additional indemnity award to be paid
23 directly to the mortgagee or lienholder sufficient to
24 discharge the petitioner's personal liability. The court,
25 in its discretion, may order the joinder of the mortgagee
26 or lienholder as an additional party to the indemnity

1 action.

2 (b) Indemnity fund; subrogation.

3 (1) Any person claiming indemnity hereunder shall
4 petition the Court which ordered the tax deed to issue,
5 shall name the County Treasurer, as Trustee of the
6 indemnity fund, as defendant to the petition, and shall
7 ask that judgment be entered against the County Treasurer,
8 as Trustee, in the amount of the indemnity sought. The
9 provisions of the Civil Practice Law shall apply to
10 proceedings under the petition, except that neither the
11 petitioner nor County Treasurer shall be entitled to trial
12 by jury on the issues presented in the petition. The Court
13 shall liberally construe this Section to provide
14 compensation wherever in the discretion of the Court the
15 equities warrant such action.

16 (2) The County Treasurer, as Trustee of the indemnity
17 fund, shall be subrogated to all parties in whose favor
18 judgment may be rendered against him or her, and by third
19 party complaint may bring in as a defendant any person,
20 other than the tax deed grantee and its successors in
21 title, not a party to the action who is or may be liable to
22 him or her, as subrogee, for all or part of the
23 petitioner's claim against him or her.

24 (c) Any contract involving the proceeds of a judgment for
25 indemnity under this Section, between the tax deed grantee or
26 its successors in title and the indemnity petitioner or his or

1 her successors, shall be in writing. In any action brought
2 under Section 21-305, the Collector shall be entitled to
3 discovery regarding, but not limited to, the following:

4 (1) the identity of all persons beneficially
5 interested in the contract, directly or indirectly,
6 including at least the following information: the names
7 and addresses of any natural persons; the place of
8 incorporation of any corporation and the names and
9 addresses of its shareholders unless it is publicly held;
10 the names and addresses of all general and limited
11 partners of any partnership; the names and addresses of
12 all persons having an ownership interest in any entity
13 doing business under an assumed name, and the county in
14 which the assumed business name is registered; and the
15 nature and extent of the interest in the contract of each
16 person identified;

17 (2) the time period during which the contract was
18 negotiated and agreed upon, from the date of the first
19 direct or indirect contact between any of the contracting
20 parties to the date of its execution;

21 (3) the name and address of each natural person who
22 took part in negotiating the contract, and the identity
23 and relationship of the party that the person represented
24 in the negotiations; and

25 (4) the existence of an agreement for payment of
26 attorney's fees by or on behalf of each party.

1 Any information disclosed during discovery may be subject
2 to protective order as deemed appropriate by the court. The
3 terms of the contract shall not be used as evidence of value.

4 (d) A petition of indemnity under this Section must be
5 filed within 10 years after the date the tax deed was issued.

6 (e) No award under this Section shall be permitted if any
7 person receives a judgment in their name under Sections 22-100
8 and 22-101.

9 (Source: P.A. 97-557, eff. 7-1-12.)

10 (35 ILCS 200/21-355)

11 Sec. 21-355. Amount of redemption. Any person desiring to
12 redeem shall deposit an amount specified in this Section with
13 the county clerk of the county in which the property is
14 situated, in legal money of the United States, or by cashier's
15 check, certified check, post office money order or money order
16 issued by a financial institution insured by an agency or
17 instrumentality of the United States, payable to the county
18 clerk of the proper county. The deposit shall be deemed timely
19 only if actually received in person at the county clerk's
20 office prior to the close of business as defined in Section
21 3-2007 of the Counties Code on or before the expiration of the
22 period of redemption or by United States mail with a post
23 office cancellation mark dated not less than one day prior to
24 the expiration of the period of redemption. The deposit shall
25 be in an amount equal to the total of the following:

1 (a) the certificate amount, which shall include all
2 tax principal, special assessments, interest and penalties
3 paid by the tax purchaser together with costs and fees of
4 sale and fees paid under Sections 21-295 and 21-315
5 through 21-335, except for any the nonrefundable fees \$80
6 fee paid under Sections 22-100, 22-101, and pursuant to
7 Section 21-295, for each item purchased at the tax sale;

8 (b) the accrued penalty, computed through the date of
9 redemption as a percentage of the certificate amount, as
10 follows:

11 (1) if the redemption occurs on or before the
12 expiration of 6 months from the date of sale, the
13 certificate amount times the penalty bid at sale;

14 (2) if the redemption occurs after 6 months from
15 the date of sale, and on or before the expiration of 12
16 months from the date of sale, the certificate amount
17 times 2 times the penalty bid at sale;

18 (3) if the redemption occurs after 12 months from
19 the date of sale and on or before the expiration of 18
20 months from the date of sale, the certificate amount
21 times 3 times the penalty bid at sale;

22 (4) if the redemption occurs after 18 months from
23 the date of sale and on or before the expiration of 24
24 months from the date of sale, the certificate amount
25 times 4 times the penalty bid at sale;

26 (5) if the redemption occurs after 24 months from

1 the date of sale and on or before the expiration of 30
2 months from the date of sale, the certificate amount
3 times 5 times the penalty bid at sale;

4 (6) if the redemption occurs after 30 months from
5 the date of sale and on or before the expiration of 36
6 months from the date of sale, the certificate amount
7 times 6 times the penalty bid at sale.

8 In the event that the property to be redeemed has been
9 purchased under Section 21-405 before January 1, 2024, the
10 penalty bid shall be 12% per penalty period as set forth in
11 subparagraphs (1) through (6) of this subsection (b). The
12 changes to this subdivision (b) (6) made by this amendatory
13 Act of the 91st General Assembly are not a new enactment,
14 but declaratory of existing law.

15 For counties with fewer than 3,000,000 inhabitants, if
16 the property to be redeemed is property with respect to
17 which a tax lien or certificate is acquired after January
18 1, 2024 by the county as trustee pursuant to Section
19 21-90, the penalty bid at sale shall accrue according to
20 the penalty periods established in subparagraphs (1)
21 through (6) of this subsection (b).

22 For counties with more than 3,000,000 inhabitants, if
23 the property to be redeemed is property with respect to
24 which a tax lien or certificate is acquired on or after
25 January 1, 2024 by the county as trustee pursuant to
26 Section 21-90, the penalty bid is 0.75% and shall accrue

1 monthly instead of according to the penalty periods
2 established in subparagraphs (1) through (6) of this
3 subsection (b).

4 (c) The total of all taxes, special assessments,
5 accrued interest on those taxes and special assessments
6 and costs charged in connection with the payment of those
7 taxes or special assessments, except for any ~~the~~
8 nonrefundable fees ~~\$80 fee~~ paid, pursuant to Sections
9 22-100, 22-101, and ~~Section~~ 21-295, for each item
10 purchased at the tax sale, which have been paid by the tax
11 certificate holder on or after the date those taxes or
12 special assessments became delinquent together with 12%
13 penalty on each amount so paid for each year or portion
14 thereof intervening between the date of that payment and
15 the date of redemption. In counties with less than
16 3,000,000 inhabitants, however, a tax certificate holder
17 may not pay all or part of an installment of a subsequent
18 tax or special assessment for any year, nor shall any
19 tender of such a payment be accepted, until after the
20 second or final installment of the subsequent tax or
21 special assessment has become delinquent or until after
22 the holder of the certificate of purchase has filed a
23 petition for a tax deed under Section 22.30. The person
24 redeeming shall also pay the amount of interest charged on
25 the subsequent tax or special assessment and paid as a
26 penalty by the tax certificate holder. This amendatory Act

1 of 1995 applies to tax years beginning with the 1995
2 taxes, payable in 1996, and thereafter.

3 (d) Any amount paid to redeem a forfeiture occurring
4 before January 1, 2024 but after the tax sale together
5 with 12% penalty thereon for each year or portion thereof
6 intervening between the date of the forfeiture redemption
7 and the date of redemption from the sale.

8 (e) Any amount paid by the certificate holder for
9 redemption of a subsequently occurring tax sale, including
10 tax liens or certificates held by the county as trustee,
11 pursuant to Section 21-90, except for any nonrefundable
12 fees paid under Sections 22-100, 22-101, and 21-295.

13 (f) All fees paid to the county clerk under Section
14 22-5.

15 (g) All fees paid to the registrar of titles incident
16 to registering the tax certificate in compliance with the
17 Registered Titles (Torrens) Act.

18 (h) All fees paid to the circuit clerk and the
19 sheriff, a licensed or registered private detective, or
20 the coroner in connection with the filing of the petition
21 for tax deed and service of notices under Sections 22-15
22 through 22-30 and 22-40 in addition to (1) a fee of \$35 if
23 a petition for tax deed has been filed, which fee shall be
24 posted to the tax judgement, sale, redemption, and
25 forfeiture record, to be paid to the purchaser or his or
26 her assignee; (2) a fee of \$4 if a notice under Section

1 22-5 has been filed, which fee shall be posted to the tax
2 judgment, sale, redemption, and forfeiture record, to be
3 paid to the purchaser or his or her assignee; (3) all costs
4 paid to record a lis pendens notice in connection with
5 filing a petition under this Code; and (4) if a petition
6 for tax deed has been filed, all fees up to \$150 per
7 redemption paid to a registered or licensed title
8 insurance company or title insurance agent for a title
9 search to identify all owners, parties interested, and
10 occupants of the property, to be paid to the purchaser or
11 his or her assignee. The fees in (1) and (2) of this
12 paragraph (h) shall be exempt from the posting
13 requirements of Section 21-360. The costs incurred in
14 causing notices to be served by a licensed or registered
15 private detective under Section 22-15, may not exceed the
16 amount that the sheriff would be authorized by law to
17 charge if those notices had been served by the sheriff.

18 (i) All fees paid for publication of notice of the tax
19 sale in accordance with Section 22-20.

20 (j) All sums paid to any county, city, village or
21 incorporated town for reimbursement under Section 22-35.

22 (k) All costs and expenses of receivership under
23 Section 21-410, to the extent that these costs and
24 expenses exceed any income from the property in question,
25 if the costs and expenditures have been approved by the
26 court appointing the receiver and a certified copy of the

1 order or approval is filed and posted by the certificate
2 holder with the county clerk. Only actual costs expended
3 may be posted on the tax judgment, sale, redemption and
4 forfeiture record.

5 (Source: P.A. 103-555, eff. 1-1-24; 103-592, eff. 6-7-24.)

6 (35 ILCS 200/22-40)

7 Sec. 22-40. Issuance of deed; possession.

8 (a) To obtain an order for issuance of tax deed,
9 subsequent to expiration of the period of redemption or any
10 extended period of redemption, the certificate holder shall
11 file with the clerk of the circuit court of the county in which
12 the land is situated an application for an order directing the
13 county clerk to issue a tax deed and shall pay a \$400 indemnity
14 fund fee. All fees received under this subsection shall be
15 paid by the circuit court of the county in which the land is
16 situated to the county treasurer of the county in which the
17 land is situated for the purpose of funding the county's
18 indemnity fund established by Section 21-295. The ~~the~~
19 petitioner must provide sufficient evidence that:

20 (1) the redemption period has expired and the property
21 has not been redeemed;

22 (2) all taxes and special assessments which became due
23 and payable subsequent to the sale have been paid, unless
24 the county or its agent, as trustee pursuant to Section
25 21-90, is the petitioner;

1 (3) all forfeitures and sales which occur subsequent
2 to the sale are paid or redeemed, unless the county or its
3 agent, as trustee pursuant to Section 21-90, is the
4 petitioner;

5 (4) the notices required by law have been given, and
6 all advancements of public funds under the police power
7 made by a county, city, village, or town under Section
8 22-35 have been paid; ~~and~~

9 (5) the petitioner has complied with all the
10 provisions of law entitling him or her to a deed; and -

11 (6) the petitioner has proved to the satisfaction of
12 the court the name and last known address of the owner or
13 beneficial owner of record.

14 Upon receipt of sufficient evidence of the requirements
15 under this subsection (a), the court shall find that the
16 petitioner complied with those requirements and proved to the
17 satisfaction of the court the name and last known address of
18 the owner or beneficial owner of the property ascertained
19 through diligent inquiry and shall enter an order directing
20 the county clerk, on the production of the tax certificate and
21 a certified copy of the order, to issue to the purchaser or its
22 assignee a tax deed. The court shall insist on strict
23 compliance with Section 22-10 through 22-25. Prior to the
24 entry of an order directing the issuance of a tax deed, the
25 petitioner shall furnish the court with a report of
26 proceedings of the evidence received on the application for

1 tax deed and the report of proceedings shall be filed and made
2 a part of the court record.

3 (b) Except as provided in subsection (e), if taxes for
4 years prior to the year or years sold are or become delinquent
5 subsequent to the date of sale, the court shall find that the
6 lien of those delinquent taxes has been or will be merged into
7 the tax deed grantee's title if the court determines that the
8 tax deed grantee or any prior holder of the certificate of
9 purchase, or any person or entity under common ownership or
10 control with any such grantee or prior holder of the
11 certificate of purchase, was at no time the holder of any
12 certificate of purchase for the years sought to be merged. If
13 delinquent taxes are merged into the tax deed pursuant to this
14 subsection, the court shall enter an order declaring which
15 specific taxes have been or will be merged into the tax deed
16 title and directing the county treasurer and county clerk to
17 reflect that declaration in the warrant and judgment records;
18 provided, that no such order shall be effective until a tax
19 deed has been issued and timely recorded. Nothing contained in
20 this Section shall relieve any owner liable for delinquent
21 property taxes under this Code from the payment of the taxes
22 that have been merged into the title upon issuance of the tax
23 deed.

24 (c) The county clerk is entitled to a fee of \$10 in
25 counties of 3,000,000 or more inhabitants and \$5 in counties
26 with less than 3,000,000 inhabitants for the issuance of the

1 tax deed, with the exception of deeds issued to the county
2 pursuant to its authority under Section 21-90. The clerk may
3 not include in a tax deed more than one property as listed,
4 assessed and sold in one description, except in cases where
5 several properties are owned by one person. The fee paid to the
6 county clerk for the issuance of the tax deed shall be
7 accompanied by a receipt from the county treasurer as trustee
8 of the indemnity fund proving payment of a nonrefundable
9 \$1,000 indemnity fund fee in counties of 3,000,000 or more
10 inhabitants and a receipt from the county treasurer as trustee
11 of the indemnity fund proving payment of a nonrefundable \$200
12 indemnity fund fee in counties with less than 3,000,000
13 inhabitants. All fees received under this subsection shall be
14 paid for the purpose of funding the county's indemnity fund
15 established under Section 21-295.

16 (d) Upon application, the court shall enter an order to
17 place the tax deed grantee or the grantee's successor in
18 interest in possession of the property and may enter orders
19 and grant relief as may be necessary or desirable to maintain
20 the grantee or the grantee's successor in interest in
21 possession.

22 (e) ~~(d)~~ The court shall retain jurisdiction to enter
23 orders pursuant to Section 22-100 and 22-101 and subsections
24 (b) and (c) of this Section. Public Act 92-223 and Public Act
25 95-477 shall be construed as being declarative of existing law
26 and not as a new enactment.

1 (f) ~~(e)~~ Prior to the issuance of any tax deed under this
2 Section, the petitioner must redeem all taxes and special
3 assessments on the property that are subject to a pending tax
4 petition filed by a county or its assignee pursuant to Section
5 21-90.

6 (g) ~~(f)~~ If, for any reason, a purchaser fails to obtain an
7 order for tax deed within the required time period and no sale
8 in error was granted or redemption paid, then the certificate
9 shall be forfeited to the county, as trustee, pursuant to
10 Section 21-90.

11 (h) Every order directing the county clerk to issue a tax
12 deed shall contain the name and last known address of the owner
13 or beneficial owner of the property.

14 (Source: P.A. 103-555, eff. 1-1-24; 104-417, eff. 8-15-25.)

15 (35 ILCS 200/22-55)

16 Sec. 22-55. Tax deeds to convey merchantable title. This
17 Section shall be liberally construed so that tax deeds shall
18 convey merchantable title. In the event the property has been
19 taken by eminent domain under the Eminent Domain Act, the tax
20 purchaser shall be entitled to the award which is the
21 substitute for the property. Tax deeds issued pursuant to this
22 Section are subject to Section 22-70. Nothing in Section
23 22-100 and Section 22-101 shall affect the merchantable title
24 conveyed upon the recording of the tax deed.

25 (Source: P.A. 94-1055, eff. 1-1-07.)

1 (35 ILCS 200/22-60)

2 Sec. 22-60. Contents of deed; recording; notice.

3 (a) Every tax deed shall contain the full names and the
4 true post office address and residence of grantee. A county
5 receiving a tax deed pursuant to Section 21-90 may designate a
6 specific county agency to be named as the deed grantee. It
7 shall not be of any force or effect, and the recipient shall
8 not take title to the property, until after the deed has been
9 recorded in the office of the recorder.

10 (b) In order to be entitled to a tax deed, the tax deed
11 grantee listed on the tax deed, including any county, trustee,
12 land bank or municipality, shall deliver to the county clerk a
13 notice to be given to the person or persons found to be the
14 last known record owner or beneficial owner of the property in
15 the order directing issuance of tax deed, in at least 10-point
16 type in the following form completely filled in:

17 Notice of Tax Deed

18 I,....., County Clerk in and for said County, in the State
19 of Illinois, do hereby certify that on, 20.. I sent by certified
20 mail postage prepaid, and by first class mail the following
21 notice to the following parties, addressed as follows: Name of
22 name of the owner or beneficial owner of the property listed in
23 the 22-40(a) judgment;

24 Address of the owner or beneficial owner of the property
25 listed in the 22-40(a) judgment;

1 PLEASE TAKE NOTICE that tax deed number was issued
2 to..... pursuant to court order for the property identified by
3 property index number and commonly known as....., city,
4 Illinois, in County, Illinois.

5 Upon the tax deed being recorded pursuant to Section
6 22-60, all right, title, and interest to the property will be
7 taken and title transferred to the named tax deed grantee.

8 The record owner of the property or any beneficial owner
9 of the property has 120 days from the date of this notice to
10 apply for the Tax Deed Equity Fund payment pursuant to
11 Sections 22-100 and 22-101. For more information, contact the
12 county treasurer in which the property is located.

13 County Clerk
14, County, Illinois

15 Dated:

16 (c) Upon receiving the order directing the county clerk to
17 issue a tax deed, the notice provided in this Section, and the
18 form tax deed, the county clerk shall stamp the date of receipt
19 of the notice and shall within 7 days of receipt give notice by
20 certified mail return receipt requested and first class mail
21 to the last known record owner or beneficial owner listed in
22 the notice received from the tax deed grantee;

23 (d) The tax deed grantee shall record the stamped notice
24 from the county clerk provided in this Section as an
25 attachment to the tax deed.

26 (Source: P.A. 103-555, eff. 1-1-24.)

1 (35 ILCS 200/22-65)

2 Sec. 22-65. Form of deed. A tax deed executed by the county
3 clerk under the official seal of the county shall be recorded
4 in the same manner as other conveyances of property, and vests
5 in the grantee, his or her heirs and assigns, the title of the
6 property therein described without further acknowledgment or
7 evidence of the conveyance. Tax deeds issued under this
8 Section shall not require prior to recording, municipal
9 transfer or exemption stamps and shall not be subject to any
10 municipal real estate transfer taxes, including any charges
11 for water. The conveyance shall be substantially in the
12 following form:

13 State of Illinois)

14) ss.

15 County of)

16 At a public sale of property for the nonpayment of taxes,
17 held in the county above stated, on (insert date), the
18 following described property was sold: (here place description
19 of property conveyed). The property not having been redeemed
20 from the sale, and it appearing that the holder of the
21 certificate of purchase of the property has complied with the
22 laws of the State of Illinois necessary to entitle (insert
23 him, her or them) to a deed of the property: I, county
24 clerk of the county of, in consideration of the property
25 and by virtue of the statutes of the State of Illinois in such

1 cases provided, grant and convey to, his or her heirs and
2 assigns forever, the property described above.

3 Dated (insert date).

4 Signature of County Clerk

5 Seal of County of, Illinois

6 (Source: P.A. 91-357, eff. 7-29-99.)

7 (35 ILCS 200/22-80)

8 Sec. 22-80. Order of court setting aside tax deed;
9 payments to holder of deed.

10 (a) Any order of court vacating an order directing the
11 county clerk to issue a tax deed based upon a finding that the
12 property was not subject to taxation or special assessment, or
13 that the taxes or special assessments had been paid prior to
14 the sale of the property, or that the tax sale was otherwise
15 void, shall declare the tax sale to be a sale in error pursuant
16 to Section 21-310 of this Act. The order shall direct the
17 county collector to refund to the tax deed grantee or his or
18 her successors and assigns (or, if a tax deed has not yet
19 issued, the holder of the certificate) the following amounts:

20 (1) all taxes and special assessments purchased, paid,
21 or redeemed by the tax purchaser or his or her assignee, or
22 by the tax deed grantee or his or her successors and
23 assigns, whether before or after entry of the order for
24 tax deed, with interest at the rate of 1% per month from
25 the date each amount was paid until the date of payment

1 pursuant to this Section;

2 (2) all costs paid and posted to the judgment record
3 and not included in paragraph (1) of this subsection (a);
4 and

5 (3) court reporter fees for the hearing on the
6 application for tax deed and transcript thereof, the cost
7 of certification of tax deed order, the cost of issuance
8 of tax deed, and the cost of recording of tax deed.

9 (b) Except in those cases described in subsection (a) of
10 this Section, and unless the court on motion of the tax deed
11 petitioner extends the redemption period to a date not later
12 than 3 years from the date of sale, any order of court finding
13 that an order directing the county clerk to issue a tax deed
14 should be vacated shall direct the party who successfully
15 contested the entry of the order to pay to the tax deed grantee
16 or his or her successors and assigns (or, if a tax deed has not
17 yet issued, the holder of the certificate) within 90 days
18 after the date of the finding:

19 (1) the amount necessary to redeem the property from
20 the sale as of the last day of the period of redemption,
21 except that, if the sale is a scavenger sale pursuant to
22 Section 21-260 of this Act, the redemption amount shall
23 not include an amount equal to all delinquent taxes on
24 such property which taxes were delinquent at the time of
25 sale; and

26 (2) amounts in satisfaction of municipal liens paid by

1 the tax purchaser or his or her assignee, and the amounts
2 specified in paragraphs (1) and (3) of subsection (a) of
3 this Section, to the extent the amounts are not included
4 in paragraph (1) of this subsection (b).

5 (3) if the tax deed grantee is a municipality,
6 trustee, or county authority, the amount necessary to
7 redeem the property from the sale as of the last day of the
8 period of redemption shall be paid to the county clerk in
9 satisfaction of the amounts due under this Section, except
10 that, if the sale is a scavenger sale pursuant to Section
11 21-260 of this Act, the redemption amount shall not
12 include an amount equal to all delinquent taxes on such
13 property which taxes were delinquent.

14 (4) If the payment is not made within the 90-day
15 period, the petition to vacate the order directing the
16 county clerk to issue a tax deed shall be denied with
17 prejudice, and the order directing the county clerk to
18 issue a tax deed shall remain in full force and effect. No
19 final order vacating any order directing the county clerk
20 to issue a tax deed shall be entered pursuant to this
21 subsection (b) until the payment has been made.

22 (Source: P.A. 91-357, eff. 7-29-99.)

23 (35 ILCS 200/22-100 new)

24 Sec. 22-100. Tax Deed Equity Fund; collection by county
25 treasurers.

1 (a) Each county treasurer shall transmit to the State
2 Treasurer all Tax Deed Equity Fund payments paid to the county
3 treasurer under this section and in the county treasurer's
4 possession after each tax sale, with a report under oath
5 identifying the total amount of property tax liens sold and
6 the amount collected for the Tax Deed Equity Fund from each
7 lien. Those amounts and the report shall be transmitted to and
8 received by the State Treasurer by the 10th day after each tax
9 sale and held in an interest bearing escrow account separate
10 from all other accounts of any county. At the same time, a copy
11 of the report shall be furnished to the Attorney General. The
12 report shall be in a form and contain the particulars as the
13 State Treasurer may prescribe. The State Treasurer shall give
14 the county treasurer a receipt for the amount transmitted to
15 the State Treasurer. Except as provided in subsection (a-5) of
16 this Section, if any county treasurer fails to pay to the State
17 Treasurer all amounts that may be due and payable as required
18 by this Section, the county treasurer shall pay to the State
19 Treasurer, as a penalty, a sum of money equal to the interest
20 on the amounts not paid at the rate of 1% per month from the
21 time those amounts are due by the county treasurer until those
22 amounts are paid. The sureties upon the official bond of the
23 county treasurer shall be security for the payment of the
24 penalty. The penalty under this Section may be recovered in a
25 civil action against the county treasurer and his or her
26 sureties, in the name of the People of the State of Illinois,

1 in the circuit court of the county in which the county
2 treasurer is resident; and the penalty, when recovered, shall
3 be paid into the State treasury. The civil action to recover
4 the penalty shall be brought by the State Treasurer within 10
5 days after the failure of the county treasurer to pay to the
6 State Treasurer any amounts collected by the county treasurer
7 within the time required by this Section. Failure to bring the
8 action within that time shall not prevent the bringing of the
9 action thereafter. It is the duty of the State Treasurer to
10 make necessary and proper investigation to determine what
11 amounts should be paid under this Section.

12 (b) The State Treasurer may waive penalties imposed by
13 subsection (a) of this Section on a case-by-case basis if the
14 State Treasurer finds that imposing penalties would be
15 unreasonable or unnecessarily burdensome because the delay in
16 payment was due to an incident caused by the operation of an
17 extraordinary force, including, but not limited to, the
18 occurrence of a natural disaster, that cannot be foreseen,
19 that cannot be avoided by the exercise of due care, and for
20 which no person can be held liable.

21 (c) The total amount collected from the county treasurer
22 shall be deposited into the Tax Deed Equity Fund, a special
23 fund created in the State treasury.

24 (d) Moneys in the Tax Deed Equity Fund shall be expended
25 exclusively for the purpose of paying the amount ordered for
26 equity surplus payments to Illinois property owners who have

1 lost their property by a recorded tax deed, except that,
2 beginning no less than 2 years after the effective date of this
3 amendatory Act of the 104th General Assembly, whenever the
4 State Treasurer determines that any such moneys in the Tax
5 Deed Equity Fund exceed the amount of payments ordered, the
6 State Treasurer may transfer any such excess amounts from the
7 Tax Deed Equity Fund to the county treasurer's indemnity fund
8 equal to the percentage portion of the total amount paid into
9 the Tax Deed Equity Fund on a per sale basis. The county
10 treasurer shall make written request for payment from the Tax
11 Deed Equity Fund pursuant to the court order on the
12 application for equity fund payment as provided in this
13 Section. The State Treasurer shall review and account for the
14 Tax Deed Equity Fund and may adjust the payment requirements
15 provided in section 22-101(f) and (g) from time to time as
16 required to maintain sufficient and appropriate sums in the
17 Tax Deed Equity Fund as necessary.

18 (e) This Section shall constitute an irrevocable and
19 continuing appropriation from Illinois tax lien purchases for
20 the purpose of paying tax deed equity surplus payments to
21 divested property owners whose property is conveyed by tax
22 deed for the non-payment of real estate taxes upon the order of
23 the Treasurer in accordance with the provisions of this
24 Section and for the purpose of paying equity surplus to the
25 divested property owner as required by the United States and
26 Illinois constitutions.

1 (f) In counties of less than 3,000,000 inhabitants, each
2 person purchasing any property at a sale under this Code shall
3 pay to the county treasurer a nonrefundable Tax Deed Equity
4 Fund fee equal to 10% of the total amount of each item
5 purchased under Section 21-240. A like sum shall be paid for
6 each year that all or a portion of subsequent taxes paid by the
7 tax purchaser and posted to the sale. The 10% fee of the total
8 certificate amount shall be paid by all certificate holders
9 including any municipality, trustee, or county authority who
10 acquire a certificate under Section 21-90.

11 (g) In counties with 3,000,000 or more inhabitants, each
12 person purchasing property at a sale under this Code shall pay
13 to the county treasurer a nonrefundable Tax Deed Equity Fund
14 fee of \$250 for each item purchased under Section 21-240. In
15 these counties, the certificate holder shall also pay to the
16 county treasurer a fee of \$150 for each year that all or a
17 portion of subsequent taxes are paid by the tax purchaser and
18 posted to the sale. The \$250 fee per certificate shall be paid
19 by all certificate holders including any municipality,
20 trustee, or county authority who acquire a certificate under
21 Section 21-90.

22 (h) The Tax Deed Equity Fund fees collected under (f) and
23 (g) shall be collected, disbursed and accounted for as set
24 forth in (a).

25 (i) The amount paid prior to issuance of the certificate
26 of purchase pursuant to subsection (f) and (g) shall be

1 included in the purchase price of the property in the
2 certificate of purchase and shall not be included in the
3 amount required to redeem under Section 21-355. All money
4 received under subsection (b) or (c) shall be paid by the
5 Collector to the county treasurer who shall transmit to the
6 State Treasurer all such payments collected pursuant to
7 Section 21-100. The changes made to this Section by this
8 amendatory Act of the 104th General Assembly apply to matters
9 concerning tax certificates issued on or after the effective
10 date of this amendatory Act of the 104th General Assembly.

11 (35 ILCS 200/22-101 new)

12 Sec. 22-101. Application for Tax Deed Equity Fund Payment.

13 (a) No payment shall be made from the Tax Deed Equity Fund,
14 except on application to the Tax Deed Equity Fund and judgment
15 as provided in this Section. Applications for Tax Deed Equity
16 Fund payments may be filed with the county treasurer in which
17 the land is situated at any time after the tax deed is recorded
18 and for a period of no less than 120 days after the tax deed is
19 recorded. The application shall be made in the following form,
20 completely filled in and submitted on or before 120 days after
21 the date the notice under subsection (b) of Section 22-60 is
22 given to the last known record owner or beneficial owner of the
23 property, to the county treasurer in which the property is
24 located, along with a non-refundable application fee as
25 designated by the applicable county treasurer:

APPLICATION FOR TAX DEED EQUITY FUND PAYMENT

Name

Address.....

City State Zip

Telephone No.....

Email Address.....

Date of Application.....

I,....., was the owner, beneficial owner, or possessed a property interest in the property commonly known as, identified by parcel/property index number until a tax deed was recorded on(date) in County, Illinois. A copy of the deed providing my ownership interest and the recorded tax deed are attached to this application.

.....(initial here) I agree to the County Assessor's determination of the estimated fair market value of the property for the year in which the tax deed was recorded.

.....(initial here) I do not agree to the County Assessor's determination of the estimated fair market value of the property for the year in which the tax deed was recorded and will provide within 30 days of this application an certified appraisal from an Illinois licensed appraiser stating the fair market value of the property lost to tax deed as of the date the tax deed was recorded.

.....(initial here) I acknowledge that any contract involving the proceeds of a Tax Deed Equity Fund payment under this Section, between the tax deed grantee or its successors

1 in title and the Tax Deed Equity Fund claimant or his or her
2 successors, shall be in writing. For any application brought
3 under this Section, any contract involving the proceeds of the
4 Tax Deed Equity Fund application shall be attached to the
5 application and include the identity of all persons
6 beneficially interested in the contract, directly or
7 indirectly, including at least the following information:

8 (1) the names and addresses of any natural persons;
9 the place of incorporation of any corporation and the
10 names and addresses of its shareholders unless it is
11 publicly held; the names and addresses of all general and
12 limited partners of any partnership;

13 (2) the names and addresses of all persons having an
14 ownership interest in any entity doing business under an
15 assumed name, and the county in which the assumed business
16 name is registered; and the nature and extent of the
17 interest in the contract of each person identified;

18 (3) the time period during which the contract was
19 negotiated and agreed upon, from the date of the first
20 direct contact between any of the contracting parties and
21 the date of its execution;

22 (4) the name and address of each natural person who
23 took part in negotiating the contract between any
24 contracting parties to the date of its execution;

25 (5) the existence of an agreement for the payment of
26 attorney's fees by or on behalf of each party;

1 (6) the terms of the contract shall not be used as
2 evidence of value.

3 (initial here) I have not entered into a contract to
4 assign any payment sought in this Application and understand
5 that I am required to supplement my Application if a contract
6 is entered into after submission of this Application or court
7 order granting my application and directing payment from the
8 Tax Deed Equity Fund.

9 (initial here) I have entered into a contract to
10 assign payment from the Tax Deed Equity Fund sought in this
11 Application. A copy of the contract is attached to this
12 Application.

13 Under penalties as provided by law pursuant to Section
14 1-109 of the Code of Civil Procedure, the undersigned
15 certifies that the statements in this instrument are true and
16 correct.

17 Date: Claimant Name

18 Claimant Signature

19 (b) Upon receipt of the application, the county treasurer,
20 through his or her counsel or designated agent, shall review
21 the application and request any additional documents necessary
22 from the claimant.

23 Upon review of the application, and if approved, the
24 county treasurer pursuant to Section 22-40(d) shall file an
25 administrative application for Tax Deed Equity Fund Payment in
26 the court that entered the order directing the county clerk to

1 issue a tax deed. The treasurer shall provide the total amount
2 of taxes, penalties and interest paid by the tax deed grantee
3 to obtain the tax deed including the costs of sale as provided
4 by the county treasurer pursuant to the county records.

5 (c) At the hearing, the court shall determine the Tax Deed
6 Equity Fund award amount based on the claimant's application
7 for Tax Deed Equity Surplus assessed or appraised value of the
8 property or any county treasurer challenge thereto, less the
9 total amount of taxes, penalties, and interest paid by the tax
10 deed grantee to obtain the tax deed including the costs of sale
11 as provided by the county treasurer pursuant to the county
12 records. The property's surplus or excess value shall be paid
13 pursuant to a judgment entered by the court. The property's
14 surplus or excess value shall be the subject of the Tax Deed
15 Equity Fund under Sections 22-100 and 22-101. No interest
16 shall be paid for any payment ordered under this subsection.

17 (d) Within 5 business days, the county treasurer shall
18 transmit the order for payment to the State Treasurer for
19 payment including the name and address of the person entitled
20 to payment.

21 (e) The county shall be allowed to pass an ordinance to
22 charge an application fee of up to \$100 per application for
23 payment from the Tax Deed Equity Fund.

24 (f) The divested property equity amount shall be
25 calculated by the adjudicated amount of the fair market value
26 of the property under subsection (c) of 22-100 at the time of

1 loss, less: (1) the principal amount of taxes paid to obtain
2 the tax deed, including all statutory interest, fees and costs
3 posted to the tax sale paid by the tax deed grantee; and (2)
4 any taxes paid subsequent to the last day to redeem but prior
5 to entry of the order directing the county clerk to issue a tax
6 deed.

7 (g) If any owner or claimant with a valid ownership
8 interest in the property lost to tax deed files a petition to
9 vacate the tax deed order pursuant to Section 2-1203 or 2-1401
10 of the Code of Civil Procedure or seek a finding that the tax
11 deed is otherwise void, the time from the date of filing
12 through final judgment thereon shall be excluded from
13 computation of the 120 days as provided in this Section.

14 (h) Claimants seeking just compensation under this Section
15 may recover attorney's fees for the purpose of encouraging
16 settlement and prompt administrative handling of applications.
17 The amount of attorney's fees on applications for Tax Deed
18 Equity Fund payment that are undisputed by the county
19 treasurer shall not exceed \$500 in connection with the
20 claimant's preparation, filing, or advancement of any
21 application for equity fund payment unless there is a contract
22 involving the proceeds of a Tax Deed Equity Fund payment
23 between the tax deed grantee or its successors in title and the
24 Tax Deed Equity Fund claimant or his or her successors.

25 (i) The county clerk shall mark his or her official
26 judgment and sale records for the tax deed issued with

1 notation of the total amount paid from the Tax Deed Equity Fund
2 for the tax deed.

3 The changes made to this Section by this amendatory Act of
4 the 104th General Assembly apply to matters concerning tax
5 certificates issued on or after the effective date of this
6 amendatory Act of the 104th General Assembly.